

INDEX OVERVIEW

FTSE Blossom Japan Fixed Income Index

Japanese corporate bond index that supports multi-asset sustainable investment solutions



Overview

Worldwide, investors are developing strategies that aim to integrate environmental, social and governance (ESG) considerations into their investment approaches, and are growing in sophistication. Following this global trend, the Japanese sustainable market has blossomed in recent times and continued to flourish, driving a demand to incorporate ESG criteria into the benchmark construction and passive strategies of investors:

- Incorporates ESG considerations to mitigate potential ESG risks and improve ESG metrics of the portfolio without deviating significantly from the performance of the broad market benchmark
- Increases transparency and disclosure in the capital markets to improve company engagement and investment stewardship practices
- Facilitates ESG integration into the Japanese market by supporting improved ESG outcomes and better corporate sustainability performance and practices

The FTSE Blossom Japan Fixed Income Index is designed to measure the performance of Japanese Yen-denominated corporate bonds issued by public traded companies demonstrating specific environmental, social and governance (ESG) practices in Japan. Based on the underlying FTSE Japanese Broad Bond Index (JPBBI), the FTSE Blossom Japan Fixed Income Index focuses on bonds issued by Japanese public companies and selects issuers from the members of the FTSE Blossom Japan Sector Relative Index and their subsidiaries.

FTSE Blossom Japan Sector Relative Index is an equity flagship index, which selects stocks in the top 50% of each Industry Classification Benchmark (ICB) sector with ESG Scores 2.0 and above. It also supports climate transition to a low carbon economy by evaluating companies' climate governance and climate change efforts with Transition Pathway Initiative (TPI) Management Quality (MQ) Score.

