



FTSE Fixed Income Country Classification Process



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FTSE Fixed Income Country Classification Process

Introduction

A distinguishing feature of global multi-currency fixed income benchmarks is their approach to local market inclusion. There are a number of dimensions across which global debt markets can be evaluated to determine how they are represented as peer groups in broad-based benchmarks. These can include market size, credit rating, asset type, designation as an emerging or developed market, and degree of market accessibility for foreign investors.

To enhance the foundation of its benchmarking approach, FTSE Russell implemented a robust, evidence-driven and process-oriented framework for assessing the index eligibility of local currency government markets in January 2019. The framework assigns a Market Accessibility Level based on the criteria and minimum requirements outlined in this document. The transparent nature of the assignment of these accessibility levels allows engagement with central banks and regulators in those countries where the market is being considered for potential reclassification, and provides portfolio managers and asset allocators with a clear view of expected future index evolution. The classification process itself is designed to be benchmark agnostic; its output can be applied in the construction of both flagship and bespoke benchmarks.

Our goal as an index provider is to offer index users and stakeholders clarity and transparency into the country classifications that underpin our benchmark construction for both fixed income and equity markets, while acknowledging and preserving the clear and important nuances between the two asset classes.

Background¹

Historically, inclusion of local markets within global fixed income multi-currency government benchmarks, such as the FTSE World Government Bond Index (WGBI), has been based on both objective (market size and credit rating) and relatively subjective (barriers-to-entry) criteria. To be considered for index inclusion, a local currency government debt market is required to first meet a series of index criteria that are designed to assess the liquidity and credit quality of candidate countries based on easily observable and commonly used metrics. An assessment of whether barriers-to-entry for foreign investors exist would subsequently take place to evaluate the eligibility of new markets, with ongoing monitoring of existing markets for any significant deterioration in accessibility. Market inclusion in dedicated fixed income Emerging Markets (EM) benchmarks also requires that a local currency market be classified as emerging under a given index provider's EM definition.

To add transparency to the barriers-to-entry assessment process, FTSE Russell established a robust and evidence-driven country classification framework, which includes assignment of a Market Accessibility Level for local currency government bond markets. The classification process incorporates feedback gathered through a market consultation conducted in 2018 and is maintained through the FTSE Russell governance process. Since 30 March 2019, Market Accessibility Levels have replaced the previous barriers-to-entry inclusion criteria in the methodology of the flagship FTSE World Government Bond Index (WGBI) and FTSE Emerging Markets Government Bond Index (EMGBI), and indexes that derive their membership from them. They are also available for use in custom indexes. At implementation, the use of Market Accessibility Levels as described in this document applied exclusively to fixed-rate, local currency nominal government bond markets tracked by FTSE indexes. Effective 30 March 2021, the framework was expanded to include global inflation-linked government bond markets tracked by the FTSE indexes. Effective 30 June 2021, Market Accessibility Levels will be incorporated in the index methodology of the FTSE World Inflation-Linked Securities Index (WorldILSI) and the FTSE Emerging Markets Inflation-Linked Securities Index (EMILSI).

FTSE Fixed Income Country Classification Approach

The FTSE fixed income country classification process provides the framework for local market entry and exit within our benchmarks. It includes the following elements:

- **Market Accessibility Levels** calibrated for a super-set of fixed-rate nominal and inflation-linked local currency government bond markets. Accessibility is measured across four dimensions: Market, Macroeconomic and Regulatory Environment; Foreign Exchange Market Structure; Bond Market Structure; and Global Settlement and Custody. These levels are designed for use in the inclusion criteria of flagship FTSE multi-currency government benchmarks and in custom indexes.
- A Market **"Accessibility" Watch List** of fixed income local government markets that are on the cusp of meeting the criteria for either a higher or lower Market Accessibility Level.
- A **semi-annual schedule for determining country classification** whereby markets on the Market Accessibility Watch List are reviewed and consequent country classification changes are announced each September and March.
- **Governance Oversight** by the FTSE Russell Regional Fixed Income Advisory Committees, the FTSE Russell Country Classification Advisory Committee, the FTSE Russell Policy Advisory Board and the FTSE Russell Index Governance Board.
- **Synchronization of the application of objective market inclusion criteria** (market size and credit rating) for flagship FTSE fixed income benchmarks to the semi-annual cycle of the Market Accessibility Level review.
- **Annual review and publication of the FTSE fixed income emerging and developed market classifications** each September.

