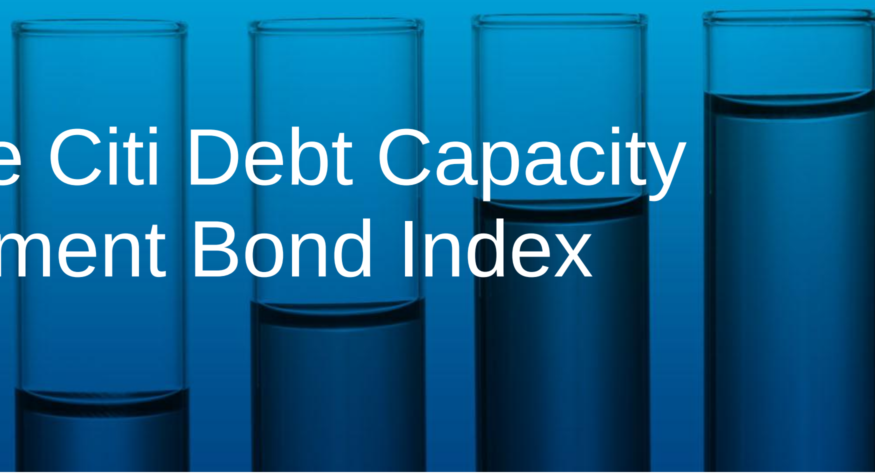
Citi Fixed Income Indices

Introducing the Citi Debt Capacity World Government Bond Index

November 6, 2014



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Citi Debt Capacity World Government Bond Index

The Citi Debt Capacity World Government Bond Index (the "Index") measures the performance of fixed-rate, local currency, investment-grade sovereign bonds with a focus on countries with lower debt issuance relative to their gross domestic product (GDP) and stronger debt servicing capabilities. As of October 31, 2014, the Index comprises sovereign debt from over 20 countries, denominated in a variety of currencies.

Unlike traditional indices where country weights are solely based on the market capitalization of an issuer's outstanding debt, the Index also accounts for the countries' capacity to repay their debt. It is rebalanced monthly with weights based on each country's market value adjusted by scores derived from its actual Debt-to-GDP and calculated Debt Service-to-GDP ratios, both determined annually in May[1]. These factors aim to reweight the Index to provide higher weights to countries that have stronger fiscal health and greater capacity to service their debt based on those two factors as proxy indicators. The Index provides an alternatively weighted broad benchmark for the global sovereign fixed income market.

Composition and Design Criteria

The Index composition is based on the global sovereign markets and constituents of the Citi World Government Bond Index ("WGBI"). A new market entering the WGBI will also enter the Citi Debt Capacity World Government Bond Index at the same time. Markets being removed from the WGBI because they are subjected to WGBI's exit criteria will also be removed from the Citi Debt Capacity World Government Bond Index.

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Figure 1 details the design criteria and calculation methodology for the Citi Debt Capacity World Government Bond Index.

Figure 1 Citi Debt Capacity World Government Bond Index – Design Criteria and Calculation Methodology

Minimum Maturity	At least one year[2]
Market Size	Entry: The outstanding amount of a market's eligible issues must total at least USD 50 billion, EUR 40 billion, and JPY 5 trillion for the market to be considered eligible for inclusion. Exit: When the outstanding amount of a market's eligible issues falls below half of all the entry-level market size criteria, namely USD 25 billion, EUR 20 billion, and JPY 2.5 trillion, for three consecutive months, the market will be removed from the next month's profile.
Minimum Issue Size	**Americas** Canada: CAD 2.5 billion (excludes Bank of Canada Cash Management bond buybacks) Mexico: MXN 10 billion United States: USD 5 billion public amount outstanding (excludes Federal Reserve holdings) **Europe, Middle East, and Africa** Denmark: DKK 20 billion EMU Markets: EUR 2.5 billion Norway: NOK 20 billion Poland: PLN 5 billion South Africa: ZAR 10 billion Sweden: SEK 25 billion Switzerland: CHF 4 billion United Kingdom: GBP 2 billion (excludes Bank of England holdings) **Asia Pacific and Japan** Australia: AUD 750 million Japan: JPY 500 billion; 20+ year bonds: JPY 450 billion (excludes Bank of Japan holdings and Ministry of Finance buybacks) Malaysia: MYR 4 billion Singapore: SGD 1.5 billion
Minimum Credit Quality[3]	Entry: A- by S&P and A3 by Moody's, for all new markets Exit: Below BBB- by S&P and Baa3 by Moody's

