

FTSE Advanced Climate Risk-Adjusted World Government Bond Index

**FTSE
RUSSELL**
An LSEG Business

Sovereign | Multi-Currency

The FTSE Advanced Climate Risk-Adjusted World Government Bond Index (Advanced Climate WGBI) measures the performance of fixed-rate, local currency, investment-grade sovereign bonds in the FTSE World Government Bond Index (WGBI) 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 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.

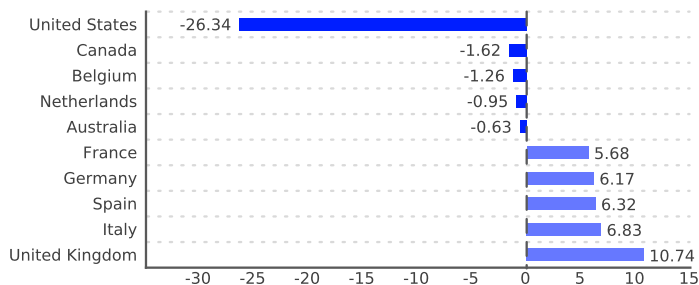
INDEX PROFILE

Description	# of Issues	Par Amount*	Market Value*	Market Weight (%)	Average Coupon (%)	Average Life (Years)	Yield to Maturity (%)	Effective Duration
Advanced Climate WGBI	1,278	29,836.65	27,265.63	100.00	2.24	10.78	3.40	7.86
1-3 Years	289	6,187.92	6,054.66	22.21	2.04	1.96	3.54	1.87
3-5 Years	224	5,306.10	5,143.33	18.86	2.19	4.01	3.22	3.75
5-7 Years	149	3,468.01	3,257.49	11.95	2.04	6.02	3.25	5.54
7-10 Years	162	4,315.67	4,067.67	14.92	2.29	8.48	3.23	7.56
10+ Years	454	10,558.96	8,742.48	32.06	2.42	21.87	3.53	15.44
North America	320	4,912.94	4,455.20	16.34	2.78	8.45	4.56	5.93
Latin America	15	233.43	209.95	0.77	7.45	9.61	10.11	5.03
Asia Pacific	442	4,381.47	4,138.92	15.18	1.30	13.27	1.47	11.23
EMEA	501	20,308.82	18,461.56	67.71	2.25	10.82	3.47	7.61
WGBI	1,278	29,480.27	27,265.63	100.00	2.43	9.59	3.61	7.10

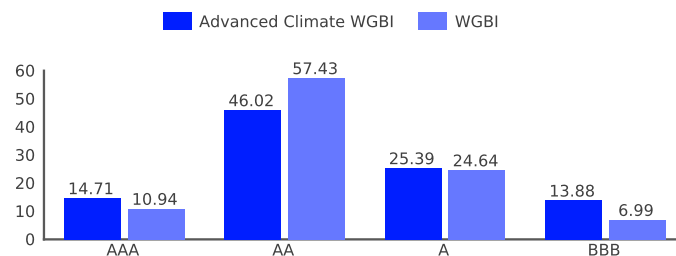
* In USD billions

COMPARATIVE ANALYSIS OF MARKET WEIGHT (in %)

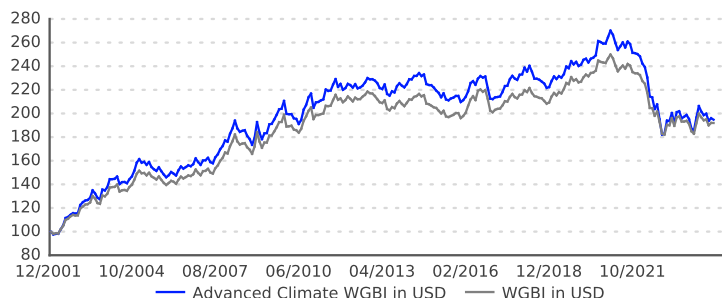
Top Underweights and Overweights (Advanced Climate WGBI) - (WGBI)



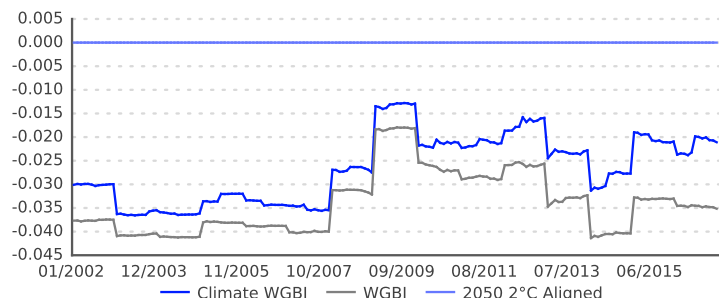
Credit Quality (Market Weight in %)



HISTORICAL INDEX LEVEL (Unhedged)



ALIGNMENT TO 2050 2°C GHG EMISSIONS TARGET



ANNUALIZED RETURNS (in %)

