

FTSE Climate Risk-Adjusted Carry and Roll Down (CaRD) Government Bond Index Series

v1.6



Contents

Section 1 Introduction	3
Section 2 Management responsibilities	5
Section 3 FTSE Russell index policies	6
Section 4 Composition and design criteria	8
Section 5 ESG data inputs.....	14
Appendix A Further information	15

Section 1

Introduction

1. Introduction

1.1 FTSE Climate Risk-Adjusted Carry and Roll Down (CaRD) Government Bond Index Series

1.1.1 The FTSE Risk-Adjusted Carry and Roll Down Government Bond Index Series (Climate CaRD, also refer to the “Index” in this document), seeks to reflect a targeted exposure to the sovereign bonds in the underlying FTSE Climate Risk-Adjusted Government Bond Index Series (Climate WGBI and its variants, also refer to the “base universe” in this document).

1.1.2 The weightings for each Index in the Series are determined by an optimisation process that aims to maximise the carry and roll down of the Index subject to duration and country weight constraints of the base universe.

1.1.3 The FTSE Climate WGBI and its variants within the FTSE Climate Index Series measure the performance of fixed-rate, local currency, investment-grade sovereign bonds based on the market capitalisation of its index eligible debt, as well as by incorporating a tilting methodology that adjusts index weights according to each country’s relative climate risk performance, measured across three distinct and quantitative, climate-related pillars: transition risk; physical risk, and resilience.

1.1.4 The FTSE Climate Risk-Adjusted Carry and Roll Down (CaRD) Government Bond Index takes account of ESG factors in its design.

If a tilting approach is used for an ESG data input, the objective is for the index methodology to overweight and/or underweight constituents according to specific ESG criteria. This approach will not remove all companies with exposure to a specific ESG activity or sector.

1.2 FTSE Russell

1.2.1 FTSE Russell is a trading name of FTSE International Limited, Frank Russell Company, FTSE Global Debt Capital Markets Limited (and its subsidiaries FTSE Global Debt Capital Markets Inc. and FTSE Fixed Income Europe Limited), FTSE Fixed Income LLC, FTSE (Beijing) Consulting Limited, Refinitiv Benchmark Services (UK) Limited, Refinitiv Limited and Beyond Ratings.

1.2.2 FTSE Russell hereby notifies users of the index that it is possible that factors, including external factors beyond the control of FTSE Russell, may necessitate changes to, or the cessation, of the index and therefore, any financial contracts or other financial instruments that reference the index or investment funds which use the index to measure their performance should be able to withstand, or otherwise address the possibility of changes to, or cessation of, the index.

- 1.2.3 Index users who choose to follow this index or to buy products that claim to follow this index should assess the merits of the index's rules-based methodology and take independent investment advice before investing their own or client funds. No liability whether as a result of negligence or otherwise is accepted by FTSE Russell or any members of the FTSE Russell Policy Advisory Board (or any person concerned with the preparation or publication of these Ground Rules) for any losses, damages, claims and expenses suffered by any person as a result of:
- any reliance on these Ground Rules, and/or
 - any inaccuracies in these Ground Rules, and/or
 - any non-application or misapplication of the policies or procedures described in these Ground Rules, and/or
 - any inaccuracies in the compilation of the Index or any constituent data.

Section 2

Management responsibilities

2. Management responsibilities

2.1 FTSE Fixed Income LLC (FTSE)

2.1.1 FTSE is the benchmark administrator of the index series¹.

2.1.2 FTSE is responsible for the daily calculation, production and operation of the index series and will:

- maintain records of the index weightings of all constituents;
- make changes to the constituents and their weightings in accordance with the Ground Rules;
- carry out the periodic index reviews of the index series and apply the changes resulting from the reviews as required by the Ground Rules;
- disseminate the indices.

2.2 Amendments to these Ground Rules

2.2.1 These Ground Rules shall be subject to regular review (at least once a year) by FTSE Russell to ensure that they best reflect the aim of the index series. Any proposals for significant amendments to these Ground Rules will be subject to consultation with FTSE Russell advisory committees and other stakeholders if appropriate. The feedback from these consultations will be considered by the FTSE Russell Index Governance Board before approval is granted.