[1] The actual GDP and Debt-to-GDP ratios for the previous calendar year are published each year, generally in April, by the International Monetary Fund (IMF) in its World Economic Outlook (WEO).
[2] Note: Due to the structure of the South African three-legged instruments, the minimum maturity for R157 (13.5%, 09/15/2015) and R186 (10.5%, 12/21/2026) is one year based on the first maturity date and the three legs from the split of R157 and R186 will not be eligible for index inclusion. By convention, the stated maturity date of a three-legged bond is the middle maturity date.
[3] Each month, the upcoming month's Index constituents are "fixed" on the profile fixing date. The credit qualifications of the Index are treated as provisional. This distinction will allow a market to be removed from the Index after the fixing if it becomes rated below investment-grade by both S&P and Moody's. This exception window is kept open until 5:00 p.m. New York time on the second to last business day of the month for removal only. Removal from the Index, on or after the fixing date, is not reversible except by qualifying for the Index once again, which takes a minimum of six months. There is no specific rule concerning default or what constitutes default. Conceivably, a market could technically default, but an immediate rescue could leave its existing bonds in the investment-grade category. Only a downgrade to below investment-grade would trigger a credit-related expulsion from the Index.

Figure 1 Citi Debt Capacity World Government Bond Index – Design Criteria and Calculation Methodology, continued

Barriers-to-Entry	Entry: A market being considered for inclusion should actively encourage foreign investor participation and show a commitment to its own policies. Exit: Circumstances can change over time and a country may find that revising its policies makes sense for its national welfare. However, it is possible that new policies, including but not limited to ownership restrictions and capital controls, can have the effect of limiting investors' ability to replicate the returns of that country's portion of the Index. In that case, it may be necessary to remove that country from the Index. If barriers-to-entry were identified, an announcement would be made that the particular market has become ineligible, stating the reasons. That market would then be removed from the following month's profile.
Composition	Sovereign debt, from the following markets, denominated in the domestic currency. **Markets**: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Malaysia, Mexico, Netherlands, Norway, Poland, Singapore, South Africa, Spain, Sweden, Switzerland, United Kingdom, United States **Securities included:** Fixed-rate non-callable bonds – unless otherwise stated in Figure 2. For EMU Markets, fixed-rate bonds originally issued in their euro-converting currency are included. **Securities excluded:** Variable rate, floating rate, fix-to-floating rate, index-linked, retail directed, bills, stripped zero coupon, convertibles, savings, and private placements. For more information on market specific security types, refer to Figure 2.
Weighting	Individual country weights are determined monthly based on each country's market value adjusted by scores derived from its actual Debt-to-GDP and calculated Debt Service-to-GDP ratios, both determined annually in May[4]. For more information, please see the Weighting Methodology section.
Rebalancing	Once a month at the end of the month.
Reinvestment of Cash Flow	At daily average of local currency one-month Euro Deposit rate, except Australia where the dollar bank bill swap reference rate (BBSW) is used. Calculated from actual scheduled payment date of cash flow through end of reporting period.
Pricing	Citi trader pricing except for Malaysia (provided by Amanah Butler and Affin), Mexico (provided by Proveedor Integral de Precios S.A. de C.V.), Poland (provided by BondSpot), Singapore (provided by the Monetary Authority of Singapore), and Switzerland (provided by Swiss Exchange). All pricing is generally taken as of local market close. For more information on local market close, refer to Figure 3.
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.
Fixing Date	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 Citi Fixed Income Indices website at www.yieldbook.com/m/indexes/citi-indices/wgbi-markets-calendar.shtml.
Index Base Date	May 31, 2004

Weighting Methodology

Individual country weights are determined monthly based on each country's market value adjusted by scores derived from its actual Debt-to-GDP and calculated Debt Service-to-GDP ratios, both determined annually in May[4]. Within each country, constituents are assigned weights in proportion to their market capitalization.