	Advanced Climate WGBI								WGBI							
	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	-5.59	-1.23	-2.70	-2.00	7.72	-4.11	-4.79	-1.36	-3.96	-0.57	-1.01	-1.35	9.58	-3.45	-3.15	-0.70
1 Year	-1.28	3.16	0.49	1.32	9.87	-2.98	-0.71	2.67	-0.63	2.75	1.15	0.93	10.59	-3.33	-0.06	2.27
3 Years	-8.70	-3.09	-5.57	-4.90	3.32	-6.86	-5.96	-3.78	-6.92	-2.65	-3.73	-4.48	5.34	-6.44	-4.12	-3.32
5 Years	-4.07	-0.81	-2.90	-2.50	3.93	-3.65	-3.94	-1.47	-3.20	-0.58	-2.02	-2.29	4.88	-3.44	-3.07	-1.24
Since Advanced Climate WGBI Inception	3.01	3.37	2.16	2.61	3.95	1.30	3.65	3.65	2.94	3.23	2.10	2.46	3.88	1.16	3.59	3.50

DESIGN CRITERIA AND CALCULATION METHODOLOGY

Currency:	AUD, CAD, CNY*, DKK, EUR, GBP, ILS, JPY, 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 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 WGBI.
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

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

VENDOR CODES

SBACWGU	FTSE Advanced Climate Risk-Adjusted WGBI, in USD	SBACWGUC	FTSE Advanced Climate Risk-Adjusted WGBI, in USD Hedged
SBACWGE	FTSE Advanced Climate Risk-Adjusted WGBI, in EUR	SBACWGEC	FTSE Advanced Climate Risk-Adjusted WGBI, in EUR Hedged
SBACWGY	FTSE Advanced Climate Risk-Adjusted WGBI, in JPY	SBACWGYC	FTSE Advanced Climate Risk-Adjusted WGBI, in JPY Hedged
SBACWGG	FTSE Advanced Climate Risk-Adjusted WGBI, in GBP	SBACWGGC	FTSE Advanced Climate Risk-Adjusted WGBI, in GBP Hedged

© 2024 London Stock Exchange Group plc and its applicable group undertakings (the "LSE Group"). The LSE Group includes (1) FTSE International Limited ("FTSE"), (2) Frank Russell Company ("Russell"), (3) FTSE Global Debt Capital Markets Inc. and FTSE Global Debt Capital Markets Limited (together, "FTSE Canada"), (4) MTSNext Limited ("MTSNext"), (5) Mergent, Inc. ("Mergent"), (6) FTSE Fixed Income LLC ("FTSE FI"), (7) The Yield Book Inc. ("YB"), and (8) Beyond Ratings S.A.S. ("BR"). All rights reserved.

The FTSE Fixed Income Indices are calculated by or on behalf of FTSE Fixed Income LLC or its affiliate, agent or partner. FTSE International Limited is authorized and regulated by the Financial Conduct Authority as a benchmark administrator. FTSE Russell® is a trading name of FTSE, Russell, FTSE Canada, MTSNext, Mergent, FTSE FI, YB, and BR. "FTSE®", "Russell®", "FTSE Russell®", "MTS®", "FTSE4Good®", "ICB®", "Mergent®", "WorldBIG®", "USBIG®", "EuroBIG®", "AusBIG®", "The Yield Book®", Beyond Ratings®, and all other trademarks and service marks used herein (whether registered or unregistered) are trademarks and/or service marks owned or licensed by the applicable member of the LSE Group or their respective licensors and are owned, or used under license, by FTSE, Russell, MTSNext, FTSE Canada, Mergent, FTSE FI, YB, or BR.

All information is provided for information purposes only. All information and data contained in this publication is obtained by the LSE Group, from sources believed by it to be accurate and reliable. Because of the possibility of human and mechanical error as well as other factors, however, such information and data is provided "as is" without warranty of any kind. No member of the LSE Group nor their respective directors, officers, employees, partners or licensors make any claim, prediction, warranty or representation whatsoever, expressly or impliedly, either as to the accuracy, timeliness, completeness, merchantability of any information or of results to be obtained from the use of the FTSE Russell Indices or the fitness or suitability of the FTSE Russell Indices for any particular purpose to which they might be put. Any representation of historical data accessible through FTSE Russell Indices is provided for information purposes only and is not a reliable indicator of future performance.

No responsibility or liability can be accepted by any member of the LSE Group nor their respective directors, officers, employees, partners or licensors for (a) any loss or damage in whole or in part caused by, resulting from, or relating to any error (negligent or otherwise) or other circumstance involved in procuring, collecting, compiling, interpreting, analyzing, editing, transcribing, transmitting, communicating or delivering any such information or data or from use of this document or links to this document or (b) any direct, indirect, special, consequential or incidental damages whatsoever, even if any member of the LSE Group is advised in advance of the possibility of such damages, resulting from the use of, or inability to use, such information. No member of the LSE Group nor their respective directors, officers, employees, partners or licensors provide investment advice and nothing contained in this document or accessible through FTSE Russell Indices, including statistical data and industry reports, should be taken as constituting financial or investment advice or a financial promotion.

Past performance is no guarantee of future results. Charts and graphs are provided for illustrative purposes only. Index returns shown may not represent the results of the actual trading of investable assets. Certain returns shown may reflect back-tested performance. All performance presented prior to the index inception date is back-tested performance. Back-tested performance is not actual performance, but is hypothetical. The back-test calculations are based on the same methodology that was in effect when the index was officially launched. However, back-tested data may reflect the application of the index methodology with the benefit of hindsight, and the historic calculations of an index may change from month to month based on revisions to the underlying economic data used in the calculation of the index.

No part of this information may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without prior written permission of the applicable member of the LSE Group. Use and distribution of the LSE Group data requires a license from FTSE, Russell, FTSE Canada, MTSNext, Mergent, FTSE FI, YB, BR, and/or their respective licensors.