

FTSE Russell Investor webinar

Fiona Bassett, Head of FTSE Russell

L



SEG

Agenda

- 1 FTSE Russell: Who we are

- 2 The strategic opportunity

- 3 Q&A



FTSE Russell: Who we are

Leading global provider of benchmark and index solutions

- Trusted partner to global financial institutions and asset owners
- Long history of innovation; evolving with customer needs
- Strong track record of growth and efficiency

Top-3

global index
provider¹

\$18tn

of assets
benchmarked
against our indices²

94

of 100 largest global
asset managers use
our indices³

9

of 10 largest global
investment banks
are customers⁴

10.8%

revenue growth
YTD⁵

Diversified across products and asset classes

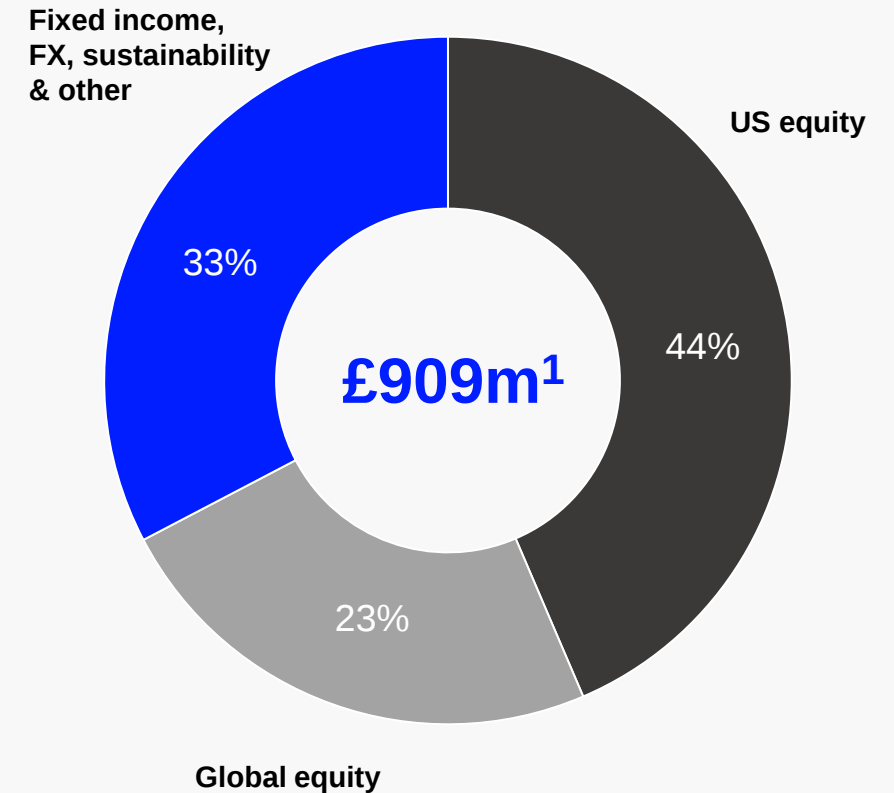
Leading equity products:

- Russell US
- FTSE Global Equity Index Series
- FTSE UK
- FTSE China A50

Broad offering across fixed income, FX, sustainability and others:

- World Government Bond Index (WGBI)
- WMR FX Benchmark
- FTSE Global Climate Index Series
- FTSE TPI Climate Transition Index Series

Revenues by offering



Partnering with customers to provide solutions to their index needs



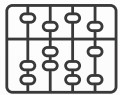
**Investment research
and market analysis**



**Portfolio management, incl.
passive index-tracking
and active benchmarking**



**Performance analysis
and attribution**



**Customer
reporting**

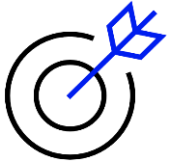


**Trading and financial
instrument creation**



**Valuation and
risk management**

Case Study: FTSE Phoenix Climate Aware Index Series



Customer need:

Phoenix were looking to deliver on their net zero commitments



Our solution:

A bespoke index offering using proprietary climate data, delivered in partnership



Customer outcome:

£30bn initial investment committed, with additional products driving further growth over time

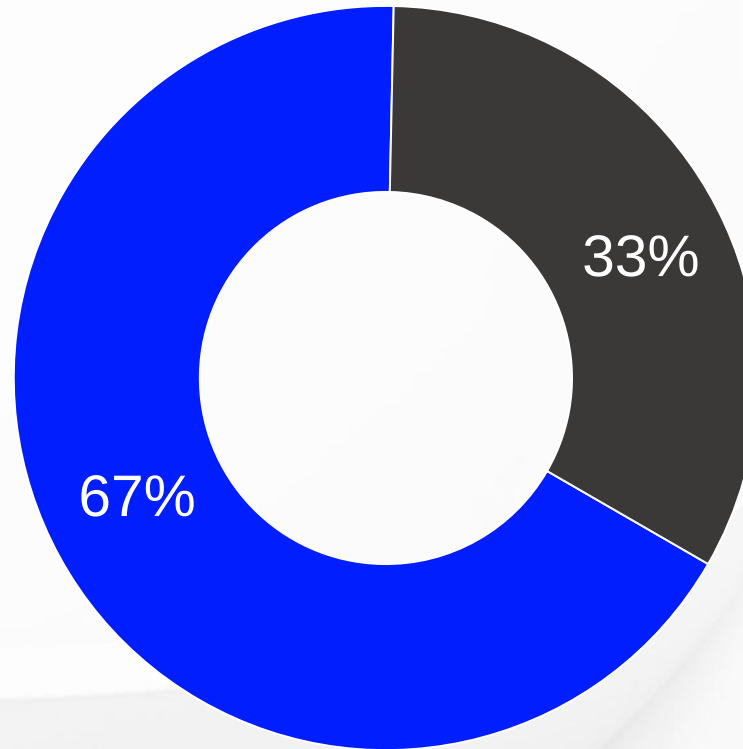


Monetised through a mix of recurring and asset-based revenues

Subscription revenues

From customers using our indices and benchmarks to measure the performance and risk of their active investment strategies

*High retention,
typically ~95%
annually*



Asset-based revenues

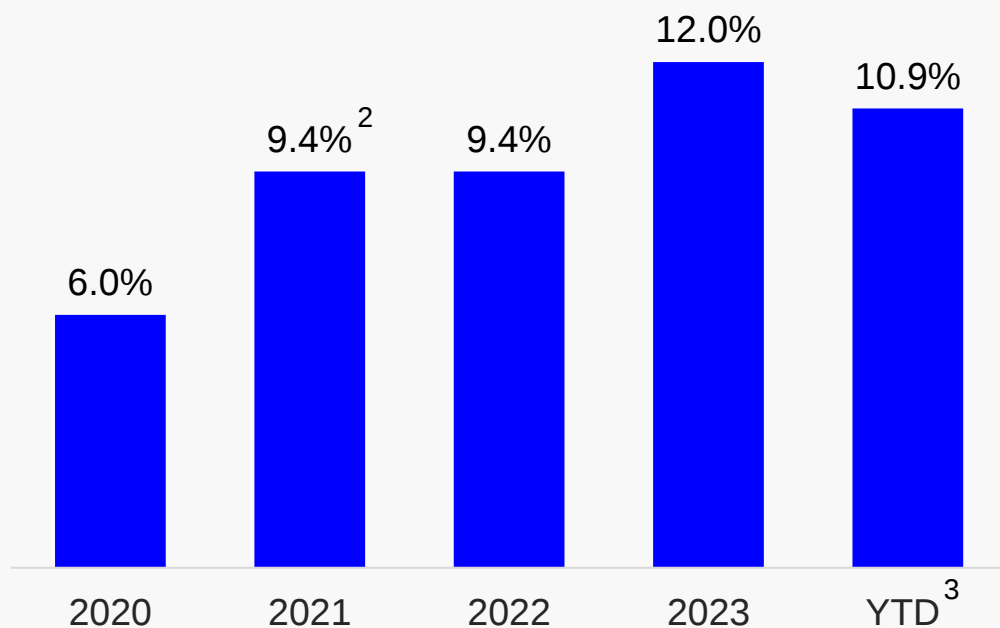
From customers building passive investment vehicles or derivatives on our indices

