

FTSE Russell Launches FTSE Frontier Emerging Markets Government Bond Index Series

As part of its commitment to providing comprehensive solutions for global government bond investors, FTSE Russell is pleased to announce the launch of the FTSE Frontier Emerging Markets Government Bond (FRNTEMGBI) Index Series. This new series leverages the transparent and evidence-driven FTSE Fixed Income Country Classification Process to track the performance of fixed-rate local currency government bonds issued by countries classified as Frontier Emerging Markets. The objective of this index series is to provide transparency for a universe of emerging local currency government bond markets that may not yet be considered mainstream emerging markets, but are sufficiently investable for global portfolio managers based on an objective set of technical criteria. Pricing and reference data is sourced from Refinitiv with monthly history available from January 2018.

The series includes the market value weighted FTSE Frontier Emerging Markets Government Bond Index and the FTSE Frontier Emerging Markets Government Bond 10% Capped Index, which caps the aggregate weight of each country at 10%. The series also expands FTSE Russell's coverage of local currency government bond markets to ten new countries. As of March 31, 2021, 588 securities with a total market value of USD 360.1 billion were eligible for inclusion in the index. Details of the index composition by country can be found in Figure 1.

Figure 1. Country Composition of the FTSE Frontier Emerging Markets Government Bond Index Series

Country	Currency	Bond Count	Total Par Amount Outstanding (\$ bn)	Weighted Average Coupon
Egypt	EGP	80	83.0	14.861
Morocco	MAD	50	54.0	3.748
Vietnam	VND	101	40.2	4.683
Sri Lanka	LKR	44	25.4	9.769
Pakistan	PKR	17	24.2	9.592
Nigeria	NGN	22	23.8	13.302
Kenya	KES	56	22.6	12.141
Dominican Republic	DOP	31	21.1	10.832
Bangladesh	BDT	53	18.4	7.578
Costa Rica	CRC	34	16.2	10.323
Ukraine	UAH	55	12.7	11.400
Ghana	GHS	37	10.8	19.130
Serbia	RSD	8	7.7	4.352
Total		588	360.1	10.040

Source: FTSE Russell. Data are as of March 31, 2021.

FTSE Fixed Income LLC	US	EMEA	Hong Kong	Singapore	Japan
28 Liberty Street	+1 646 989 2122	+44 20 7334 8963	+852 2164 3288	+65 6950 3850	+81 3 4563 6346
58 th Floor	fi.index@ftserussell.com	fi.index@ftserussell.com	fi.index@ftserussell.com	fi.index@ftserussell.com	fi.indexjp@ftserussell.com
New York, NY 10005					



The cornerstone of the design of this index series is a novel, new approach for frontier emerging markets bond classifications that incorporates FTSE Fixed Income Market Accessibility Levels, as well as other observable and objective criteria including market size, sovereign credit rating and World Bank Income Levels. To be eligible for inclusion, countries must be assigned a Market Accessibility Level of 0 based on the FTSE Fixed Income Country Classification Process. As countries are reclassified to a higher level, they exit the FTSE Frontier Emerging Markets Government Bond Index Series, such that there is not overlap with the flagship FTSE Emerging Markets Government Bond Index (EMGBI) for markets that "graduate" to mainstream emerging markets status. The composition of markets included in the index series is reviewed on a semi-annual basis each March and September and aligned with the review cadence of the Fixed Income Country Classification Process. On an ongoing basis, FTSE Russell monitor the issuance trends and market structure of global government markets and introduce tracking for additional countries which may be subsequently be considered for inclusion in the Frontier Emerging Markets Index Series.

Additional details on the methodology for the FTSE Frontier Government Bond Index Series is available through the following link: <https://www.ftserussell.com/products/indices/emerging-markets-fixed-income-indexes>.

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

FTSE Fixed Income LLC	US	EMEA	Hong Kong	Singapore	Japan
28 Liberty Street	+1 646 989 2122	+44 20 7334 8963	+852 2164 3288	+65 6950 3850	+81 3 4563 6346
58 th Floor	fi.index@ftserussell.com	fi.index@ftserussell.com	fi.index@ftserussell.com	fi.index@ftserussell.com	fi.indexjp@ftserussell.com
New York, NY 10005					

© 2021, FTSE Fixed Income LLC ("FTSE FI"). All rights reserved. Reproduction of the data and information herein (collectively, "FTSE FI Data") in any form is prohibited except with the prior written permission of FTSE FI. Although the FTSE FI Data is believed to be reliable, FTSE FI makes no representation as to the accuracy, adequacy, completeness or availability of the FTSE FI Data and is not responsible for any errors or omissions or for the results obtained from the use of FTSE FI Data. FTSE FI GIVES NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. In no event shall FTSE FI be liable for any direct, indirect, special or consequential damages in connection with any use of the FTSE FI Data.