¹ FTSE Russell also maintains a country classification framework for its global equity indexes which has an annual review cycle concurrent with the September fixed income country classification process. We believe important distinctions between these two asset classes merit a tailored approach for each.

- An annual review of the **local currency amount outstanding thresholds** applied at the security-level in index methodologies each September.

Further details of these elements are provided in the remainder of this document.

Review Cycle and Mechanisms

Market Accessibility Levels are determined by FTSE Russell via a rigorous governance process whereby index users and market practitioners provide feedback on their assessment of a local market's fulfillment of the stated criteria outlined in this document. Relative market accessibility is reviewed on a semi-annual basis each March and September, along with changes in market eligibility due to objective criteria (market size and credit rating upgrades), and emerging and developed market designations. External stakeholder-led advisory committees ensure that the criteria used to determine country classification meet the needs of global investors and are evaluated objectively. Feedback gathered through these channels is used to assess whether a local market's accessibility level warrants adjustment if there is a failure to meet the existing thresholds or if there are material changes to the local investment conditions that merit a higher value.² These external committees include:

- **Regional Fixed Income Advisory Committees** - Comprised of senior market participants in the US, Canada, EMEA and Asia Pacific who are representative of the appropriate sectors of the investment community. The regional committees comment on markets from the perspective of international investors.
- **Country Classification Advisory Committees** - Comprised of market practitioners with technical expertise in trading, portfolio management and custody who are able to provide first-hand experience of each of these areas.
- **Policy Advisory Board** - The most senior of FTSE Russell's external advisory committees drawing its membership from senior personnel at investment management companies, investment consultants and asset owners. The FTSE Russell Policy Advisory Board ensures that proposals for classification changes are consistent with the strategic perceptions of seasoned investors.

FTSE Russell also consults the broader market on proposed changes to index methodology to ensure that the indexes continue to meet investors' requirements, and are representative of the investment choice-set they are meant to track. The proposals set out in formal consultation documents are put forward in order to gather market feedback, and may or may not result in changes to FTSE Russell methodologies. Ultimate decision making is taken by FTSE Russell at meetings of the FTSE Russell Index Governance Board.

The Market Accessibility Watch List

FTSE Russell maintains a Market Accessibility Watch List of local currency fixed income government bond markets that are being considered for potential reclassification of their Market Accessibility Level for either failing to meet the accessibility thresholds of their existing level or which are on the cusp of meeting the thresholds for a higher level. Inclusion of a market on the Market Accessibility Watch List signals our intent to engage with governments, central banks and regulators to address specific feedback from investors on the fulfilment of the criteria for the proposed accessibility level. It also provides transparency for index users into the future evolution of our benchmarks. In the case of a market disruption event (i.e., the sudden introduction

² Prior to 30 March 2019, market eligibility for both the FTSE World Government Bond Index (WGBI) and FTSE Emerging Markets Government Bond Index (EMGBI) was reviewed on a continual basis. Once a market met all of the requirements, including both objective criteria and market accessibility thresholds, an announcement would be made that the market was eligible for inclusion in the index. If it continued to meet all the requirements for three consecutive months after the announcement, the market would join the index at the end of the three subsequent months.

of prohibitive capital controls), FTSE Russell will reference its Statement of Principles to determine whether an off-cycle review of Market Accessibility Levels should be triggered.

Following the implementation of the FTSE fixed income country classification framework in early 2019, an inaugural March 2019 review was conducted at which Market Accessibility Levels were assigned to countries tracked by FTSE indexes. A Market Accessibility Watch List of markets was created and published on the FTSE Russell website. An annual review cycle formally commenced in September 2019; this evolved into a semi-annual cycle effective from March 2021. The composition of the Market Accessibility Watch List is also considered at the semi-annual reviews.

It is important to note that the Market Accessibility Watch List only identifies those markets that are currently being assessed against the accessibility criteria for potential reclassification. There are additional markets that are tracked by FTSE Russell as part of regional government indexes or standalone government bond indexes that may not qualify for index inclusion because they fail to meet index market size and/or credit rating criteria. FTSE Russell also publishes a list of local currency government bond markets that it tracks on its website with a summary of each market's current index membership, accessibility level, market size and credit rating. This ensures that index users have visibility of those markets that have the potential to be included within the relevant index should they, at some future date, meet the relevant index market size and/or credit rating thresholds.