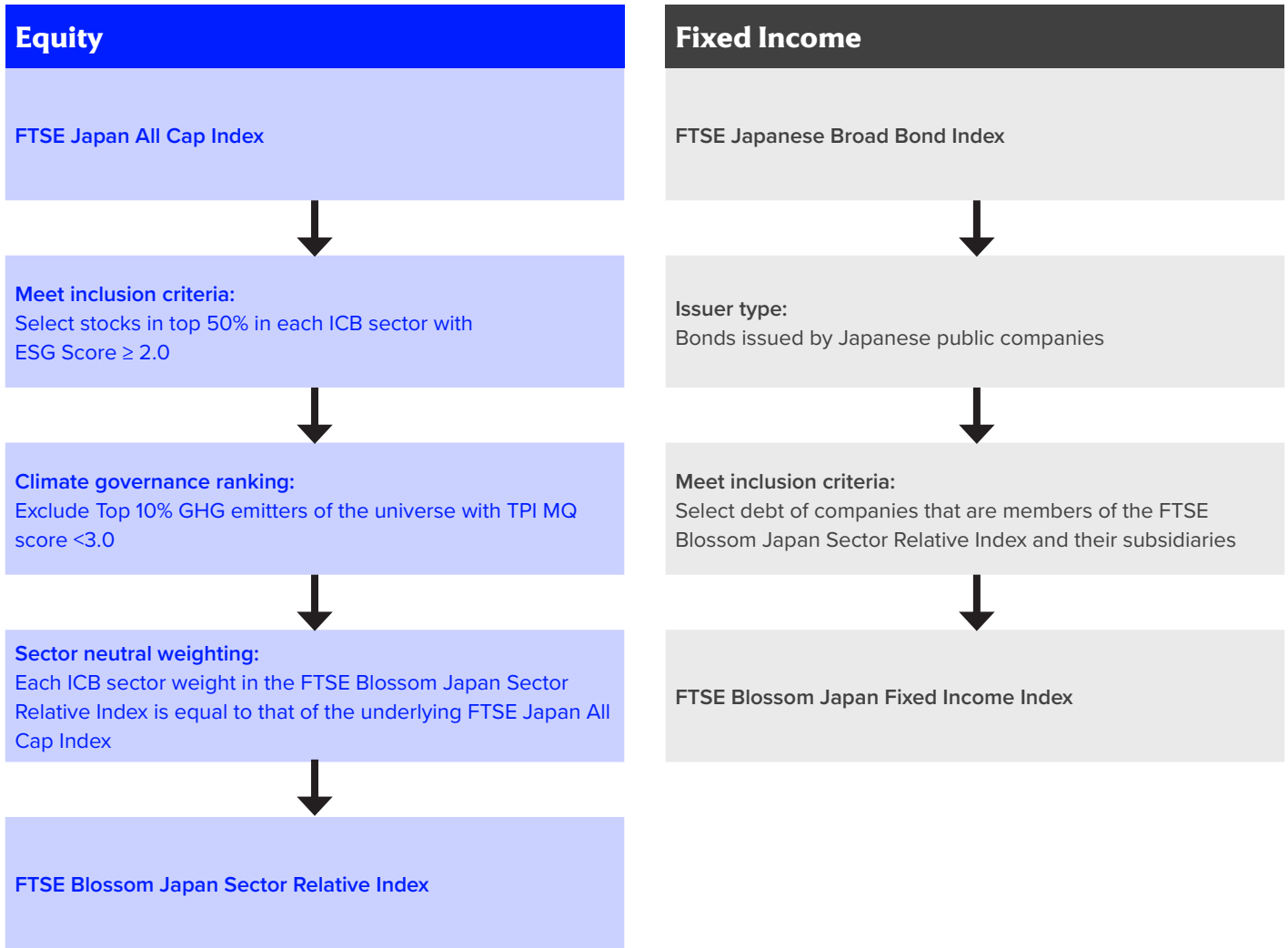
Core Features

- **Transparent FTSE ESG Scores:** FTSE Russell assesses a wide universe of companies on their ESG performance. Within the global universe there are approximately 1300 Japanese companies covered.
- **Consistency Across Asset Classes:** Issuer parity and industry classification alignment between fixed income and equity indices facilitates multi-asset strategies and a holistic approach to portfolio construction.
- **Flexibility of Customization:** FTSE Russell allows flexibility to build fully customizable sustainable solutions tailored to each investor and reflecting a specific investment philosophy, view and purpose.
- **Rich Data Sets:** The index is underpinned by a comprehensive set of daily and monthly, issue-level and index-level files, containing a robust set of performance and analytics metrics. Pricing is provided by LSEG Data & Analytics, a recognized reliable pricing source and one of the world's largest providers of financial market data and infrastructure.
- **Rigorous Governance Framework:** FTSE Russell is committed to global best practice standards in index governance. The index ground rules are publicly available and continually evaluated to ensure the index remains a relevant and reliable performance measure for the market.



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Index Construction Approach



FTSE Blossom Japan Sector Relative Index	FTSE Blossom Japan Fixed Income Index
<p>Selects Japanese companies in the top 50% of each sector and with ESG Score 2.0 and above</p>	<p>Selects debt issued by public companies that are included in the FTSE Blossom Japan Sector Relative Index and their subsidiaries</p>
<p>Supports climate transition to a low carbon economy by evaluating companies' climate governance and climate change efforts with the TPI Management Quality Score</p>	<p>Focuses on Japanese public companies and their subsidiaries demonstrating specific environmental, social and governance practices (ESG), supporting multi-asset ESG solutions</p>

About FTSE Russell

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Market participants look to us for our expertise in developing and managing global index solutions across asset classes. Asset owners, asset managers, ETF providers and investment banks choose FTSE Russell solutions to benchmark their investment performance and create investment funds, ETFs, structured products, and index-based derivatives. Our clients use our solutions for asset allocation, investment strategy analysis and risk management, and value us for our robust governance process and operational integrity.

For over 35 years we have been at the forefront of driving change for the investor, always innovating to shape the next generation of benchmarks and investment solutions that open up new opportunities for the global investment community.

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