

FTSE Climate Risk-Adjusted World Government Bond Index ex Japan

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The FTSE Climate Risk-Adjusted World Government Bond Index ex Japan ("Climate WGBI ex Japan") measures the performance of fixed-rate, local currency, investment-grade sovereign bonds in the FTSE World Government Bond Index ex Japan (WGBI ex Japan) incorporating a tilting methodology that adjusts index weights according to each country's relative exposure to climate risk, with respect to resilience and preparedness to the risks of climate change. The country climate scores are derived by assessing each country's relative climate risk across three core climate change pillars (each with multiple sub-indicators):

- Transition Risk: Evaluates countries' carbon footprint relative to its peers and its Nationally Determined Contributions (NDCs) Implied Temperature Rise (ITR).
- Physical Risk: Assesses countries' historical exposure and vulnerability in 2050 to seven climate hazards, from an economic perspective.
- Resilience: Measures countries' preparedness to tackle climate change based on institutional, economic, societal, and ecological factors.

Countries are scored relative to the cohort, across each of the pillars with a single combined score derived for each country. Country scores are then used to reweight the country's exposure in the index to provide higher exposures to countries that are more resilient to climate change risks and lower exposures to countries that are more exposed to climate change risks.

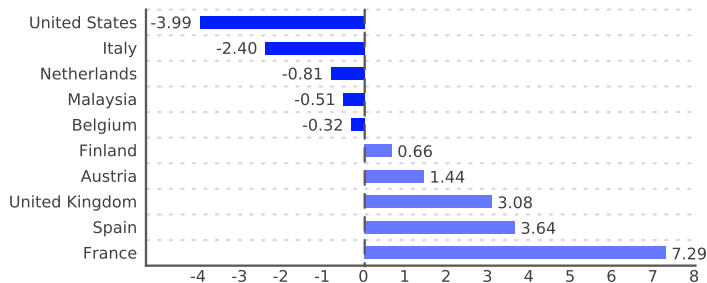
INDEX PROFILE

Description	# of Issues	Par Amount*	Market Value*	Market Weight (%)	Average Coupon (%)	Average Life (Years)	Yield to Maturity (%)	Effective Duration
Climate WGBI ex Japan	1,050	30,857.16	28,623.79	100.00	2.66	9.56	3.52	6.74
1-3 Years	252	7,743.38	7,683.94	26.84	2.44	1.98	3.20	1.89
3-5 Years	189	6,054.34	5,993.29	20.94	2.74	4.01	3.19	3.74
5-7 Years	127	4,023.05	3,737.76	13.06	2.00	6.03	3.38	5.60
7-10 Years	134	4,221.95	4,224.08	14.76	3.35	8.56	3.47	7.40
10+ Years	348	8,814.44	6,984.72	24.40	2.77	22.11	4.26	14.84
North America	326	13,625.49	12,646.26	44.18	3.08	8.43	4.13	5.85
Latin America	16	155.09	148.68	0.52	7.83	9.38	9.01	4.92
Asia Pacific	178	1,107.44	1,110.28	3.88	2.62	7.55	2.55	6.24
EMEA	530	15,969.14	14,718.56	51.42	2.25	10.66	3.01	7.55
WGBI ex Japan	1,050	30,307.55	28,602.98	100.00	2.77	8.99	3.44	6.45

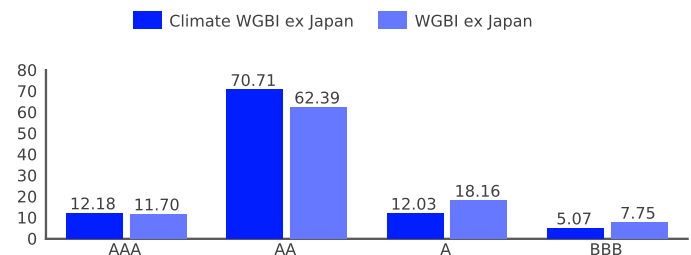
* In USD billions

COMPARATIVE ANALYSIS OF MARKET WEIGHT (in %)

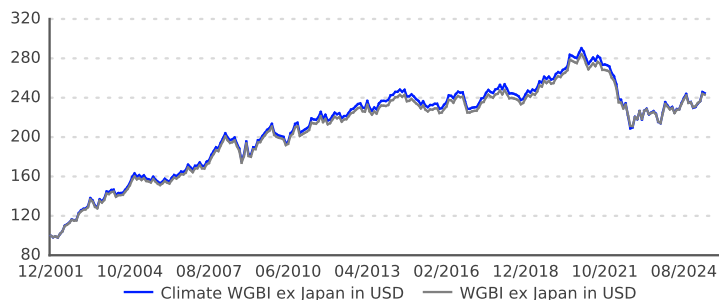
Top Underweights and Overweights (Climate WGBI ex Japan) - (WGBI ex Japan)