A country's actual GDP and Debt-to-GDP ratios for the previous calendar year are published each year, generally in April, by the International Monetary Fund (IMF) in its World Economic Outlook (WEO). The country's Debt Service-to-GDP ratio is computed by taking the forecasted debt payment, as represented by the principal and coupon payments due over the coming twelve months for the country's relevant bonds in the WGBI, and dividing such forecast by the country's GDP. The forecasted debt payment is computed every May by reviewing the twelve monthly Index bond composition lists since last June, determining the principal and coupon payments corresponding to the bonds that were included in those twelve historical composition lists which are due to pay within the year to come and summing up such payments after converting each of them to USD terms at the prevailing FX rates. Both Debt-to-GDP and calculated Debt Service-to-GDP ratios are determined annually in May, following the IMF publication[4], and are used in the calculation of the Index country weights in its twelve monthly profiles thereafter.

[4] The actual GDP and Debt-to-GDP ratios for the previous calendar year are published each year, generally in April, by the International Monetary Fund (IMF) in its World Economic Outlook (WEO).

The Debt-to-GDP and calculated Debt Service-to-GDP ratios of each country are converted into weights with lower ones assigned to the country that is more heavily indebted or with higher expected payments to service outstanding debts as a percentage of its GDP. The final weight of each country is determined as the weighted average of: i) the country's market value weight; ii) its Debt-to-GDP based weight, and iii) its Debt Service-to-GDP based weight.

For more information on how the Debt-to-GDP based weights, Debt Service-to-GDP based weights and final country weights are calculated, refer to Figures 9, 10, and 11.

Figure 2 **Citi Debt Capacity World Government Bond Index Composition**

Country	Security Type
Australia	Excludes tax rebate bonds
Austria	Includes Bundesanleihen Excludes Bundesobligationen bonds
Belgium	N/A
Canada	Excludes real-return bonds
Denmark	Excludes mortgage credit bonds
Finland	Excludes housing fund and yield bonds
France	Includes Obligations Assimilables du Trésor (OATs) and Bons du Trésor a Intérêt Annuel Normalisé (BTANs)
Germany	Includes Bundesrepublic, Schatzanweisungen, Bundesobligationen, Unity bonds, Treuhandanstalt, and Treuhandobligationen Excludes Schuldscheine, Unverzinsliche, Schatzanweisungen, Bundespost, Bundesbahn, and European Recovery Program Bonds
Ireland	N/A
Italy	Includes Buoni del Tesoro Poliennale (BTPs)
Japan	Includes callable bonds Excludes JGBs for individuals and discount bonds
Malaysia	Includes callable bonds Excludes Government Investment Issues (GII)
Mexico	Excludes bonds issued prior to January 1, 2003
Netherlands	N/A
Norway	Includes benchmark bonds Excludes loans and lottery loans issued before 1991
Poland	Excludes Treasury Convertible bonds
Singapore	N/A
South Africa	N/A
Spain	Includes Bonos and Obligationes del Estado Excludes discount bonds (Letras and Pagares del Tesoro)
Sweden	Includes Riksobligationer
Switzerland	Includes callable bonds Excludes book liabilities
United Kingdom	Includes callable, partly paids and convertible (into other gilt issues) bonds Excludes rump gilts, and perpetuals (undated)
United States	Includes callable bonds

Figure 3 Local Market Times Used for Pricing

Americas	
Canada	3:00 p.m. (New York)
Mexico	2:00 p.m. (Mexico City)
United States	3:00 p.m. (New York)
Europe, Middle East, and Africa	
EMU Countries	4:15 p.m. (London)
Poland	4:30 p.m. (Warsaw)
Scandinavia	4:15 p.m. (London)
South Africa	5:00 p.m. (Johannesburg)
Switzerland	5:00 p.m. (Zurich)
United Kingdom	4:15 p.m. (London)

Asia Pacific and Japan	
Australia	4:30 p.m. (Sydney)
Japan	3:00 p.m. (Tokyo)
Malaysia	5:00 p.m. (Kuala Lumpur)
Singapore	4:30 p.m. (Singapore)

Figure 4 Citi Debt Capacity World Government Bond Index, November 2014 (Pricing Date: October 31, 2014.)