2.2.2 As provided for in the statement of principles for FTSE Russell Fixed Income Indices, where FTSE Russell determines that the Ground Rules are silent or do not specifically and unambiguously apply to the subject matter of any decision, any decision shall be based as far as practical on the statement of principles. After making any such determination, FTSE Russell shall advise the market of its decision at the earliest opportunity. Any such treatment will not be considered as an exception or change to the Ground Rules, or to set a precedent for future action, but FTSE Russell will consider whether the Ground Rules should subsequently be updated to provide greater clarity.

¹ The term administrator is used in this document in the same sense as it is defined in Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the European Benchmark Regulation) and [The Benchmarks \(Amendment and Transitional Provision\) \(EU Exit\) Regulations 2019](#) (the UK Benchmark Regulation). FTSE Fixed Income LLC administers the Index Series in line with the third country transitional provisions contained within Article 51(5) of the European Benchmark Regulation and the third country transitional provisions as amended by Article 42(5) of the UK Benchmark Regulation.

Section 3

FTSE Russell index policies

3. FTSE Russell index policies

These Ground Rules should be read in conjunction with the following policy documents which can be accessed using the links below or by contacting fi.index@lseg.com. These policies are reviewed annually and any changes are approved by the FTSE Russell Index Governance Board.

3.1 Statement of Principles for FTSE Fixed Income Indices (the statement of Principles)

Indices need to keep abreast of changing markets and the Ground Rules cannot anticipate every eventuality. Where the Ground Rules do not fully cover a specific event or development, FTSE Russell will determine the appropriate treatment by reference to the statement of principles for FTSE Fixed Income Indices which summarises the ethos underlying FTSE Russell's approach to index construction. The statement of principles is reviewed annually and any changes proposed by FTSE Russell are presented to the FTSE Russell Policy Advisory Board for discussion before approval by the FTSE Russell Index Governance Board.

The statement of principles for Fixed Income Indices can be accessed using the following link:

[Statement of Principles Fixed Income Indices.pdf](#)

3.2 Queries and Complaints

FTSE Russell's complaints procedure can be accessed using the following link:

[Benchmark Determination Complaints Handling Policy.pdf](#)

3.3 Recalculation Policy and Guidelines

The recalculation policy and guidelines for the Fixed Income Indices document is available from the FTSE Russell website using the link below or by contacting fi.index@lseg.com.

[Fixed Income Recalculation Policy and Guidelines.pdf](#)

3.4 Index Policy in the Event clients are Unable to Trade a Market or a Security

3.4.1 Details of FTSE Russell's treatment can be accessed using the following link:

[Index Policy in the Event Clients are Unable to Trade a Market or a Security.pdf](#)

3.5 Policy for Benchmark Methodology Changes

Details of FTSE Russell's policy for making benchmark methodology changes can be accessed using the following link:

[Policy for Benchmark Methodology Changes.pdf](#)

3.6 FTSE Russell Governance Framework

To oversee its indices, FTSE Russell employs a governance framework that encompasses product, service and technology governance. The framework incorporates the London Stock Exchange Group's three lines of defence risk management framework and is designed to meet the requirements of the IOSCO Principles for Financial Benchmarks², the European benchmark regulation³ and the UK benchmark regulation⁴. The FTSE Russell Governance Framework can be accessed using the following link:

[FTSE Russell Governance Framework.pdf](#)

² IOSCO Principles for Financial Benchmarks Final Report, FR07/13 July 2013.

³ Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds.

⁴ [The Benchmarks \(Amendment and Transitional Provision\) \(EU Exit\) Regulations 2019](#) (the UK Benchmark Regulation).

Section 4

Composition and design criteria

4. Composition and design criteria

4.1 The FTSE Climate Risk-Adjusted Carry and Roll Down Government Bond Index Series (“Climate CaRD Index”) seeks to reflect a targeted exposure to the sovereign bonds in the underlying benchmark (“Base Universe”). The weightings within each of the Climate CaRD Index are determined by an optimisation process that aims to maximise the overall index-level carry and roll down, subjects to country-level duration and market value weight constraints to be matched with the Base Universe. Within the Climate CaRD Index Series, there are 4 index variants, see below for respective base universe for each of the variant.

