

Changes to Price Source, Data Delivery and Holiday Calendars for the FTSE Fixed Income Indexes (formerly the Citi Fixed Income Indexes)

FTSE Russell has undertaken various initiatives to integrate the Citi Fixed Income Indexes into its product suite since their acquisition by the London Stock Exchange Group in August 2017. As a result, we are announcing several changes to the pricing sources and methodologies used by these indexes. These changes will facilitate several product enhancements that will benefit customers and increase index usability. For example, when the price change is implemented, publication of monthly data for the FTSE US credit indexes will be made available on the last business day of the month, rather than the following business day. Additionally, local holiday calendars will be used in index production.

Further details of these changes can be found in the remainder of this announcement.

Price Source Changes

FTSE Russell has performed a comprehensive review of the government, agency, asset-back, and corporate bond prices used in the calculation of the fixed income indexes acquired from Citi. Effective from September 17, 2018, the pricing sources and snap times for the credit and securitized indexes will change as shown in Figure 1. Bid-side prices will continue to be used as inputs to the calculation of the indexes.

Figure 1. Current and New Pricing Sources and Snap Times for the Credit and Securitized Indexes

Index	Current		New	
	Source	Time	Source	Time
US Broad Investment-Grade Bond Index (USBIG [®])				
Agency	Citi	Local Market Close	Thomson Reuters	4:00 p.m. (New York)
ABS	Citi	Local Market Close	Thomson Reuters	4:00 p.m. (New York)
Credit	Citi	Local Market Close	Thomson Reuters	4:00 p.m. (New York)
Eurodollar Bond Index	Citi	Local Market Close	Thomson Reuters	4:00 p.m. (New York)
Emerging Markets USD Broad Bond Index				
Corporate	Citi	Local Market Close	Thomson Reuters	4:00 p.m. (New York)
Asian Broad Bond Index (ABBI)	Citi	Local Market Close	Thomson Reuters	4:00 p.m. (New York)
MENA Broad Bond Index (MENABBI)	Citi	Local Market Close	Thomson Reuters	4:00 p.m. (New York)
Sukuk Index	Citi	Local Market Close	Thomson Reuters	4:00 p.m. (New York)

Effective from November 12, 2018, the pricing sources and snap times will change for the government bond indexes as outlined in Figure 2. Additionally, the quote convention for Japanese government bond prices will change from mid-side to bid-side.

Figure 2. Current and New Pricing Sources and Snap Times for the Government Bond Indexes

