



# FTSE World Government Bond Index (WGBI)

Sovereign | Multi-Currency

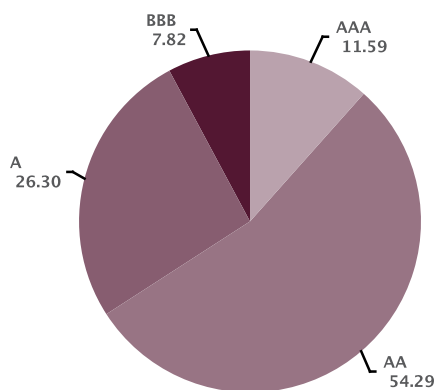
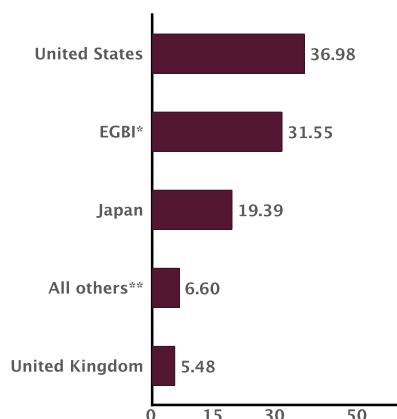
The FTSE World Government Bond Index (WGBI) measures the performance of fixed-rate, local currency, investment-grade sovereign bonds. The WGBI is a widely used benchmark that currently includes sovereign debt from over 20 countries, denominated in a variety of currencies, and has more than 30 years of history available. The WGBI provides a broad benchmark for the global sovereign fixed income market. Sub-indexes are available in any combination of currency, maturity, or rating.

## INDEX PROFILE

| Description   | # of Issues  | Par Amount*      | Market Value*    | Market Weight (%) | Average Coupon (%) | Average Life (Years) | Yield to Maturity (%) | Effective Duration | OAS (bps) |
|---------------|--------------|------------------|------------------|-------------------|--------------------|----------------------|-----------------------|--------------------|-----------|
| <b>WGBI</b>   | <b>1,028</b> | <b>20,183.24</b> | <b>21,943.62</b> | <b>100.00</b>     | <b>2.36</b>        | <b>9.17</b>          | <b>1.45</b>           | <b>7.99</b>        | <b>18</b> |
| 1-3 Years     | 244          | 5,422.85         | 5,521.73         | 25.16             | 2.02               | 1.92                 | 1.39                  | 1.87               | 7         |
| 3-5 Years     | 181          | 3,941.83         | 4,077.37         | 18.58             | 2.05               | 3.96                 | 1.30                  | 3.79               | 14        |
| 5-7 Years     | 120          | 2,502.50         | 2,635.84         | 12.01             | 2.31               | 5.95                 | 1.48                  | 5.55               | 23        |
| 7-10 Years    | 144          | 2,743.53         | 2,961.93         | 13.50             | 2.28               | 8.47                 | 1.37                  | 7.75               | 27        |
| 10+ Years     | 339          | 5,572.53         | 6,746.76         | 30.75             | 2.96               | 21.69                | 1.63                  | 16.60              | 23        |
| North America | 278          | 8,404.55         | 8,476.85         | 38.63             | 2.34               | 7.52                 | 2.54                  | 6.10               | 0         |
| Latin America | 15           | 142.89           | 140.66           | 0.64              | 7.74               | 8.80                 | 8.33                  | 5.19               | 0         |
| Asia Pacific  | 341          | 4,270.67         | 4,779.91         | 21.78             | 1.51               | 11.18                | 0.37                  | 10.49              | 0         |
| EMEA          | 394          | 7,365.13         | 8,546.20         | 38.95             | 2.76               | 9.89                 | 0.87                  | 8.51               | 46        |

\*In USD billions

## GEOGRAPHICAL AND QUALITY COMPOSITION (Market Weight %)

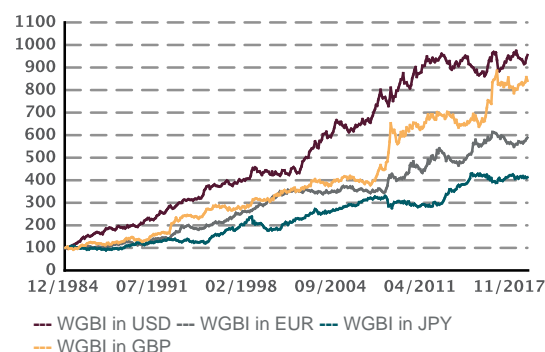


\*The FTSE EMU Government Bond Index (EGBI) consists of EMU-participating countries that meet the WGBI criteria for market inclusion: Austria, Belgium, Finland, France, Germany, Ireland, Italy, Netherlands, and Spain

