

FTSE Russell and Nomura partner to launch first factor-based indexes linked to World Government Bond Index (WGBI)

- New FTSE Nomura Carry and Roll Down (CaRD) World Government Bond Index Series launches
- Meets investor demand for a fixed income “Carry” factor-based index for sovereign debt
- FTSE Russell partners with Nomura Securities to develop series
- Select Japanese pensions first to adopt series with over USD 1bn allocation into index-tracking funds

FTSE Russell, the global index, analytics and data provider, and Nomura Securities are launching a new index series: the FTSE Nomura Carry and Roll Down (CaRD) World Government Bond Index Series. This index series benchmarks the FTSE World Government Bond Index (WGBI) but is alternatively weighted to maximise the government bond portfolios which have the highest “carry and roll down”. Clients using the indexes can gain exposure to the WGBI universe, while maximising the “carry” (yield) of the underlying bonds as well as their “roll down” (returns from shortening of bond maturity and positive yield curve rolling down). The overall interest rate risk from constituent countries is matched to the WGBI benchmark, while the amount of each country’s proceeds can deviate.

The new series, designed in partnership between FTSE Russell and Nomura, is the first factor-based fixed income index series linked to the WGBI. Select Japanese pension firms will allocate funds to track these indexes for initial investments over USD 1 billion.

Arom Pathammavong, Managing Director, Benchmarks, FTSE Russell said:

“We are delighted to be partnering with Nomura Securities to develop the first factor-based indexes linked to our flagship FTSE World Government Bond Index. The new index series will meet global investor demand for a fixed income “carry” factor-based index for sovereign debt that can help them add a new tactical dimension to their investment portfolios. We are also pleased to welcome the Japanese pension firms who are the first globally to adopt these indexes.”

Tadashi Kikugawa, Managing Director, Structured Product Department, Nomura Securities said:

“Our partnership with FTSE Russell will enable us to provide greater choice to customers looking for greater flexibility and efficiency in their fixed income investment portfolios. This is the first time that factors have been applied to the widely used WGBI benchmark offering tailored exposure to the global sovereign fixed income market.”



Press Release

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The [WGBI](#) measures the performance of fixed-rate, local currency, investment-grade sovereign bonds. The WGBI is a widely used benchmark that currently comprises sovereign debt from over 20 countries, denominated in a variety of currencies, and has more than 30 years of history available. The WGBI is a broad benchmark providing exposure to the global sovereign fixed income market.

The FTSE Nomura Carry and Roll Down (CaRD) World Government Bond Index Series will be administered by FTSE Russell. Further information on the indexes, including the value, rulebook and other details will be published on FTSE Russell [website](#)

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About FTSE Russell:

FTSE Russell is a leading global index provider creating and managing a wide range of indexes, data and analytic solutions to meet client needs across asset classes, style and strategies. Covering 98% of the investable market, FTSE Russell indexes offer a true picture of global markets, combined with the specialist knowledge gained from developing local benchmarks around the world.

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 investment funds, ETFs, structured products and index-based derivatives. FTSE Russell indexes also provide clients with tools for asset allocation, investment strategy analysis and risk management.

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 index innovation and customer partnership applying the highest industry standards and embracing the IOSCO Principles. FTSE Russell is wholly owned by London Stock Exchange Group.

For more information, visit www.ftserussell.com

About Nomura Securities:

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