Index	Current		New	
	Source	Time	Source	Time
World Government Bond Index (WGBI)				
Australia	Citi	4:30 p.m. (Sydney)	Thomson Reuters	6:00 p.m. (Tokyo)
Austria	Citi	4:15 p.m. (London)	Thomson Reuters	4:15 p.m. (London)
Belgium	Citi	4:15 p.m. (London)	Thomson Reuters	4:15 p.m. (London)
Canada	Citi	3:00 p.m. (New York)	Thomson Reuters	3:00 p.m. (New York)
Denmark	Citi	4:15 p.m. (London)	Thomson Reuters	4:15 p.m. (London)
Finland	Citi	4:15 p.m. (London)	Thomson Reuters	4:15 p.m. (London)
France	Citi	4:15 p.m. (London)	Thomson Reuters	4:15 p.m. (London)
Germany	Citi	4:15 p.m. (London)	Thomson Reuters	4:15 p.m. (London)
Ireland	Citi	4:15 p.m. (London)	Thomson Reuters	4:15 p.m. (London)
Italy	Citi	4:15 p.m. (London)	Thomson Reuters	4:15 p.m. (London)
Japan	Citi	3:00 p.m. (Tokyo)	Thomson Reuters	6:00 p.m. (Tokyo)
Netherlands	Citi	4:15 p.m. (London)	Thomson Reuters	4:15 p.m. (London)
Norway	Citi	4:15 p.m. (London)	Thomson Reuters	4:15 p.m. (London)
South Africa	Citi	5:00 pm (Johannesburg)	Johannesburg Stock Exchange	5:00 pm (Johannesburg)
Spain	Citi	4:15 p.m. (London)	Thomson Reuters	4:15 p.m. (London)
Sweden	Citi	4:15 p.m. (London)	Thomson Reuters	4:15 p.m. (London)
Switzerland	Citi	5:00 p.m. (Zurich)	Thomson Reuters	4:15 p.m. (London)
United Kingdom	Citi	4:15 p.m. (London)	Thomson Reuters	4:15 p.m. (London)
United States	Citi	3:00 p.m. (New York)	Thomson Reuters	3:00 p.m. (New York)
World Inflation-Linked Securities Index (WorldILSI)				
Australia	Citi	4:30 p.m. (Sydney)	Thomson Reuters	6:00 p.m. (Tokyo)
France	Citi	4:15 p.m. (London)	Thomson Reuters	4:15 p.m. (London)
Germany	Citi	4:15 p.m. (London)	Thomson Reuters	4:15 p.m. (London)
Italy	Citi	4:15 p.m. (London)	Thomson Reuters	4:15 p.m. (London)
Japan	Citi	3:00 p.m. (Tokyo)	Thomson Reuters	6:00 p.m. (Tokyo)
Spain	Citi	4:15 p.m. (London)	Thomson Reuters	4:15 p.m. (London)
Sweden	Citi	4:15 p.m. (London)	Thomson Reuters	4:15 p.m. (London)
United Kingdom	Citi	4:15 p.m. (London)	Thomson Reuters	4:15 p.m. (London)
United States	Citi	3:00 p.m. (New York)	Thomson Reuters	3:00 p.m. (New York)
EM Inflation-Linked Securities Index				
Turkey	Citi	5:00 p.m. (Istanbul)	Thomson Reuters	2:00 p.m. (London)
CEEMEA Government Bond Index				
Czech Republic	Citi	5:00 p.m. (Prague)	Thomson Reuters	4:15 p.m. (London)
Turkey	Citi	5:00 p.m. (Istanbul)	Thomson Reuters	2:00 p.m. (London)
Russia	Citi	6:45p.m. (Moscow)	Thomson Reuters	4:15 p.m. (London)
Greek Government Bond Index	Citi	4:15 p.m. (London)	Thomson Reuters	4:15 p.m. (London)
New Zealand Government Bond Index	Citi	4:30 p.m. (Sydney)	Thomson Reuters	6:00 p.m. (Tokyo)
Portuguese Government Bond Index	Citi	4:15 p.m. (London)	Thomson Reuters	4:15 p.m. (London)
Taiwan Government Bond Index	Citi	1:30 p.m. (Taipei)	Thomson Reuters	6:00 p.m. (Tokyo)
US Treasury STRIPS	Citi	3:00 p.m. (New York)	Thomson Reuters	3:00 p.m. (New York)
US Treasury Benchmark (On-the-Run) Indexes	Citi	3:00 p.m. (New York)	Thomson Reuters	3:00 p.m. (New York)
US Treasury Bill Indexes	Citi	3:00 p.m. (New York)	Thomson Reuters	3:00 p.m. (New York)
US Treasury 0-1 Year Index	Citi	3:00 p.m. (New York)	Thomson Reuters	3:00 p.m. (New York)

Estimated Impact

Based on historical analysis, the impact to average price and effective duration between the current and new pricing sources is expected to be minimal. Figure 3 provides the estimated impact as of May 2018 month-end.

