

FTSE Russell launches first index to define and track frontier emerging government bond markets

- FTSE Russell leverages expertise in indexing global government bond markets to offer first solution for tracking ‘frontier emerging markets’
- New index provides performance metric for high yielding and expanding part of global debt markets
- Colchester Global Investors licenses the index as the basis for a new fixed income strategy available to institutional investors

FTSE Russell, a leading global index provider, has further expanded its comprehensive coverage of global government bonds markets with the launch of the FTSE Frontier Emerging Markets Government Bond Index Series. The new series, which includes a market value weighted index and a 10% country capped index, measures the performance of thirteen fixed-rate, local currency government bond markets classified as a Frontier Emerging Market by FTSE Russell.

The index design leverages the transparent and evidence driven FTSE Fixed Income Country Classification Process that is already used to determine market inclusion in the FTSE World Government Bond Index (WGBI) and FTSE Emerging Markets Government Bond Index (EMGBI). Based on this framework, to be included in the FTSE Frontier Emerging Markets Government Bond Index (FRNTEMGBI), countries must be assigned a Market Accessibility Level of 0 and meet other eligibility criteria, such as market size and credit rating.

As of June 2021, the total market value for bonds in the index is approximately \$414.8 billion and \$377.8 billion of par value with a weighted average coupon of 9.98%. Market inclusion is reviewed semi-annually in March and September with the following countries eligible at index launch: Bangladesh, Costa Rica, Dominican Republic, Egypt, Ghana, Kenya, Morocco, Nigeria, Pakistan, Serbia, Sri Lanka, Ukraine and Vietnam.

The index is underpinned by best in class pricing and reference data sourced from Refinitiv with history available from January 2018.

Nikki Stefanelli, Global Head of Fixed Income and Multi-Asset Index Policy, FTSE Russell comments:

“The launch of this new index series is the result of our continued commitment to stakeholder engagement leveraging feedback from investors, such as Colchester Global, infrastructure providers and policy makers to provide market leading solutions for tracking global government bond markets. We believe that by adding transparency to an objectively defined universe of frontier emerging government bonds, FTSE Russell is able to help strengthen local capital markets with open access to data, pricing and performance metrics.”

Mark Capstick, Investment Officer, Colchester Global Investors comments:

“We are delighted to have worked closely with FTSE Russell on the design and launch of its FTSE Frontier Emerging Markets Government Bond Index Series. Colchester Global Investor’s involvement in the creation of this new index highlights its commitment to providing investors with ways to gain exposure to the local currency frontier markets.”

Press Release



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To find out more, please visit [FTSE Frontier Emerging Markets Bond Index Series](#).

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About FTSE Russell:

FTSE Russell is a global index leader that provides innovative benchmarking, analytics and data solutions for investors worldwide. FTSE Russell calculates thousands of indexes that measure and benchmark markets and asset classes in more than 70 countries, covering 98% of the investable market globally.

FTSE Russell index expertise and products are used extensively by institutional and retail investors globally. Approximately \$16 trillion is currently benchmarked to FTSE Russell indexes. For over 30 years, leading asset owners, asset managers, ETF providers and investment banks have chosen FTSE Russell indexes to benchmark their investment performance and create ETFs, structured products and index-based derivatives.

A core set of universal principles guides FTSE Russell index design and management: a transparent rules-based methodology is informed by independent committees of leading market participants. FTSE Russell is focused on applying the highest industry standards in index design and governance and embraces the IOSCO Principles. FTSE Russell is also focused on index innovation and customer partnerships as it seeks to enhance the breadth, depth and reach of its offering.

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