

## Inclusion of Ginnie Mae 2 15-Year Bonds to FTSE Mortgage Index

In reviewing the FTSE US Broad Investment-Grade (USBIG®) Mortgage Index, FTSE Russell has become aware that Ginnie Mae 2 15-Year mortgage generics are currently being excluded from the index. These securities meet the eligibility criteria for the index according to our methodology and will be added effective June 2019 for preview purposes, and contribute to index returns starting on July 1, 2019. These cohorts will also be added to the FTSE Mortgage Float-Adjusted Index.

As of April 2019, 13 Ginnie Mae 2 15-Year cohorts with \$27.2 billion in market value would qualify for the FTSE USBIG Mortgage Index, representing approximately 0.5% of the index by market weight. Figure 1 provides further details on the projected impact of the change.

Figure 1. FTSE USBIG Mortgage Index – Pro forma Impact of Inclusion of Ginnie Mae 15-Year Bonds

	USBIG Mortgage Index			Projected USBIG Mortgage Index + Ginnie Mae 2 15-Year Bonds			Difference		
	# of issues	Market Value*	Market Weight (%)	# of issues	Market Value*	Market Weight (%)	# of issues	Market Value*	Market Weight (%)
<b>Mortgage Index</b>	<b>265</b>	<b>5,571.3</b>	<b>100.0</b>	<b>278</b>	<b>5,598.5</b>	<b>100.0</b>	<b>13</b>	<b>27.2</b>	<b>0.0</b>
<b>30 Year MBS</b>	<b>203</b>	<b>5,004.7</b>	<b>89.8</b>	<b>203</b>	<b>5,004.7</b>	<b>89.4</b>	<b>0</b>	<b>0.0</b>	<b>-0.4</b>
<b>15 Year MBS</b>	<b>62</b>	<b>566.7</b>	<b>10.2</b>	<b>75</b>	<b>593.9</b>	<b>10.6</b>	<b>13</b>	<b>27.2</b>	<b>0.4</b>
Fannie Mae	33	338.9	6.1	33	338.9	6.1	0	0.0	0.0
Freddie Mac	29	227.8	4.1	29	227.8	4.1	0	0.0	0.0
Ginnie Mae	0	0.0	0.0	13	27.2	0.5	13	27.2	0.5

\* in USD billions. Source: FTSE Russell. Data as of April 2019.

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