

# KPMG Brexit FTSE indices

August performance



## Yael Selfin

Yael, who heads the Macroeconomics team at KPMG, has been forecasting the outlook for the British and other major economies for over 15 years. She is a regular media commentator and has been nominated for City AM's 2016 Analyst of the Year award.

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KPMG has developed two UK stock indices to gauge investors' real appetite for exposure to UK stocks and broader sentiment towards the UK economy:

1

The **KPMG Non-UK50** is made up of the UK's largest listed firms that derive more than 70% of revenues from abroad.

2

The **KPMG UK50** includes the largest listed firms from the FTSE 100 and 250 that derive more than 70% of their revenues from the UK.

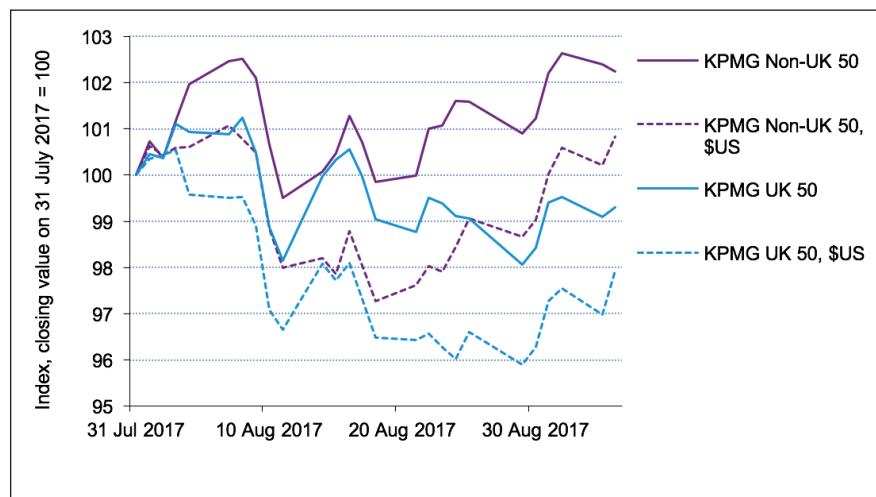


## Over the month of August...

The KPMG UK50 index  
**0.6%**  
(down by 2.7% in US dollar terms)

The KPMG Non-UK50 index  
**2.2%**  
(flat in US dollar terms)

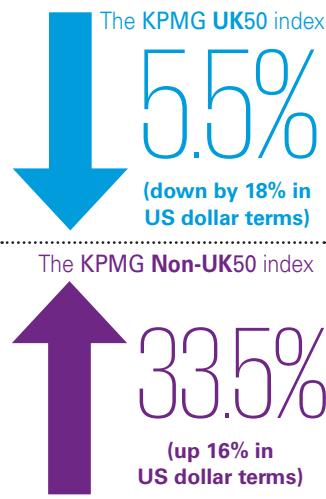
## Performance of KPMG indices since 31 July 2017



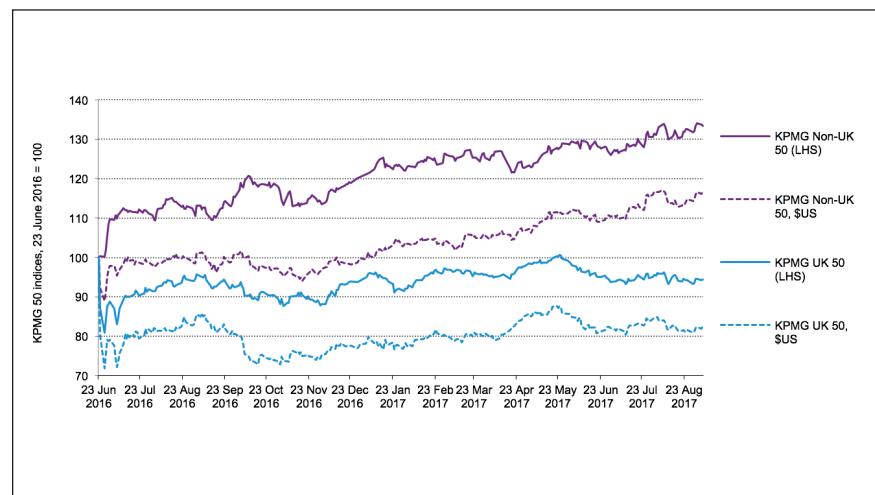
continued overleaf



Between the EU referendum in June 2016 up until the end of August 2017...



### Performance of KPMG 50 indices since 23 June 2016



## How we created the new indices

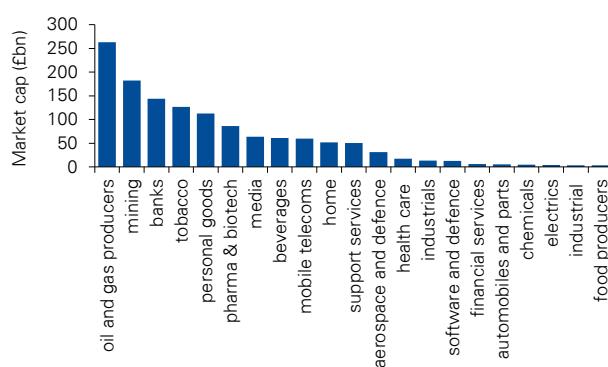
KPMG analysed the annual accounts of every company in the FTSE 100 and FTSE 250 to calculate the proportion of their revenues originating in and outside the UK. Companies that earned over 70% of their revenues inside Britain were classified as 'UK companies', while those that derived less than 30% were deemed 'non-UK'.

These companies were then ranked by market capitalisation (as of 23 June) and the 50 largest companies included in each index. The indices were weighted by market cap and calculated using the change in market cap of each company over the period from 23 June to 31 October 2016. Both indices were rebaselined to 100 on the date of the

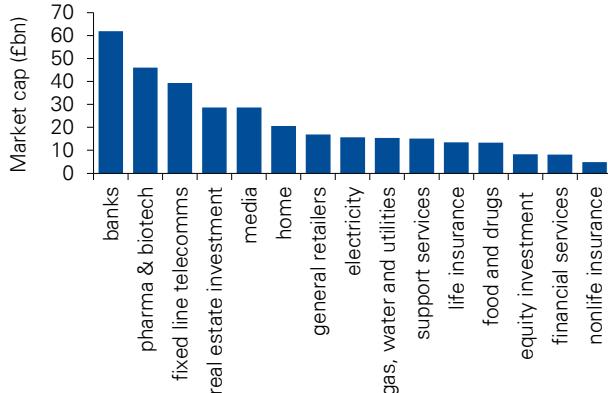
referendum, in line with the FTSE 100 calculation methodology.

The number of companies selected for each index took into consideration the range of sectors that are included in each index.

### KPMG Non-UK 50 – sector weighting by market cap



### KPMG UK 50 – sector weighting by market cap



[kpmg.com/uk](http://kpmg.com/uk)



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