4.1.1 FTSE Climate Risk-Adjusted Carry and Roll Down (CaRD) World Government Bond Index (Base Universe: FTSE Climate Risk-Adjusted World Government Bond Index)

FTSE Climate WGBI is the base universe, which is composed of the same countries in the standard FTSE WGBI. As of November 2022, index eligible markets include below 24 countries, denominated in a variety of currencies:

Americas		Asia Pacific and Japan	
Canada		Australia	
Mexico		China	
United States		Japan	
		Malaysia	
		New Zealand	
		Singapore	
EMEA			
Austria	Ireland	Denmark	
Belgium	Italy	Norway	
France	Netherlands	Poland	
Finland	Spain	Sweden	
Germany	Israel	United Kingdom	

The FTSE WGBI measures the performance of fixed-rate, local currency, investment-grade sovereign bonds. Each individual index composition is based on the sovereign markets and constituents of the FTSE WGBI. A new market entering the FTSE WGBI will also enter the Climate WGBI, and Climate CaRD WGBI at the same time. Markets being removed from the WGBI because they are subjected to FTSE WGBI’s exit criteria will also be removed from the Climate WGBI and Climate CaRD WGBI.

For full details on the design criteria and calculation assumptions for the FTSE WGBI please refer to the FTSE Fixed Income Index Guide.

4.1.2 FTSE Advanced Climate Risk-Adjusted Carry and Roll Down (CaRD) World Government Bond Index (Base Universe: FTSE Advanced Climate Risk-Adjusted World Government Bond Index)

FTSE Advanced Climate WGBI is the base universe, which has the same constituents as the standard FTSE Climate WGBI, only with different Climate Pillar Tilts (see Rule 4.2 Design Criteria for details).

4.1.3 FTSE Climate Risk-Adjusted Carry and Roll Down (CaRD) European Government Bond Index (Base Universe: FTSE Climate Risk-Adjusted European Government Bond Index)

FTSE Climate EGBI is the base universe, which is composed of the same countries in the standard FTSE EGBI, which consists of the Eurozone-participating countries that meet the WGBI criteria. As of November 2022, index eligible markets include below 9 countries, denominated in EUR:

EMEA	
Austria	Ireland
Belgium	Italy
France	Netherlands
Finland	Spain
Germany	

The FTSE EGBI measures the performance of fixed-rate, local currency, investment-grade sovereign bonds. Each individual index composition is based on the sovereign markets and constituents of the Eurozone markets within the FTSE WGBI. A new market entering the FTSE EGBI will also enter the Climate EGBI and Climate CaRD EGBI at the same time. Markets being removed from the EGBI because they are subjected to FTSE WGBI's exit criteria will also be removed from the Climate EGBI and Climate CaRD EGBI.

For full details on the design criteria and calculation assumptions for the FTSE EGBI please refer to the FTSE Fixed Income Index Guide.

4.1.4 FTSE Advanced Climate Risk-Adjusted Carry and Roll Down (CaRD) European Government Bond Index (Base Universe: FTSE Advanced Climate Risk-Adjusted European Government Bond Index)

FTSE Advanced Climate EGBI is the base universe, which has the same constituents as the standard FTSE Climate EGBI, only with different Climate Pillar Tilts (see Section 4.2 Design Criteria for details).

4.2 Design criteria and calculation assumptions for the FTSE Climate Risk-Adjusted Carry and Roll Down Government Bonds Index Series

	FTSE Climate Risk-Adjusted Carry and Roll Down WGBI	FTSE Advanced Climate Risk-Adjusted Carry and Roll Down WGBI	FTSE Climate Risk-Adjusted Carry and Roll Down EGBI	FTSE Advanced Climate Risk-Adjusted Carry and Roll Down EGBI
Coupon	Fixed-rate			
Minimum maturity	At least 1 year			
Minimum credit quality	Entry: A- by S&P and A3 by Moody's, for all new markets Exit: Below BBB- by S&P and Baa3 by Moody's			
Weighting	Alternatively weighted. The country weights of base universe are determined by Climate scores and pillars. The final weights of each Index in the Series are determined by performing an optimisation process, see Optimisation Methodology section below.			
Country climate scores	Updated annually and applied each May month-end rebalance. The cut-off for input data is May 1 of each year.			
Country climate scores Assessment Cohort	Local currency sovereign bond markets eligible for the WGBI.		Local currency sovereign bond markets eligible for the EGBI.	