Description	Number of Issues	Market Weight (%)	Average Coupon (%)	Average Life (Years)	Credit Quality*	Yield to Maturity (%)	Effective Duration
Index	976	100.00	3.15	8.25	AA	1.54	6.92
United States	230	18.30	2.01	6.30	AA+	1.35	5.33
Japan	258	14.95	1.32	9.87	AA-	0.51	9.07
France	42	5.87	3.28	8.58	AA	0.77	7.47
United Kingdom	39	5.42	3.64	14.44	AAA	2.10	10.37
Germany	53	5.37	2.63	7.92	AAA	0.52	7.26
Italy	56	5.10	4.31	8.24	BBB	1.82	6.64
Spain	34	3.42	4.26	7.62	BBB	1.49	6.33
Australia	18	3.32	4.69	7.01	AAA	2.99	5.76
Mexico	19	3.13	7.45	9.11	A	5.31	5.88
Sweden	8	2.93	3.48	7.50	AAA	0.68	6.68
South Africa	14	2.85	7.91	13.62	BBB+	7.83	7.11
Canada	34	2.83	2.74	8.01	AAA	1.63	6.70
Switzerland	8	2.80	3.14	5.42	AAA	0.19	5.17
Denmark	9	2.74	3.54	9.24	AAA	0.70	8.12
Norway	5	2.74	3.61	5.98	AAA	1.61	5.39
Poland	16	2.71	4.02	4.71	A	2.02	4.31
Malaysia	28	2.65	3.95	6.76	A	3.76	5.47
Finland	14	2.56	2.56	7.31	AA+	0.57	6.68
Netherlands	22	2.52	2.81	8.08	AA+	0.60	7.30
Austria	20	2.13	3.52	9.07	AA+	0.67	7.90
Belgium	22	2.06	3.80	9.35	AA	0.89	8.03
Singapore	17	1.83	2.70	7.52	AAA	1.61	6.44
Ireland	10	1.76	4.72	5.91	A-	0.94	5.30

* Quality is first mapped to the Standard & Poor's Financial Services LLC ("S&P") rating. If a bond is not rated by S&P but it is rated by Moody's Investor Service, Inc ("Moody's"), the S&P equivalent of the Moody's rating is assigned to the Index quality. If a bond is split-rated (an investment-grade rating by one rating agency and high-yield by the other), the S&P equivalent of the investment-grade rating is assigned to the Index quality. These ratings remain unchanged for the entire performance month.

Figure 5 **Comparative Analysis of Market Weight (%) By Country, November 2014 (Pricing Date: October 31, 2014)**

Description	Debt Capacity World Government Bond Index	WGBI	(Debt Capacity World Government Bond Index) – (WGBI)
United States	18.30	29.88	-11.58
Japan	14.95	23.90	-8.95
France	5.87	7.74	-1.87
United Kingdom	5.42	6.28	-0.86
Germany	5.37	6.41	-1.04
Italy	5.10	7.79	-2.69
Spain	3.42	4.29	-0.86
Australia	3.32	1.31	2.01
Mexico	3.13	0.88	2.24
Sweden	2.93	0.39	2.54
South Africa	2.85	0.42	2.43
Canada	2.83	1.80	1.03
Switzerland	2.80	0.26	2.54
Denmark	2.74	0.65	2.09
Norway	2.74	0.23	2.51
Poland	2.71	0.49	2.21
Malaysia	2.65	0.40	2.25
Finland	2.56	0.51	2.04
Netherlands	2.52	2.07	0.45
Austria	2.13	1.29	0.84
Belgium	2.06	2.07	-0.01
Singapore	1.83	0.30	1.53
Ireland	1.76	0.63	1.13

Data Availability and Accessibility

The Citi Debt Capacity World Government Bond Index’s daily index value is available on Bloomberg through ticker CFIIDCWU.