*Combination of fixed
and AUM-based fees
lowers sensitivity to
market moves*

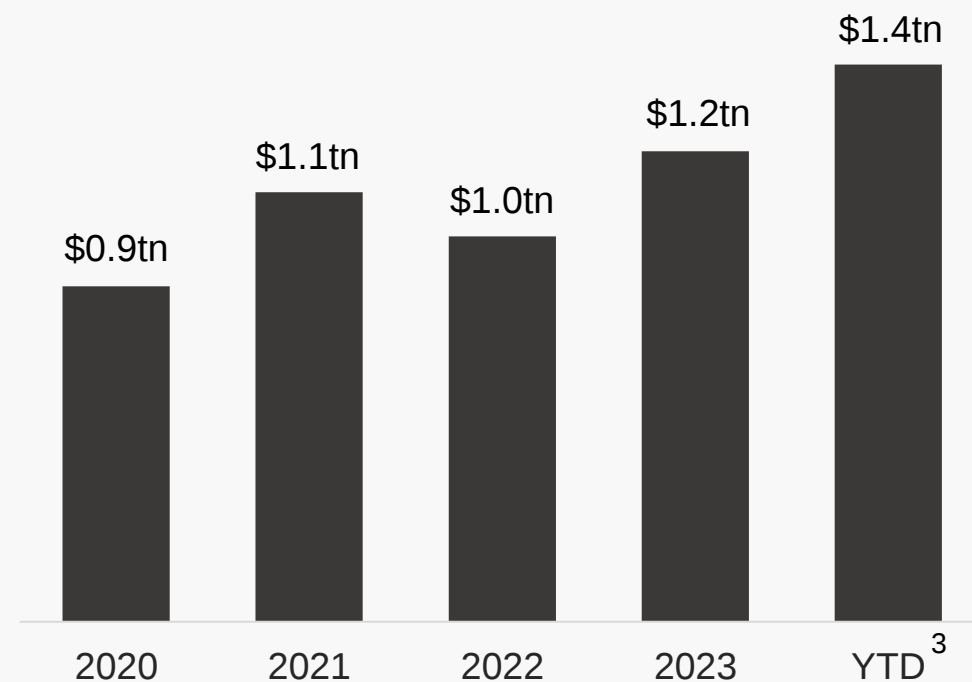
High-quality recurring revenues, benefiting from growth in passive funds

