



Reminder: Upcoming Changes to Country Inclusion for FTSE Fixed Income Global Government Bond Indices

Subsequent to its September 2021 Fixed Income Country Classification Review, FTSE Russell **announced** several changes to the market inclusion for its global fixed income government bond indices. These changes include the addition of Saudi Arabia to the FTSE Emerging Markets Government Bond Index (EMGBI), the addition of Kazakhstan to the FTSE Frontier Emerging Markets Government Bond Index Series (FRNTEMGBI) and the addition of New Zealand to the FTSE World Inflation-Linked Securities Index (WorldILSI), effective for the April 2022 index profiles.

These changes will also be reflected in indices that derive their membership from the EMGBI, FRNTEMGBI or the WorldILSI, and alternatively weighted indices that derive membership from them.

This reminder announcement provides updated impact projections of these changes as of January 31, 2022.

Inclusion of Saudi Arabia in the FTSE Emerging Markets Government Bond Index

Effective with the April 2022 index profile, Saudi Arabian local currency, government sukuk will be added to the FTSE Emerging Markets Government Bond Index (EMGBI). As of January 31, 2022, 45 SAR-denominated bonds with SAR 336.5 billion (USD 89.7 billion) in par amount outstanding are projected to enter the index and would comprise 2.8% of the index on a market value weighted basis. Further details on the projected impact are provided in Figure 1.

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Figure 1. Projected Impact of the Inclusion of Saudi Arabian Government Bonds in the FTSE EMGBI

	EMGBI			Projected EMGBI + SAR			Difference		
	Count	Market Value*	MV%	Count	Market Value*	MV%	Count	Market Value*	MV%
China	52	1,767.1	56.65	52	1,767.1	55.05	-	-	-1.60
Indonesia	43	227.9	7.31	43	227.9	7.10	-	-	-0.21
Mexico	15	156.9	5.03	15	156.9	4.89	-	-	-0.14
South Africa	12	147.9	4.74	12	147.9	4.61	-	-	-0.13
Thailand	27	133.9	4.29	27	133.9	4.17	-	-	-0.12
Malaysia	31	109.4	3.51	31	109.4	3.41	-	-	-0.10
Russia	26	103.1	3.31	26	103.1	3.21	-	-	-0.09
Poland	14	98.3	3.15	14	98.3	3.06	-	-	-0.09
Saudi Arabia	-	-	-	45	90.5	2.82	45	90.5	2.82
Philippines	31	82.2	2.64	31	82.2	2.56	-	-	-0.07
Colombia	11	57.6	1.85	11	57.6	1.80	-	-	-0.05
Brazil	4	57.1	1.83	4	57.1	1.78	-	-	-0.05
Hungary	18	49.0	1.57	18	49.0	1.53	-	-	-0.04
Romania	21	43.8	1.41	21	43.8	1.37	-	-	-0.04
Chile	14	33.9	1.09	14	33.9	1.06	-	-	-0.03
Peru	11	33.5	1.07	11	33.5	1.04	-	-	-0.03
Turkey	15	17.5	0.56	15	17.5	0.55	-	-	-0.02
Total	345	3,119.3	100.00	390	3,209.8	100.00	45	90.5	0.00

*in USD billions. Source: FTSE Russell. Data are as of January 31, 2022.

Note: On 4 March 2022, FTSE Russell announced that Russian government bonds will be excluded from the EMGBI effective as of the March 2022 month-end rebalance.

To ensure comprehensive index coverage for global government bond markets, FTSE Russell will continue to track both sukuk and non-sukuk as part of its standalone FTSE Saudi Arabian Government Bond Index.

Inclusion of Kazakhstan in the FTSE Frontier Emerging Markets Government Bond Index

Effective with the April 2022 index profile, Kazakhstan local currency government bonds will be added to the FTSE Frontier Emerging Markets Government Bond Index (FRNTEMGBI). As of January 31, 2022, 39 KZT-denominated bonds with KZT 8.4 trillion (USD 19.4 billion) in par amount outstanding are projected to enter the

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index and would comprise 3.9% of the index on a market value weighted basis. Further details on the projected impact are provided in Figure 2.

