

# Emerging markets fixed income indexes

Comprehensive coverage of growing economies.

## You're not only choosing an index, you're choosing a firm

We offer a comprehensive family of emerging markets<sup>1</sup> bond indexes with a broad array of currencies, regions, asset classes, and credit qualities.

### Indexes denominated in local currencies

We offer expansive coverage of emerging markets sovereign debt, denominated in the issuer's local currency. Based on objective rules, our indexes strike a balance between comprehensiveness and replicability, making them desirable for international managers seeking broad or targeted exposure to growing economies.

Our core composite index, the FTSE Emerging Markets Government Bond Index (EMGBI), comprises local currency government bonds from a set of emerging markets countries. Individual country indexes can be easily combined to provide regional or geographic exposure. A unified methodology across markets enables investors to use our indexes as building blocks for customized benchmarks.

In addition to offering market capitalization-weighted emerging markets bond indexes, we have implemented an innovative methodology for constructing

indexes which generates component weights based on fundamental measures.

### Indexes denominated in US dollar

To complement our local currency indexes, we offer a series of emerging markets bond indexes denominated in US dollar. These indexes offer coverage of growing economies without the additional interplay of currency movements.

Our US dollar-denominated emerging markets lineup is anchored by the FTSE Emerging Markets US Dollar Government Bond Index (EMUSDGBI), which offers coverage of sovereign debt with broad geographical diversification. The FTSE Emerging Markets Broad Bond Index (EMUSDBBI) complements this lineup by measuring the performance of investment-grade and high-yield bonds in over 60 emerging markets.

Additionally, we offer a variety of regional indexes, including the FTSE Asian Broad Bond Index (ABBI) and the FTSE Middle East and North Africa Broad Bond Index (MENABBI).

30+

Years of experience in benchmarking

2,000+

Emerging markets bonds are included in our global family of indexes

10,000+

Emerging markets sectors are available as building blocks for composite indexes

1 A country is classified to be "emerging" if it is defined by the International Monetary Fund (IMF) World Economic Outlook to be among "emerging and developing economies" (<http://www.imf.org/external/ns/cs.aspx?id=28>) or if it is defined by the World Bank (WB) to be among "low-income economies" or "lower-middle-income economies" or "upper-middle-income economies" (<http://data.worldbank.org/about/country-classifications/>).

## Indexes denominated in local currencies

### Emerging markets government bond indexes

Our current coverage includes local currency sovereign bond indexes for 18 emerging markets countries<sup>2</sup>. These indexes comprise fixed-rate sovereign debt with at least one-year until maturity. They are market capitalization-weighted and rebalanced monthly.

The FTSE Emerging Markets Government Bond Index (EMGBI) comprises local currency government bonds from 16 countries including Brazil, Chile, China, Colombia, Hungary, Indonesia, Malaysia, Mexico, Peru, Philippines, Poland, Romania, Russia, Thailand, Turkey, and South Africa<sup>3</sup>.

### FTSE Emerging markets inflation-linked securities index

The FTSE Emerging Markets Inflation-Linked Securities Index (EMILSI) measures the returns of inflation-linked bonds with principals that are linked to an inflation index. The EMILSI comprises debt from six countries denominated in six currencies and is a valuable benchmark for investors who are concerned with real, rather than notional, returns. The six EMILSI countries include Brazil, Chile, Colombia, Mexico, Turkey and South Africa<sup>4</sup>.

### Regional composite indexes

Individual indexes can be easily combined to provide regional or geographic exposure.

Index	Markets
<b>EUROPE, MIDDLE EAST AND AFRICA</b> FTSE Central and Eastern Europe, Middle East and Africa Government Bond Index (CEEMEAGBI)	Czech Republic, Hungary, Israel, Poland, Romania, Russia, Turkey, and South Africa
<b>LATIN AMERICA</b> FTSE Latin America Government Bond Index (LATAMGBI)	Brazil, Chile, Colombia, Mexico, and Peru
<b>ASIA PACIFIC</b> FTSE Asian Government Bond Index (AGBI)	China, Hong Kong, Indonesia, Korea, Malaysia, Philippines, Singapore, and Thailand
FTSE Asian Government Bond Index Extended (AGBI Extended)	China, Hong Kong, India, Indonesia, Korea, Malaysia, Philippines, Singapore, Sri Lanka, Taiwan, and Thailand
FTSE Asian Government Bond Index Investable (AGBI Investable) <sup>5</sup>	China (Offshore), Hong Kong, Indonesia, Korea, Malaysia, Philippines, Singapore, and Thailand
FTSE Dim Sum (Offshore CNY) Bond Index	China (Offshore)

### Fundamentally-weighted indexes

The FTSE RAFI Bond Index Series weights index components by the issuer's economic footprint and estimates of debt service capacity, providing an alternative to market capitalization weighting. This series has been developed in collaboration with Research Affiliates based on the RAFI<sup>®</sup> Fundamental Index<sup>®</sup> methodology.