FTSE Russell continually expands its coverage of local currency government bond markets with the launch of standalone FTSE Government Bond Indexes (GBIs). The inaugural assessment of markets where tracking has been introduced to assign a Market Accessibility Level according to the FTSE Fixed Income Country Classification Framework takes place at the next scheduled semi-annual review in March or September.

Communication

Following the March and September meetings of the FTSE Russell Product Governance Board, Market Accessibility Level reclassification decisions and Market Accessibility Watch List changes are formally communicated to the countries affected. Reclassification and Market Accessibility Watch List decisions are subsequently published along with the timetable for any resulting benchmark changes. The notice period between the announcement of changes to Market Accessibility Levels and the implementation of consequent index membership changes is communicated to the market to allow for sufficient lead time for clients. A market must be on the Market Accessibility Watch List for a minimum of six months before a change to its Market Accessibility Level can be made. At least six months' notice would be given before the implementation of any index membership changes arising from a Market Accessibility Level reclassification.

Determination of Market Accessibility Levels

Market Accessibility Levels are central to the FTSE fixed income country classification framework and are assigned to each fixed-rate and inflation-linked local currency government market based on its fulfillment of a set of observable, transparent criteria. The countries that are tracked by our indexes are assigned a level of 0, 1 or 2, with 2 representing the highest level of accessibility. A Level 2 market is assumed to already satisfy the Level 1 minimums; a Level 1 market is assumed to already satisfy the Level 0 minimums. A value of 0 represents the lowest level of accessibility a debt market must satisfy to be tracked by a FTSE fixed income benchmark. The required degree to which a criterion must be met (full or partial) depends on the Market Accessibility Level. Assessment takes place across the same four broad dimensions for each accessibility level; however, it is possible that a given factor might not be applicable for all levels.

Initial Assignment and Incorporation in FTSE Fixed Income Indexes

Minimum Market Accessibility Levels replaced the barriers-to-entry criteria of the methodology for the flagship FTSE World Government Bond Index (WGBI) and FTSE Emerging Markets Government Bond Index (EMGBI), and indexes that explicitly derive their membership from them according to their methodologies³, from 30 March 2019. Subsequent to this date, a local currency government debt market must have a value of 2 to satisfy the accessibility criteria for the WGBI and a value of at least 1 for the EMGBI. Countries that meet the minimum requirements to be tracked as a standalone additional government market must meet the criteria for a value of 0.

At the time of implementing the country classification framework, FTSE Russell assigned a preliminary level of “2” to countries already included in the WGBI and a preliminary level of “1” to countries included in the EMGBI, but not eligible for the WGBI (e.g., crossover markets were assigned a level of “2”). Local markets not tracked by either of these indexes, including candidate markets that potentially warranted introduction of FTSE Russell local currency government benchmark tracking, had their preliminary level assigned in March 2019. The Market Accessibility Level review commenced its review cycle in September 2019.

As of 30 March 2021, the FTSE Fixed Income Country Classification Framework was expanded to cover inflation-linked local currency government bond markets. In extending the framework, the accessibility level of each nominal, fixed-rate government market tracked by FTSE Russell was applied to its corresponding inflation-linked local currency government bond market. The methodology for the flagship FTSE World Inflation-Linked Securities Index (WorldILSI) will be amended to require a minimum Market Accessibility Level of 2 and the flagship FTSE Emerging Markets Inflation-Linked Securities Index (EMILSI) will be amended to require a minimum Market Accessibility Level of 1 as of 30 June 2021. Owing to the separate and distinct debt management practices of local governments for their nominal and inflation-linked debt, a minimum market size criterion of USD 10 billion will also be applied to the WorldILSI as of this date. This change will decouple the membership of local currency markets in the WorldILSI from their membership of the WGBI; prior to these changes, WorldILSI membership was based entirely on WGBI member countries.

³ For the avoidance of doubt, this includes the FTSE Debt Capacity Government Bond Index (DCWGBI), the FTSE World Government Bond Index – Japanese Investment Trust (WGBI-JIT), the FTSE Emerging Markets Government Bond Index – Japanese Investment Trust (EMGBI-JIT) and the FTSE MPF World Government Bond Index (MPF WGBI), as well as indexes that are sub- or super-sets of the WGBI or EMGBI, such as the FTSE World Broad Investment Grade Index (WorldBIG®).

