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STRATEGY AT PLAY

EUROPE | INDEX PROVIDERS

Do European benchmark buyers still write the rules?

A pension fund can set the rules for €107 billion of equities. An active bond manager can find its choices narrowed by the index in its own prospectus. Where does that leave a challenger looking for business in Europe?



EDITOR'S PICK

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Amundi is an awkward client to classify as won or lost. In September 2024 it switched its Prime USA exchange-traded fund (ETF) from Solactive to MSCI. Two years later, on 20 October 2026, Amundi listed three funds tracking Solactive indices covering space technology, critical metals and electrification. Then, on 19 November, its new global defence ETF listed in Frankfurt with a STOXX benchmark. A tally of renewals would record Solactive's loss on US equities. To see where it was gaining ground with the same client, a competitor would have to follow Amundi's launches, fund by fund. [1] [2] [3]

European investors have helped write index rules for years. In 2014, Sweden's AP4, France's Fonds de réserve pour les retraites and Amundi asked MSCI to develop low-carbon equity benchmarks. The buyers helped define the problem. MSCI consulted other investors on the methodology, and Amundi licensed the resulting indices. The pension funds got a benchmark designed around their investment priorities. MSCI acquired something of enduring commercial value from the same exercise, a methodology it could license to other clients. [4]

The Dutch pension fund ABP shows how much authority a buyer can retain. In January 2025 it reported that about €107 billion of its €134 billion developed-market equity portfolio followed a custom index applying criteria ABP had set. By the end of that year, its minimum criteria also applied to listed corporate bonds. For a benchmark firm, applying the policy to credit presents a fresh piece of work. An equity rule excluding a company still leaves a bond manager to establish which issues and subsidiaries it covers. [5] [6]

BNY's Global High Yield Active ETF draws the boundary elsewhere. Its prospectus normally requires at least 80% of net assets to be held in constituents of a Bloomberg index that rebalances monthly. BNY's manager chooses the bonds and how much to hold. Bloomberg's membership rules help determine which holdings count towards the 80%. At a rebalance, a bond can leave the index while the manager still likes the credit. The immediate question for the desk is whether to retain it within the remaining allowance and what it would cost to replace. A rival with better liquidity data has something specific to sell even while Bloomberg keeps the mandate. [7]

A subscription can be worth pursuing on its own. In the third quarter of 2026, MSCI's global Index segment reported $269.5 million from recurring subscriptions and $246.6 million from asset-based fees. For a challenger considering a bond-data service, the test is what a desk will pay to use it through successive rebalances. The assets of a fund using someone else's benchmark are a poor basis for that revenue forecast. [8]

Buyers also face limits when an index connects a fund to an exchange. Amundi's earlier European defence ETF and a Eurex futures contract use the same STOXX index. Amundi can choose the reference for its next fund. Eurex decides which futures it lists. If a competing index selects or weights companies differently, a manager using the existing

future must assess how closely it still hedges the portfolio. The manager would need to weigh any licence saving against the risk of that mismatch and check how much could actually be traded at the quoted price. [9]

At ING, the question is which investment team a benchmark provider needs to persuade. ING plans to offer two active ETFs through its German pension account from 1 January 2027. Amundi supplies the ETF platform and ING's Global Investment Centre manages the portfolios. A provider seeking a role in how those portfolios are constructed or assessed has a reason to approach ING's investment team. An existing relationship with Amundi alone gives it no claim on that decision. [10]

Where does that leave a challenger?

One route is to propose the next fund in a range the challenger already serves. Amundi's summer ETFs on data centres and memory chips tracked Solactive indices. When Amundi broadened that range in October, it chose Solactive again for all three new funds. The electrification ETF illustrates the opportunity. An issuer already offering investors exposure to data centres could now offer them exposure to the electricity networks those facilities depend on. [2] [11]

A second is to bid for an existing mandate when an issuer reviews its range. Amundi's US equity switch shows the hurdle even when both indices cover large and mid-sized US companies. The fund bore the changeover costs. A credible bid would put expected turnover, trading costs and the effect on any hedge alongside the proposed fee. [1]

A third is to sell the bond desk a recurring service. A useful trial would give the desk expected trading costs before a rebalance and compare them with its own executions afterwards. [7]

A fourth is to help a bank or fiduciary apply one policy across several portfolios. The commercial negotiation then concerns who may reuse the rules, which variants the fee covers, and whether adding a bond mandate requires a fresh procurement. [5] [6] [10]

Europe's benchmark buyers still write the rules when they set an investment policy they can take from equities into bonds, or commission an index for a new fund. Their discretion narrows once a prospectus commits them to a particular universe or a hedge depends on an exchange. For the challenger choosing where to invest, the crucial distinction is who can authorise a change. A bond desk can buy analysis at its next rebalance. Only the institution setting investment policy can open an entire range of mandates.

PRIMARY SOURCES

[1] Amundi — Prime USA shareholder notice · [2] Solactive — Three Amundi indices and earlier launches · [3] Deutsche Börse — 19 November ETF listings · [4] MSCI — 2014 low-carbon index launch · [5] ABP — Developed-market equity allocation · [6] ABP — 2025 annual report, listed corporate bonds · [7] BNY — Global High Yield Active UCITS ETF supplement, pp. 130–134 · [8] MSCI — Q3 2026 Form 10-Q, Index segment · [9] STOXX — Amundi ETF and Eurex futures · [10] ING — German pension ETF plans · [11] Amundi — Expansion of the technology ETF range