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Global Index & Portfolio Research
 J.P. Morgan Index Product Guide
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J.P.Morgan

GBI Global

Aa2/AA/AA

- **The Government Bond Index (GBI) Global tracks the performance of fixed-rate, local currency treasury bonds issued by a fixed list of 13 core developed markets.**
- **The indices have daily historical index levels and statistics starting from Dec 31, 1987.**

Overview

The GBI Global Index is a core developed market subset of the flagship GBI-Aggregate Index which is an all-encompassing global government bond index tracking the performance of liquid and investable local government bond markets that are accessible by the international institutional investor base. The index excludes floating rate notes, perpetual, bonds with less than 13 months to maturity, and bonds that target the domestic market.

The GBI Global Index is designed to measure the performance of treasury securities issued by the most liquid developed markets. It has maintained a fixed list of 13 countries since inception. Securities are market capitalization weighted in the GBI Global Index.

Country Eligibility

The GBI Global Index currently tracks a fixed list of 13 core developed markets, namely Australia, Belgium, Canada, Denmark, France, Germany, Italy, Japan, Netherlands, Spain, Sweden, United Kingdom, and United States.

Current Face Amount Outstanding

Only instruments with a current face amount outstanding of US\$1 billion equivalent for onshore local currency bonds and US\$500 million equivalent for global bonds (offshore currency linked bonds) or more will be considered for inclusion. Once included in the benchmark, the size eligibility criteria will only be examined for buybacks and exchanges.

GBI Global Rebalancing

Rebalancing takes place monthly on the last weekday of each month, regardless of any local holiday. On rebalance day, new bonds will enter the index at the close-of-business, and bonds which fail to comply with the index criteria will be removed. Any additional taps or buybacks that occur during the month will also be reflected at this time.

Index Facts

| | |
|-----------------------------|--|
| Inception Date | Dec 1987 |
| Launch Date | Dec 1989 |
| Rebalance Date | Last Business day of the month (including local holidays) |
| Holiday Calendar | Calculated on every weekday |
| Pricing Source | Bid/offer price from third party evaluation vendor (PricingDirect) |
| FX Spot/Forward rate | WM Reuters 16:00 London Close |
| Coupon Reinvestment | All coupons received are immediately reinvested back into the index |
| Hedging Strategy | Assume a 1-month currency forward position that begins on rebalance day and ends on next rebalance day |

Index Criteria

| | |
|---------------------------|--|
| Instrument Type | Fixed coupon and Zero coupon bonds are eligible |
| Remaining Maturity | Bonds must have a remaining maturity > 13 months |
| Pricing | The index uses mid prices. Daily pricing available. |
| Liquidity | Bonds must have sufficient trade volumes, bid ask spreads and screen sizes to be considered for inclusion into the index |
| Issuance size | Bonds must have over US\$1 billion equivalent (or US\$500 million for global bonds) to enter / remain in the index |

Liquidity

A key feature that distinguishes our indices from other index products is the strict enforcement of liquidity criteria in the selection of instruments. While the notion of liquidity may differ from market to market, J.P. Morgan indices include only securities which an investor can gain access and for which firm prices exist, subject to the following considerations:

Pricing: Bonds must trade with enough frequency to prevent stale price quotations.

Availability: A reasonable two-way market must exist for the instrument to be included in the index portfolio.

Replication: Investors should be able to replicate the index without incurring excessive transaction costs.

Country Profile (As of April 2018)

| Country | Weight (%) |
|----------------|------------|
| United States | 39.15% |
| Japan | 20.06% |
| France | 7.94% |
| Italy | 7.68% |
| United Kingdom | 7.43% |
| Germany | 5.53% |
| Spain | 4.72% |
| Belgium | 2.02% |
| Netherlands | 1.70% |
| Australia | 1.63% |
| Canada | 1.35% |
| Denmark | 0.48% |
| Sweden | 0.31% |

Where to find the GBI indices?

Bloomberg

JPMX<GO> -> Developed Markets -> Sovereigns->GBI Global

Dataquery

www.jpmm.com (Analyze->Cross-Asset->Data Query->Indices->Government/Agency->Index Levels and Stats)

Morgan Markets

www.jpmm.com (Research->Index->Government Bond Index (GBI))

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