

# FTSE US Risk Premium Return on Equity Long Only Index

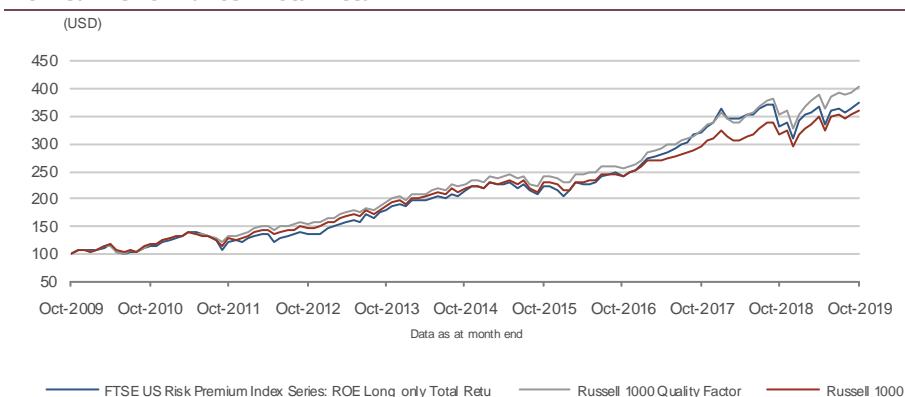
Data as at: 31 October 2019

The FTSE US Risk Premium Return on Equity Long Only Index includes high return on equity US large/mid cap stocks and maximizes industry participation providing both diversification and quality.

In each industry, return on equity is calculated by generating each stock's trailing 12 month net income divided by average equity as of the calculation date. Average equity is defined as the average of the common equity for the most recent fiscal year and the previous fiscal year. Each stock is given a z-score, ranging +3.0 to -3.0, based on the magnitude of its return on equity vs other stocks in the industry. Stock z-scores for all industries are combined and ranked highest to lowest.

The top 40 ranked stocks are selected. Reconstitution/rebalancing is monthly. All constituents are equal weighted.

## 10-Year Performance - Total Return



## Performance and Volatility - Total Return

Index (USD)	Return %						Return pa %*		Volatility %**		
	3M	6M	YTD	12M	3YR	5YR	3YR	5YR	1YR	3YR	5YR
FTSE US Risk Premium Index Series: ROE Long only Total Retu	3.3	2.0	21.5	13.2	55.1	74.3	15.7	11.8	17.3	13.5	13.9
Russell 1000 Quality Factor	2.4	4.1	23.1	14.0	58.7	77.6	16.6	12.2	16.2	12.5	12.0
Russell 1000	2.0	3.8	23.1	14.2	51.0	65.1	14.7	10.5	15.8	12.0	12.0

\* Compound annual returns measured over 3 and 5 years respectively

\*\* Volatility – 1YR based on 12 months daily data. 3YR based on weekly data (Wednesday to Wednesday). 5YR based on monthly data

## Year-on-Year Performance - Total Return

Index % (USD)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
FTSE US Risk Premium Index Series: ROE Long only Total Retu	59.5	12.1	-0.6	13.9	38.4	17.7	-2.8	16.4	34.2	-9.1
Russell 1000 Quality Factor	26.7	14.5	8.5	16.1	31.7	13.3	2.1	10.7	28.1	-2.7
Russell 1000	28.4	16.1	1.5	16.4	33.1	13.2	0.9	12.1	21.7	-4.8

## FEATURES

### Objective

The index is designed for use in the creation of index tracking funds, derivatives and as a performance benchmark.

### Investability

Stocks are selected and weighted to ensure that the index is investable.

### Liquidity

Stocks are screened to ensure that the index is tradable.

### Transparency

The index uses a transparent, rules-based construction process. Index Methodologies are freely available on the FTSE Russell website.

### Availability

The index is calculated based on price and total return methodologies, both real time (USD) and end of day.

### Industry Classification Benchmark (ICB)

Index constituents are categorized in accordance with the Industry Classification Benchmark (ICB), the global standard for industry sector analysis.

Return/Risk Ratio and Drawdown - Total Return

Index (USD)	Return/Risk Ratio				Drawdown (%)			
	1YR	3YR	5YR	10YR	1YR	3YR	5YR	10YR
FTSE US Risk Premium Index Series: ROE Long only Total Retu	0.7	1.2	0.8	1.0	-17.6	-23.6	-23.6	-24.3
Russell 1000 Quality Factor	0.8	1.4	1.0	1.3	-16.3	-19.9	-19.9	-19.9
Russell 1000	0.9	1.3	0.9	1.1	-16.2	-19.7	-19.7	-19.7

Return/Risk Ratio – based on compound annual returns and volatility in Performance and Volatility table  
Drawdown - based on daily data

Top 5 Constituents

Constituent	ICB Sector	Net MCap (USDm)	Wgt %
Biogen	Pharmaceuticals & Biotechnology	70,476	3.16
American Airlines Group	Travel & Leisure	62,325	2.80
Phillips 66	Oil & Gas Producers	61,723	2.77
Vertex Pharm	Pharmaceuticals & Biotechnology	60,848	2.73
Bristol Myers Squibb	Pharmaceuticals & Biotechnology	60,386	2.71
Totals		315,758	14.17

ICB Supersector Breakdown

ICB Code	ICB Supersector	No. of Cons	Net MCap (USDm)	Wgt %
0500	Oil & Gas	4	220,422	9.89
1300	Chemicals	2	111,402	5.00
1700	Basic Resources	1	57,453	2.58
2700	Industrial Goods & Services	3	154,278	6.93
3700	Personal & Household Goods	1	50,773	2.28
4500	Health Care	7	418,596	18.79
5300	Retail	4	224,664	10.08
5500	Media	1	49,796	2.24
5700	Travel & Leisure	2	115,075	5.17
6500	Telecommunications	1	53,750	2.41
7500	Utilities	1	54,195	2.43
8700	Financial Services	3	169,921	7.63
9500	Technology	10	547,383	24.57
Totals		40	2,227,708	100.00

Index Characteristics

Attributes	FTSE US Risk Premium Index Series: ROE Long only Total Retu
Number of constituents	40
Dividend Yield %	2.02
Constituent (Wgt %)	
Average	2.50
Largest	3.16
Median	2.50
Top 10 Holdings (Wgt %)	27.36

INFORMATION

Index Universe

FTSE USA Index

Base Date

3 August 2001

Base Value

100

Investability Screen

Actual free float applied and liquidity screened

Index Calculation

Real-time and end-of-day index available

End-of-Day Distribution

Via FTP and email

Currency

USD, EUR, GBP, JPY

Review Dates

Monthly

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Data definitions available from  
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