



FTSE RAFI Sovereign Developed Markets Bond Index Series

Sovereign | Multi-Currency

The FTSE RAFI Sovereign Developed Markets Bond Index Series seeks to reflect exposure to the government securities of a universe of 24 developed markets. By weighting components by their fundamentals, the indices aim to represent each country's economic footprint, which is correlated to the country's ability to service its debt.

SUMMARY STATISTICS

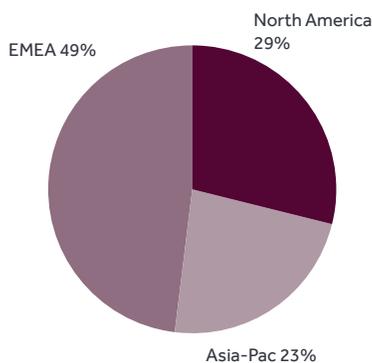
Description	Average Life (Years)	Average Coupon (%)	Average Credit Rating	Average Yield (%)	Modified Duration	# of Issues
FTSE RAFI Sovereign Developed Markets Bond Index¹	8.94	2.44	AA	0.65	8.19	1047
Theoretical Market Cap Equivalent ²	9.29	2.23	AA	0.74	8.49	1034

¹ FTSE RAFI Sovereign Developed Markets Bond Index Master (FTSE RAFI Sov DM Index)

² Theoretical Market Cap Equivalent is a theoretical index designed with the same components as the FTSE RAFI Sovereign Developed Markets Bond Index Master, but using market capitalization instead of fundamental weighting.

REGIONAL AND RATING SUMMARY

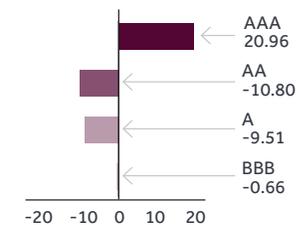
Regional Breakdown



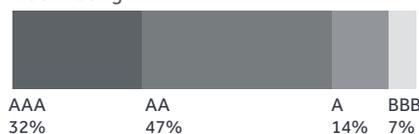
Comparative Analysis of Market Value % by Rating

	FTSE RAFI Sov DM Bond Index	Theoretical Market Cap Equivalent	(FTSE RAFI Sov DM Bond Index) - (Theoretical Market Cap Equivalent)
AAA	31.89	10.93	20.96
AA	47.42	58.22	-10.80
A	14.11	23.62	-9.51
BBB	6.58	7.24	-0.66

(FTSE RAFI Sov DM Bond Index) - (Theoretical Market Cap Equivalent)



Index Rating



RETURNS (in %)

	FTSE RAFI Sovereign Developed Markets Index						Theoretical Market Cap Equivalent					
	USD unhedged	USD hedged	EUR unhedged	EUR hedged	GBP unhedged	GBP hedged	USD unhedged	USD hedged	EUR unhedged	EUR hedged	GBP unhedged	GBP hedged
Index Level	253.54	221.78	211.79	203.63	302.38	244.02	222.28	218.54	185.68	200.53	265.11	240.17
YTD*	5.07	9.12	10.18	6.73	8.59	7.77	6.10	9.17	11.25	6.78	9.65	7.82
1-year	5.89	11.75	12.82	8.44	12.06	9.87	8.03	11.84	15.09	8.52	14.32	9.95
3-years	1.04	3.72	2.07	1.22	2.83	2.30	1.10	3.64	2.12	1.13	2.89	2.21
5-years	1.17	4.35	4.20	2.59	6.88	3.61	1.84	4.34	4.89	2.58	7.58	3.60
Inception	5.30	4.52	4.26	4.03	6.34	5.08	4.54	4.44	3.50	3.94	5.57	4.99

* Not annualized

COMPARATIVE ANALYSIS (market value, % by country)

