

SOLUTION OVERVIEW

FTSE Global Choice Index Series

Aligning investment choices with values

Overview

An increasing number of investors want to align their portfolio with their values. One approach to accomplishing this objective is to select companies based on their impact on society and the environment.

The FTSE Global Choice Index Series is a market capitalisation weighted index series with a rules-based methodology for defining how the products and conduct of a company impact society and the environment. The result is a framework for applying robust and customisable values-based exclusions to a broad market index.

Definitions

The FTSE Global Choice Index Series includes negative screens in three product categories and two conduct categories:

- The product-related screening criteria covers: Non-Renewable Energy, Vice Products, and Weapons
- The conduct-related screening criteria covers: Controversies and Diversity practices

Individual indices within the FTSE Global Choice Index Series may only apply a subset of the screening categories.

Features

- Based on any selection of FTSE Russell's equity universe, which captures 98% of the world's investable market capitalisation
- Company screening based on fundamental research about a company's business lines, product involvement and conduct
- Transparent, rules-based framework for applying values-based exclusions to a broad index

Benefits

- Comprehensive set of product and conduct screens in the standard index family
- Clients can construct bespoke 'Choice' indices based on particular subsets of the screens that align their investment objectives with their values



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Companies in the underlying index universe are researched annually for eligibility against the screens based on publicly reported information.

Product categories			Conduct categories	
Non-Renewable Energy <ul style="list-style-type: none"> - Fossil Fuels - Nuclear Power 	Vice Products <ul style="list-style-type: none"> - Adult Entertainment - Alcohol - Gambling - Tobacco 	Weapons <ul style="list-style-type: none"> - Chemical & Biological Weapons - Cluster Munitions - Anti-Personnel Landmines - Nuclear Weapons - Conventional Military Weapons - Firearms 	Controversies <ul style="list-style-type: none"> - Anti-Corruption - Environment - Human Rights - Labor 	Diversity <ul style="list-style-type: none"> - Board diversity - Equal opportunities practices 

Index construction process

Starting universe

Start with the market capitalisation weighted index universe, dependent on the exposure required, e.g. FTSE Global All Cap, FTSE Developed or FTSE Emerging Index.

Step 1

Screening

Exclude companies based on the defined product and conduct screens:

Product categories			Conduct categories	
Non-Renewable Energy 	Vice Products 	Weapons 	Controversies 	Diversity 

Step 1

Step 2

Publish and Review Index

The index is reviewed quarterly in March, June, September, and December.

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