



**FTSE  
RUSSELL**  
An LSEG Business

## Reminder: Change to Analytics for the FTSE US Mortgage Index due to Volatility Model Update

04 March 2025

The volatility model used to calculate analytics for mortgage cohorts tracked by the FTSE US Mortgage Index is scheduled to be updated to LMM SOFR Flat on March 16, 2025. These cohorts are also eligible for the FTSE US Broad Investment-Grade (USBIG®) Index and FTSE World Broad Investment-Grade (WorldBIG®) Index. Projected changes to index analytics are provided in Figure 1 below. Index returns will not be impacted by this change.

**Figure 1. Projected Impact to FTSE World Broad Investment-Grade Bond Index, FTSE US Broad Investment-Grade Index, and FTSE US Mortgage Index**

Index	# Issues	Par Amt*	MV %	Effective Duration			Convexity			OAS (BPS)		
				Existing Model	LMM SOFR FLAT	Diff	Existing Model	LMM SOFR FLAT	Diff	Existing Model	LMM SOFR FLAT	Diff
<b>FTSE US Mortgage</b>	270	7,852.4	100.00	5.36	5.50	-0.14	-0.52	-0.461	-0.06	31.94	33.42	-1.48
<b>30-Year</b>	218	7,259.9	92.33	5.50	5.65	-0.15	-0.56	-0.492	-0.07	31.58	33.08	-1.50
<b>UMBS 30-Year</b>	102	5,278.7	66.59	5.66	5.83	-0.17	-0.54	-0.462	-0.08	32.17	33.71	-1.54
<b>FHLMC 30-Year</b>	29	109.5	1.45	5.07	5.14	-0.07	-0.14	-0.134	0.00	38.62	40.8	-2.18
<b>GNMA 30-Year</b>	87	1,871.7	24.29	5.09	5.21	-0.12	-0.64	-0.595	-0.04	29.55	30.91	-1.36
<b>15-Year</b>	52	592.5	7.67	3.68	3.66	0.02	-0.10	-0.088	-0.02	36.32	37.55	-1.23
<b>UMBS 15-Year</b>	45	581.1	7.52	3.70	3.68	0.02	-0.11	-0.089	-0.02	35.70	36.93	-1.23
<b>FHLMC 15-Year</b>	6	8.7	0.12	2.16	2.12	0.04	0.01	0.014	-0.01	74.52	76.25	-1.73
<b>GNMA 15-Year</b>	1	2.7	0.03	3.47	3.45	0.02	-0.07	-0.051	-0.02	40.29	41.63	-1.34
<b>FTSE USBIG</b>	10,111	30,892.8	100.00	6.03	5.95	0.08	0.49	0.494	-0.01	34.26	35.27	-1.01
<b>FTSE WorldBIG</b>	16,801	55,895.0	100.00	6.49	6.43	0.06	0.73	0.73	0.00	28.78	29.36	-0.58

\* In USD billions. Source: FTSE Russell. Data as of February 28, 2025

Please contact us at [fi.index@lseg.com](mailto:fi.index@lseg.com) with any comments or questions.  
FTSE Russell

1 Further detail on the model change can be found using the following link:  
[https://www.yieldbook.com/f/s/pdf/articles/model/20241025\\_LMM\\_SkewUpdate.pdf](https://www.yieldbook.com/f/s/pdf/articles/model/20241025_LMM_SkewUpdate.pdf)

For further information please contact FTSE Russell Client Services at [info@ftserussell.com](mailto:info@ftserussell.com) or call:

Australia	+61 (0) 2 7228 5659
Hong Kong	+852 2164 3333
Japan	+81 3 6441 1430
London	+44 (0) 20 7866 1810
New York	+1877 503 6437

Alternatively please visit our website at [lseg.com/ftse-russell](https://lseg.com/ftse-russell)