Delivering a multi-year acceleration in growth

Multi-year acceleration in subscription revenues¹



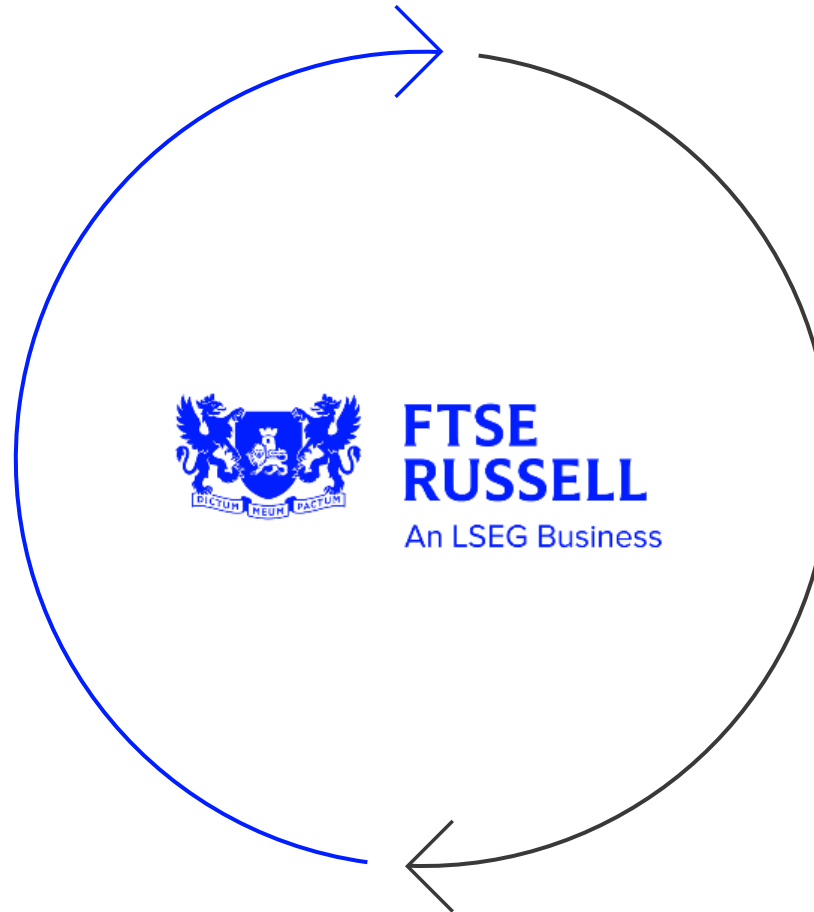
Strong growth in ETF assets⁴ using our indices



FTSE Russell is at the heart of LSEG's end-to-end offering

Realising significant synergies through increased connectivity with Data & Analytics

- Access to LSEG's superior breadth and depth of data is powering faster index innovation
- Growing index consumption driving additional demand for underlying datasets



Delivering on win-win opportunities with Capital Markets and Post Trade

- LSEG's trading venues provide best-in-class pricing data for our indices
- Partnering with Post Trade to create and drive adoption of post-LIBOR reference rates



The strategic opportunity

A large and growing segment

A £4-5bn segment, growing at 8-10%¹

**FTSE
Russell**

£0.8bn

**Industry
segment**

£4-5bn

Multiple structural growth drivers

Growth in passive investing

Fund inflows from retirement accounts

Growing interest in Asia and Emerging Markets

Rising importance of specialised benchmarks & assets

Growth in wealth management

Executing against multiple drivers of long-term growth

% revenues	Building for the future
67%	1 Amplifying • Core equity products • Multi-asset
33%	2 Scaling • Fixed income • FX and FICC benchmarks • Sustainability
-	3 Activating • Private markets • Digital assets

Building for the future: strengthening the foundations of FTSE Russell



Investing

Improving the agility, capability and scalability of our platform through focused investment

