



FTSE Global Bond Index Series

FTSE GLOBAL BOND INDEX SERIES

The FTSE Global Bond Index Series is a series of fixed income indices covering the principal government bond markets and selected corporate markets.

The series consists of four homogenously constructed bond families:

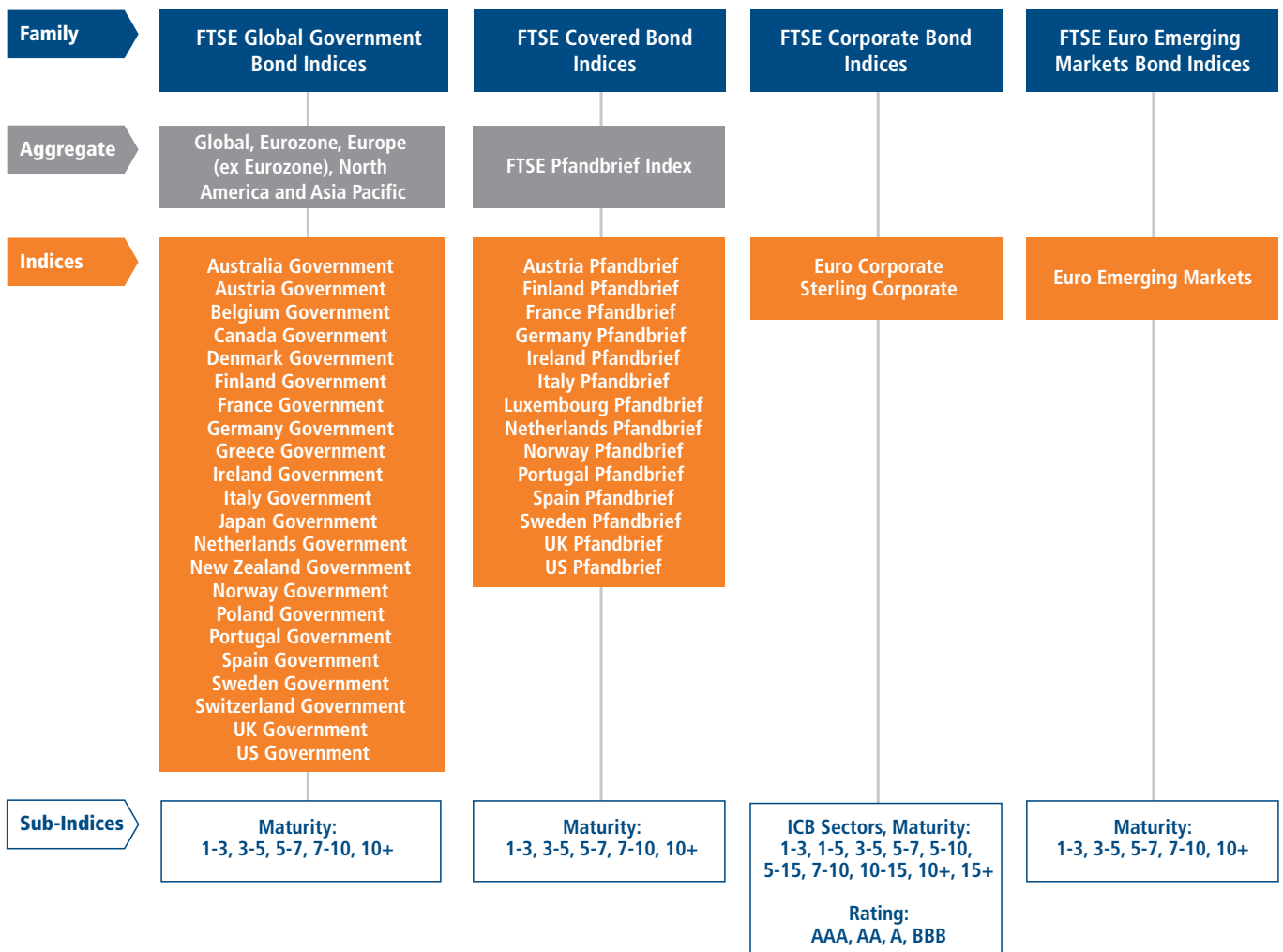
- FTSE Global Government Bond Indices
- FTSE Covered Bond Indices
- FTSE Corporate Bond Indices
- FTSE Euro Emerging Markets Bond Indices



The Leading Global Index Specialist

Our independence delivers objective market information, free of any conflicts of interest. As such, transparency, consistency and objectivity are hallmarks of all FTSE indices. These values ensure the indices represent relevant, accurate and usable benchmarks for the fixed income market. All FTSE fixed income indices are overseen by an independent committee of fixed income investment professionals who, in conjunction with the FTSE fixed income index group, regularly monitor and review all aspects of the indices.