Figure 2. Projected Impact of the Inclusion of Kazakhstan Government Bonds in the FTSE FRNTEMGBI

	FRNTEMGBI			Projected FRNTEMGBI + KZT			Difference		
	Count	Market Value*	MV%	Count	Market Value*	MV%	Count	Market Value*	MV%
Egypt	95	103.4	23.73	95	103.4	22.80	-	-	-0.93
Morocco	54	63.9	14.67	54	63.9	14.09	-	-	-0.58
Vietnam	119	63.4	14.55	119	63.4	13.98	-	-	-0.57
Nigeria	21	32.5	7.47	21	32.5	7.17	-	-	-0.29
Sri Lanka	42	29.4	6.75	42	29.4	6.49	-	-	-0.27
Kenya	55	26.5	6.07	55	26.5	5.84	-	-	-0.24
Bangladesh	60	23.0	5.29	60	23.0	5.08	-	-	-0.21
Dominican Republic	25	22.9	5.25	25	22.9	5.04	-	-	-0.21
Costa Rica	34	21.1	4.85	34	21.1	4.66	-	-	-0.19
Pakistan	17	19.9	4.58	17	19.9	4.40	-	-	-0.18
Kazakhstan	-	-	-	39	17.8	3.93	39	17.8	3.93
Ukraine	52	12.1	2.79	52	12.1	2.68	-	-	-0.11
Ghana	39	10.3	2.36	39	10.3	2.26	-	-	-0.09
Serbia	7	7.2	1.64	7	7.2	1.58	-	-	-0.06
Total	620	435.7	100.00	659	453.5	100.00	39	17.8	0.00

*in USD billions. Source: FTSE Russell. Data are as of January 31, 2022.

To be included in the index, KZT-denominated fixed-rate government bonds must be fixed-rate and have at least KZT 50 billion in par amount outstanding. Prices for these securities will be sourced from Refinitiv and represent a 4:15 p.m. (London) bid-side snap time.

Inclusion of New Zealand in the FTSE World Inflation-Linked Securities Index

Effective with the April 2022 index profile, New Zealand local currency, inflation-linked government bonds will be added to the FTSE World Inflation-Linked Securities Index (WorldILSI). As of January 31, 2022, four NZD-denominated bonds with NZD 10.8 billion (USD 9.7 billion) in par amount outstanding are projected to enter the

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index and would comprise 0.38% of the index on a market value weighted basis. Further details on the projected impact are provided in Figure 3.

Figure 3. Projected Impact of the Inclusion of New Zealand Inflation-Linked Government Bonds in the FTSE WorldILSI

	WorldLSI			Projected WorldILSI + NZD			Difference		
	Count	Market Value*	MV%	Count	Market Value*	MV%	Count	Market Value*	MV%
United States	44	1,246.1	36.76	44	1,246.1	36.62	-	-	-0.14
United Kingdom	30	1,087.7	32.09	30	1,087.7	31.97	-	-	-0.12
France	16	300.7	8.87	16	300.7	8.84	-	-	-0.03
Italy	11	206.5	6.09	11	206.5	6.07	-	-	-0.02
Germany	5	106.9	3.15	5	106.9	3.14	-	-	-0.01
Mexico	8	102.4	3.02	8	102.4	3.01	-	-	-0.01
Spain	5	83.6	2.47	5	83.6	2.46	-	-	-0.01
Israel	11	74.7	2.21	11	74.7	2.20	-	-	-0.01
Japan	9	63.8	1.88	9	63.8	1.87	-	-	-0.01
Canada	8	59.1	1.74	8	59.1	1.74	-	-	0.00
Australia	7	35.2	1.04	7	35.2	1.04	-	-	0.00
Sweden	6	22.9	0.68	6	22.9	0.67	-	-	-0.01
New Zealand	-	-	-	4	12.9	0.38	4	12.9	0.38
Total	160	3,389.5	100.00	164	3,402.4	100.00	4	3,402.4	0.00

*in USD billions. Source: FTSE Russell. Data are as of January 31, 2022.

Country sub-index tickers representing these markets in index level files (with prefix 'IX') will be added at the end of existing country-level tickers. The new term sub-index tickers will be added at the end of files.

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

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