Criteria and Assessment of Market Accessibility Levels

The market criteria considered when assigning a Market Accessibility Level are provided below:

1. Market, Macroeconomic and Regulatory Environment

- **Investment Restrictions** – Includes restrictions on investment into eligible assets or repatriation of principal and cash flows of eligible assets for foreign investors. Unduly discriminatory quotas or capital controls towards foreign investors should not be present. Access Level 2 markets should have no recent history of capital controls.
- **Sustainable Issuance and Debt Management Practices** – Formal commitment and/or clear evidence of a commitment from local debt management agents to sustain issuance and support primary and secondary market liquidity. Issuance will be assessed in absolute terms, and consideration may also be given to issuance at specific tenor points and across the yield curve. Debt management practices may be evidenced to support market liquidity through establishment of a primary dealer network, issuance patterns (i.e., regular issuance with published auction schedule, reopening of existing issuance), open market operations, etc. This is assessed separately for nominal and inflation-linked markets, such that, conceivably, the assessments of the nominal and inflation-linked markets may differ.
- **Sound Regulatory Environment** – Evidence of consistency and perceived stability of regulations that impact fixed income investment conditions for foreign investors, and active monitoring / regulatory oversight of fixed income dealing landscape (either broker-dealers that operate in the over-the-counter markets or exchanges where fixed income instruments are traded). Consideration will also be given to transparency and communication of monetary policy.
- **Foreign Exchange Policy and Communication** – Consistent and transparent FX policy environment where policies and parameters are clearly communicated to market participants. Consideration will be given to the degree to which core FX and forward fixings are determined via open market mechanisms.
- **Taxation Regime** – Taxes, including those applied to FX, coupons and principal payments, should not unduly discriminate against foreign investors. Consideration will be given to the level of taxation, tax administration and ease of tax collection. Where tax exemptions for foreigners exist, the process should not be cumbersome and lengthy.
- **Registration Process for Foreign Investors** – Clear registration process with low latency where required for foreign investors.

2. Foreign Exchange Market Structure

- **FX Liquidity and Investability** – “Hedgeable” and tradable spot FX and availability of hedging instruments that lend themselves to the replicability of index currency return calculations which currently use one-month forward contracts. Liquidity is measured by daily turnover and compared to the Accessibility Level peer group. Consideration will also be given to the practicality of offshore and third party FX for foreign investors.
- **Currency Convertibility** – Local currency that can be bought and sold without overly prohibitive or costly government restrictions for purposes of investment activity. Consideration will be given to regulatory constraints on offshore and third party FX.
- **Currency Hedging** – Evidence of an established and developed onshore forward market or offshore non-deliverable forward (NDF) market. The degree to which a market with offshore / NDF meets this criterion is based on the divergence between the onshore forward and offshore NDF markets.

3. Bond Market Structure

- **Bond Liquidity** – Representative two-way pricing should be available from multiple sources. Relative liquidity will be measured against an Accessibility Level peer group, as well as an asset type peer group (nominal and inflation-linked debt) and continually monitored given its dynamic nature. Metrics that may be used to assess the liquidity of a local market include, but are not limited to, average bid/offer spreads, trading volume, turnover ratios, depth of ownership (both foreign and domestic) and break-even analysis in the case of inflation-linked bond markets. Both contemporary and historic observations may be considered.
- **Transaction Costs** – The cost of investment for foreign investors should be reasonable and not prohibitive. The investment costs are assessed across the entire investment process, including but not limited to foreign exchange, dealing, clearing, custody and settlement. Fees that may be considered include, but are not limited to: costs related to transaction capture and processing; pre-matching and matching efforts; transaction reporting (including regulatory reporting); CSD charges; costs related to safekeeping; and asset servicing fees.
- **Fixed Income Dealing and Trading Landscape** – Presence of an over-the-counter (OTC) or exchange market(s) that facilitate efficient price discovery and stability. A well-organized, local network of trading relationships inclusive of multiple dealers for OTC markets or exchange trading should allow for easy trade execution by foreigners.
- **Bond Conventions** – Replicable bond conventions that support unconstrained calculation of returns and analytics. Reliable and accessible terms and conditions data, and supported analytics capabilities must be freely available for markets to be tracked by FTSE Russell. Provision of a local inflation-index is also a consideration for inflation-linked markets.
- **Bond Pricing** – Availability of suitable pricing, which is representative and conforms to the local/appropriate convention (i.e. bid/mid or dirty). Reliable prices for index calculation purposes must be seamlessly available for markets to be tracked by FTSE Russell.