Appendix

Characteristics of a Good Benchmark

Citi's fixed income indices are designed to be relatively stable and easily replicable benchmarks. This goal is achieved by having regard to the following desirable index characteristics:

Relevance: An index should be relevant to investors. At a minimum, it should track those markets and market segments of most interest to investors.

Comprehensiveness: An index should include all opportunities that are realistically available to market participants under normal market conditions.

Replicability: The total returns reported for an index should be replicable by market participants. It must be fair to investment managers who are measured against it and to sponsors who pay fees or award management assignments based on performance relative to it. Furthermore, over time, an index must represent a realistic baseline strategy that a passive investor could follow. Accordingly, information about index composition and historical returns should be readily available.

Stability: An index should not change criteria often and all changes should be easily understood and highly predictable. It should not be subject to opinions about which bonds to include on any particular day. However, index criteria must change occasionally to ensure that the index accurately reflects the structure of the market. A key virtue of an index is to provide a passive benchmark; investors should not be forced to execute a significant number of transactions just to keep pace.

Barriers to entry: The markets or market segments included in an index should not contain significant barriers to entry. This guideline is especially applicable to an international index, in which an included country may discourage foreign ownership of its bonds or participation in its domestic currency or equity market.

Expenses: In the normal course of investing, expenses related to withholding tax, safekeeping, and transactions are incurred. For a market or market segment to be included, these ancillary expenses should be well understood by market participants and should not be excessive. For example, if expenses are unpredictable or inconsistently applied, an index cannot hope to measure market performance fairly.

Simple and objective selection criteria: A clear set of rules should govern the inclusion of bonds or markets in an index, and investors should be able to forecast changes in composition.

This list of desirable characteristics may not be exhaustive, and different investors may place a different emphasis on each. In constructing indices, some desirable characteristics may have to be sacrificed to ensure that others are met. However, it is critical that an index follows objective rules that are well defined, so that all interested parties can understand how to apply the information to their particular situation.

Index Methodology

The Citi Debt Capacity World Government Bond Index follows the general methodology for Citi Fixed Income Indices unless otherwise stated. For details, please see the *Citi Fixed Income Indices Guide* on *www.yieldbook.com/citi-indices.*

Index Profile

The Citi Debt Capacity World Government Bond Index measures the performance of fixed-rate, local currency sovereign bonds with a minimum credit quality of BBB- by S&P or Baa3 by Moody's. Each of these bonds has a remaining maturity of at least one year. Index constituents remain the same for the calendar month, and all interim returns are calculated based on its composition.

Fixing Dates

The annual schedule of fixing dates is made available on the Citi Fixed Income Indices website (http://www.yieldbook.com/m/indexes/citi-indices/wgbi-markets-calendar.shtml). Index fixing dates provide a clear reference point for index users to know, in advance, of any changes to the composition of the indices for the upcoming month. On each index fixing date, publicly available securities information is used to determine Index eligibility and indicative values for the following month's Index profile. A preliminary profile setting out the anticipated composition of the Index is announced via the website one (1) US business day following the Index fixing date. Between announcement of the preliminary profile and calendar month-end, Citi continues to track market activities and will remove issues that are called, tendered, or defaulted.

This process enables those tracking the Citi Debt Capacity World Government Bond Index to anticipate changes to index composition, providing sufficient clarity and time to effect any consequent portfolio rebalancing.

Index rules stipulate that there must be a minimum of four (4) business days following each Index fixing date and before calendar month-end in all of the following business regions: Australia, EMU, Japan, UK, and US. Index fixing dates are subject to change if unforeseen circumstances arise affecting these business days, such as catastrophic natural disasters or regional political conflicts.