FTSE Global Bond Index Series Family Tree



FTSE GLOBAL BOND INDEX SERIES

FTSE Global Government Bond Indices

The FTSE Global Government Bond Indices consist of central government debt from 22 countries denominated in the domicile currency or Euros for Eurozone countries. There is a Euro aggregate index and the indices are organised by region; Asia Pacific (including China), Americas and Eurozone plus a Europe ex-Eurozone index. The indices are also available at the country level and by maturity band.

FTSE Covered Bond Indices

The FTSE Covered Bond Indices consist of securitised issues from 14 countries, including Jumbo Pfandbrief from Germany. Each issue is comparable in structure and quality to the German Jumbo Pfandbrief market. The indices are available at aggregate, country level and by maturity bands.

Austria	Pfandbrief
France	Obligations Foncières
Germany	Jumbo Pfandbrief
Ireland	Asset Backed Securities
Luxembourg	Lettres de gage
Spain	Cedulas Hipotecarias
UK	Asset Backed Securities

FTSE Euro Emerging Markets Bond Indices

The FTSE Euro Emerging Markets Bond Indices include Euro denominated debt issued by governments and cities belonging to the emerging markets, as defined by the FTSE Country Classification. The sub-indices are structured by maturity band.

FTSE Corporate Bond Indices

FTSE Euro Corporate Bond Index

The FTSE Euro Corporate Bond Index includes Euro denominated issues from global corporate entities. Each bond is classified under the Industry Classification Benchmark (ICB). The index constituents are investment grade debt with a minimum rating of BBB-. Sub-indices are structured by credit rating and maturity band.

FTSE Sterling Corporate Bond Index

The FTSE Sterling Corporate Bond Index consists of Sterling denominated corporate bonds of investment grade quality. Each bond is classified under the Industry Classification Benchmark (ICB). There are 11 industrial sector sub-indices including Telecommunications, Utilities and Banking. The index has sector rating and maturity sub-indices. Telecommunications and Non-Financials (i.e. the headline index minus Financials) are calculated as additional sub-indices.

The FTSE Corporate Bond Indices have 14 additional sub-indices besides the maturity sub-indices. Agency credit ratings have been grouped as follows:

Sub-Indices Rating Definition	Agency Equivalent Ratings		
	Fitch	S&P	Moody's
AAA	AAA	AAA	Aaa
AA	AA- to AA+	AA- to AA+	Aa3 to Aa1
A	A- to A+	A- to A+	A3 to A1
BBB	BBB- to BBB+	BBB- to BBB+	Baa3 to Baa1

The lowest rating from the rating agencies is used, taken at the time of monthly portfolio-rearrangement. The issue rating is used as a default and, if this is not available, the long-term issuer rating will be used in its place.



Sub-indices

All indices have the following five maturity sub-indices:

- 1– 3 years
- 3– 5 years
- 5– 7 years
- 7– 10 years
- over 10 years

Capital Index

The Capital Index of all the listed indices is calculated every day. Each Capital Index is an arithmetically weighted index based on the clean price, and weighted by the nominal amount outstanding.

Total Return Index

A Total Return Index is calculated for all the indices. A Total Return Index reflects the price changes and interest payments of each bond.

Additional Calculations

In addition to the Capital Index and Total Return Index, the following fundamentals of bond indices are also calculated:

- Average Coupon
- Average Gross Redemption Yield
- Average Time to Maturity
- Average (Macaulay) Duration
- Average Modified Duration
- Average Convexity
- The sum of the nominal value of all bonds in each index
- The number of bonds in each index
- The weight of the index in relation to its relevant aggregated index (when applicable)

Quality Controlled Price Sources

The Capital & Total Return Indices are calculated using indicative pricing from the key dealer banks in each market.