4. Global Settlement and Custody

- **Global Settlement** – Settlement via a global clearing agency is desirable, otherwise an equivalent seamless and frictionless solution that does not restrict local market access to foreign investors should be evident.
- **Availability of Delivery vs Payment (DvP)** – DvP should be available for Market Accessibility Levels 1 and 2.
- **Competitive Custody Market** – Multiple custody options from both global and domestic custodians should be available. Important considerations include, but are not limited to, account opening procedures without high operational hurdles (simple / unbureaucratic, low latency, pre-approval not required, etc.), the ability to block trade and allocate client holdings post trade, and the availability of omnibus account structures.

Table 1 summarizes the requirements that must be met for the classification of each Market Accessibility Level, which are defined as follows:

- A criterion marked with indicates that it is **fully required** for a market to meet that accessibility threshold.
- A criterion marked with indicates that the criterion only needs to be **partially met** for a market to meet the overall accessibility threshold.
- A criterion marked with indicates that the criterion **does not apply** to the evaluation of the accessibility factor.

Table 1: Market Accessibility Value Requirements for Fixed-Rate, Local Currency Government Bond Markets

Market Accessibility Level	Level 2 (WGBI minimum)	Level 1 (EMGBI Minimum)	Level 0
Criteria/Factors	Minimum Requirements	Minimum Requirements	Minimum Requirements
1. Market, Macroeconomic and Regulatory Environment			
No Undue Investment Restrictions on Foreign Investors	■	▣	□
Sustainable Issuance and Debt Management Practices Supportive of Market Liquidity	■	■	■
Sound Regulatory Environment	■	▣	□
Transparent FX Policy and Communication	■	▣	□
Taxation Regime not Burdensome to Foreigners	■	▣	□
Clear Registration Process for Foreign Investors	■	■	□
2. Foreign Exchange Market Structure			
Sufficient FX Liquidity and Investability	■	▣	□
No Overly Prohibitive Currency Restrictions for Investment Purposes	■	▣	□
Currency Hedging Onshore or Offshore using NDF with Limited Divergence to Onshore	■	▣	□
3. Bond Market Structure			
Sufficient Bond Liquidity in Primary and Secondary Markets	■	■	▣
Competitive Transaction Costs	■	▣	□
Efficient Fixed Income Dealing and Trading Landscape	■	■	▣
Bond Conventions that Support Index Calculations	■	■	■
Availability of Suitable Bond Pricing for Index Calculation	■	■	■
4. Global Settlement and Custody			
Settlement Accommodative of Global Investors	■	▣	□
Availability of DvP	■	■	□
Competitive Custody Market	■	▣	□

FTSE Fixed Income Market Accessibility Levels can be viewed using the following link

[FTSE Fixed Income Country Classification Table](#)

Application of Objective Index Inclusion Criteria

The FTSE fixed income country classification process also encompasses the manner in which objective criteria (market size and credit rating) and fixed income emerging and developed markets designations are assessed and applied to ensure a consistent approach to market inclusion. The objective index criteria outlined in the index methodology for the FTSE WGBI and FTSE EMGBI is evaluated on a semi-annual basis and commenced from 30 March 2019⁴. The objective criteria outlined in the methodology for the FTSE WorldILSI will be evaluated on a semi-annual basis commencing with the September 2021 review.

⁴ Prior to 30 March 2019, local market eligibility was reviewed on a continual basis with a three month notice period for entry and removal due to market size and ratings upgrade after a market started or failed to meet the stated thresholds.

Market Size and Local Currency Amount Outstanding Minimums

Market size is determined based on par amount outstanding as of the month-end prior to the date of the March and September semi-annual reviews. Only those bonds that qualify for index inclusion based on other index rules (i.e., amount outstanding, time to maturity, coupon type, etc.) count towards market size for the purpose of index inclusion. Sub-one year-to-maturity and local currency bonds that do not meet the minimum bond-level amount outstanding do not count towards total debt outstanding for market size assessment. Each Eurozone market must meet the market size criteria with its own eligible issues.

