



# FTSE Climate Risk-Adjusted World Government Bond Index

Sovereign | Multi-Currency

The FTSE Climate Risk-Adjusted World Government Bond Index ("Climate WGBI") measures the performance of fixed-rate, local currency, investment-grade sovereign bonds in the FTSE World Government Bond Index (WGBI) 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 impact on the country and its economy from the required efforts to mitigate climate change encompassed by GHG emissions reduction needed to meet the Paris conference target of less than 2 degrees of global warming and the recent trend of historical carbon emissions
- Physical risk represents the risk to the country and its economy from the physical effects of climate change
- Resilience represents a country's preparedness and actions to cope with climate change

Countries are scored 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.

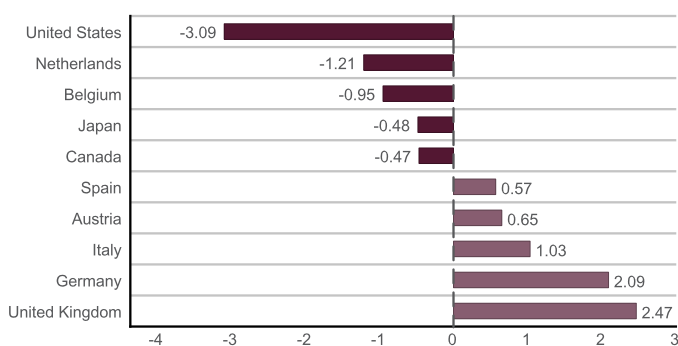
## INDEX PROFILE

Description	# of Issues	Par Amount*	Market Value*	Market Weight (%)	Average Coupon (%)	Average Life (Years)	Yield to Maturity (%)	Effective Duration	OAS (bps)
<b>Climate WGBI</b>	<b>1,032</b>	<b>20,376.21</b>	<b>23,021.54</b>	<b>100.00</b>	<b>2.31</b>	<b>9.39</b>	<b>0.93</b>	<b>8.47</b>	<b>19</b>
1-3 Years	245	5,420.55	5,571.86	24.20	2.00	1.94	0.86	1.90	9
3-5 Years	178	3,978.24	4,196.28	18.23	2.02	3.99	0.77	3.83	17
5-7 Years	124	2,502.00	2,709.19	11.77	2.24	6.03	0.93	5.65	24
7-10 Years	139	2,738.21	3,101.61	13.47	2.26	8.55	0.75	7.87	24
10+ Years	346	5,737.21	7,442.60	32.33	2.85	22.03	1.15	17.29	24
North America	275	7,950.53	8,303.87	36.07	2.38	7.57	1.91	6.39	0
Latin America	15	76.36	78.27	0.34	7.74	9.17	7.53	5.66	0
Asia Pacific	337	3,958.32	4,539.85	19.72	1.38	11.58	0.08	11.07	0
EMEA	405	8,391.00	10,099.55	43.87	2.62	10.08	0.45	9.04	43
<b>WGBI</b>	<b>1,032</b>	<b>20,525.46</b>	<b>23,021.54</b>	<b>100.00</b>	<b>2.34</b>	<b>9.24</b>	<b>1.03</b>	<b>8.31</b>	<b>17</b>

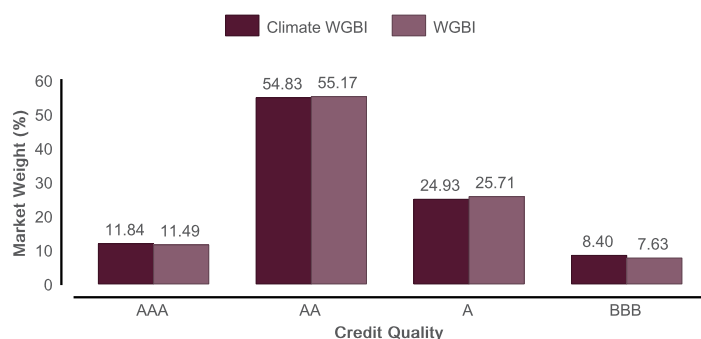
\*In USD billions

## COMPARATIVE ANALYSIS OF MARKET WEIGHT (in %)

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



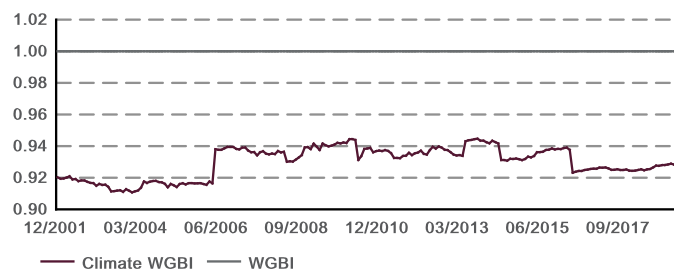
### Credit Quality



## HISTORICAL INDEX LEVEL (Unhedged)



## CLIMATE RISK PROFILE



**ANNUALIZED RETURNS (in %)**

	Climate WGBI								WGBI							
	USD	USD Hgd	EUR	EUR Hgd	JPY	JPY Hgd	GBP	GBP Hgd	USD	USD Hgd	EUR	EUR Hgd	JPY	JPY Hgd	GBP	GBP Hgd
YTD	5.31	5.98	5.71	4.38	3.41	4.41	5.38	5.07	5.38	5.91	5.78	4.31	3.48	4.34	5.45	5.00
1 Year	5.18	7.89	7.83	4.71	2.31	4.77	9.11	6.06	5.48	7.82	8.15	4.63	2.60	4.70	9.42	5.99
3 Years	1.12	2.69	0.29	0.31	2.78	0.46	2.79	1.35	1.00	2.57	0.17	0.19	2.67	0.34	2.67	1.23
5 Years	0.75	4.13	4.53	2.51	2.00	2.50	6.88	3.49	0.85	3.99	4.63	2.36	2.10	2.36	6.98	3.34
Since CRAWGBI Inception	4.83	4.42	3.37	3.93	3.67	2.59	5.64	4.98	4.76	4.34	3.30	3.85	3.60	2.51	5.57	4.90

**DESIGN CRITERIA AND CALCULATION METHODOLOGY**

Currency:	AUD, CAD, DKK, EUR, GBP, JPY, MXN, MYR, NOK, PLN, SEK, SGD, USD, ZAR
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:	Varies by country
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
Weighting:	Alternatively Weighted
Country Climate Scores:	Updated annually and applied from the end of April rebalance
Climate Pillars and Tilt Calibration:	Transition risk: 0.25; Physical risk: 1; Resilience: 1
Rebalancing:	Once a month at month end
Fixing Data:	Each month, the upcoming month's index constituents are "fixed" on the profile fixing date. Each year's scheduled fixing dates are published on the website.
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**

SBCWGU FTSE Climate Risk-Adjusted World Government Bond Index, in USD  
 SBCWGY FTSE Climate Risk-Adjusted World Government Bond Index, in JPY  
 SBCWGE FTSE Climate Risk-Adjusted World Government Bond Index, in EUR  
 SBCWGG FTSE Climate Risk-Adjusted World Government Bond Index, in GBP

SBCWGU FTSE Climate Risk-Adjusted World Government Bond Index, in USD Hgd  
 SBCWGY FTSE Climate Risk-Adjusted World Government Bond Index, in JPY Hgd  
 SBCWGE FTSE Climate Risk-Adjusted World Government Bond Index, in EUR Hgd  
 SBCWGG FTSE Climate Risk-Adjusted World Government Bond Index, in GBP Hgd

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