



Reminder: Change to US Agency Mortgage Cohort Aggregation within FTSE Fixed Income Indices

11 April 2023

In February 2023, FTSE Russell announced a change to the cohort aggregation within the FTSE US Mortgage-Backed Securities Index. Effective with June 2023 index profiles, Freddie Mac and Fannie Mae UMBS pools will be aggregated in a single cohort based on coupon, term, and origination year vintage. Balances for Freddie Mac UMBS will be added to existing Fannie Mae UMBS cohorts prior to index fixing day for June 2023 index profiles, and Freddie Mac UMBS cohorts will exit the index at the May 2023 month-end index rebalancing.

As of April 2023 index profiles, it is projected that:

- \$276.2 billion in par amount outstanding of Freddie Mac 15-year UMBS will be added to the respective 15-year Fannie Mae UMBS cohorts, and 21 Freddie Mac 15-year UMBS cohorts will exit the index.
- \$2,001.9 billion in par amount outstanding of Freddie Mac 30-year UMBS will be added to the respective Fannie Mae 30-year UMBS cohorts, and 56 Freddie Mac 30-year UMBS cohorts will exit the index.

The impact to the prices for cohorts that transition from representing Fannie Mae UMBS only to both Freddie Mac and Fannie Mae UMBS is expected to be minimal. The prices for Freddie Mac UMBS will be held constant from the implementation date of the cohort aggregation change in May until month-end rebalancing for June index profiles.

Further details on this change can be found [here](#).

Please contact us at fi.index@lseg.com if you have any questions.

FTSE Russell

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