

S&P/Citigroup International Treasury Bond Ex-U.S. Index Consultation Results

NEW YORK, APRIL 18, 2018: S&P Dow Jones Indices (“S&P DJI”) has conducted a consultation with members of the investment community on potential changes to the S&P/Citigroup International Treasury Bond Ex-U.S. Index.

S&P DJI will determine country eligibility and constituent selection based on the S&P Global Developed Sovereign Ex-U.S. Bond Index, replace monthly index weighting with a standardized approach, and eliminate the reinvestment of cash flows. The table below summarizes the changes.

Change	Methodology	
	Previous	Updated
Country Index Eligibility and Size	The index includes a set list of countries and sizes.	Eligible countries and minimum sizes will be determined by using the S&P Global Developed Sovereign Ex-U.S. Bond Index as the starting universe. A current summary of the minimum size requirements by country for the annual country selection to be conducted in 2019 is provided in the table on the following page.
Country Index Weights	Country index weights are set annually and subject to a diversification cap monthly.	Annual country inclusion rules will not be altered. However, monthly weights will be derived based on market value, subject to the following: <ul style="list-style-type: none"> • No single country’s weight can exceed 23.0%. • The aggregate weight of countries with weights greater than 5.0% cannot exceed 48.0%. • Any country that does not satisfy the above constraints is capped at 4.7%.
Cash Reinvestment	Cash is reinvested at the local currency one-month Eurodollar deposit rate, except for Australia which assumes reinvestment of cash flows at the Australia dollar bank bill swap reference rate.	No cash reinvestment will be applied.

Minimum Size Requirements by Country for the 2019 Annual Rebalance

Market	Minimum Size	
	Previous	Updated
Australia	A\$ 750 mn	A\$ 1 bn
Austria	€ 2.5 bn	€ 2.5 bn
Belgium	€ 2.5 bn	€ 2.5 bn
Canada	C\$ 2.5 bn	C\$ 2.5 bn
Denmark	DKr 20 bn	DKr 20 bn
Finland	€ 2.5 bn	€ 2.5 bn
France	€ 2.5 bn	€ 2.5 bn
Germany	€ 2.5 bn	€ 2.5 bn
Greece	€ 2.5 bn	€ 2.5 bn
Hong Kong	--	HKD 300 mn
Ireland	€ 2.5 bn	€ 2.5 bn
Israel	--	ILS 1 bn
Italy	€ 2.5 bn	€ 2.5 bn
Japan: 20- and 30-year bonds	¥ 450 bn	¥ 450 bn
Japan: All other bonds	¥ 500 bn	¥ 500 bn
Luxembourg	--	€ 2.5 bn
Netherlands	€ 2.5 bn	€ 2.5 bn
New Zealand	NZ\$ 750 mn	NZ\$ 1 bn
Norway	NOK 20 bn	NOK 20 bn
Portugal	€ 2.5 bn	€ 2.5 bn
Singapore	S\$ 1.5 bn	S\$ 1.5 bn
South Korea	--	KRW 1 tn
Spain	€ 2.5 bn	€ 2.5 bn
Sweden	SEK 25 bn	SEK 25 bn
Switzerland	SFr 4 bn	SFr 4 bn
UK	£ 2.0 bn	£ 2.0 bn

These changes will become effective prior to the market open on Monday, July 2, 2018, in conjunction with the monthly rebalancing.

Please note the index methodology on S&P DJI's website is being updated to reflect these changes.

For more information about S&P DJI, please visit www.spdji.com.

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