

REBALANCING PREVIEW | November 29, 2018

# PROJECTED EUROPEAN BOND INDICES

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## Larger than usual euro sovereign index extension

The Euro Government Index will extend duration by 0.09 years at month end, longer than the 0.06-year historical average for November. The Dutch sovereign index extension was due to sizable taps of some of the country's longest securities.

## Gilt extension (+0.07yrs) typical for last several years

The UK Gilt Index will see a typical November extension of 0.07 years (+0.06yr avg last five years) combined with a modest net outflow (-GBP3bn). The Non-Gilt index will see practically no change in market cap at the rebalancing and thus allocation versus Gilts in the Sterling Broad Market Index will be unchanged.

## Full projected stats/constituent preview lists available

Projected duration and constituent changes are available on the [ICE Index Platform](#) (ICE IP) and Bloomberg for all ICE BofAML bond indices. On the ICE Index Platform Index Analysis menu bar, use the Constituents tab in the Index Viewer. Change the toggle from "Current" to "Projected" and click the View or Download button. On Bloomberg, type Index ticker<Index><Go>, then 4<Go> to see changes in characteristics (first two columns). For constituents, type Index ticker<Index><Go>, then 10<Go>. Change the toggle from "Current member list" to "Projected member list" and click the View or Download button

**Table 1: Projected Euro Rebalancing Changes**

Euro Markets			
Sector	Ticker	Dur	%All
Euro Broad Market	EMU0	0.09	n/a
Euro Governments (Inv. Grade)	EG00	0.07	-0.1
Quasi-Governments	EQ00	0.05	0.0
Securitized-Collateralized	EL00	0.08	0.0
Corporates	ER00	0.08	0.0
Euro Large Cap	EMUL	0.12	n/a
All Euro Governments	EZAS	0.11	n/a

**Table 2: Projected Sterling Rebalancing Changes**

Sterling Markets			
Sector	Ticker	Dur	%All
Sterling Broad Market	UK00	0.06	n/a
UK Gilts	G0L0	0.07	0.0
Non-Gilts	UN00	0.06	0.0
Quasi-Governments	UQ00	-0.01	0.1
Corporates & Collateralized	UC00	0.08	0.0

**Table 3: Euro Government Index (EG00) projected constituent**

Country	Add/Drop	Ticker	Coupon	Maturity	Size (MM)	Comments
DE	ADD	BKO	0	12/11/2020	4,000	New Issue
FR	CHANGE	FRTR	0	5/25/2022	27,457	Offering
IE	CHANGE	IRISH	1.7	5/15/2037	5,312	Offering
BE	CHANGE	BGB	0.5	10/22/2024	7,814	Offering
BE	CHANGE	BGB	2.25	6/22/2057	4,878	Offering
FI	CHANGE	RFGB	1.375	4/15/2047	2,500	Offering
ES	CHANGE	SPGB	2.35	7/30/2033	16,039.8	Offering
DE	CHANGE	DBR	1.25	8/15/2048	12,000	Offering
AT	CHANGE	RAGB	2.1	9/20/2117	4,550	Offering
FR	CHANGE	FRTR	0	3/25/2023	29,059	Offering
ES	CHANGE	SPGB	0.45	10/31/2022	18,676.7	Small par change
IE	CHANGE	IRISH	0.9	5/15/2028	8,321.8	Offering
PT	CHANGE	PGB	2.125	10/17/2028	9,738.4	Offering
IT	CHANGE	BTPS	2.95	9/1/2038	13,463.8	Offering
BE	CHANGE	BGB	0.8	6/22/2028	14,724	Offering
ES	CHANGE	SPGB	0.35	7/30/2023	12,330	Offering
FR	CHANGE	FRTR	0.75	11/25/2028	22,300	Offering
SK	CHANGE	SLOVGB	1	6/12/2028	1,304.5	Offering
FR	CHANGE	FRTR	0	3/25/2024	20,296	Offering
ES	CHANGE	SPGB	1.4	7/30/2028	17,795.1	Small par change
DE	CHANGE	DBR	0.25	8/15/2028	19,000	Offering
DE	CHANGE	OBL	0	10/13/2023	16,000	Offering
IT	CHANGE	BTPS	2.8	12/1/2028	11,998.6	Offering
IT	CHANGE	BTPS	2.45	10/1/2023	8,025.9	Offering
IT	CHANGE	BTPS	2.5	11/15/2025	8,478.6	Offering
ES	CHANGE	SPGB	0.05	10/31/2021	3,939.6	Offering
IT	CHANGE	BTPS	2.3	10/15/2021	7,308.1	Offering
IT	CHANGE	BTPS	5.75	2/1/2033	20,761	Offering
ES	CHANGE	SPGB	4.2	1/31/2037	20,422.3	Offering
PT	CHANGE	PGB	4.95	10/25/2023	10,519.7	Offering
FR	CHANGE	FRTR	4.5	4/25/2041	36,152	Offering
IE	CHANGE	IRISH	5.4	3/13/2025	11,490.3	Small par change
IE	CHANGE	IRISH	5	10/18/2020	6,614.7	Repurchase
FR	CHANGE	FRTR	3.5	4/25/2020	37,671	Repurchase
FR	CHANGE	FRTR	2.5	10/25/2020	35,762	Repurchase
IE	CHANGE	IRISH	3.9	3/20/2023	7,005.9	Offering
IE	CHANGE	IRISH	3.4	3/18/2024	8,030.9	Small par change
SK	CHANGE	SLOVGB	3.625	1/16/2029	2,794.6	Offering
BE	CHANGE	BGB	3	6/22/2034	7,784	Offering
FR	CHANGE	FRTR	2.5	5/25/2030	35,119	Offering
AT	CHANGE	RAGB	1.65	10/21/2024	10,280.3	Small par change
ES	CHANGE	SPGB	2.75	10/31/2024	23,500.1	Small par change
NL	CHANGE	NETHER	0.25	1/15/2020	15,232.2	Repurchase
IE	CHANGE	IRISH	2	2/18/2045	8,596	Offering
IT	CHANGE	BTPS	0.7	5/1/2020	16,008.2	Small par change
ES	CHANGE	SPGB	3.45	7/30/2066	9,903.9	Offering
FR	CHANGE	FRTR	0.25	11/25/2026	32,024	Offering
FI	CHANGE	RFGB	0	9/15/2023	5,475	Offering
ES	DROP	SPGB	4.3	10/31/2019	21,161.1	< 1 ytm
FR	DROP	FRTR	0.5	11/25/2019	22,177	< 1 ytm

