
FTSE Selected to Provide Index for New Mexico State Investment Council's Smart Beta US Equities Allocation

- **Innovative new FTSE RAFI Low Volatility Index to be utilized**
- **Decision adds smart beta indexing to NMSIC passive and active strategies**
- **Continues trend of corporate and public funds using smart beta**

March 25, 2015: FTSE Group ("FTSE"), the global index provider, has been selected as a lead index provider for a significant new 'smart beta' allocation by the New Mexico State Investment Council (NMSIC). NMSIC is allocating funds to a strategy that tracks the FTSE RAFI Low Volatility Index.

The FTSE RAFI Low Volatility Index, which was launched last fall, weights constituents based on fundamental factors including total cash dividends, free cash flows, total sales, and book equity value. Since prices and market values are not determinants of the index weights, the index is less prone to excessive concentration arising from market speculation.

The NMSIC \$20.2 billion (as of 11/30/2014) permanent public endowment recently made the strategic decision to add a \$1.1 billion new smart beta category to its U.S. equity portfolio. As part of the investment category, which will be managed by Northern Trust Asset Management, NMSIC worked with RVK, Inc. to select a portfolio of smart beta strategies that compliments its existing portfolios.

Kevin Bourne, Managing Director, FTSE Group, said:

"We are pleased that NMSIC has taken this important step toward increasing its strategic commitment to smart beta strategies and has trusted FTSE with helping to support their new asset allocation scheme."

Starla Bennett, NMSIC Director of Public Equity:

"We decided to add smart beta strategies alongside traditional active and passive investment strategies to our public equity allocation to help us maximize compounded

returns in down markets while continuing to meet our goals in up markets. The addition of low volatility and fundamental value smart beta strategies will help us achieve these goals in a more efficient and targeted way.”

Matt Sturdivan, RVK, Inc., added:

“We are so glad NMSIC has taken this important step in their long-term strategy.”

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About FTSE Group

FTSE is a global leader in indexing and analytic solutions. FTSE calculates thousands of unique indices that measure and benchmark markets and asset classes in more than 80 countries around the world. FTSE indices are used extensively by market participants worldwide for investment analysis, performance measurement, asset allocation and hedging. Leading pension funds, asset managers, ETF providers and investment banks work with FTSE to benchmark their investment performance and use FTSE’s indices to create world-class ETFs, index tracking funds, structured products and index derivatives. FTSE also provides many exchanges around the world with their domestic indices.

A core set of universal principles guides FTSE’s index design and management: FTSE’s transparent rules-based methodology is overseen by independent committees of leading market participants, focused on applying the highest industry standards in index design and governance. The foundation of FTSE’s global, regional, country and sector indices is the FTSE Global Equity Index Series, which includes the flagship FTSE All-World Index.

FTSE is well known for index innovation and customer partnerships as it seeks to continually enhance the breadth, depth and reach of its offering.

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