e.g. expanded API capabilities



Innovating

Building a culture of innovation

On-track to deliver 2.5x new products this year vs. 2022



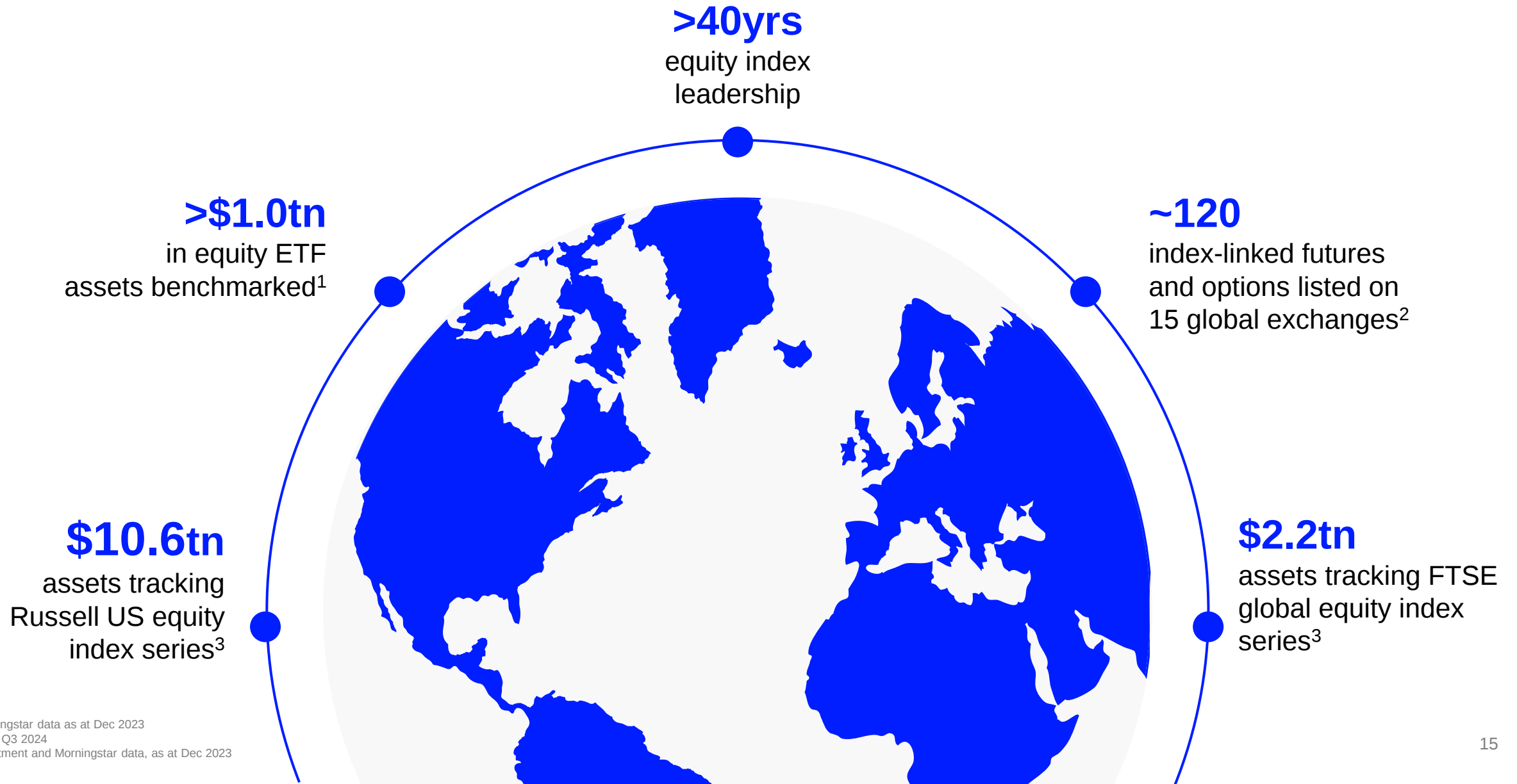
Partnering

Creating value through a long-term partnership approach

e.g. EPRA, Transition Pathway Initiative (TPI), Tradeweb

Our leading global equity proposition

Amplifying



1. Morningstar data as at Dec 2023
2. As at Q3 2024
3. eVestment and Morningstar data, as at Dec 2023

Well-positioned to capitalise on the market opportunity in sustainability

Amplifying

Expanding our footprint across...



Regions

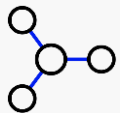
Further global development of our leading franchises

- e.g. Widening global adoption of Russell's US and FTSE GEIS indices, helping Asian customers access the full breadth of opportunity in US equity



Clients

Further deepen existing buy-side and sell-side relationships; expanding partnership with wealth managers and institutional investors



