

FTSE CDP CARBON STRATEGY INDEX SERIES

The FTSE CDP Carbon Strategy Index Series are carbon-risk-tilted versions of FTSE's established benchmark indices and aim to support investors in incorporating climate change risks into their investment strategy.

There are six indices in the FTSE CDP Carbon Strategy Index Series:

FTSE CDP Carbon Strategy Index	Corresponding FTSE benchmark
Carbon Strategy 350	FTSE UK 350
Carbon Strategy All-Share	FTSE UK All Share
Carbon Strategy Europe	FTSE All-World Developed Europe
Carbon Strategy Japan	FTSE All-World Developed Japan
Carbon Strategy Australia 300	FTSE ASFA Australia 300
Carbon Strategy Australia 200	FTSE ASFA Australia 200

KEY PRINCIPLES

Mitigating and adapting to climate change is one of the biggest challenges for the 21st century and will be a major structural driver of economic change.

Investor risks

Climate change and efforts to reduce carbon emissions present risks to the profitability of companies and portfolios. The risks are not yet well understood and may not yet be fully reflected in share prices.

Future orientated

In assessing how well positioned a company is, it is important to emphasise future risks, trends and strategy – especially the impact of existing and planned regulation – not just past emissions performance.

Transparent models

The assessment methods and sources of forecasts are transparent and employ relatively simple and credible risk models.

Material sector focus

Carbon risks are much more material in some sectors than others. Companies in the most exposed sectors will see their weights in the indices varied to the greatest extent, those in lower risk sectors will have small adjustments.

Tracking error and performance

The index series aims to closely track the performance of established FTSE benchmark indices and includes all of the underlying constituents. The constituents remain the same, however their stocks are re-weighted to reflect each constituent's carbon risk as measured against sector peers. The overall weights of each sector are the same as for their benchmark indices, but some companies in each sector are over-weighted, while others are under-weighted.

INFORMATION

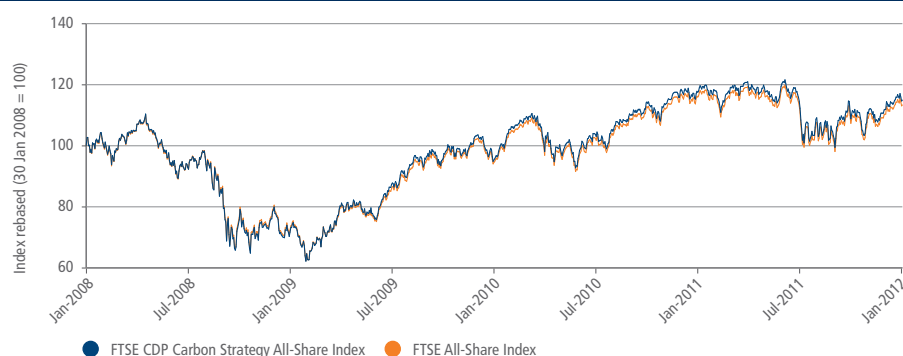
For further details on the FTSE CDP Carbon Strategy Index Series please visit www.ftse.com/carbon

FTSE CDP CARBON STRATEGY 350 INDEX 4-YEAR PERFORMANCE (GBP TOTAL RETURN)



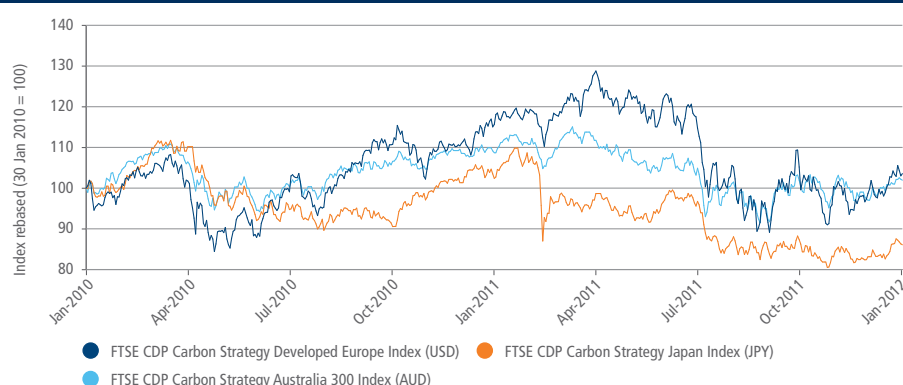
SOURCE: FTSE Group, data as at 31 January 2012

FTSE CDP CARBON STRATEGY ALL-SHARE INDEX 4-YEAR PERFORMANCE (GBP TOTAL RETURN)



SOURCE: FTSE Group, data as at 31 January 2012

NEW FTSE CDP CARBON STRATEGY INDICES 2 YEAR CHART (TOTAL RETURN)



SOURCE: FTSE Group, data as at 31 January 2012

PERFORMANCE AND VOLATILITY TABLE (GBP TOTAL RETURN)