	FTSE Climate Risk-Adjusted Carry and Roll Down WGBI	FTSE Advanced Climate Risk-Adjusted Carry and Roll Down WGBI	FTSE Climate Risk-Adjusted Carry and Roll Down EGBI	FTSE Advanced Climate Risk-Adjusted Carry and Roll Down EGBI
Climate Pillars and tilt calibration	Geometric tilt – Transition risk: 0.25; – Physical risk: 1; – Resilience: 1.	Geometric tilt – Transition risk: 1; – Physical risk: 1; – Resilience: 1.	Geometric tilt – Transition risk: 0.5; – Physical risk: 0.25; – Resilience: 0.5.	Geometric tilt – Transition risk: 1; – Physical risk: 1; – Resilience: 1.
Reinvestment of cash flows	Intra-month cash flows from interest and principal payments are not reinvested as part of monthly index total return calculations. ⁵			
Rebalancing	Once a month on the last business day of the month			
Calculation frequency	Daily			
Settlement date	Monthly: Settlement is on the last calendar day of the month. 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.			
Fixing date⁴	Each month, the upcoming month's index constituents for the base universe are "fixed" on the profile fixing date ⁶ . The Index is "fixed" on profile fixing date as well.			
Base date	December 31, 2006			

4.3 Pricing methodology

4.3.1 The Index is calculated Monday through Friday except Christmas Day (observed) and New Year's Day (observed). Each local market will observe its own holiday calendar: if a local market is on holiday, the closing prices used for that day will be the closing prices from the previous day. The local market pricing source and snap time used for the pricing of the Index follows the convention of the FTSE World Government Bond Index. For more details please see the index guide on the website:

[FTSE-Fixed-Income-Indices-Guide.pdf](#)

4.4 Index quality

4.4.1 An index quality is assigned to each index bond as of profile fixing. The quality is first mapped to the Standard & Poor's Financial Services LLC ("S&P") rating. If a bond is not rated by S&P but it is rated by Moody's Investors Service, Inc ("Moody's"), the S&P equivalent of the Moody's rating is assigned to the index quality. If a bond is rated by neither S&P nor Moody's, the bond is not assigned an index quality. If a bond is rated as investment-grade by one rating agency and high-yield by the other, the S&P equivalent of the investment-grade rating is assigned to the index quality. These ratings remain unchanged for the entire performance month.

4.5 Maturity

4.5.1 In addition to the broad categories published, sub-sector breakdowns are also provided for many of the fixed income indices. One such sub-division is based on the remaining maturity of the underlying securities. The maturity sector buckets are defined by including all underlying issues with a remaining average life at least equal to the lower bound, but less than the upper bound of the particular category. For example, the one- to three-year sector of the FTSE Climate WGBI includes all securities in the Climate WGBI with a remaining average life of at least one year, but less than three years. The set of bonds is then held constant for the calculation month, even if the average life drops below the lower bound of the maturity bucket.

⁵ Prior to 1 November 2022, reinvestment income was included in the total return calculation.

⁶ Fixing dates provide a clear reference point for index users to know in advance of any changes to the composition of the index for the upcoming month. Index rules stipulate that there must be a minimum of four (4) business days following each index fixing date and before calendar month-end in all of the following business regions: US, UK, Eurozone, Japan, and Australia.

The annual schedule of fixing dates is made available on the website at www.yieldbook.com/m/indices

4.6 Optimisation methodology

4.6.1 The bonds in each Index are divided into sectors based on their country of issuance and maturity sector buckets (see “Maturity” section above). The maturity sectors considered are 1-3 years, 3-5 years, 5-7 years, 7-10 years, 10-15 years and 15 years+. For each sector, expected returns are computed by assuming that yield curves and option adjusted spreads remain constant over the following twelve months. Using the above inputs, the sector-level optimisation aims to maximise the Index’s twelve-month expected return, while the individual country weights and interest rate risks are both matched to the base universe.

The Index Series optimises on a local basis (LO variants). The optimisation process will ensure that:

- i. Individual country modified durations will be the same as those in the base universe, and
- ii. The country-level market value weights remain the same as their starting levels. Country market value weights are anchored to their original value in the base universe. Within each country, sector weights can fluctuate without any cap on monthly turnover.