Description	FTSE RAFI Sov DM Bond Index	Theoretical Market Cap Equivalent	(FTSE RAFI Sov DM Bond Index) - (Theoretical Market Cap Equivalent)	FTSE RAFI Sov DM Bond Index Yield	FTSE RAFI Sov DM Bond Index Modified Duration
United States	21.05	38.49	-17.44	1.72	6.49
Japan	8.27	18.34	-10.07	-0.09	11.33
Italy	4.87	7.19	-2.32	0.59	7.38
France	5.75	7.99	-2.24	-0.31	8.83
Spain	4.44	4.53	-0.09	0.06	8.20
Belgium	1.87	1.91	-0.04	-0.19	10.46
United Kingdom	5.27	5.00	0.27	0.67	14.45
Austria	1.77	1.11	0.66	-0.30	11.48
Ireland	1.40	0.58	0.82	-0.11	8.69
Denmark	1.31	0.42	0.89	-0.58	9.15
Netherlands	2.38	1.48	0.90	-0.50	8.97
Portugal	1.71	0.70	1.01	0.03	7.07
Israel	1.36	0.30	1.06	0.75	6.68
Singapore	1.54	0.31	1.23	1.75	7.47
Finland	1.97	0.44	1.53	-0.45	7.77
Switzerland	1.62	0.08	1.54	-0.85	4.76
Czech Republic	1.81	0.20	1.61	1.34	7.28
Germany	6.67	5.04	1.63	-0.61	8.26
New Zealand	1.81	0.16	1.65	1.02	6.40
Norway	2.20	0.19	2.01	1.24	4.71
Sweden	2.51	0.27	2.24	-0.44	5.86
Korea	4.76	2.20	2.56	1.41	9.63
Australia	6.16	1.59	4.57	0.96	6.98
Canada	7.50	1.47	6.03	1.51	7.28

■ Top 10 weighted countries
 ■ Top 5 underweights relative to Theoretical Market Cap Equivalent
 ■ Top 5 overweights relative to Theoretical Market Cap Equivalent

Source: FTSE Russell and Research Affiliates LLC as of September 30, 2019.

DESIGN CRITERIA & CALCULATION METHODOLOGY - KEY HIGHLIGHTS

Maturity breakdown:	A standard maturity breakdown: 1-3, 3-5, 5-7, 7-10 and 10+ is available. Additional maturity buckets are also available.
Minimum maturity:	At least one year
Minimum issue size:	Each country will follow the General Index Methodology ³
Minimum credit quality:	BBB- by S&P or Baa3 by Moody's
Weighting:	RAFI [®] Methodology ⁴ - The weights for each country are determined once per year. Weights are based on country fundamentals rather than the amount of debt outstanding. For more information, please refer to the Weighting Methodology section of the Index Guide.
Rebalancing:	Monthly. For more information, please refer to the Monthly Reconstitution section of the Index Guide.
Reinvestment of cash flow:	At daily average of the local currency one-month Eurodeposit rate, calculated from the actual scheduled payment date of the cash flow through the end of the reporting period.
Pricing:	Refinitiv except for Israel (provided by Tel Aviv Stock Exchange), Korea (provided by KAP), and Singapore (provided by 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:	September 30, 2001
Included markets:	Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Finland, France, Germany, Ireland, Israel, Italy, Japan, Korea, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, United Kingdom, and United States
Currencies:	Australian Dollar (AUD), Canadian Dollar (CAD), Czech Koruna (CZK) Danish Krone (DKK), Euro (EUR), Israeli Shekel (ILS), Japanese Yen (JPY), Korean Won (KRW), New Zealand Dollar (NZD), Norwegian Krone (NOK), Singapore Dollar (SGD), Swedish Krona (SEK), Swiss Franc (CHF), UK Sterling (GBP), and US Dollar (USD)

³ For more information, please refer to the Index Guide on the Web site at www.yieldbook.com/m/indices/

⁴ Please see Important Information section.

ACCESSING INDEX DATA

For more information about the FTSE RAFI Bonds Index Series, visit:

- Index Web site: <http://yieldbook.com/m/indices/>
- Research Affiliates website: www.researchaffiliates.com
- The Yield Book

VENDOR CODES

Bloomberg

- CRFDMU - FTSE RAFI Sov DM Bond Index Master in USD terms
- CRFDU - FTSE RAFI Sov DM Bond Index Liquid in USD terms

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