FTSE RUSSELL
An LSEG Business

FTSE ESG Emerging Markets US Dollar Government Bond Index

Sovereign | US Dollar

The FTSE ESG Emerging Markets US Dollar Government Bond Index (ESG EMUSDGBI) measures the performance of fixed-rate, US Dollar-denominated sovereign bonds in the FTSE Emerging Markets US Dollar Government Bond Index while incorporating a tilting methodology that adjusts index weights according to each country's relative Environmental, Social and Governance (ESG) performance.

The FTSE ESG EMUSDGBI assigns weights to each country based on the market capitalization of its index eligible debt, as well as its relative ESG performance, measured across three distinct and quantitative pillars: Environmental, Social & Governance. The unique ESG performance assessment that underpins the FTSE ESG EMUSDGBI is designed to achieve improved ESG performance for the sovereign bond asset class utilizing innovative geometric tilts on E, S & G pillars. The ESG pillars are based on ESG factors developed as part of the Sovereign Risk Monitor (SRM) model by Beyond Ratings.

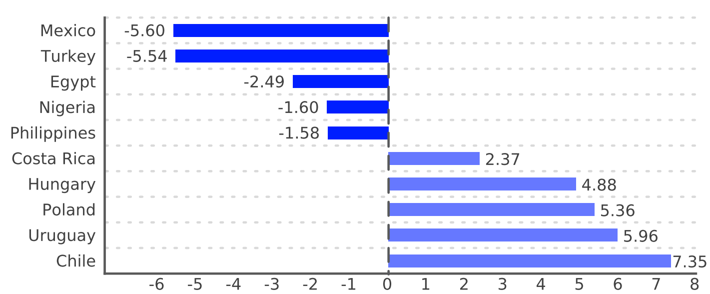
INDEX PROFILE

Description	# of Issues	Par Amount*	Market Value*	Market Weight (%)	Average Coupon (%)	Average Life (Years)	Yield to Maturity (%)	Effective Duration
ESG EMUSDGBI	547	936.74	826.74	100.00	4.83	13.64	6.93	7.96
AA	18	69.45	66.87	8.09	4.46	15.90	4.98	9.30
A	62	213.96	195.07	23.60	4.11	15.33	5.23	8.79
BBB	189	340.06	318.91	38.57	5.09	15.19	5.84	8.51
BB	105	142.27	139.91	16.92	5.94	13.35	6.34	7.47
B	122	57.56	52.85	6.39	6.45	8.48	8.28	5.09
CCC	51	113.46	53.14	6.43	3.45	7.41	22.33	4.12
1-3 Years	79	84.49	81.45	9.85	4.31	2.17	6.75	1.99
3-5 Years	83	140.52	122.00	14.76	4.21	3.95	8.80	3.39
5-7 Years	68	87.53	84.15	10.18	4.91	6.06	5.82	5.05
7-10 Years	101	204.85	166.87	20.18	4.66	8.81	7.67	6.65
10+ Years	216	419.36	372.27	45.03	5.21	23.14	6.27	12.02
EMUSDGBI	557	972.14	836.03	100.00	5.14	12.80	7.83	7.29

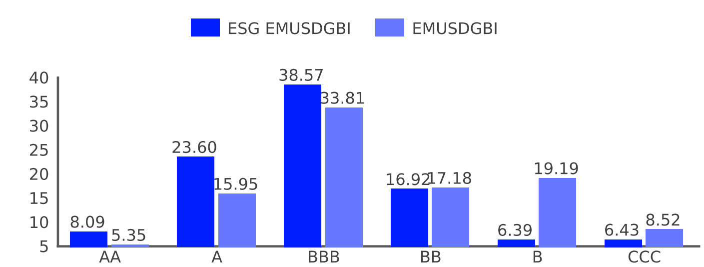
* In USD billions

COMPARATIVE ANALYSIS OF MARKET WEIGHT (in %)

