FTSE Climate Risk-Adjusted Carry and Roll Down World Government Bond Index

Sovereign | Multi-Currency

FTSE Climate Risk-Adjusted Carry and Roll Down World Government Bond Index (Climate CaRD WGBI, also refer to the "Index") seeks to reflect a targeted exposure to the sovereign bonds in the FTSE Climate Risk-Adjusted World Government Bond Index (Climate WGBI, the "Base Universe"). The weightings for each security within the Index are determined by an optimization process that aims to maximize the rolling yield return, i.e., Carry (yield) and Roll Down (returns from shortening of bond maturity and positive yield curve roll down) of the Index subject to duration and country weight constraints of the Base Universe.

The FTSE Climate WGBI measures the performance of fixed-rate, local currency, investment-grade sovereign bonds based on the market capitalization of its index eligible debt in the FTSE World Government Bond Index, as well as by incorporating a tilting methodology that adjusts index weights according to each country's relative climate risk performance, measured across three distinct and quantitative, climate-related pillars: transition risk; physical risk; and resilience.

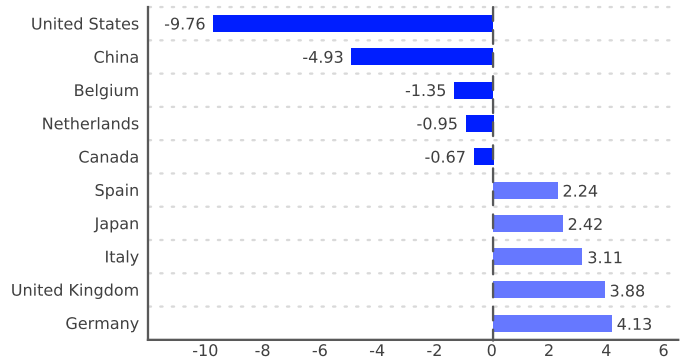
INDEX PROFILE

Description	# of Issues	Par Amount*	Market Value*	Market Weight (%)	Average Coupon (%)	Average Life (Years)	Yield to Maturity (%)	Effective Duration
Climate CaRD WGBI	**455**	**27303.90**	**26452.81**	**100.00**	**2.54**	**9.05**	**3.38**	**7.65**
1-3 Years	206	8093.90	7853.26	29.69	2.12	1.95	4.08	1.86
5-7 Years	14	746.04	775.58	2.93	2.83	6.02	2.32	5.50
7-10 Years	34	3170.67	3007.61	11.37	2.70	8.34	3.57	7.30
10+ Years	201	15293.30	14816.35	56.01	2.72	13.11	3.03	10.90

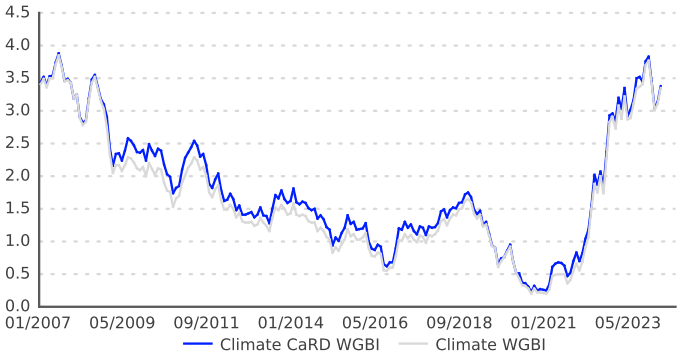
* In USD billions

COMPARATIVE ANALYSIS OF MARKET WEIGHT (in %)

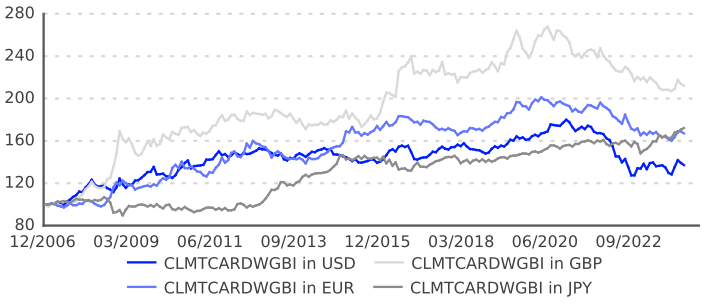
Top Underweights and Overweights (Climate CaRD WGBI) - (WGBI)



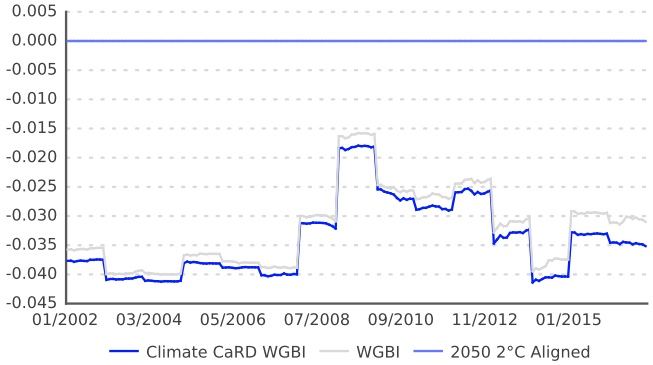
HISTORICAL YIELD TO MATURITY



HISTORICAL INDEX LEVEL (Unhedged)



ALIGNMENT TO 2050 2°C GHG EMISSIONS TARGET



ANNUALIZED RETURNS (in %)

	USD		EUR		JPY		GBP	
	Unhedged	Hedged	Unhedged	Hedged	Unhedged	Hedged	Unhedged	Hedged
YTD*	-3.29	-1.23	-1.28	-1.49	2.67	-2.22	-2.54	-1.28
1 Year	2.83	5.20	0.77	3.06	12.98	-1.00	-1.59	4.47
3 Years	-7.46	-2.75	-3.85	-4.49	3.64	-5.98	-4.33	-3.42
5 Years	-2.24	0.35	-1.23	-1.46	3.73	-2.35	-1.25	-0.41

* Not annualized

DESIGN CRITERIA AND CALCULATION METHODOLOGY

Coupon:	Fixed-rate
Minimum Maturity:	At least one year
Minimum Credit Quality:	Entry: A- by S&P and A3 by Moody's, for all new markets Exit: Below BBB- by S&P and Baa3 by Moody's
Weighting:	Alternatively weighted. The country weights of base universe are determined by Climate scores and pillars. The final weights of each Index in the Series are determined by performing an optimization process, for details, see Optimization Methodology section in the ground rule.
Country Climate Scores:	Updated annually and applied each May month-end 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: 0.25; Physical risk: 1; Resilience: 1
Reinvestment of Cash Flow:	Intra-month cash flows from interest and principal payments are not reinvested as part of monthly index total return calculations.
Rebalancing:	Once a month on the last business day of the month
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.
Fixing Date:	Each month, the upcoming month's index constituents for the base universe are "fixed" on the profile fixing date. The Index is "fixed" on the profile fixing date as well.
Base Date:	December 31, 2006

VENDOR CODES

SBCCWGU	FTSE Climate Risk-Adjusted Carry and Roll Down World Government Bond Index, currency in USD terms
SBCCWGUC	FTSE Climate Risk-Adjusted Carry and Roll Down World Government Bond Index, currency hedged in USD terms

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