

FTSE Advanced Climate Risk-Adjusted EMU Government Bond Index

Sovereign | Single-Currency

The FTSE Advanced Climate Risk-Adjusted EMU Government Bond Index (Advanced Climate EGBI) measures the performance of fixed-rate, local currency, investment-grade sovereign bonds in the FTSE EMU Government Bond Index (EGBI) 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 impact on the country and its economy from the required efforts to mitigate climate change encompassed by GHG emissions reduction needed to meet the Paris conference target of less than 2 degrees of global warming and the recent trend of historical carbon emissions
- Physical risk represents the risk to the country and its economy from the physical effects of climate change
- Resilience represents a country's preparedness and actions to cope with climate change

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.

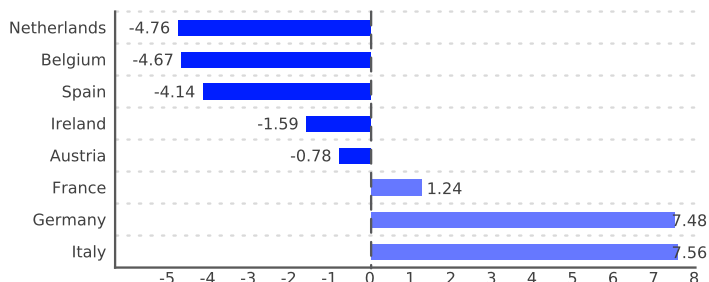
INDEX PROFILE

Description	# of Issues	Par Amount*	Market Value*	Market Weight (%)	Average Coupon (%)	Average Life (Years)	Yield to Maturity (%)	Effective Duration
Advanced Climate EGBI	385	7,504.47	7,000.71	100.00	2.12	9.33	3.20	7.06
1-3 Years	72	1,574.01	1,538.73	21.98	1.66	1.94	3.15	1.86
3-5 Years	66	1,500.42	1,462.99	20.90	2.05	3.98	2.95	3.73
5-7 Years	48	1,097.98	1,034.98	14.78	1.93	6.01	3.08	5.54
7-10 Years	56	1,152.49	1,087.16	15.53	2.20	8.46	3.16	7.55
10+ Years	143	2,179.57	1,876.85	26.81	2.56	20.50	3.51	14.48
Austria	31	232.66	207.92	2.97	1.75	13.78	3.06	8.60
Belgium	33	46.00	42.00	0.60	2.17	12.48	3.10	9.15
Finland	25	113.35	100.11	1.43	1.38	9.32	3.04	7.50
France	51	2,011.80	1,821.58	26.02	1.85	9.97	3.20	7.50
Germany	63	2,049.76	1,925.89	27.51	1.49	9.04	2.59	7.37
Ireland	17	0.80	0.70	0.01	1.18	9.80	2.93	8.18
Italy	90	2,230.38	2,125.41	30.36	2.95	8.55	3.75	6.25
Netherlands	24	0.76	0.70	0.01	1.39	9.99	2.83	8.10
Spain	51	818.96	776.38	11.09	2.33	9.19	3.27	6.92
EGBI	385	7,538.73	7,000.71	100.00	2.07	9.62	3.18	7.27

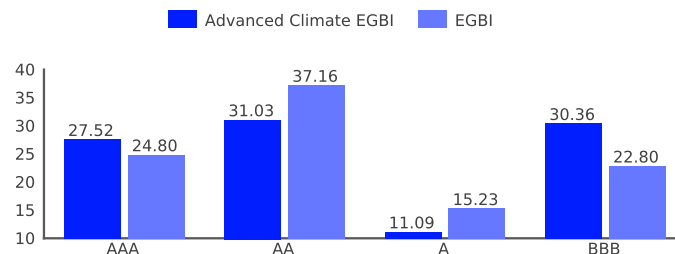
* In EUR billions

COMPARATIVE ANALYSIS OF MARKET WEIGHT (in %)