Issues' Eligibility

For an issue to be eligible for inclusion in the Citi Debt Capacity World Government Bond Index, all information on the issue must be publicly available on or before the fixing date, and the first settlement and interest accrual date of the issue must be on or before the end of the month. While issue auctions may be announced prior to the fixing date, the results must be final by the fixing date in order to be considered for inclusion.

At the same time, bonds that no longer meet the maturity (that is, bonds with an average life of less than one year from the last calendar day of the month), criteria for amount outstanding, or rating are removed from the index. Any buyback or reverse auction occurring on or before the fixing date may also cause the bond to be removed from the index.

Between Fixing Dates

Each month, the upcoming month's Index constituents are "fixed" on the profile fixing date. The credit qualifications of the Index are treated as provisional. This distinction will allow a market to be removed from the Index after the fixing if it becomes rated below investment-grade by both S&P and Moody's. This exception window is kept open until 5:00 p.m. New York time on the second to last business day of the month for removal only. Removal from the Index, on or after the fixing date, is not reversible except by qualifying for the Index once again, which takes a minimum of six months. There is no specific rule concerning default or what constitutes default. Conceivably, a market could technically default, but an immediate rescue could leave its existing bonds in the investment-grade category. Only a downgrade to below investment-grade would trigger a credit-related expulsion from the Index.

Index constituents remain the same for the calendar month, and all interim returns are calculated based on the index composition. Reconstitutions on a monthly basis, together with the large number of bonds in the indices, provide a reasonable compromise between stability and comprehensiveness.

Pricing Source

Citi trader pricing except for Malaysia (provided by Amanah Butler and Affin), Mexico (provided by Proveedor Integral de Precios S.A. de C.V.), Poland (provided by BondSpot), Singapore (provided by the Monetary Authority of Singapore), and Switzerland (provided by Swiss Exchange). All pricing is generally taken as of local market close. For more information on local market close, refer to Figure 3.

Verification

Reliable pricing of each bond in the Citi Debt Capacity World Government Bond Index is necessary to ensure reliable index values and returns; thus, third-party pricing sources are used to identify pricing anomalies.

Prices used in the Citi Debt Capacity World Government Bond Index are provided as indications only. Inquiries challenging the accuracy of a price are reviewed by the Citi Fixed Income Indices team which may, at its discretion, adjust the price for future valuations.

Settlement

For daily calculations, the Citi Debt Capacity World Government Bond Index is assumed to settle on a same-day basis 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. Monthly holding periods, therefore, are exactly one calendar month. For example, the January return period would run from the close on December 31 to the close on January 31, regardless of the last business day. However, the last business day in the local market is used for pricing.

Exchange Rates

Citi Fixed Income Indices uses the WM/Reuters closing spot and forward rates. The WM Company takes several snapshots at regular intervals centered on the fixing time of 4:00 p.m. London time and selects the median rate for each currency. All rates are mid-market quotations and appear on Reuters (see WMRSPOT01).

Return Computation

Total returns are computed on the assumption that each security is purchased at the beginning of the period and sold at the end of the period. An issue's total rate of return is the percentage change in its total value over the measurement period. For each individual security, the components of total local currency return are price change, principal payments, coupon payments, accrued interest, and reinvestment income on intra-month cash flows***.*** Within individual countries, the total returns are market capitalization weighted using the security's beginning-of-period market value (see Figure 6)***.*** The Index's total base currency (unhedged) return also includes currency movement.

Figure 6 Security Total Rate-of-Return Calculation Methodology for Local Currency Returns

Security Beginning-of- Period Value	=	(Security Beginning Price + Security Beginning Accrued) x Security Beginning Par Amount Outstanding
Security End-of-Period Value	=	[(Security Ending Price + Security Ending Accrued) x (Security Beginning Par Amount Outstanding - Security Principal Payments)] + Security Coupon Payments + Security Principal Payments + Security Reinvestment Income
Security Local Currency Total Rate of Return (%)	=	[(Security End-of-Period Value / Security Beginning-of-Period Value) - 1] x 100

A note on precision: Returns are computed to at least six decimal places but reported to a maximum of five. In addition, owing to rounding errors inherent in computer floating-point arithmetic, the last digit in any reported value may sometimes be off by one from its true value.