The design of the methodology and availability of the price sources ensures a single price for each bond in the index. FTSE applies quality controls to ensure each single price in the index is unbiased and representative of the market.

The prices used for the calculation of the indices are based on data and real-time price quotations. To calculate the price the arithmetic mean between bid and ask quotes (mid prices) is used in the indices.



FTSE GLOBAL BOND INDEX SERIES

An Investable Index

These indices enable managers to develop successful investment strategies. The selection criteria of only including constituent securities of bonds which have a bid and ask quote means the indices are an accurate and neutral representation of the market for investors today.

Eligibility of Bonds

The following types of bonds are included in the indices:

- All straight bullet bonds maturing in one year or more
- Zero coupon bonds
- Strippable bonds are included with their total volume and considered as being regular non-stripped bonds

Excluded from the indices are:

- Coupon strips and maturity strips (separated interest and capital repayment securities)
- Partly-paid bonds
- Variable interest bonds (including floating rate bonds)
- Index linked bonds
- Callable, puttable and extendible bonds
- Convertible bonds
- Bonds with no final redemption date

Historical Data

The indices' base dates are as follows:

Global Government Bonds:	May 1988
Covered Bonds:	January 1996
Euro Corporate Bonds:	July 1999
Sterling Corporate Bonds:	March 2004
Euro Emerging Markets Bonds:	December 1995

Minimum Nominal Issuance of Government Bonds

The minimum nominal issuance of a bond for the FTSE Global Government Bond Indices is shown in the table below:

Country/Region	Minimum Issuance
Australia	750 million AUD
Canada	750 million CAD
China	10 billion CNY
Denmark	3,750 million DKK
Eurozone	500 million EUR
Japan	50 billion JPY
Norway	4,000 million NOK
New Zealand	1,000 million NZD
Poland	1,000 million PLN
Sweden	4,000 million SEK
Switzerland	800 million CHF
United Kingdom	1,000 million GBP
United States	500 million USD

Access to Data

Vendor access codes are available from www.ftse.com/fixedincome

End of day value, tracker and constituent products are available directly from FTSE Group. Please contact info@ftse.com for further information.

Minimum Nominal Issuance of Non-Government Bonds

The minimum nominal issuance of a bond for other indices is shown in the table below:

Bond Type	Minimum Issuance
FTSE Pfandbrief Index	500 million EUR
FTSE Euro Corporate Bond Index	500 million EUR
FTSE Euro Emerging Markets Bond Index	200 million EUR
FTSE Sterling Corporate Bond Index	100 million GBP

FTSE Global Bond Indices in conjunction with Reuters and the Faculty and Institute of Actuaries © 2008 FTSE International Limited ("FTSE"). All rights reserved. The FTSE Global Bond Indices are operated by FTSE and all rights in and to the FTSE Global Bond Indices vest in FTSE. "FTSE™" and "Footsie®" are trade marks of the London Stock Exchange Plc and The Financial Times Limited and are used by FTSE under licence. "Thomson Reuters" and the sphere logo are trade marks and registered trade marks of the Thomson Reuters Group of Companies around the world. "FTSE Global Bond Indices" is a service mark of FTSE. All information is provided for information purposes only. Every effort is made to ensure that all information given in this publication is accurate, but no responsibility can be accepted by FTSE or the Thomson Reuters Group, their agents or employees, for any errors or for any loss arising from use of this publication or the information contained herein. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior written permission of FTSE and the Thomson Reuters Group.



FOR FURTHER INFORMATION VISIT WWW.FTSE.COM, EMAIL INFO@FTSE.COM OR CALL YOUR LOCAL FTSE OFFICE:

BEIJING + 86 10 5864 5276 BOSTON +1 888 747 FTSE (3873) FRANKFURT +49 (0) 69 156 85 144 HONG KONG +852 2230 5800

LONDON +44 (0) 20 7866 1810 MADRID +34 91 411 3787 NEW YORK +1 888 747 FTSE (3873)

PARIS +33 (0) 1 53 76 82 88 SAN FRANCISCO +1 888 747 FTSE (3873) SYDNEY +61 2 9293 2866 TOKYO +81 3 3581 2811