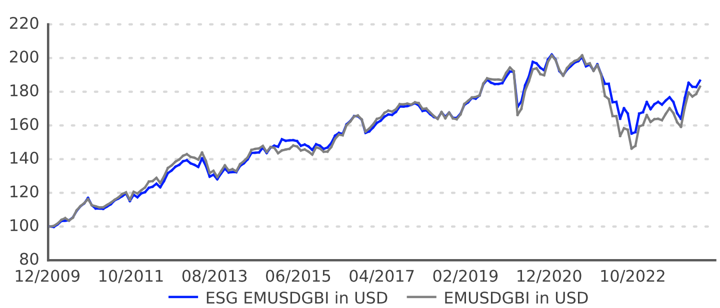
Top Underweights and Overweights (ESG EMUSDGBI) - (EMUSDGBI)



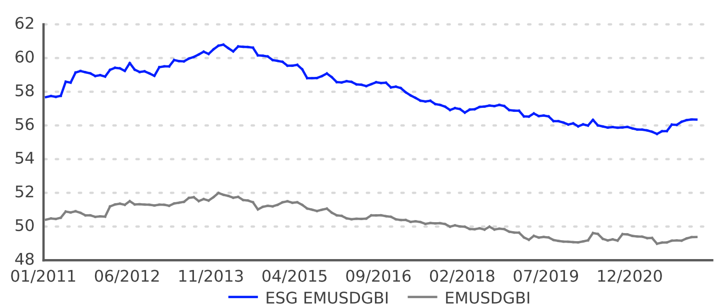
Credit Quality (Market Weight in %)



HISTORICAL INDEX LEVEL (Unhedged)



ESG Score



ANNUALIZED RETURNS (in %)

	ESG EMUSDGBI								EMUSDGBI							
	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*	0.70	0.70	2.99	0.29	8.10	-0.80	1.62	0.63	1.95	1.95	4.28	1.54	9.44	0.46	2.88	1.89
1 Year	8.11	8.11	8.75	5.71	22.94	1.47	5.82	7.09	11.81	11.81	12.47	9.35	27.14	5.00	9.43	10.78
3 Years	-0.56	-0.56	2.29	-2.74	10.44	-4.40	2.41	-1.65	-1.15	-1.15	1.67	-3.35	9.77	-4.99	1.80	-2.25
5 Years	1.14	1.14	1.93	-1.04	7.67	-1.89	1.77	-0.02	0.72	0.72	1.51	-1.47	7.22	-2.31	1.35	-0.48
Since ESG EMUSDGBI Inception	4.47	4.47	6.58	3.03	8.10	2.69	6.29	3.82	4.33	4.33	6.43	2.84	7.95	2.55	6.15	3.63

* Not annualized

DESIGN CRITERIA AND CALCULATION METHODOLOGY

Currency:	USD
Minimum Maturity:	At least one year
Minimum Issue Size:	USD 500 million
Quality:	C by S&P and Ca by Moody's (excludes defaulted bonds)
Weighting:	Alternatively Weighted
Country ESG Scores:	E, S and G pillar scores are published in January, April, July and October, and are applied to the February, May, August and November index profiles respectively.
Country ESG Score Assessment Cohort:	Sovereign bond markets eligible for the EMUSDGBI. Countries designated as "Consolidated Authoritarian Regime" or "Semi-Consolidated Authoritarian Regime" by the Freedom House* are not eligible for the ESG EMUSDGBI.
EGS Pillars and Tilt Calibration:	Geometric tilt: Environmental Performance: 0.5; Social Performance: 0.5; Governance Performance: 2.0
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, 2009

* Freedom House country designation can be found in its Nations in Transit Report.

VENDOR CODES

SBEGIMU	FTSE ESG Emerging Markets USD Government Bond Index, in USD terms
SBEGIME	FTSE ESG Emerging Markets USD Government Bond Index, in EUR terms
SBEGIMG	FTSE ESG Emerging Markets USD Government Bond Index, in GBP terms
SBEGIMY	FTSE ESG Emerging Markets USD Government Bond Index, in JPY terms
SBEGIMEC	FTSE ESG Emerging Markets USD Government Bond Index, currency-hedged in EUR terms
SBEGIMGC	FTSE ESG Emerging Markets USD Government Bond Index, currency-hedged in GBP terms
SBEGIMYC	FTSE ESG Emerging Markets USD Government Bond Index, currency-hedged in JPY terms