

Index overview

FTSE
Russell

FTSE Developed ex Australia ex Non-Renewable Energy/Vice Products/Weapons Index

Aligning values with investment choices

Overview

Investors are increasingly seeking to invest in companies that align with their values. One approach to accomplishing this objective is to remove certain companies from a portfolio based on the impact of their products on society and the environment.

The FTSE Developed ex Australia ex Non-Renewable Energy/Vice Products/Weapons Index, which is part of the FTSE Global Choice Index Series, is a market capitalization weighted index that removes companies involved in fossil fuels, nuclear power, adult entertainment, alcohol, gambling, tobacco, and weapons.

Benefits



The FTSE Developed ex Australia ex Non-Renewable Energy/Vice Products/Weapons Index helps align values with investment objectives by screening out companies with exposure to products that may have a negative impact on the environment or society.

Features

- Consists of eligible securities in the underlying FTSE Developed ex Australia Index, reflecting 23 Developed markets
- Based on the FTSE Global All-Cap which captures 98% of the world's investable market capitalization, of which the FTSE Developed ex Australia indexes are included
- Company screening based on fundamental research about a company's business lines and product involvement
- Transparent, rules-based method for applying values-based exclusions to a broad index

Definitions

The FTSE Developed ex Australia ex Non-Renewable Energy/Vice Products/Weapons Index applies nine negative screens across three categories:

<p>Non-Renewable Energy</p> <ul style="list-style-type: none"> • Fossil Fuels • Nuclear Power 	<p>Vice Products</p> <ul style="list-style-type: none"> • Adult Entertainment • Alcohol • Gambling • Tobacco 	<p>Weapons</p> <ul style="list-style-type: none"> • Controversial Weapons (e.g. cluster munitions) • Conventional Military Weapons • Firearms 
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Companies in the underlying index universe are researched annually for eligibility against the screens based on publicly reported information.

Index construction process

Starting universe

Start with the market capitalization weighted index, FTSE Developed ex Australia Index.

Step 1

Screening

Exclude companies based on the nine prohibited product screens.

Step 1

Step 2

Publish and Review Index

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

Supporting the sustainable investment market

FTSE Russell brings nearly two decades of experience in ESG data and benchmarks, and provides data analytics, ratings and indexes covering thousands of companies worldwide.

As an index provider, FTSE Russell plays an active role in the major regional sustainable investment industry associations. Ahead of its launch, along with other pioneers in the industry, FTSE Russell also helped develop the United Nations-backed Principles for Responsible Investment (PRI) and became a founding signatory and the first index provider member.

FTSE Russell is part of London Stock Exchange Group (LSEG), which is a member of the Sustainable Stock Exchanges Initiative and chaired its working group to develop Model Guidance on ESG Reporting for exchanges globally. This resulted in LSEG publishing its own Guidance in February 2017.

For more information about our indexes or products, please visit ftserussell.com.

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FTSE Russell is a leading global index provider creating and managing a wide range of indexes, data and analytic solutions to meet client needs across asset classes, style and strategies. Covering 98% of the investable market, FTSE Russell indexes offer a true picture of global markets, combined with the specialist knowledge gained from developing local benchmarks around the world.

FTSE Russell index expertise and products are used extensively by institutional and retail investors globally. For over 30 years, leading asset owners, asset managers, ETF providers and investment banks have chosen FTSE Russell indexes to benchmark their investment performance and create investment funds, ETFs, structured products and index-based derivatives.

FTSE Russell indexes also provide clients with tools for asset allocation, investment strategy analysis and risk management.

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