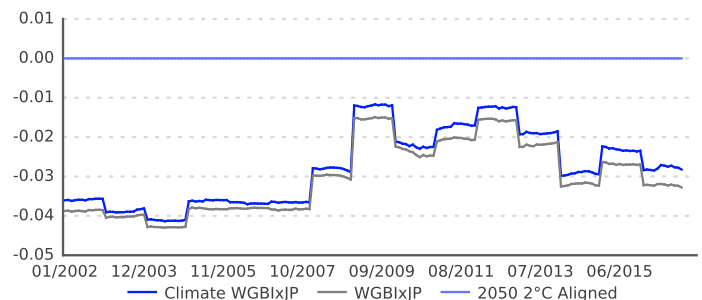
Credit Quality (Market Weight in %)



HISTORICAL INDEX LEVEL (Unhedged)



ALIGNMENT TO 2050 2°C GHG EMISSIONS TARGET



ANNUALIZED RETURNS (in %)

	Climate WGBI ex Japan								WGBI ex Japan							
	USD		EUR		JPY		GBP		USD		EUR		JPY		GBP	
	Unhgd	Hgd	Unhgd	Hgd	Unhgd	Hgd	Unhgd	Hgd	Unhgd	Hgd	Unhgd	Hgd	Unhgd	Hgd	Unhgd	Hgd
YTD	6.53	1.95	-2.83	1.17	-2.19	0.13	-1.07	1.97	5.48	2.03	-3.79	1.25	-3.16	0.22	-2.04	2.06
1 Year	7.10	5.66	2.42	3.78	-1.65	0.29	1.12	5.44	6.73	5.93	2.06	4.04	-2.00	0.58	0.76	5.71
3 Years	0.94	1.23	-0.99	-0.89	4.88	-4.03	-1.31	0.50	1.13	1.60	-0.80	-0.53	5.08	-3.66	-1.12	0.89
5 Years	-1.91	-1.45	-2.31	-3.08	3.99	-4.84	-3.60	-1.97	-1.75	-1.19	-2.15	-2.84	4.16	-4.58	-3.45	-1.71
Since Climate WGBI ex Japan Inception	3.90	3.52	2.82	2.70	4.32	1.29	4.23	3.78	3.86	3.49	2.79	2.67	4.29	1.27	4.20	3.76

DESIGN CRITERIA AND CALCULATION METHODOLOGY

Currency:	AUD, CAD, CNY*, DKK, EUR, GBP, ILS, MXN, MYR, NOK, NZD, PLN, SEK, SGD, USD
Minimum Maturity:	At least one year
Minimum Market Size:	Entry: At least USD 50 billion, EUR 40 billion, JPY 5 trillion. Exit: Below USD 25 billion, EUR 20 billion, JPY 2.5 trillion.
Minimum Issue Size:	Varies by country
Quality:	Entry: A- by S&P and A3 by Moody's. Exit: Below BBB- by S&P and Baa3 by Moody's
Market Accessibility Level:	Minimum level of 2. For further details on calibration of Market Accessibility Levels, please see Fixed Income Country Classification LSEG
Weighting:	Alternatively Weighted
Country Climate Scores:	Updated annually and applied each September month-end rebalance. The cut-off for input data is September 1 of each year.
Country Climate Score Assessment Cohort:	Major local currency sovereign bond markets actively tracked by FTSE Russell. This includes: WGBI, EMGBI and sovereigns on the Watch List published through the FTSE Fixed Income Country Classification framework.
Climate Pillars and Tilt Calibration:	Transition risk: 0.25; Physical risk: 1; Resilience: 1
Rebalancing:	Once a month at month end
Pricing:	LSEG Pricing Service except for: <ul style="list-style-type: none"> - UK Government Bonds (Tradeweb FTSE UK Gilt Benchmark Closing Prices) - EMU Government Bonds (Tradeweb FTSE Euro Government Benchmark Closing Prices) - US Government Bonds (Tradeweb FTSE US Treasury Benchmark Closing Prices) - Israel (provided by Tel Aviv Stock Exchange) - Mexico (provided by Proveedor Integral de Precios S.A. de C.V.) - Poland (provided by BondSpot) - Singapore (provided by the Monetary Authority of Singapore)
Calculation Frequency:	Daily
Settlement Date:	Monthly – Settlement is on the last calendar day of the month. Daily – Same day settlement except if the last business day of the month is not the last calendar day of the month; then, settlement is on the last calendar day of the month.
Base Date:	December 31, 2001

* China inclusion commenced with the November 2021 profiles and will be phased in over a 36-month period.

VENDOR CODES

SBCWXJY FTSE Climate Risk-Adjusted WGBI ex Japan, in JPY SBCWXJYC FTSE Climate Risk-Adjusted WGBI ex Japan, in JPY Hedged

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