

## Chi-X Europe & Russell Indexes unveil new European indices

### Tradeable indices designed to reflect pan-European and Eurozone markets

3 October 2011 - Chi-X Europe, the leading pan-European equities exchange, and Russell Indexes, a leading provider of global and U.S. indices and part of financial services firm Russell Investments, today unveil the Chi-X Europe Russell Index (CHERI™) Series of pan-European indices. The new family of indices has been specially formulated to provide users with high quality, tradeable pan-European and Eurozone indices.

At launch, the four indices in the Chi-X Europe Russell Index series are:

**Chi-X Europe Russell PanEurope Index (CHERI PanEurope)** - a broad, highly liquid index of large capitalisation stocks from developed European markets. Only shares from the most liquid class of a company's shares are included. The index includes 216 securities across 14 countries and 5 currencies.

**Chi-X Europe Russell Eurozone Index (CHERI Eurozone)** - a liquid, large cap index providing broad exposure to Eurozone markets. Only shares from the most liquid class of a company's shares are included. The index includes 130 securities across 10 countries and 1 currency.

**Chi-X Europe Russell PanEurope 60 Index (CHERI60)** - a subset of CHERI PanEurope, including the 60 biggest stocks only. Transparent rules ensure that at least 3 stocks are priced in any one currency. The index includes 60 securities across 8 countries and 3 currencies.

**Chi-X Russell Europe Eurozone 40 Index (CHERI40)** - a subset of CHERI Eurozone. The 40 largest stocks are included. The index includes 40 securities across 8 countries and 1 currency.

These four new indices have been designed to offer more efficient and relevant trading, hedging and benchmarking opportunities as a basis for tradeable products. They have been constructed using Russell's transparent, rules-based methodology which ensures consistency, predictability and objectivity. The pricing for the indices is supplied by Chi-X Europe, ensuring unprecedented homogeneous pricing for stocks across Europe. The new indices will provide targeted exposure by incorporating the most liquid and highly capitalised stocks across Europe to gain the necessary regional coverage and high investability. The indices will also efficiently balance currency exposure and tracking error with the number of constituents to appeal to the widest possible audience of equity index users.

The partnership between Chi-X Europe and Russell Investments, which was first announced in March 2011, brings together Europe's largest pan-European equities exchange, with almost 20% market share, and the leading global index provider Russell with \$3.9 trillion of assets benchmarked to its indices.

### Force for improvement

**Alasdair Haynes, CEO of Chi-X Europe, added:** "We strongly believe that, until now, competition has been lacking in the pan-European indexing field. Our partnership with Russell changes that."

Competition is the lifeblood of innovation and efficiency and we believe that our new index series can bring a new dynamic to the market and will be a force for improving upon the status quo. We have every confidence that fund managers will embrace these improved benchmarks in due course and that traders will want to deal in products based on our new series.”

## **Better tools for European investors**

**Scott Stark, head of Russell Indexes Europe, said:** “Russell has a long heritage of innovation and in creating indices that accurately reflect the market and become the industry standard. This new family of tradeable indices has a tight tracking error to broad European benchmarks.”

“We identified demand from the market for pan-European indices across a range of levels and our new indices offer a neatly packaged way to meet this demand - all within the framework of Europe’s largest stock market. We have built these indices in line with our tried and tested transparent methodology which will give confidence to the market.”

## **New products**

As of today, the new indices are being valued and distributed continuously by Russell using Chi-X Europe’s traded prices. To ensure an effective end of day value for the indices, Chi-X Europe is calculating its own closing price by using a Time Weighted Average Price (TWAP) algorithm (details on [www.chi-xeurope.com](http://www.chi-xeurope.com)). The rules and methodology governing the indices, together with daily and historic price data and statistics, can be found at <http://www.russell.com/indices/european>.

The CHERIs are designed as investable and tradeable indices with tight tracking to less tradeable broad benchmark indices, and can support the creation of index related products like exchange trade funds (ETFs). The two partners will work with third party providers to introduce new index derivative products to the market. Similarly, Chi-X Europe will continue to discuss with its trading participants the merits of listing derivatives on one or more of the indices.

### **For more information please contact:**

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## **About Chi-X Europe**

Chi-X Europe Limited is the leading pan-European equities exchange. It offers trading in more than 1,300 of the most liquid equities across 25 indices and 15 major European markets, as well as ETFs (exchange traded funds), ETCs (exchange traded commodities) and IDRs (international depository receipts) in both a visible order book and the Chi-Delta™ non-displayed order book.

Launched in March 2007, Chi-X Europe regularly ranks as the second largest equity exchange in Europe by value traded according to the Federation of European Securities Exchanges, and the largest by number of trades. It has a pan-European market share of approximately 19%, about 30% of trading in the FTSE100 and up to 25% of the AEX25, CAC40 and DAX30.

Chi-X Europe’s low-cost, streamlined operating model is designed to help trading participants achieve ultra-low execution and clearing and settlement costs. Chi-X Europe is authorised and regulated by the FSA. For more information, please visit [www.chi-xeurope.com](http://www.chi-xeurope.com).

## About Russell Investments

Celebrating its 75th anniversary in 2011, Russell Investments (Russell) is an independent, global financial services firm. Russell provides strategic advice, investment solutions, implementation services and global performance benchmarks that are customised to meet the unique needs of institutional investors, financial advisors and individuals. Russell has pioneered innovations that have come to define many of the practices that are standard in the investment world today, and has four decades of experience researching and selecting money managers globally.

Russell has about \$163 billion in assets under management (as of 30 June 2011) and works with 2,300 institutional clients, 530 independent distribution partners and millions of individual investors around the world. As a consultant to some of the largest pools of capital in the world, Russell has \$2 trillion in assets under advisement (as of 12/31/2010) and traded \$1.5 trillion last year through its implementation services business.

The Russell Global Indexes calculate over 50,000 benchmarks daily covering 85 countries and more than 10,000 securities. Approximately \$3.9 trillion in assets are benchmarked to the Russell Indexes globally. As of 8/31/11, Russell Indexes served as the benchmark for 80 exchange traded funds representing approximately \$75 billion in assets under management. And for 2010, derivatives on Russell Indexes traded nearly 61 million contracts on the U.S. exchanges.

Russell is headquartered in Seattle, Washington, USA and has offices in Amsterdam, Auckland, Chicago, London, Melbourne, Milan, New York, Paris, San Francisco, Seoul, Singapore, Sydney, Tokyo and Toronto. For more information about how Russell helps to improve financial security for people, visit [www.russell.com](http://www.russell.com).

*Please note: Indexes are unmanaged and cannot be invested in directly. Russell's publication of the Indexes or Index constituents in no way suggests or implies a representation or opinion by Russell as to the attractiveness of investing in a particular security or market. Inclusion of a security in an Index is not a promotion, sponsorship or endorsement of a security by Russell and Russell makes no representation, warranty or guarantee with respect to the performance of any security included in a Russell Index.*

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