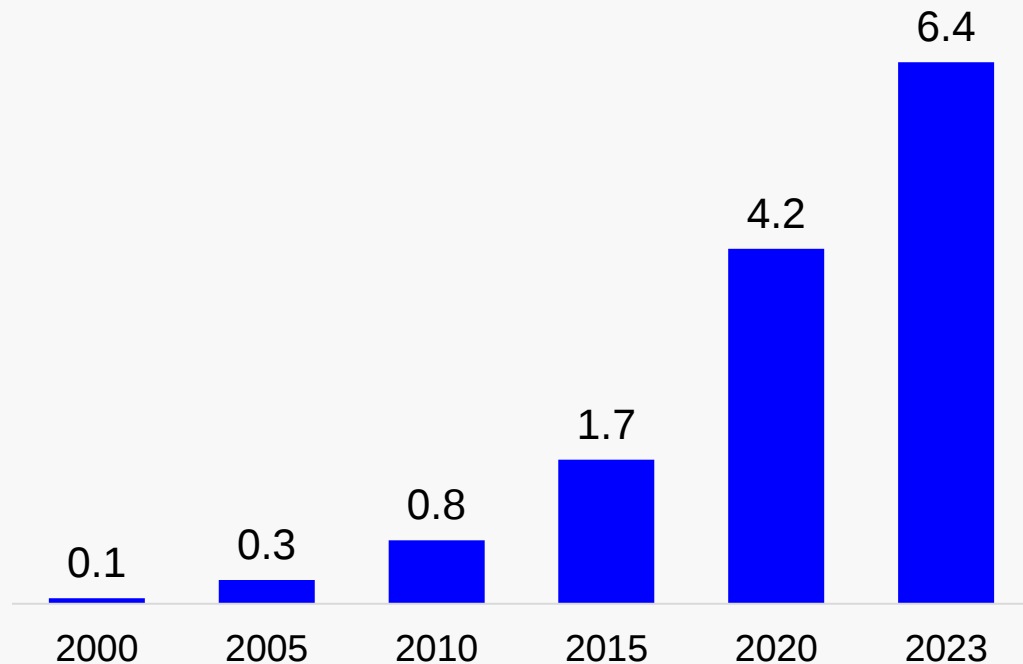
Products

Expand FTSE Russell's structured product offering, innovate in the defined outcome ETF market and double down on data

Fixed income is at the intersection of multiple secular tailwinds

Scaling

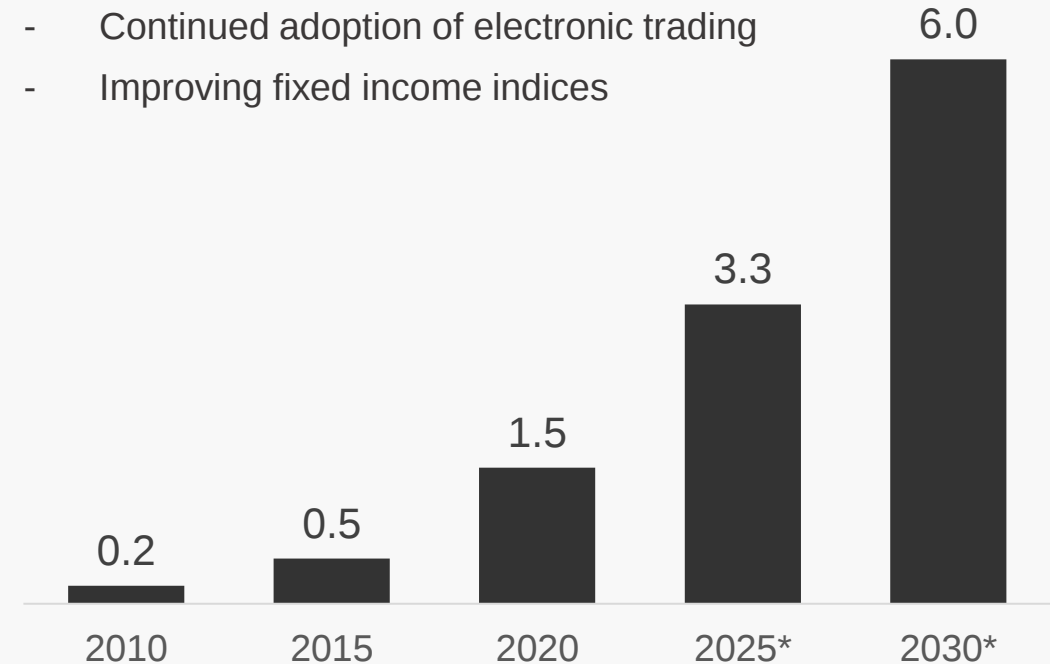
Equity ETFs have grown rapidly over the last ~20 years