**Table4: UK Gilt Index (G0L0) projected constituent changes**

Country	Add/Drop	Ticker	Coupon	Maturity	Size (MM)	Comments
GB	CHANGE	UKT	1.75	9/7/2037	17,144.3	Offering
GB	CHANGE	UKT	1.625	10/22/2028	18,740.8	Offering

**Table 5: Euro Broad Market Index Projected Structure**

	Ticker	Current (As of 11/28)			Projected – Dec			Change (Proj. – Curr.)		
		EffDur	%Weight	Mkt Val (EUR)	EffDur	%Weight	Mkt Val (EUR)	EffDur	%Weight	Mkt Val (EUR)
<b>Sovereigns</b>	<b>EG00</b>	<b>7.60</b>	<b>56.4</b>	<b>6,101,494</b>	<b>7.67</b>	<b>56.3</b>	<b>6,117,714</b>	<b>0.07</b>	<b>-0.1</b>	<b>16,220</b>
Austria	G0H0	9.27	2.0	220,456	9.34	2.0	220,392	0.07	0.0	-64
Belgium	G0G0	9.42	3.4	365,586	9.45	3.4	369,275	0.03	0.0	3,689
Finland	G0K0	7.07	0.9	94,637	7.15	0.9	95,629	0.08	0.0	992
France	G0F0	8.17	14.0	1,513,720	8.29	13.9	1,510,604	0.13	-0.1	-3,116
Germany	G0D0	7.63	9.6	1,034,003	7.64	9.6	1,045,653	0.01	0.1	11,650
Ireland	G0R0	7.47	1.1	115,711	7.48	1.1	116,593	0.01	0.0	882
Italy	G0I0	6.40	12.4	1,346,031	6.40	12.5	1,360,307	0.01	0.1	14,276
Latvia	G0LV	9.50	0.0	3,315	9.50	0.0	3,315	0.00	0.0	0
Lithuania	G0LT	11.39	0.0	2,396	11.39	0.0	2,396	0.00	0.0	0
Luxembourg	G0LU	4.37	0.1	7,502	4.37	0.1	7,502	0.00	0.0	0
Netherlands	G0N0	8.12	2.9	314,478	8.12	2.9	314,391	0.00	0.0	-87
Portugal	G0U0	6.37	1.3	135,980	6.37	1.3	137,354	0.01	0.0	1,374
Slovakia	G0SL	7.85	0.3	36,541	7.87	0.3	36,616	0.03	0.0	75
Slovenia	G0SV	8.99	0.2	26,141	8.99	0.2	26,141	0.00	0.0	0
Spain	G0E0	7.31	8.2	883,890	7.50	8.0	870,440	0.19	-0.2	-13,450
<b>Foreign &amp; Quasi Govt.</b>	<b>EQ00</b>	<b>6.53</b>	<b>15.0</b>	<b>1,623,156</b>	<b>6.58</b>	<b>15.0</b>	<b>1,632,114</b>	<b>0.05</b>	<b>0.0</b>	<b>8,958</b>
<b>Securitized/Collateralized</b>	<b>EL00</b>	<b>4.69</b>	<b>8.2</b>	<b>886,790</b>	<b>4.77</b>	<b>8.2</b>	<b>892,133</b>	<b>0.08</b>	<b>0.0</b>	<b>5,343</b>
<b>Securitized (ABS/MBS)</b>	<b>EA00</b>	<b>7.45</b>	<b>0.0</b>	<b>2,377</b>	<b>9.07</b>	<b>0.0</b>	<b>1,837</b>	<b>1.61</b>	<b>0.0</b>	<b>-540</b>
<b>Covered</b>	<b>ECV0</b>	<b>4.68</b>	<b>8.2</b>	<b>884,413</b>	<b>4.77</b>	<b>8.2</b>	<b>890,296</b>	<b>0.08</b>	<b>0.0</b>	<b>5,883</b>