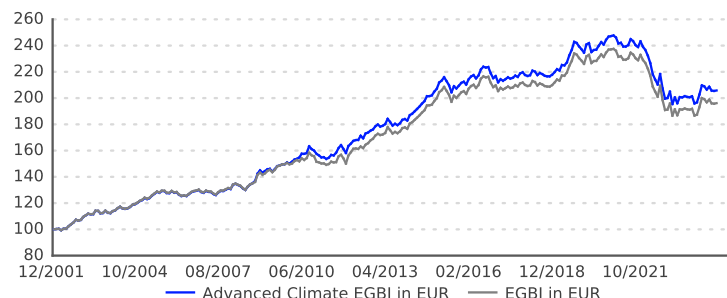
Top Underweights and Overweights (Advanced Climate EGBI) - (EGBI)



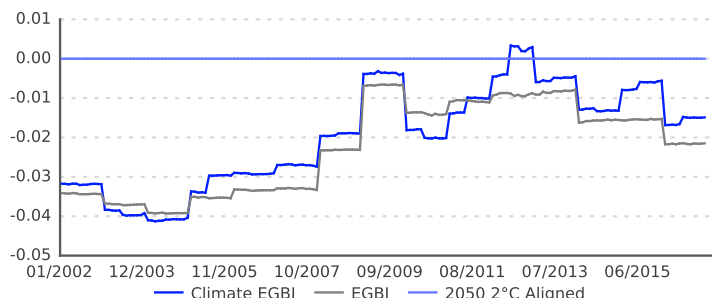
Credit Quality (Market Weight in %)



HISTORICAL INDEX LEVEL (Unhedged)



ALIGNMENT TO 2050 2°C GHG EMISSIONS TARGET



ANNUALIZED RETURNS (in %)

	Advanced Climate EGBI								EGBI							
	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	-4.77	-1.09	-1.85	-1.85	8.65	-3.95	-3.97	-1.21	-4.86	-1.18	-1.94	-1.94	8.56	-4.04	-4.05	-1.30
1 Year	0.62	4.29	2.43	2.43	11.99	-1.89	1.20	3.79	0.60	4.27	2.41	2.41	11.97	-1.91	1.18	3.77
3 Years	-8.19	-3.24	-5.04	-5.04	3.90	-7.04	-5.44	-3.96	-8.36	-3.42	-5.22	-5.22	3.71	-7.22	-5.61	-4.14
5 Years	-3.59	-0.73	-2.41	-2.41	4.46	-3.59	-3.46	-1.42	-3.84	-0.99	-2.67	-2.67	4.19	-3.85	-3.71	-1.68
Since Advanced Climate EGBI Inception	4.11	4.00	3.26	3.26	5.07	1.93	4.77	4.28	3.89	3.80	3.04	3.04	4.84	1.74	4.54	4.06

DESIGN CRITERIA AND CALCULATION METHODOLOGY

Currency:	EUR
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:	EUR 2.5 billion
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 from the end of May rebalance. The cut-off for input data is May 1 of each year.
Country Climate Score Assessment Cohort:	Local currency sovereign bond markets eligible for the EGBI
Climate Pillars and Tilt Calibration:	Transition risk: 1; Physical risk: 1; Resilience: 1
Rebalancing:	Once a month at month end
Fixing Date:	Each month, the upcoming month's index constituents are "fixed" on the profile fixing date. Each year's scheduled fixing dates are published on the website.
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

VENDOR CODES

SBACEGU	FTSE Advanced Climate Risk-Adjusted EGBI, in USD	SBACEGUC	FTSE Advanced Climate Risk-Adjusted EGBI, in USD Hedged
SBACEGY	FTSE Advanced Climate Risk-Adjusted EGBI, in JPY	SBACEGYC	FTSE Advanced Climate Risk-Adjusted EGBI, in JPY Hedged
SBACEGE	FTSE Advanced Climate Risk-Adjusted EGBI, in EUR	SBACEGGC	FTSE Advanced Climate Risk-Adjusted EGBI, in GBP Hedged
SBACEGG	FTSE Advanced Climate Risk-Adjusted EGBI, in GBP		

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