Source: ICI Global Factbook, 2024. AUM of US-listed equity ETF funds in USD tn

Fixed income ETFs are expected to follow a similar path

- Further expansion of global debt markets
- Continued adoption of electronic trading
- Improving fixed income indices



Source: Blackrock whitepaper "No time to yield", 2024. Projected AUM of fixed income ETFs in USD tn

Well positioned in fixed income

- Strong and expanding partnership with Tradeweb
- Innovating new solutions
 - e.g. TPI Fixed Income
- Increasing customer reach and accessibility
 - e.g. Workspace distribution

...with a clear strategy for growth

- Expanding presence in adjacent segments
 - e.g. U.S. Preference Shares and Hybrids, Asian Local Currency Credit
- Building on the end-to-end linkages across LSEG's broad fixed income capabilities
- Scaling through partnership

Demonstrated success in FX

- Leading industry FX benchmark, WMR; 30+ year history
- Used by 49 of the top 50 global asset managers
- Granted critical benchmark status¹ by the FCA

Replicating across our benchmarks

- Extending scope and capabilities of our interest rate benchmarks
 - e.g. USD IBOR Cash Fallbacks
- Continuous enhancements and product expansion, building on leadership position in FX benchmarks
- Developing reference price benchmarks for non-financial assets

Well positioned to capitalise on the market opportunity in sustainability

Scaling

Significant tailwinds in sustainability

- \$10 trillion of assets under climate target setting regimes¹
- Green businesses in Asia expected to reach \$4 -\$5 trillion by 2030²
- 71% of investors cite sustainability as the leading objective for their thematic allocations³

... Delivering against this growth

- Expanding existing climate transition solutions to cross asset class proposition
- Scaling our flagship sustainable franchise in Asia
 - e.g. FTSE4Good, Japan Blossom Index
- Develop sustainable thematic offering to meet wealth and sell-side client needs



Digital assets

Customer need:

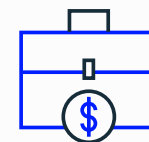
Increasing institutional adoption is creating demand for new solutions as industry matures

Our solution:

Expanding our offering with strong governance frameworks and accurate pricing

Deep partnerships:

Grayscale Investments, HashKey Capital



Private markets

Customer need:

Providing a solution to diversify or complement existing portfolios by providing access to private equity returns

Our solution:

Developing content sets and building new solutions to meet this growing need

Product examples:

FTSE EPRA Nareit Global Real Estate Indices



Well positioned in a large,
growing segment



Long runway for growth;
multiple drivers



Building solutions in
partnership with customers



Enhanced by natural
linkages across LSEG



Q&A

Contacts and further information

Peregrine Riviere

Group Head of Investor Relations

Tel: +44 (0)7 977 379 063 | Email: peregrine.riviere@lseg.com

Chris Turner

Investor Relations Senior Director

Tel: +44 (0)7 769 931 614 | Email: chris.turner@lseg.com

Neha Kasabia

Investor Relations Director

Tel: +44 (0)7 929 048 221 | Email: neha.kasabia@lseg.com

Tom Ferguson

Investor Relations Manager

Tel: +44 (0)7 977 691 439 | Email: tom.ferguson@lseg.com

London Stock Exchange Group plc

10 Paternoster Square

London

EC4M 7LS

Contacts and further information

For investor relations information:

lseg.com/investor-relations

For Corporate Sustainability information:

lseg.com/investor-relations/sustainability