The optimisation is done on a monthly basis and targets the sector combinations with the highest expected returns. The bonds in the remaining sectors of the universe are assigned zero weight and will be excluded from the Index. Leverage and negative weights are not allowed in the optimisation.

Figure 1 provides more information on the optimisation process. The illustration uses Climate CaRD WGBI as an example. The same also applies to Advanced Climate CaRD WGBI; Climate CaRD EGBI; Advanced Climate CaRD EGBI, only the base universe will be replaced respectively in the formula.

Figure 1. Optimisation details

Objective Function:

$$\text{Maximise: } \sum (\text{Bucket Market Value})_{\text{Climate CaRD WGBI}} \times (\text{Bucket Carry and Roll Down})$$

Country Market Value Constraint (Within Each Country):

$$\sum (\text{Bucket Market Value})_{\text{Climate CaRD WGBI}} = \sum (\text{Bucket Market Value})_{\text{Climate WGBI}}$$

Country Modified Duration Constraint (Within Each Country):

$$\frac{\left[\sum (\text{Bucket Market Value})_{\text{Climate CaRD WGBI}} \times (\text{Bucket Modified Duration}) \right]}{\sum (\text{Bucket Market Value})_{\text{Climate CaRD WGBI}}} = \frac{\left[\sum (\text{Bucket Market Value})_{\text{Climate WGBI}} \times (\text{Bucket Modified Duration}) \right]}{\sum (\text{Bucket Market Value})_{\text{Climate WGBI}}}$$

4.7 Return computation

4.7.1 Total returns are computed on the assumption that each security is purchased at the beginning of the period and sold at the end of the period. An issue’s total rate of return is the percentage change in its total value over the measurement period. The components of total return for each security are price change, principal payments, coupon payments and accrued interest. The total returns are market capitalisation weighted using the security’s beginning-of-period market value (see Figure 2). In the case of multi-currency or non-base indices, the total return also includes currency movement (see Figure 3).

Figure 2. Total rate of return calculation methodology

Beginning-of-Period Value

$$(\text{Beginning Price} + \text{Beginning Accrued}) \times \text{Beginning Par Amount Outstanding}$$

End-of-Period Value

$$[(\text{Ending Price} + \text{Ending Accrued}) \times (\text{Beginning Par Amount Outstanding} - \text{Principal Payments})] + \text{Coupon Payments} + \text{Principal Payments}$$

Total Rate of Return (%)

$$\left[\left(\frac{\text{End-of-Period Value}}{\text{Beginning-of-Period Value}} \right) - 1 \right] \times 100$$

A note on precision: Returns are computed to at least six decimal places but reported to a maximum of five. In addition, owing to rounding errors inherent in computer floating-point arithmetic, the last digit in any reported value may sometimes be off by one from its true value.

Figure 2. Total rate of return calculation methodology for base currency returns, unhedged

Total Rate of Return (%)

$$\left\{ \left[1 + \left(\frac{\text{Local Currency Return}}{100} \right) \right] \times \left(\frac{\text{End-of-Month Spot Rate}}{\text{Beginning-of-Month Spot Rate}} \right) - 1 \right\} \times 100$$

This equation holds true only if the spot rates are quoted as base currency per unit of foreign currency.

4.7.2 The monthly currency-hedged return is calculated by using a rolling one-month forward exchange contract as a hedging instrument. The face value of the contract is equal to the estimated end-of-month full market value. To calculate this value, the bond’s yield is assumed to be unchanged from the beginning of the month. Any known cash flows are then taken into account, such as coupon or principal payments, and interest expected to accrue for the period is also added in. This calculation leaves the intra-month changes in bond prices from yield movements unhedged. Any principal movement resulting from yield change is then settled at end-of-month spot exchange rates. Figure 3 gives an example of the calculation formula from the point of view of a US investor.

