

FTSE Russell launches local currency Saudi Arabian Government Bond Index

- Launch follows significant international investor interest in Saudi Arabian local currency government debt
- New index comes months after the successful inclusion of Saudi Arabia to FTSE equity indexes
- The Saudi Arabian government bond market will be considered in FTSE Russell's annual September Fixed Income Country Classification review
- Globally, FTSE Russell's range of global fixed income indexes are tracked by \$3.8 trn AUM

FTSE Russell, the global index, data and analytics provider, has launched the FTSE Saudi Arabian Government Bond Index, which measures the performance of fixed-rate, local currency Saudi Arabian government bonds. The index provides international investors with transparency into the performance and risk characteristics of the local SAR-denominated government market and is available to license for active or passive fund mandates.

The FTSE Saudi Arabian Government Bond Index offers coverage of sukuk and non-sukuk government bonds with at least one year to maturity and a minimum amount outstanding of SAR 1 billion. As of July 31, 2020, 45 securities with a total market value of SAR 273.2 billion (USD 72.9 billion) were eligible for inclusion in the index. Pricing is sourced from Refinitiv and performance history is available from February 2020.

The Saudi Arabian government bond market will be assessed as part of FTSE Russell's Fixed Income Country Classification process, which will commence its next annual review in September 2020. The FTSE Russell Fixed Income Country Classification Framework was introduced in early 2019 to enhance the transparency of the process used to manage benchmark inclusion. It assigns a Market Accessibility Level of 0, 1 or 2, with 2 representing the highest level of accessibility for foreign investors. A minimum of 1 is required for the FTSE Emerging Markets Government Bond Index (EMGBI), which currently includes bonds from 16 countries and provides a broad metric for currency EM government markets.

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

"We are pleased to offer a dedicated index for local currency Saudi Arabian sovereign debt as part of our commitment to global government bond market tracking. The Saudi Arabian bond market will be considered for inclusion in global fixed income benchmarks through our Fixed Income Country Classification process, which has been successful in identifying transparent and objective metrics for accessibility for international investors".

Scott Harman, Global Head of Fixed Income and Multi-Asset Index Product Management, FTSE Russell comments:

"This index launch reflects our commitment to expanding the emerging market debt investment choice-set in both US dollar and local currencies, and providing solutions to access the rapidly growing debt markets in the GCC region."



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For further information:

Media contacts

Oliver Mann/ Lucie Holloway

+44 (0)20 7797 1222
newsroom@lsej.com

Notes to editors:

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.

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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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