\*\*All others include the following countries: Australia, Canada, Denmark, Malaysia, Mexico, Norway, Poland, Singapore, South Africa, and Sweden

Index Quality: Index quality is defined to be the rating assigned by Standard and Poor's Financial Services LLC ("S&P") when it exists. If a bond is not rated by S&P but it is rated by Moody's Investor Service, Inc ("Moody's"), the S&P equivalent of the Moody's rating is assigned. If a bond is split-rated, that is rated investment grade by S&P or Moody's and high yield by the other, index quality is taken to be S&P equivalent of the investment grade rating.

## HISTORICAL INDEX LEVEL (Unhedged)



|             | Return* | Standard Deviation* |
|-------------|---------|---------------------|
| WGBI in USD | 6.85    | 6.83                |
| WGBI in EUR | 5.34    | 6.98                |
| WGBI in JPY | 4.25    | 7.88                |
| WGBI in GBP | 6.45    | 8.85                |

\*Annualized Since Base Date (in %)

**ANNUALIZED RETURNS** (in %)

|         | USD      |        | EUR      |        | JPY      |        | GBP      |        |
|---------|----------|--------|----------|--------|----------|--------|----------|--------|
|         | Unhedged | Hedged | Unhedged | Hedged | Unhedged | Hedged | Unhedged | Hedged |
| YTD*    | 1.41     | 0.89   | 1.03     | 0.63   | 0.59     | 0.64   | -1.82    | 0.72   |
| 1 Year  | -1.07    | 4.23   | 7.41     | 1.30   | -1.36    | 1.50   | 6.95     | 2.44   |
| 3 Years | 2.71     | 2.45   | 0.72     | 0.35   | -0.88    | 0.43   | 5.32     | 1.40   |
| 5 Years | 0.79     | 3.48   | 4.10     | 2.12   | 2.11     | 2.09   | 5.38     | 2.99   |

\*Not annualized. Source: FTSE Russell.

**DESIGN CRITERIA AND CALCULATION METHODOLOGY**

|                         |   |
|-------------------------|---|
| Currency:               | AUD, CAD, DKK, EUR, GBP, JPY, MXN, MYR, NOK, PLN, SEK, SGD, USD, ZAR  |
| Minimum Maturity:       | At least one year   |
| Minimum Market Size:    | Entry: At least USD 50 billion, EUR 40 billion, JPY 5 trillion. Exit: Below USD 25 billion, EUR 20 billion, JPY 2.5 trillion.   |
| Minimum Issue Size:     | Varies by market  |
| Minimum Quality:        | Entry: A- by S&P and A3 by Moody's. Exit: Below BBB- by S&P and Baa3 by Moody's   |
| Accessibility:          | Limited to bonds and markets that are fully accessible to foreign investors   |
| Weighting:              | Market capitalization   |
| Rebalancing:            | Once a month at month end   |
| Cash Reinvestment Rate: | At daily average of the local currency one-month Eurodeposit rate, calculated from the actual scheduled payment date of the cash flow through the end of the reporting period.  |
| Pricing:                | Thomson Reuters pricing except for: <ul style="list-style-type: none"> <li>• Malaysia (provided by Amanah Butler and Affin)</li> <li>• Mexico (provided by Proveedor Integral de Precios S.A. de C.V.)</li> <li>• Poland (provided by BondSpot)</li> <li>• Singapore (provided by the Monetary Authority of Singapore)</li> <li>• South Africa (provided by Johannesburg Stock Exchange)</li> </ul> |
| Calculation Frequency:  | Daily   |
| Settlement Date:        | Monthly – Settlement is on the last calendar day of the month.<br>Daily – Same day settlement except if the last business day of the month is not the last calendar day of the month; then, settlement is on the last calendar day of the month.  |
| Base Date:              | December 31, 1984   |

**VENDOR CODES**

- Bloomberg SBI <GO>; SBBI <GO>
  - WGBI in USD – SBWGU <INDEX>
  - WGBI in EUR – SBWGEU <INDEX>
  - WGBI in JPY – SBWGJYU <INDEX>
  - WGBI in GBP – SBWGUUKU <INDEX>
- Reuters
  - WGBI in USD – 0#.SBWGMUS
  - WGBI in EUR – 0#.SBWGM EU
  - WGBI in JPY – 0#.SBWGMJU
  - WGBI in GBP – 0#.SBWGMKU

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