Regular Pfandbriefe	G0DP	5.88	0.1	9,541	5.86	0.1	9,590	-0.01	0.0	49
Jumbo Pfandbriefe	G0DJ	4.89	1.1	118,436	4.94	1.1	120,158	0.05	0.0	1,722
Non-Pfandbriefe Covered	ENP0	4.64	7.0	756,436	4.72	7.0	760,548	0.09	0.0	4,112
<b>Corporates</b>	<b>ER00</b>	<b>5.02</b>	<b>20.4</b>	<b>2,206,521</b>	<b>5.10</b>	<b>20.4</b>	<b>2,217,215</b>	<b>0.08</b>	<b>0.0</b>	<b>10,694</b>
<b>Financials</b>	<b>EB00</b>	<b>4.38</b>	<b>7.2</b>	<b>780,214</b>	<b>4.46</b>	<b>7.2</b>	<b>778,700</b>	<b>0.08</b>	<b>0.0</b>	<b>-1,514</b>
Banks	EBBA	4.18	6.0	646,327	4.26	5.9	643,932	0.08	0.0	-2,395
Financial Services	EBFS	4.96	0.2	22,990	4.96	0.2	23,250	0.01	0.0	260
Insurance	EBIN	5.40	1.0	110,897	5.48	1.0	111,518	0.07	0.0	621
Non-Financials	EN00	5.38	13.2	1,426,307	5.45	13.2	1,438,515	0.07	0.1	12,208
Industrials	EJ00	5.34	11.0	1,189,348	5.42	11.1	1,200,358	0.08	0.1	11,010
Automotive	EJAU	4.47	1.3	137,274	4.64	1.3	141,004	0.17	0.0	3,730
Basic Industry	EJBS	4.86	1.2	127,658	4.94	1.2	127,907	0.08	0.0	249
Capital Goods	EJCP	5.56	0.7	76,887	5.56	0.7	76,827	0.00	0.0	-60
Consumer Goods	EJCS	5.76	1.3	142,964	5.79	1.3	143,196	0.03	0.0	232
Energy	EJEN	5.13	1.1	123,608	5.17	1.1	124,468	0.04	0.0	860
Healthcare	EJHC	5.71	0.9	92,585	5.88	0.9	96,686	0.16	0.0	4,101
Leisure	EJLE	3.02	0.0	4,925	3.84	0.0	4,692	0.83	0.0	-233
Media	EJME	4.84	0.3	28,266	4.94	0.3	27,577	0.10	0.0	-689
Real Estate	EJRE	5.66	0.8	90,877	5.67	0.9	93,313	0.01	0.0	2,436
Retail	EJRL	5.70	0.3	37,344	5.71	0.3	37,288	0.01	0.0	-56
Services	EJSE	5.17	0.2	24,800	5.10	0.2	24,282	-0.08	0.0	-518
Technology & Electronics	EJTE	5.55	0.4	45,518	5.69	0.4	46,654	0.14	0.0	1,136
Telecom	EJTC	5.54	1.5	157,984	5.61	1.4	156,973	0.07	0.0	-1,011
Transportation	EJTR	5.79	0.9	98,659	5.85	0.9	99,491	0.06	0.0	832
<b>Utilities</b>	<b>EK00</b>	<b>5.56</b>	<b>2.2</b>	<b>236,960</b>	<b>5.61</b>	<b>2.2</b>	<b>238,157</b>	<b>0.05</b>	<b>0.0</b>	<b>1,197</b>

EffDur is effective duration using semi-annual convention calculations. MktVal is market value in EUR currency millions.