The FTSE RAFI Sovereign Emerging Markets Local Currency Bond Index provides a measure of government securities in 14 markets: Brazil, Chile, Colombia, Hungary, Indonesia, Malaysia, Mexico, Peru, Philippines, Poland, Russia, South Africa, Thailand, and Turkey.

<sup>2</sup> The 18 local currency sovereign bond indexes emerging market countries include: Brazil, Chile, China, Colombia, Hungary, India, Indonesia, Malaysia, Mexico, Peru, Philippines, Poland, Romania, Russia, South Africa, Sri Lanka, Thailand, and Turkey.

<sup>3</sup> Countries that are not classified as "emerging" include Czech Republic, Israel, Hong Kong, Korea, Singapore and Taiwan.

<sup>4</sup> Poland is eligible for inclusion but currently its inflation-linked securities do not meet the minimum size criteria due to large buy-back by the government in February 2014.

<sup>5</sup> The AGBI Investable methodology differs from that of AGBI with the inclusion of offshore Chinese government bond markets. It also caps the market weight of an individual market at 20% to limit the exposure to any one sovereign market.

## Indexes denominated in US dollar

### Emerging markets government bonds

The FTSE Emerging Markets US Dollar Government Bond Index (EMUSDGBI) includes US dollar-denominated emerging markets sovereign debt issued in the global, Yankee, and Eurodollar markets. The index offers geographical diversification without exposure to local currency fluctuations.

### Emerging markets government, agency, and corporate debt

Our broad bond indexes measure the performance of both investment-grade and high-yield US dollar-denominated debt issued by governments, agencies, and corporations domiciled in the specific regions. Indexes are market capitalization-weighted.

Index	Coverage
<b>EMERGING MARKETS</b> FTSE Emerging Markets Broad Bond Index (EMUSDBBI)	Measures the performance of both investment-grade and high-yield US dollar-denominated debt issued by governments, regional governments, government-sponsored entities, and corporations domiciled in over 60 emerging markets
<b>EUROPE, MIDDLE EAST AND AFRICA</b> FTSE Middle East and North Africa Broad Bond Index (MENABBI)	Measures the performance of both investment-grade and high-yield US dollar-denominated debt issued in the Middle East and North Africa
<b>ASIA PACIFIC</b> FTSE Asian Broad Bond Index (ABBI)	Measures the performance of both investment-grade and high-yield US dollar-denominated debt issued by governments, agencies and corporations domiciled in Asia (excluding Japan)

## Index usage and access

FTSE Fixed Income Indexes delivers market-tested and comprehensive indexes, trusted and widely followed by the global investment community. It offers a comprehensive family of indexes with a broad array of currencies, regions, asset classes, and credit qualities. It employs multiple distribution channels to ensure easy access to data.

### Licensing

Our indexes may be licensed for use as underlying indexes for OTC or exchange traded products. Leading financial institutions that issue ETFs, structured products, and swaps rely on our indexes for the creation of their index-based investment products.

### Customization

Our indexes are designed to appeal to a wide range of market participants. In addition, they can be easily customized to meet the most specific investment needs or portfolio risk profiles.

#### Customization options

- **Sector:** Government, Corporate, Collateralized
- **Industry:** Industrial, Utility, Finance
- **Geography:** Global, Continental, Regional, National
- **Weighting:** Market Capitalization, Equal, Fundamental
- **Other** - Exchange Rates and Currency, Hedging, Capping, Maturity, Issue Size, Rating

### Access

Our website offers index information, profiles, analytics and returns, and historical data by subscription or on demand.

- Index website: [www.yieldbook.com/m/indices](http://www.yieldbook.com/m/indices)
- The Yield Book

### Bloomberg

- SBI <GO> | SBBI <GO>

### Data and analytic vendors

**About FTSE Russell**

FTSE Russell is a leading global index provider creating and managing a wide range of indexes, data and analytic solutions to meet client needs across asset classes, style and strategies. Covering 98% of the investable market, FTSE Russell indexes offer a true picture of global markets, combined with the specialist knowledge gained from developing local benchmarks around the world.

FTSE Russell index expertise and products are used extensively by institutional and retail investors globally. For over 30 years, leading asset owners, asset managers, ETF providers and investment banks have chosen FTSE Russell indexes to benchmark their investment performance and create investment funds, ETFs, structured products and index-based derivatives. FTSE Russell indexes also provide clients with tools for asset allocation, investment strategy analysis and risk management.

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