Figure 3. Estimated Impact on Average Price and Effective Duration

Index	Average Price			Effective Duration		
	Current	New	Diff	Current	New	Diff
World Government Bond Index (WGBI)	107.62	107.57	0.04	7.89	7.88	0.01
Australia	105.64	105.69	-0.05	6.52	6.52	0.00
Canada	104.89	104.86	0.04	6.28	6.27	0.00
Denmark	124.11	124.12	-0.01	8.68	8.69	-0.01
EGBI (Eurozone)	113.71	113.58	0.13	7.70	7.69	0.01
Japan	111.90	111.89	0.01	10.59	10.59	0.00
Norway	104.21	104.15	0.06	4.33	4.33	0.00
South Africa	93.65	93.65	0.00	7.79	7.79	0.00
Sweden	114.07	114.06	0.01	6.63	6.63	0.00
Switzerland	116.37	116.55	-0.19	4.21	4.21	-0.01
UK	124.20	124.22	-0.02	12.65	12.65	0.00
US	98.82	98.80	0.01	6.01	6.01	0.00
World Inflation-Linked Securities Index (WorldILSI)	151.23	151.20	0.03	9.34	9.34	0.00
Australia	133.82	134.01	-0.19	6.94	6.94	-0.01
EuroILSI	123.58	123.36	0.22	7.91	7.90	0.01
Japan	106.29	106.27	0.02	2.05	2.05	0.00
Sweden	140.66	140.19	0.47	4.78	4.77	0.01
UK	209.60	209.51	0.09	17.28	17.28	0.00
US	113.30	113.37	-0.07	5.65	5.65	-0.01
CEEMEA Government Bond Index						
Czech Republic	105.52	105.56	-0.04	5.82	5.82	0.00
Russia	101.81	101.84	-0.03	4.66	4.66	0.00
Turkey	84.79	84.92	-0.13	3.04	3.04	0.00
New Zealand Government Bond Index	107.54	107.42	0.12	5.67	5.67	0.00
Taiwan Government Bond Index	105.74	105.91	-0.16	8.37	8.38	-0.01
USBIG - ABS	98.86	98.89	-0.03	2.15	2.15	0.00
USBIG - Corporate	101.38	100.98	0.40	7.08	7.05	0.03
STRIPS	59.32	59.08	0.24	16.46	16.42	0.05
US Treasury 0-1 Year Index	99.67	99.67	0.00	0.28	0.28	0.00
ABBI	100.60	100.63	-0.03	4.92	4.90	0.02
MENABBI	96.84	96.82	0.02	6.32	6.32	0.00
Sukuk Index	98.06	98.07	-0.01	4.78	4.78	0.00

Source: FTSE Russell data as of May 31, 2018.

Holiday Pricing Calendars

At present, the prices for several local markets come from “trading centers” (as defined in the index pricing methodology). As a consequence, prices for a local market are unavailable if its associated trading center is closed, even if the local

market is open. Effective from November 12, 2018, each local market will observe its own holiday calendar: if a local market is on holiday, the closing prices used for that day will be the closing prices from the previous day.

Figure 4 lists the local currency markets where the holiday calendar will change to the local calendar. Other markets that are currently priced by third-party pricing sources will continue to follow the local market holiday calendar.

Figure 4. Holiday Pricing Calendars

Current "Trading Center"	Local Currency Market	Current Holiday Pricing Calendar	New Holiday Pricing Calendar
Sydney	Australia	Australia	Australia
	New Zealand	Australia	New Zealand
London	Austria	UK	Euro
	Belgium	UK	Euro
	Denmark	UK	Denmark
	Finland	UK	Euro
	Germany	UK	Euro
	Greece	UK	Euro
	Ireland	UK	Euro
	Italy	UK	Euro
	Netherlands	UK	Euro
	Norway	UK	Norway
	Portugal	UK	Euro
	Spain	UK	Euro
	Sweden	UK	Sweden
United Kingdom	UK	UK	
New York	Canada	United States	Canada
	United States	United States	United States

Delivery Time Changes

The change in pricing sources will allow the monthly data for the FTSE fixed income US credit indexes to be published on the last business day of the month. The change to same-day publication will be effective from September 28, 2018. Please see below for the timing of index data distribution.

Index Data Distribution

World Government Bond Index (WGBI), World Government Bond Index – Japanese Investment Trust (WGBI-JIT), Debt Capacity World Government Bond Index (DCWGBI), Asian Government Bond Index (AGBI), and Australian Broad Investment-Grade Bond Index (AusBIG[®]):

- Daily (except last business day) reports, issue-level and sector-level data: 6:30 p.m. (ET), same day;
- Last business day daily and monthly reports, issue-level and sector-level data: 11:45 p.m. (ET), same day.

When New York is observing Daylight Saving Time (DST), the daily delivery of WGBI data may be delayed until 7:30 p.m. DST

Emerging Markets Government Bond Index (EMGBI) and Emerging Markets Government Bond Index – Japanese Investment Trust (EMGBI-JIT):

- Daily (except last business day) reports, issue-level and sector-level data: 7:30 p.m. (ET), same day;
- Last business day daily and monthly reports, issue-level and sector-level data: 11:45 p.m. (ET), same day.

All other indexes:

- Daily reports, issue-level and sector-level data: 11:45 p.m. (ET), same day;
- Monthly reports, issue-level and sector-level data: 11:45 p.m. (ET), last business day.

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