**Table 6: Sterling Broad Market Index Projected Structure**

	Ticker	Current (As of 11/28)			Projected – Dec			Change (Proj. – Curr.)		
		EffDur	%Weight	Mkt Val (GBP)	EffDur	%Weight	Mkt Val (GBP)	EffDur	%Weight	Mkt Val (GBP)
<b>Gilts</b>	<b>GOL0</b>	<b>11.87</b>	<b>69.1</b>	<b>1,298,657</b>	<b>11.93</b>	<b>69.1</b>	<b>1,296,196</b>	<b>0.07</b>	<b>0.0</b>	<b>-2,461</b>
Non-Gilts	UN00	7.56	30.9	580,738	7.62	30.9	580,631	0.06	0.0	-107
<b>Foreign &amp; Quasi Govt.</b>	<b>UQ00</b>	<b>6.28</b>	<b>6.9</b>	<b>129,668</b>	<b>6.27</b>	<b>7.0</b>	<b>130,897</b>	<b>-0.01</b>	<b>0.1</b>	<b>1,229</b>
<b>Corporates &amp; Collater.</b>	<b>UC00</b>	<b>7.93</b>	<b>24.0</b>	<b>451,070</b>	<b>8.01</b>	<b>24.0</b>	<b>449,734</b>	<b>0.08</b>	<b>0.0</b>	<b>-1,336</b>
<b>Financials</b>	<b>UF00</b>	<b>5.83</b>	<b>6.7</b>	<b>125,727</b>	<b>5.91</b>	<b>6.6</b>	<b>124,476</b>	<b>0.08</b>	<b>-0.1</b>	<b>-1,251</b>
Banks	UFBA	5.64	4.5	84,519	5.72	4.4	83,264	0.08	-0.1	-1,255
Financial Services	UFFS	6.64	0.4	7,986	6.64	0.4	7,978	0.01	0.0	-8
Insurance	UFIN	6.13	1.8	33,221	6.21	1.8	33,235	0.07	0.0	14
<b>Industrials</b>	<b>UI00</b>	<b>9.25</b>	<b>9.2</b>	<b>172,798</b>	<b>9.36</b>	<b>9.2</b>	<b>172,628</b>	<b>0.12</b>	<b>0.0</b>	<b>-170</b>
Automotive	UIAU	2.98	0.6	11,479	3.52	0.6	11,535	0.54	0.0	56
Basic Industry	UIBS	7.67	0.4	8,229	7.33	0.4	7,319	-0.35	0.0	-910
Capital Goods	UICP	7.98	0.4	7,773	8.03	0.4	7,726	0.05	0.0	-47
Consumer Goods	UICS	6.81	1.0	17,987	6.90	0.9	17,710	0.10	0.0	-277
Energy	UIEN	6.58	0.6	10,544	6.65	0.6	10,423	0.08	0.0	-121
Healthcare	UIHC	12.05	0.6	10,974	12.11	0.6	10,922	0.06	0.0	-52
Leisure	UILE	5.53	0.1	1,544	5.59	0.1	1,529	0.06	0.0	-15
Media	UIME	8.50	0.2	4,670	8.63	0.2	4,598	0.13	0.0	-72
Real Estate	UIRE	12.14	2.0	37,237	12.26	2.0	37,877	0.12	0.0	640
Retail	UIRL	8.25	0.5	8,610	8.27	0.5	8,587	0.02	0.0	-23
Services	UISE	16.63	0.4	7,806	16.63	0.4	7,806	0.00	0.0	0
Technology & Electronics	UI TE	6.79	0.2	3,406	6.79	0.2	3,406	0.00	0.0	0
Telecom	UITC	9.23	1.5	29,099	9.30	1.5	28,889	0.07	0.0	-210
Transportation	UITR	9.07	0.7	13,442	9.19	0.8	14,302	0.12	0.0	860
<b>Utilities</b>	<b>UU00</b>	<b>9.09</b>	<b>3.8</b>	<b>71,036</b>	<b>9.11</b>	<b>3.8</b>	<b>70,901</b>	<b>0.02</b>	<b>0.0</b>	<b>-135</b>
<b>ABS/MBS</b>	<b>UA00</b>	<b>8.35</b>	<b>3.1</b>	<b>59,177</b>	<b>8.39</b>	<b>3.2</b>	<b>59,443</b>	<b>0.04</b>	<b>0.0</b>	<b>266</b>

EffDur is effective duration using semi-annual convention calculations. MktVal is market value in GBP currency millions.

## Note:

The above information details changes in the risk characteristics of the Indices projected to take place as a result of the upcoming month-end rebalancing. This analysis does not include the impact on duration of potential changes in yields between current levels and those at month-end. All information presented above is preliminary. **Final constituent member lists for the month of December 2018 will be established on November 30, 2018.**

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