

FTSE Climate Risk-Adjusted EMU Government Bond Index

Sovereign | Single-Currency

The FTSE Climate Risk-Adjusted EMU Government Bond Index ("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 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.

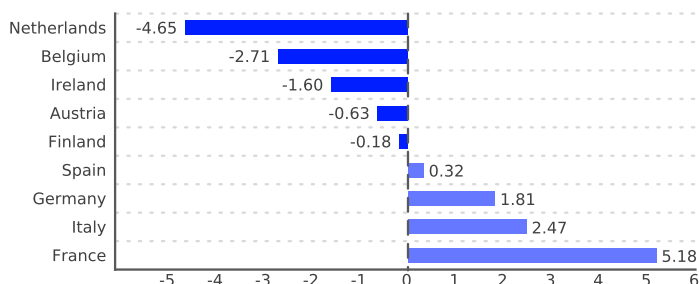
INDEX PROFILE

Description	# of Issues	Par Amount*	Market Value*	Market Weight (%)	Average Coupon (%)	Average Life (Years)	Yield to Maturity (%)	Effective Duration
Climate EGBI	382	7,392.61	7,017.90	100.00	2.05	9.49	2.94	7.32
1-3 Years	70	1,535.97	1,507.04	21.47	1.63	1.96	3.02	1.89
3-5 Years	64	1,415.13	1,381.26	19.68	1.86	3.97	2.72	3.76
5-7 Years	50	1,047.32	1,001.99	14.28	1.80	5.92	2.73	5.49
7-10 Years	56	1,206.76	1,165.42	16.61	2.21	8.35	2.88	7.48
10+ Years	142	2,187.42	1,962.20	27.96	2.50	20.69	3.19	14.82
Austria	31	241.96	220.36	3.14	1.67	13.53	2.84	8.75
Belgium	33	210.83	197.90	2.82	2.08	12.17	2.89	9.02
Finland	24	115.83	103.16	1.47	1.27	9.37	2.82	7.67
France	50	2,266.27	2,123.62	30.26	1.79	10.02	2.83	7.70
Germany	62	1,592.36	1,508.15	21.49	1.44	9.07	2.45	7.52
Ireland	17	0.79	0.70	0.01	1.17	10.03	2.71	8.42
Italy	89	1,821.06	1,767.81	25.19	2.89	8.62	3.44	6.52
Netherlands	24	0.75	0.70	0.01	1.38	9.93	2.63	8.24
Spain	52	1,142.76	1,095.49	15.61	2.25	9.09	3.07	6.94
EGBI	382	7,411.64	7,017.90	100.00	2.00	9.62	2.92	7.43

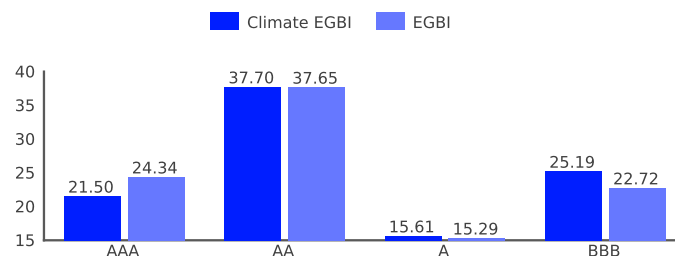
* In EUR billions

COMPARATIVE ANALYSIS OF MARKET WEIGHT (in %)

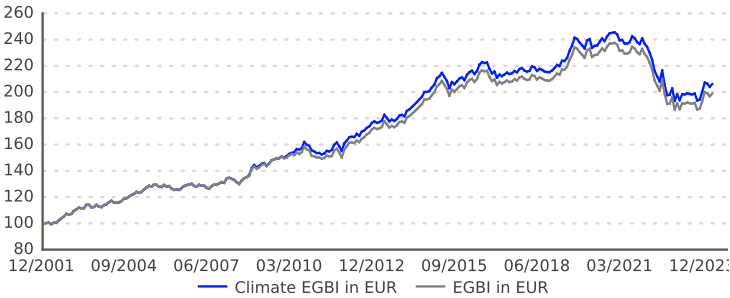
Top Underweights and Overweights (Climate EGBI) - (EGBI)



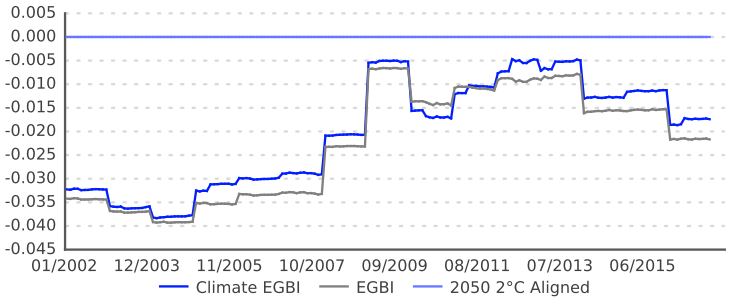
Credit Quality (Market Weight in %)



HISTORICAL INDEX LEVEL (Unhedged)



ALIGNMENT TO 2050 2°C GHG EMISSIONS TARGET



ANNUALIZED RETURNS (in %)

	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	-2.77	-0.17	-0.55	-0.55	4.38	-1.63	-1.88	-0.23	-2.80	-0.20	-0.59	-0.59	4.34	-1.67	-1.92	-0.27
1 Year	3.28	5.90	3.90	3.90	17.45	-0.31	1.09	5.27	3.25	5.87	3.86	3.86	17.41	-0.34	1.06	5.23
3 Years	-7.56	-3.19	-4.91	-4.91	2.66	-6.56	-4.80	-3.90	-7.64	-3.28	-5.00	-5.00	2.57	-6.65	-4.88	-3.98
5 Years	-2.40	0.14	-1.64	-1.64	3.90	-2.61	-1.79	-0.63	-2.51	0.02	-1.75	-1.75	3.78	-2.73	-1.91	-0.75
Since Climate EGBI Inception	4.21	4.05	3.30	3.30	4.88	2.02	4.87	4.32	4.04	3.89	3.14	3.14	4.71	1.87	4.70	4.16

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
Country Climate Score Assessment Cohort:	EGBI eligible local currency sovereign bond markets (current and historical)
Climate Pillars and Tilt Calibration:	Transition risk: 0.5; Physical risk: 0.25; Resilience: 0.5
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

VENDOR CODES

SBCEGU	FTSE Climate Risk-Adjusted EMU Government Bond Index, in USD	SBCEGUC	FTSE Climate Risk-Adjusted EMU Government Bond Index, in USD Hedged
SBCEGY	FTSE Climate Risk-Adjusted EMU Government Bond Index, in JPY	SBCEGYC	FTSE Climate Risk-Adjusted EMU Government Bond Index, in JPY Hedged
SBCEGE	FTSE Climate Risk-Adjusted EMU Government Bond Index, in EUR	SBCEGGC	FTSE Climate Risk-Adjusted EMU Government Bond Index, in GBP Hedged
SBCEGG	FTSE Climate Risk-Adjusted EMU Government Bond Index, in GBP		

© 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.