

Change to Market of Issue Eligibility Criteria for the FTSE Eurodollar Index

After a review of the application of the market of issue criteria for the FTSE Eurodollar Index, FTSE Russell announces a change to the manner in which a bond's placement is assessed for purposes of index inclusion. According to existing index methodology, the FTSE Eurodollar Index includes "eurodollar, global, Dragon bonds, certain asset-backed, and euro medium-term notes". Rule 144A corporate securities are included only if they have registration rights. As of the September 2021 profiles, the index will include securities that meet the following criteria:

- Corporate bonds issued under rule 144A with registration rights
- Agency, Supranational, Government Sponsored and Government Guaranteed bonds issued under US Rule 144A with or without registration rights
- Securities issued under US Regulation-S without a corresponding 144A tranche

As a result of the change, 1,525 securities with \$1.21 trillion in market value are projected to enter the index, representing 15.4% of the index on a market value weighted basis as of May 31, 2021. Further details of the projected impact of the change can be found in Figure 1.

Figure 1. Projected Impact of the Change for the FTSE Eurodollar Index by Industry Classification

	Eurodollar Index			Projected Eurodollar Index			Difference		
	Count	Market Value*	MV%	Count	Market Value*	MV%	Count	Market Value*	MV%
Government	844	1,666.26	21.01	924	1,828.17	19.98	80	161.92	-1.04
Financial	1,972	1,978.14	24.95	2,330	2,374.45	25.95	358	396.32	1.00
Industrial	3,573	3,516.37	44.34	4,292	3,999.83	43.71	719	483.46	-0.64
Utility	960	766.09	9.66	1,328	946.13	10.34	368	180.04	0.68
ABS	4	2.84	0.04	4	2.84	0.03	0	0.00	0.00
Total	7,353	7,929.69	100	8,878	9,151.42	100	1,525	1,221.73	15.41

*in USD billions. Source: FTSE Russell. Data are as of May 31, 2021.

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