Change to Mortgage Index Analytics due to Prepayment Model Update

The prepayment model used to calculate analytics for mortgage cohorts tracked by the FTSE USBIG Mortgage Index and the FTSE Mortgage Float-Adjusted Index will be updated to Version 21.4 on October 14, 2018. 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 the below table. Index prices and returns are not impacted by the model update.

				Effective Duration			Effective Convexity			OAS (bp)		
	Issues	Par Amt ($mn)	MV %	V21.4	Existing Model	Diff	V21.4	Existing Model	Diff	V21.4	Existing Model	Diff
FTSE Mortgage Index	258	5,274.2	100.0	5.14	5.46	-0.33	-1.10	-1.24	0.15	34.37	32.52	1.85
GNMA	73	1,477.4	28.0	5.03	5.43	-0.41	-1.17	-1.48	0.31	25.63	20.66	4.97
FHLMC	86	1,494.3	28.3	5.21	5.50	-0.29	-1.07	-1.16	0.09	38.80	37.87	0.93
FNMA	99	2,302.5	43.7	5.17	5.46	-0.30	-1.06	-1.14	0.07	37.13	36.70	0.43
30 Year Mortgages	196	4,669.8	88.5	5.33	5.68	-0.35	-1.21	-1.37	0.16	34.03	32.07	1.96
GNMA 30y	73	1,477.4	28.0	5.03	5.43	-0.41	-1.17	-1.48	0.31	25.63	20.66	4.97
FHLMC 30y	57	1,252.8	23.8	5.51	5.83	-0.32	-1.24	-1.33	0.10	38.56	37.68	0.88
FNMA 30y	66	1,939.6	36.8	5.46	5.78	-0.33	-1.22	-1.31	0.08	37.53	37.16	0.37
15 Year Mortgages	62	604.4	11.5	3.60	3.73	-0.14	-0.20	-0.23	0.03	37.03	36.05	0.98
FHLMC 15y	29	241.5	4.6	3.61	3.75	-0.14	-0.20	-0.24	0.04	40.08	38.86	1.22
FNMA 15y	33	362.9	6.9	3.58	3.72	-0.13	-0.20	-0.22	0.03	35.00	34.18	0.82
USBIG Index	7,618	19,509.8	100.0	5.96	6.05	-0.09	0.32	0.28	0.04	42.87	42.37	0.50
WorldBIG Index	10,902	35,941.7	100.0	6.93	6.97	-0.04	0.76	0.74	0.02	40.56	40.31	0.25

Source: FTSE Russell. Data as of September 19, 2018

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