

## Reminder: Implementation of Change to Market of Issue Eligibility Criteria for the FTSE Eurodollar Index

In July 2021, FTSE Russell **announced** that the manner in which a bond's placement is assessed for purposes of index inclusion would be modified. Due to client feedback, the implementation of this change was **delayed** one month. Index users can now see the additional bonds in the October 2021 profiles. This announcement reminds index users of the details of that change and provides an updated impact analysis as of September 27, 2021. Additionally, index users can access the daily preliminary file for a detailed constituent list.

As a reminder of the rule change, the existing index methodology for 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 October 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, 1,497 securities with \$1.2 trillion in market value are projected to enter the index, representing 14% of the index on a market value weighted basis as of September 27, 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	852	1,683.59	20.52	932	1,839.87	19.63	80	156.27	-0.90
Financial	2,052	2,093.40	25.52	2,412	2,478.10	26.44	360	384.70	0.92
Industrial	3,630	3,627.65	44.22	4,328	4,082.19	43.55	698	454.53	-0.67
Utility	976	796.36	9.71	1,335	971.37	10.36	359	175.01	0.65
ABS	2	1.80	0.02	2	1.80	0.02	0	0.00	0.00
Total	7,512	8,202.81	100	9,009	9,373.32	100	1,497	1,170.51	0.00

\*in USD billions. Source: FTSE Russell. Data are as of September 27, 2021.

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FTSE Russell