

Exclusion of domestic sovereign bonds from non-WGBI markets from the FTSE Euro Broad Investment-Grade Bond Index

FTSE Russell identified 15 domestic sovereign bonds issued by Latvia and Cyprus that are incorrectly classified as foreign sovereign and included to the FTSE Euro Broad Investment-Grade Bond Index (EuroBIG[®]). According to its published methodology, the EuroBIG Index only includes those domestic sovereign bonds that are included in the Eurozone sector of the FTSE World Government Bond Index (WGBI). After review of the issue and consultation with index users, FTSE Russell affirms that the EuroBIG Index will continue to include only domestic sovereign bonds from WGBI-eligible government bond markets.

The 15 Latvia and Cyprus domestic sovereign bonds will be removed from the EuroBIG Index, effective with September profile. The total par amount outstanding for these securities in the August profile is €13.7 billion which represents 0.14% of the index in market weight. The securities that will be excluded from the index are listed in the below table.

| | Coupon | Maturity | Par Amount (Euro in millions) | Market Value (Euro in millions) |
|------------------------|--------|----------|----------------------------------|------------------------------------|
| Cyprus Government Bond | 3.875 | 20220506 | 1,000 | 1,115.7 |
| Cyprus Government Bond | 3.750 | 20230726 | 1,000 | 1,148.1 |
| Cyprus Government Bond | 2.750 | 20240627 | 850 | 963.5 |
| Cyprus Government Bond | 4.250 | 20251104 | 1,000 | 1,278.1 |
| Cyprus Government Bond | 2.375 | 20280925 | 1,500 | 1,773.0 |
| Cyprus Government Bond | 2.750 | 20340226 | 1,000 | 1,245.1 |
| Latvia Government Bond | 0.500 | 20201215 | 550 | 556.3 |
| Latvia Government Bond | 2.625 | 20210121 | 1,000 | 1,056.0 |
| Latvia Government Bond | 2.875 | 20240430 | 1,000 | 1,153.8 |
| Latvia Government Bond | 1.375 | 20250923 | 500 | 549.7 |
| Latvia Government Bond | 0.375 | 20261007 | 950 | 982.6 |
| Latvia Government Bond | 1.125 | 20280530 | 500 | 544.9 |
| Latvia Government Bond | 1.375 | 20360516 | 850 | 940.3 |
| Latvia Government Bond | 2.250 | 20470215 | 1,000 | 1,267.6 |
| Latvia Government Bond | 1.875 | 20490219 | 1,000 | 1,175.1 |

Source: FTSE Russell. Data are as of July 31, 2019.

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

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