

INDEX OBJECTIVES

[6040GBP Index]

- The Elston 60/40 Index is a multi-asset asset-based strategy.
- The index strategy represents a strategic allocation of 60% global/UK equities, and 40% in predominantly GBP-denominated bonds. The index is a Net Total Return index in GBP.
- The index provides a reference benchmark for multi-asset strategies.

Key Points

- 1 Classical asset-based strategy
- 2 Strategic asset allocation
- 3 Annual rebalancing

Index Facts

Index Code	6040GBP
Asset Class	Multi-Asset
Base Currency	GBP
Rebalancing	Annually
Components	ETFs
Max Holdings	9
Launch Date	29 th June 2019
ISIN	DE000SLA8GD7

Overview

This index strategy:

- Provides a traditional heuristic multi-asset weighting scheme for GBP investors.
- Represents broad asset-based diversification.
- Predominantly GBP denominated bonds.

Applications

This index could provide:

- A **reference** benchmark for traditional multi-asset strategies.
- A **comparator** for non-traditional multi-asset risk-based strategies.
- **Insights** as regards index characteristics and performance.

Licensing

- Data licence: for use as a benchmark.
- Product licence for use by funds, ETPs and model portfolio providers.

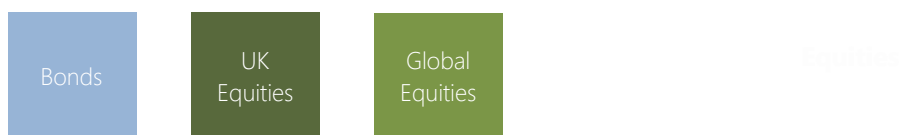
THE THEORY

The 60/40 portfolio is the “classical” balanced portfolio that provides exposure to a mix of equities and bonds. This version of the strategy is designed to GBP-based investors.

This strategy has a low bias to UK equities, and the bond exposure is focused predominantly on GBP-denominated Government and Corporate Bonds.

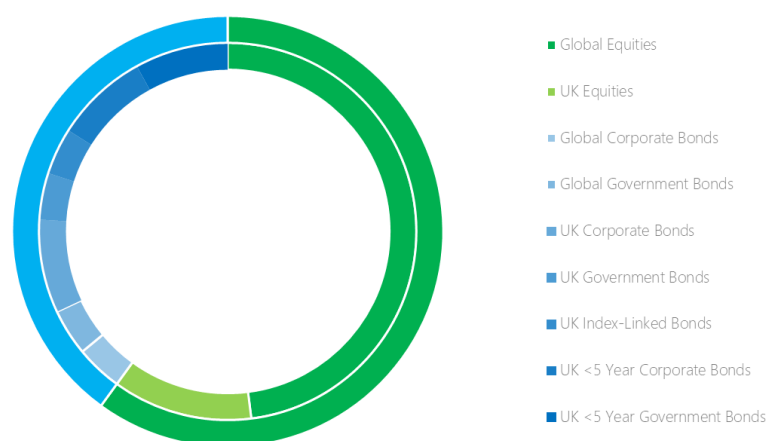
1. BROAD BUILDING BLOCKS

The strategy uses a universe of both equity and bond building blocks.



2. STRATEGIC ASSET ALLOCATION

The asset allocation strategy is defined by strategic asset weights on a heuristic, non-optimised basis. The equity/bond split is 60/40. Within equities, the Global/UK Equity split is 80/20. Within bonds, the UK/Global split is 80/20. Across the bond exposure the Corporate/Government split is 50/50. Within the UK bond exposure, the short-term/long-term split is 50/50. This results in the following allocation.



3. ANNUAL REBALANCING

The strategy rebalances to its strategic weights at the end of each year.



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