Figure 7 Security Total Rate-of-Return Calculation Methodology for Base Currency Returns, Unhedged

Security Base Currency Total Rate of Return (%)	=	{[1 + (Security Local Currency Total Rate of Return / 100)] x (End-of-Month Spot Rate / Beginning-of-Month Spot Rate) - 1} x 100

This equation holds true only if the spot rates are quoted as base currency per unit of foreign currency.

Figure 8 Country Total Rate-of-Return Calculation Methodology

Country Beginning-of- Period Value	=	Sum (Security Beginning-of-Period Value)
Security Market Capitalization Weight	=	Security Beginning-of-Period Value / Country Beginning-of-Period Value
Country Base Currency Total Rate of Return (%)	=	Sum (Security Market Capitalization Weight x Security Base Currency Total Rate of Return)

The Country Beginning-of- Period Value is calculated as the sum of each individual security's Beginning-of- Period Value.

Figure 9 Country Debt-to-GDP Based Weight Calculation Methodology

Country Debt-to-GDP Score	=	1.5 + cos{{[Country Debt-to-GDP – min (Country Debt-to-GDP)] / [max (Country Debt-to-GDP) – min (Country Debt-to-GDP)]} x π}
Country Debt-to-GDP Based Weight	=	Country Debt-to-GDP Score / sum (Country Debt-to-GDP Score)

Maximum and minimum Country Debt-to-GDP ratios are defined as the (N-1)/N-th and 1/N-th percentile of the Debt-to-GDP ratios across the prevailing N Index countries.

Figure 10 Country Debt Service-to-GDP Based Weight Calculation Methodology

Country Debt Service-to- GDP Score	=	1.5 + cos{{[Country Debt Service-to-GDP – min (Country Debt Service-to-GDP)] / [max (Country Debt Service-to-GDP) – min (Country Debt Service-to-GDP)]} x π}
Country Debt Service-to-GDP Based Weight	=	Country Debt Service-to-GDP Score / sum (Country Debt Service-to-GDP Score)

Maximum and minimum Country Debt Service-to-GDP ratios are defined as the (N-1)/N-th and 1/N-th percentile of the Debt Service-to-GDP ratios across the prevailing N Index countries.

Figure 11 Final Country Weight Calculation Methodology

Total Market Value Deviation	=	Sum [|Country Market Value Weight – average (Country Market Value Weight)|]
Total Debt-to-GDP Deviation	=	Sum [|Country Debt-to-GDP Based Weight – average (Country Debt-to-GDP Based Weight)|]
Total Debt Service-to- GDP Deviation	=	Sum [|Country Debt Service-to-GDP Based Weight – average (Country Debt Service-to-GDP Based Weight)|]

Final Country Score	= Country Market Value Weight x Total Market Value Deviation + Country Debt-to-GDP Based Weight x Total Debt-to-GDP Deviation + Country Debt Service-to-GDP Based Weight x Total Debt Service-to-GDP Deviation
Final Country Weight	= Final Country Score / sum (Country Final Score)

Total Market Value Deviation is calculated as the sum of the absolute deviation of each individual country's market value weight from the average market value weight. Similar calculation is applied to Total Debt-to-GDP Deviation and Total Debt Service-to-GDP Deviation.

Data Correction Policy

Citi Fixed Income Indices strives to produce error-free indices; however, there are occasions when erroneous data is published. These circumstances may be caused by, but not limited to, calculation or pricing errors, missing data, or incorrect indicative data. On rare occasions and only in extreme cases, the Citi Fixed Income Indices team may conclude that recalculation and restatement are required. When determining if restatement is necessary, factors such as the magnitude of error, the overall impact on the data, the sector affected, and whether the error affects daily and/or monthly results are taken into consideration.

www.yieldbook.com/citi-indices