

FTSE GLOBAL STYLE INDEX SERIES

The premier tool for investors to enhance their portfolio's performance with growth and value strategies.

The FTSE Global Style Index Series is a highly sophisticated, but easy to use solution for identifying and measuring value and growth markets. It is the ideal tool for style asset allocation, performance measurement and investment monitoring.

Value companies tend to show good value in relation to selling price and as such companies tend to have low price-to-earnings or price-to-book (assets minus liabilities) ratios. If you are investing in a Value company you are investing on the basis of the ratio between the share price and the underlying value of the company.

Growth companies are expected to exceed the average return of the market. Growth stocks are often characterised by favourable fundamental ratios such as steadily increasing revenue growth, as well as steadily increasing earnings. If you are investing in a Growth company you are investing on the basis of the anticipated growth of the company.

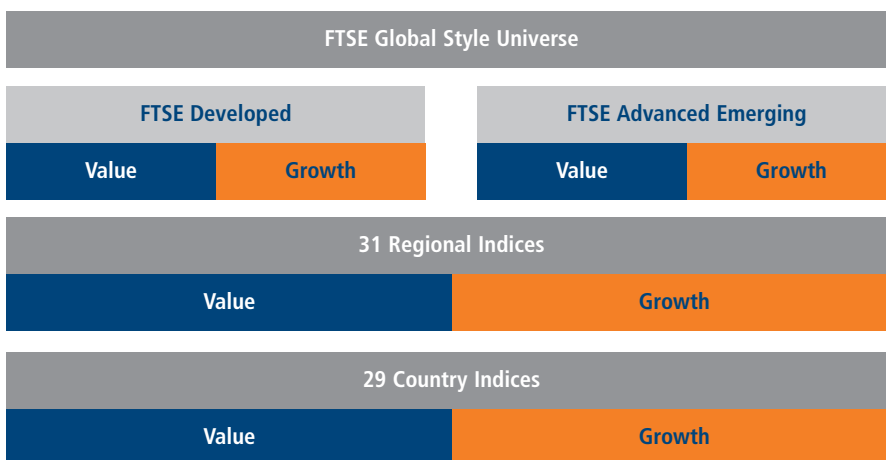
FEATURES

- Better identification of value and growth stocks through the thought-leading Overall Style Ranking Concept
- Transparent rules driven methodology
- Country neutrality
- Dual analytical approach – value and growth treated as distinct asset classes
- Eurozone treated as a single entity
- Companies' market capitalisation proportionally allocated to value and growth indices
- Innovative construction methodology ensures no double counting, avoiding any tracking error to the underlying benchmark
- FTSE products provide the underlying data used in calculating the Style weight of a stock (fundamental data)
- With over 480 different indices, the series allows for segmentation of the investable universe in combinations to suit any mandate

THE DEFINITIVE STYLE METHODOLOGY

In a continually evolving market, one of the biggest challenges for Style Managers is identifying a stock as either a growth or value stock. The FTSE Global Style Index Series methodology uses the thought-leading Overall Style Ranking Concept to give an unsurpassed accuracy to the classification of value and growth stocks.

THE FRAMEWORK



2,500+ Stocks

The FTSE Global Style Index Series is comprised of value and growth indices for each of the underlying country and regional indices in the FTSE All-World Index. With over 480 different indices, the series allows for segmentation of the investable universe in combinations to suit any mandate.

1. A MULTI-FACTOR APPROACH TO VALUE AND GROWTH MEASUREMENT

FTSE working alongside Style Research and the FTSE Style Advisory Group have produced nine measures of value and growth companies. The factors were chosen based upon their general acceptance as style measures and also their pureness in terms of lack of management interference.

Value Variables	Growth Variables
<ul style="list-style-type: none">• Price/Book• Price/Sales• Dividend Yield• Price/Cash Flow	<ul style="list-style-type: none">• 3 Year Historic EPS Growth Rate• 3 Year Historic Sales Growth Rate• 2 Year Forward EPS Growth Rate• 2 Year Forward Sales Growth Rate• Equity Growth Rate: $ROE^* (1 - \text{Payout Ratio})$

2. CALCULATING THE OVERALL STYLE RANKING (OSR)

The Overall Style Ranking (OSR) is calculated using the nine indicators for value and growth. This ranking fits within a linear scale with 0 characterising pure value, and 100 representing pure growth. In line with industry standards, the Style Rankings are determined by reference to each constituent's country, except in the case of the Eurozone where constituents across the whole region are ranked relative to each other*.



3. ALLOCATION OF MARKET CAPITALISATION

According to the OSR, FTSE allocates the appropriate proportion of market cap of each company to value and growth indices. Companies displaying 100% pure growth or value characteristics will have 100% of their market cap allocated to growth or value indices respectively. Companies which display both/neither growth and value characteristics, will have their market cap shared between the two to enable fund managers to balance their portfolios. This avoids double-counting and ensures that the Style indices track the underlying index closely.

A simple formula ensures that the index, at rebalance, is split evenly 50% value and 50% growth by investable market capitalisation.

*After market consultation, the Eurozone has been treated as a single entity.

GROUND RULES AND COMMITTEE

As with all FTSE indices the FTSE Global Style Index Series is governed by a strict set of transparent ground rules. Copies of all FTSE's Ground Rules are available on the FTSE website (www.ftse.com). An independent committee ensures that the indices are calculated according to the Ground Rules, so they remain impartial, transparent and accurate and evolve to meet market needs.

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INFORMATION

Index Universe

FTSE All-World Developed and Advanced Emerging Countries

Market Coverage

90% of each country's and region's investable market capitalisation

Investability Screen

Free float adjusted and liquidity screened

Number of Indices

There are separate value and growth indices for each of the underlying country and regional indices in the FTSE All-World Index (29 countries and 31 regions, representing 2,500 stocks)

Style Data Variables

Multi factor approach – 9 Variables (4 Value & 5 Growth)

Currency

USD, Sterling, Euro, Yen, local

Review Dates

June & December

End-of-Day Distribution

23.30 GMT or BST

FTSE Data Delivery System: FTP, HTML, E-Mail

Base Value/Base Date

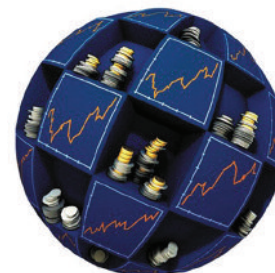
200 / 21st June 2002

Historical Data

To 31st December 1993

Ground Rules

Ground rules available from www.ftse.com



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FTSE
THE INDEX COMPANY