Figure 3. Total rate of return calculation methodology, currency-hedged

Beginning-of-Period Value

$$\left[(\text{Beginning Price} + \text{Beginning Accrued}) \times \text{Beginning Par Outstanding} \right] \times \left[\left(\frac{\text{Beginning-of-Period US Dollar}}{\text{Spot Exchange Rate} \times \text{Local Currency}} \right) \right]$$

End-of-Period Value

$$\left[\left(\frac{\text{End-of-Period Local Currency Value, Assuming Unchanged Yield}}{\text{Local Currency}} \right) + \left(\frac{\text{Known Intra-Month Cash Flows and Interest Expected to Accrue}}{\text{Local Currency}} \right) \right] \times \left[\left(\frac{\text{Beginning-of-Period One-Month Forward Exchange Rate}}{\text{Local Currency}} \right) \right] + \left[\left(\frac{\text{Change in Market Value of Principal Amount Due to Yield Change}}{\text{Local Currency}} \right) \times \left(\frac{\text{End-of-Period Spot Exchange Rate}}{\text{Local Currency}} \right) \right]$$

This equation holds true only if the spot rates are quoted as base currency per unit of foreign currency.

4.8 Available indices in the series

Index name	Universe	Objective	Constraint	Optimisation date ⁷	Vendor code
FTSE Climate Risk-Adjusted CaRD World Government Bond Index	FTSE Climate WGBI	Maximise carry and roll down as measured by the Index 12-month expected return	Country-level modified duration and market values equal to that of the Universe	Fixing date ⁸	SBCCWGU (in USD terms) SBCCWUC (hedged in USD terms)
FTSE Advanced Climate Risk-Adjusted CaRD World Government Bond Index	FTSE Advanced Climate WGBI	Maximise carry and roll down as measured by the Index 12-month expected return	Country-level modified duration and market values equal to that of the Universe	Fixing date ⁶	SBACCWU (in USD terms) SBACCWUC (hedged in USD terms)

⁷ Bond carry and roll down, modified duration and market value are calculated on the Optimisation Date with a settlement date of the corresponding Month End. Individual bond par amounts are derived by the optimisation process on the Optimisation Date. Such par amounts are then used for the corresponding month-end rebalancing.

⁸ Fixing dates provide a clear reference point for index users to know in advance of any changes to the composition of the index for the upcoming month. Index rules stipulate that there must be a minimum of four (4) business days following each index fixing date and before calendar month-end in all of the following business regions: US, UK, Eurozone, Japan and Australia. The annual schedule of fixing dates is made available on the website at <https://www.ftserussell.com/index>

Index name	Universe	Objective	Constraint	Optimisation date ⁷	Vendor code
FTSE Climate Risk-Adjusted CaRD European Government Bond Index	FTSE Climate EGBI	Maximise carry and roll down as measured by the Index 12-month expected return	Country-level modified duration and market values equal to that of the Universe	Fixing date ⁶	SBCCEGL (in LCL terms)
FTSE Advanced Climate Risk-Adjusted CaRD European Government Bond Index	FTSE Advanced Climate EGBI	Maximise carry and roll down as measured by the Index 12-month expected return	Country-level modified duration and market values equal to that of the Universe	Fixing date ⁶	SBACCEL (in LCL terms)

4.9 Chronological summary of events

4.9.1 The construction of the FTSE Climate Risk-Adjusted Carry and Roll Down Government Bond Index Series is driven by the same events that mark the FTSE Climate Risk-Adjusted World Government Bond Index Series, for more information, please see the FTSE Fixed Income Index Guide. Unless otherwise stated, the Index follows the general methodology for FTSE Fixed Income Indices. For details, please also refer to FTSE Fixed Income Index Guide.

Section 5

ESG data inputs

5. ESG data inputs

5.1.1 The following ESG datasets are used in the construction of the indices.

ESG data inputs	Details	Used for selection, weighting or exclusion ⁹
Beyond Ratings Climate KPIs	Beyond Ratings Climate KPIs consist in various indicators aiming to offer a broad assessment of sovereign climate risks across carbon intensity, transition, and physical risk metrics.	Weighting

5.1.2 Further information on ESG data provided by FTSE Russell and third parties used in this index (index series) can be found in the following guide:

[Guide to FTSE and Third Party ESG Data used in FTSE Russell Indices](#)

This includes information on the data and standards used for these ESG data inputs. These data sets may include estimated data.