	PERFORMANCE					VOLATILITY	
	3M (%)	6M (%)	YTD (%)	12M (%)	3YR (%)	1YR Vol (%pa)*	3YR Vol (%pa)**
FTSE CDP Carbon Strategy 350 Index	3.2	-1.3	2.6	-0.1	60.0	20.9	19.0
FTSE 350 Index	3.2	-1.3	2.6	-0.1	56.5	20.8	18.8
FTSE CDP Carbon Strategy All-Share Index	3.2	-1.5	2.7	-0.3	60.5	20.6	18.9
FTSE All-Share Index	3.2	-1.5	2.7	-0.3	56.9	20.6	18.7
FTSE CDP Carbon Strategy Developed Europe Index (USD)	-1.5	-11.9	4.9	-10.4	50.8	30.1	26.7
FTSE Developed Europe Index (USD)	-1.6	-11.9	5.0	-10.5	50.7	30.1	26.7
FTSE CDP Carbon Strategy Japan Index (JPY)	-1.4	-10.0	3.5	-15.9	0.6	22.3	20.1
FTSE Japan Index (JPY)	-1.5	-10.0	3.5	-16.0	0.6	22.4	20.1
FTSE CDP Carbon Strategy Australia 200 Index (AUD)	0.0	-1.2	5.1	-6.2	-	19.5	-
FTSE CDP Carbon Strategy Australia 300 Index (AUD)	0.0	-1.4	5.1	-6.5	-	19.5	-
FTSE ASFA Australia 200 Index (AUD)	0.0	-1.2	5.1	-6.1	-	19.5	-
FTSE ASFA Australia 300 Index (AUD)	0.0	-1.4	5.2	-6.4	-	19.5	-

* Based on daily annualised total returns using 252 trading days in a year

** Based on weekly annualised total returns using 52 weeks (Wednesday to Wednesday)

SOURCE: FTSE Group, data as at 31 January 2012

TRACKING ERROR AGAINST BENCHMARK (TOTAL RETURN)

	1YR (%pa)*	3YR (%pa)**
FTSE CDP Carbon Strategy 350 Index	0.07	0.73
FTSE CDP Carbon Strategy All-Share Index	0.07	0.72
FTSE CDP Carbon Strategy Developed Europe Index (USD)	0.07	0.08
FTSE CDP Carbon Strategy Japan Index (JPY)	0.11	0.10
FTSE CDP Carbon Strategy Australia 200 Index (AUD)	0.07	-
FTSE CDP Carbon Strategy Australia 300 Index (AUD)	0.08	-

* Based on daily annualised total returns using 252 trading days in a year

** Based on weekly annualised total returns using 52 weeks (Wednesday to Wednesday)

SOURCE: FTSE Group, data as at 31 January 2012

IMPACT OF CARBON RISK ADJUSTMENTS – LARGEST CONSTITUENT WEIGHT CHANGES

Constituent Name	Weight Carbon Strategy Index	Weight Change from benchmark index	Subsector
FTSE CDP CARBON STRATEGY 350			
BP	5.41%	0.18% ▲	Oil & Gas Producers
National Grid	1.46%	0.13% ▲	Gas, Water & Multiutilities
Anglo American	2.17%	0.12% ▲	Mining
Royal Dutch Shell B	3.59%	-0.07% ▼	Oil & Gas Producers
International Power	0.23%	-0.07% ▼	Gas, Water & Multiutilities
Royal Dutch Shell A	4.73%	-0.08% ▼	Oil & Gas Producers
FTSE CDP CARBON STRATEGY EUROPE			
BP	2.18%	0.15% ▲	Oil & Gas Producers
National Grid	0.60%	0.08% ▲	Gas, Water & Multiutilities
Syngenta	0.49%	0.08% ▲	Chemicals
Statoil ASA	0.38%	-0.09% ▼	Oil & Gas Producers
Air Liquide	0.40%	-0.12% ▼	Chemicals
Total	1.58%	-0.13% ▼	Oil & Gas Producers
FTSE CDP CARBON STRATEGY JAPAN			
Toyota Motor	4.35%	0.32% ▲	Automobiles & Parts
Mitsubishi UFJ Financial	3.05%	0.06% ▲	Banks
INPEX Corporation	0.92%	0.06% ▲	Oil & Gas Producers
Fuji Heavy Industries	0.13%	-0.05% ▼	Automobiles & Parts
Suzuki Motor	0.35%	-0.09% ▼	Automobiles & Parts
Nissan Motor	0.88%	-0.10% ▼	Automobiles & Parts
FTSE CDP CARBON STRATEGY AUSTRALIA 200			
BHP Billiton Ltd	12.13%	0.38% ▲	Mining
Rio Tinto Ltd.	3.00%	0.06% ▲	Mining
Woodside Petroleum	2.07%	0.05% ▲	Oil & Gas Producers
Fortescue Metals Group	0.57%	-0.04% ▼	Industrial Metals & Mining
Whitehaven Coal	0.15%	-0.06% ▼	Mining
Newcrest Mining	2.41%	-0.10% ▼	Mining

SOURCE: FTSE Group, data as at 31 January 2012

PARTNERS

ENDS CARBON

ENDS Carbon is a leading provider of carbon performance benchmarking, ratings and risk analysis. Originating from the Carbon Benchmarking Project at Edinburgh University Business School, ENDS Carbon is now part of the ENDS Report which has been at the forefront of environment and energy business intelligence in the UK for over 30 years. Led by a team of asset management and index construction specialists, ENDS Carbon has partnered with FTSE and CDP to provide its expertise in the creation of the FTSE CDP Carbon Strategy Index Series.

ENDS Carbon will publish a series of reports associated with the index series which will enable constituent companies and investors to benchmark performance.

www.endscarbon.com



CARBON DISCLOSURE PROJECT (CDP)

The Carbon Disclosure Project (CDP) is an independent not-for-profit organisation providing a transformative global system for companies and cities to measure, disclose, manage, and share climate change and water information.

Over 3,700 companies across the world's largest economies now measure and disclose their greenhouse gas emissions and assessment of climate change risk and opportunity through CDP, in order that they can set reduction targets and make performance improvements. This data is gathered on behalf of 655 institutional investors, holding US\$78 trillion in assets. CDP now holds the largest collection globally of self-reported climate change data.

www.cdproject.net

CARBON DISCLOSURE PROJECT

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