

Change to Inclusion Criteria for FTSE Sri Lankan Government Bond Index

FTSE Russell has reviewed the inclusion criteria for the FTSE Sri Lankan Government Bond Index and announces that securities with an original tenor of greater than or equal to 10 years will be eligible for the index effective with the April 2021 profiles. This rules change is intended to align index inclusion criteria with the local market structure for the local currency Sri Lanka government bond market.

As of February 2021, 19 securities with \$15.01 billion in market value are projected to be added to the FTSE Sri Lanka Government Bond Index (LKGBI), representing 50.1% of the index by market weight. Figure 1 shows the projected impact of the change. These securities will also be added to the FTSE Asia Government Bond Index-Extended (AGBIE) and are projected to represent 0.35% of the index by market weight.

Figure 1. Projected Impact of Rules Change for Sri Lankan Government Bonds

	Number of issues		% Weight of Sri Lanka		Yield-to-Maturity		Modified Duration	
	New	Current	New	Current	New	Current	New	Current
LKGBI	42	23	100.00	100.00	6.78	6.54	4.27	3.63
AGBIE	473	454	0.69	0.34	3.39	3.38	6.76	6.77

Source: FTSE Russell. Data as of February 1, 2021.

Please contact us at fi.index@ftserussell.com with any comments or questions.

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