⁹ Definitions
 Selection- ESG data is used to select or rank constituents, or calculate minimum scores or thresholds
 Weighting- ESG data is used to calculate the weight of a constituent in an index
 Exclusion- ESG data is used to exclude securities from the index

Appendix A

Further information

For contact details please visit the FTSE Russell website or contact FTSE Russell client services at fi.index@lseg.com.

Website: www.lseg.com/en/ftse-russell/

Disclaimer

© 2024 London Stock Exchange Group plc and its applicable group undertakings ("LSEG"). LSEG includes (1) FTSE International Limited ("FTSE"), (2) Frank Russell Company ("Russell"), (3) FTSE Global Debt Capital Markets Inc. and FTSE Global Debt Capital Markets Limited (together, "FTSE Canada"), (4) FTSE Fixed Income Europe Limited ("FTSE FI Europe"), (5) FTSE Fixed Income LLC ("FTSE FI"), (6) FTSE (Beijing) Consulting Limited ("WOFE"), (7) Refinitiv Benchmark Services (UK) Limited ("RBSL"), (8) Refinitiv Limited ("RL") and (9) Beyond Ratings S.A.S. ("BR"). All rights reserved.

The FTSE Climate Risk-Adjusted Carry and Roll Down (CaRD) Government Bond Index Series is calculated by or on behalf of FTSE International Limited or its affiliate, agent or partner. FTSE International Limited is authorised and regulated by the Financial Conduct Authority as a benchmark administrator. Refinitiv Benchmark Services (UK) Limited is authorised and regulated by the Financial Conduct Authority as a benchmark administrator.

FTSE Russell® is a trading name of FTSE, Russell, FTSE Canada, FTSE FI, FTSE FI Europe, WOFE, RBSL, RL and BR. "FTSE®", "Russell®", "FTSE Russell®", "FTSE4Good®", "ICB®", "WMTM", "FR™", "Beyond Ratings®" and all other trademarks and service marks used herein (whether registered or unregistered) are trade marks and/or service marks owned or licensed by the applicable member of LSEG or their respective licensors and are owned, or used under licence, by FTSE, Russell, FTSE Canada, FTSE FI, FTSE FI Europe, WOFE, RBSL, RL or BR.

All information is provided for information purposes only. All information and data contained in this publication is obtained by LSEG, from sources believed by it to be accurate and reliable. Because of the possibility of human and mechanical inaccuracy as well as other factors, however, such information and data is provided "as is" without warranty of any kind. No member of LSEG nor their respective directors, officers, employees, partners or licensors make any claim, prediction, warranty or representation whatsoever, expressly or impliedly, either as to the accuracy, timeliness, completeness, merchantability of any information or LSEG Products, or of results to be obtained from the use of LSEG products, including but not limited to indices, rates, data and analytics, or the fitness or suitability of the LSEG products for any particular purpose to which they might be put. The user of the information assumes the entire risk of any use it may make or permit to be made of the information.

No responsibility or liability can be accepted by any member of LSEG nor their respective directors, officers, employees, partners or licensors for (a) any loss or damage in whole or in part caused by, resulting from, or relating to any inaccuracy (negligent or otherwise) or other circumstance involved in procuring, collecting, compiling, interpreting, analysing, editing, transcribing, transmitting, communicating or delivering any such information or data or from use of this document or links to this document or (b) any direct, indirect, special, consequential or incidental damages whatsoever, even if any member of LSEG is advised in advance of the possibility of such damages, resulting from the use of, or inability to use, such information.

No member of LSEG nor their respective directors, officers, employees, partners or licensors provide investment advice and nothing in this document should be taken as constituting financial or investment advice. No member of LSEG nor their respective directors, officers, employees, partners, or licensors make any representation regarding the advisability of investing in any asset or whether such investment creates any legal or compliance risks for the investor. A decision to invest in any such asset should not be made in reliance on any information herein. Indices and rates cannot be invested in directly. Inclusion of an asset in an index or rate is not a recommendation to buy, sell or hold that asset nor confirmation that any particular investor may lawfully buy, sell or hold the asset or an index or rate containing the asset. The general information contained in this publication should not be acted upon without obtaining specific legal, tax, and investment advice from a licensed professional.

No part of this information may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without prior written permission of the applicable member of LSEG. Use and distribution of LSEG data requires a licence from LSEG and/or its licensors.

