

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 represents the level of climate related risk exposure of the country's economy as measured by the distance to reach the modeled emissions needed to meet a 2 degree alignment
- Physical risk represents the level of climate related risk exposure to the country and its economy from the physical effects of climate change
- Resilience represents a country's preparedness and actions to cope with its level of climate related risk exposure

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

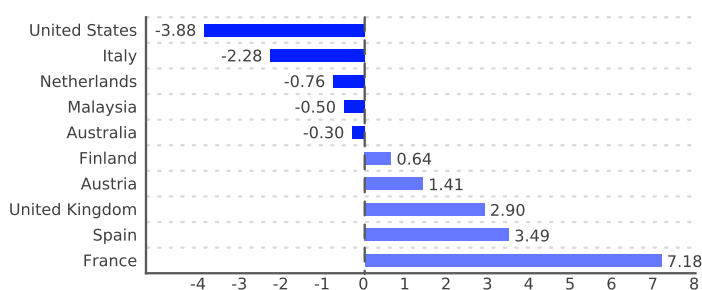
Description	# of Issues	Par Amount*	Market Value*	Market Weight (%)	Average Coupon (%)	Average Life (Years)	Yield to Maturity (%)	Effective Duration
Climate WGBI ex Japan	1,046	28,966.95	27,052.42	100.00	2.62	9.52	3.52	6.81
1-3 Years	251	7,365.05	7,294.04	26.96	2.45	1.96	3.33	1.87
3-5 Years	190	5,687.44	5,592.68	20.67	2.65	3.99	3.32	3.73
5-7 Years	128	3,826.72	3,567.87	13.19	2.05	6.02	3.38	5.57
7-10 Years	126	3,754.63	3,717.53	13.74	3.17	8.51	3.44	7.38
10+ Years	351	8,333.11	6,880.30	25.43	2.77	22.03	3.99	14.89
North America	327	13,382.45	12,517.91	46.27	3.01	8.43	4.07	5.99
Latin America	17	150.97	142.64	0.53	7.65	9.03	9.30	4.76
Asia Pacific	176	1,042.40	1,044.39	3.86	2.67	7.58	2.66	6.20
EMEA	526	14,391.14	13,347.47	49.34	2.21	10.67	3.01	7.65
WGBI ex Japan	1,046	28,498.08	27,045.83	100.00	2.74	8.97	3.45	6.53

* In USD billions

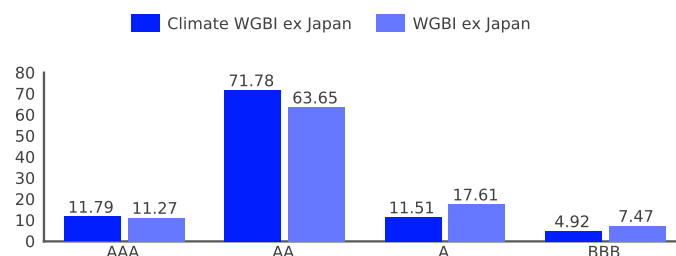
COMPARATIVE ANALYSIS OF MARKET WEIGHT (in %)

Top Underweights and Overweights

(Climate WGBI ex Japan) - (WGBI ex Japan)



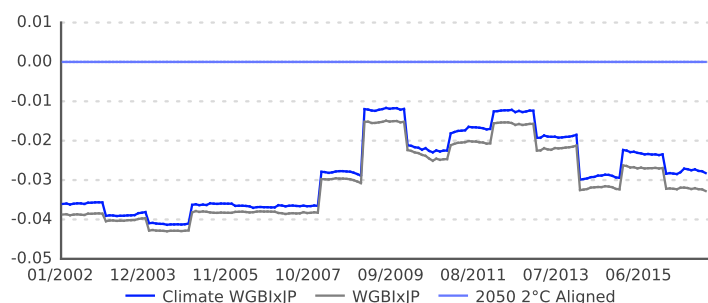
Credit Quality (Market Weight in %)



HISTORICAL INDEX LEVEL (Unhedged)



ALIGNMENT TO 2050 2°C GHG EMISSIONS TARGET



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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	1.88	1.72	1.44	1.47	-2.31	1.00	1.34	1.74	1.80	1.69	1.36	1.44	-2.39	0.97	1.25	1.71
1 Year	2.25	5.27	6.40	3.52	2.95	-0.48	2.72	4.97	2.82	5.53	6.99	3.77	3.53	-0.21	3.30	5.23
3 Years	-3.68	-1.12	-1.18	-3.19	5.35	-6.11	-1.62	-1.90	-3.05	-0.74	-0.53	-2.82	6.04	-5.73	-0.97	-1.50
5 Years	-2.53	-1.22	-1.45	-2.83	4.22	-4.48	-2.25	-1.78	-2.17	-0.98	-1.10	-2.59	4.59	-4.23	-1.89	-1.52
Since Climate WGBI ex Japan Inception	3.74	3.55	3.05	2.75	4.37	1.35	4.39	3.81	3.75	3.52	3.06	2.71	4.38	1.32	4.40	3.78

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
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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