The WGBI, EMGBI and WorldILSI market size rules are provided below:

- To qualify for entry to the FTSE WGBI, the outstanding amount of a market's eligible issues must total at least USD 50 billion and EUR 40 billion and JPY 5 trillion of index eligible debt. When the outstanding amount of a market's eligible issues falls below half of the entry-level market size criteria (USD 25 billion and EUR 20 billion and JPY 2.5 trillion), it no longer meets the minimum market size.
- To be included in the FTSE EMGBI, the amount outstanding in a market's eligible issues must total at least USD 10 billion for the market to be considered eligible for inclusion. When the amount outstanding of a market's eligible issues falls below half of the entry-level market size criteria (USD 5 billion), it no longer meets the minimum market size.
- Effective 30 June 2021, to be included in the FTSE WorldILSI, the amount outstanding in a market's eligible issues must total at least USD 10 billion for the market to be considered eligible for inclusion. When the amount outstanding of a market's eligible issues falls below half of the entry-level market size criterion (USD 5 billion), it no longer meets the minimum market size requirement.

The minimum bond-level amount outstanding amounts are set for each local currency fixed-rated and inflation-linked market that is eligible for an index based on prevailing domestic issuance patterns and benchmark sizes. Bond-level amount outstanding amounts are incorporated into respective index methodologies and from time to time may require recalibration to re-align them with contemporary market structures and debt issuance programs. These local currency amount outstanding minimums are reviewed each September as part of the fixed income country classification process and may result in recalibrations of local thresholds based on feedback from market participants.

Credit Rating

The credit ratings for local currency government bond markets are based on the long term local currency debt rating assigned by Moody's Investors Service, Inc. ("Moody's") and Standard & Poor's Financial Services LLC ("S&P"). Newly eligible markets for credit rating changes are required to meet index criteria minimums as of both the March and September semi-annual review dates and at the time of inclusion. Markets downgraded to below the minimum index criteria exit the index at the next monthly rebalance.

The WGBI, WorldILSI and EMGBI credit rating rules are provided below:

- To qualify for entry into the WGBI and WorldILSI, a market must have a minimum credit quality of A- by S&P and A3 by Moody's. In the event that it is subsequently downgraded, a market will not exit until its credit rating fell below BBB- by S&P and Baa3 by Moody's.
- EMGBI countries must have a minimum rating of C by S&P and Ca by Moody's.

FTSE Fixed Income Emerging and Developed Designations

For purposes of inclusion in FTSE Emerging Markets hard and local currency fixed income benchmarks, a market is considered to be emerging if it is defined by the IMF⁵ to be among “emerging and developing economies” or if it is defined by the World Bank⁶ to be among “low-income economies”, “lower-middle-income economies” or “upper-middle-income economies”. The WGBI is comprised of high quality, generally developed markets, but can, and does, have overlap with dedicated EM benchmarks, such as the EMGBI; markets that are eligible for both WGBI and EMGBI benchmarks; these markets are commonly referred to as “crossover markets”.

Updates to the EM list are made on an annual basis each September based on updated data from the IMF and World Bank. The current list is published to the FTSE Russell website.

Conclusion

FTSE Russell considers its robust, evidence-driven and process-oriented framework for managing the index inclusion of local currency government markets to be a cornerstone of its benchmarking approach. The approach has created a forward-looking, proactive and evolutionary framework that managers can depend on for efficiently managing global debt markets.

FTSE Russell welcomes the views of all stakeholders on the future evolution of its approach to ensure it exhibits thought leadership and meets their needs. Comments can be sent to committeesecretary@ftserussell.com.

⁵ <http://www.imf.org/external/ns/cs.aspx?id=28>

⁶ <http://data.worldbank.org/about/country-classifications/>

For more information about our indexes, please visit ftserussell.com.

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FTSE Russell is a leading global index provider creating and managing a wide range of indexes, data and analytic solutions to meet client needs across asset classes, style and strategies. Covering 98% of the investable market, FTSE Russell indexes offer a true picture of global markets, combined with the specialist knowledge gained from developing local benchmarks around the world.

FTSE Russell index expertise and products are used extensively by institutional and retail investors globally. For over 30 years, leading asset owners, asset managers, ETF providers and investment banks have chosen FTSE Russell indexes to benchmark their investment performance and create investment funds, ETFs, structured products and index-based derivatives. FTSE Russell indexes also provide clients with tools for asset allocation, investment strategy analysis and risk management.

A core set of universal principles guides FTSE Russell index design and management: a transparent rules-based methodology is informed by independent committees of leading market participants. FTSE Russell is focused on index innovation and customer partnership applying the highest industry standards and embracing the IOSCO Principles. FTSE Russell is wholly owned by London Stock Exchange Group.

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