

World Government Inflation-Linked Bond Index

The Bloomberg World Government Inflation-Linked Bond Index (WGILB) measures the performance of investment-grade, government inflation-linked debt from 12 different developed market countries. Investability is a key criterion for inclusion of markets in this index, and it is designed to include only those markets in which a global government linker fund is likely and able to invest. Markets tracked by the index include the United Kingdom, Australia, Canada, Sweden, United States, France, Italy, Japan, Germany, New Zealand, Denmark and Spain. The index was created on October 31, 1997 with history backfilled to December 31, 1996.

Rules for Inclusion

Country Eligibility

As of August 2021, eligible countries include:

- Americas: United States, Canada
- Pan-European: United Kingdom, Sweden, France, Germany, Denmark, Italy, Spain
- Asian-Pacific: Australia, Japan, New Zealand

Eligible countries must not be defined as an Emerging Market under the EM definition. The WGILB is mutually exclusive from the Emerging Markets Government Inflation-Linked Bond (EMGILB) Index.

Eligible Currencies

- Principal and interest must be linked to a commonly used domestic inflation index and denominated in the domestic currency of the issuer.
- In the euro area, bonds linked to domestic inflation indices and EMU HICP are eligible.

Quality

Securities must be rated investment grade (Baa3/BBB-/BBB- or higher) using the middle rating of Moody's, S&P and Fitch; when a rating from only two agencies is available, the lower is used; when only one agency rates a bond, that rating is used. In cases where explicit bond level ratings may not be available, other sources may be used to classify securities by credit quality:

- Local currency Treasury issues are classified using the middle issuer level rating from each agency for all outstanding bonds, even if bond level ratings are available.

Maturity

- At least 1 year until final maturity
- Sub-indices based on maturity are inclusive of lower bounds. 1-10 year maturity bands include bonds with maturities of 1 to 9.9999 years. 10+ year maturity bands include maturities of 10 years or greater.

Coupon

Fixed-rate coupon.

Amount Outstanding Fixed Minimum issue sizes (not adjusted for inflation indexation) are set for all local currency markets:

- 300mn: GBP
- 500mn: USD, EUR
- 600mn: CAD
- 700mn: AUD
- 1bn: NZD
- 4bn: SEK
- 5bn: DKK
- 50bn: JPY

US TIPS held in the Federal Reserve SOMA account (both purchases at issuance and net secondary market transactions) contribute to the total amount outstanding for US TIPS. Therefore, the US TIPS component of the WGILB is not float-adjusted.

Security Types

Included

- Eligible bonds must be capital-indexed and linked to a commonly used domestic inflation index

Excluded

- Nominal bonds and floating-rate bonds
- Non-government inflation-linked bonds
- STRIPS, Treasury bills, bellwethers
- Private placements, retail bonds

Rebalancing Rules

Frequency

For each index, Bloomberg maintains two universes of securities: the Returns (Backward) and the Projected (Forward) Universes. The composition of the Returns Universe is rebalanced at each month-end and represents the fixed set of bonds on which index returns are calculated for the next month. The Projected Universe is a forward-looking projection that changes daily to reflect issues dropping out of and entering the index but is not used for return calculations. On the last business day of the month (the rebalancing date), the composition of the latest Projected Universe becomes the Returns Universe for the following month.

Index Changes

During the month, indicative changes to securities (credit rating change, sector reclassification, amount outstanding changes, corporate actions, and ticker changes) are reflected daily in the Projected and Returns Universe of the index. These changes may cause bonds to enter or fall out of the Projected Universe of the index on a daily basis, but will affect the composition of the Returns Universe at month-end only, when the index is next rebalanced.

Reinvestment of Cash Flows

Intra-month cash flows from interest and principal payments contribute to monthly index returns but are not reinvested at a short-term reinvestment rate between rebalance dates. At each rebalancing, cash is effectively reinvested into the Returns Universe for the following month so that index results over two or more months reflect monthly compounding.

New Issues

Qualifying securities issued, but not necessarily settled on or before the month-end rebalancing date, qualify for inclusion in the following month's index if the required security reference information and pricing are readily available.

Pricing and Related Issues

Sources & Frequency	All index-eligible bonds are priced on a daily basis by Bloomberg's evaluated pricing service, BVAL.
Pricing Quotes	The index uses mid-market prices according to local market quote conventions.
Timing	<ul style="list-style-type: none"> • Americas: 4pm (New York Time), 4pm (Toronto time) for Canadian linkers. USD-denominated bonds prior to January 14, 2021 used 3pm New York time pricing snap. • Pan-European: 4:15pm (London Time); 5:15pm (Stockholm time) for Swedish Linkers • Asian-pacific: 3pm (Tokyo time) for Japanese linkers; 5:00pm (Sydney time) for Australian and New Zealand linkers • If the last business day of the month is a public holiday, prices from the previous business day are used. • If the market has an early close, the early close price is used.
Bid or Offer Side	Bonds in the index are priced on the mid side.
Settlement Assumptions	The index uses standard local settlement and ex-dividend conventions for all calculations.
Verification	Daily price moves for each security are analyzed by the index pricing team to identify outliers. Index users may also challenge price levels, which are then reviewed and updated as needed.
Currency Hedging	Returns hedged to various currencies are published for multi-currency indices. The indices' FX hedging methodology takes rolling one-month forward contracts that are reset at the end of each month and hedges each non-reporting currency-denominated bond in the index into the reporting currency terms. No adjustment is made to the hedge during the month to account for price movements of constituent securities in the Returns Universe of the index.
Calendar	The World Government Inflation-Linked Index is a global, multi-currency index that is calculated daily and has a value for each calendar day. During holidays observed by local markets, the index will still be generated using prices from previous business day.

Accessing Index Data

Bloomberg Terminal®	<p>Bloomberg benchmarks are the global standard for capital markets investors.</p> <ul style="list-style-type: none"> • INDE<GO> - The Bloomberg Indices dashboard page, which contains daily, monthly, and year-to-date index returns for key indices from each index family as well as a link to index publications. • IN<GO> - The Bloomberg Index Browser displays the latest performance results and statistics for the indices as well as history. IN presents the indices that make up Bloomberg's global, multi-asset class index families into a hierarchical view, facilitating navigation and comparisons. The "My Indices" tab allows a user to focus on a set of favorite indices. • DES<GO> - The index description page provides transparency into an individual index including membership information, aggregated characteristics and returns, and historical performance. • INP<GO> - The Bloomberg Indices Publications page, which includes methodologies, factsheets, monthly reports, announcements and technical notes. A user may also subscribe to index publications via the "Actions" button. • PORT<GO> - Bloomberg's Portfolio & Risk Analytics solution includes tools to analyze the risk, return, and current structure of indices. Analyze the performance of a portfolio versus a benchmark
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or use models for performance attribution, tracking error analysis, value-at-risk, scenario analysis, and optimization.

Bloomberg Indices Website
(www.bloomberg.com/indices)

The index website makes available limited index information including:

- Index methodology and factsheets
- Current performance numbers for select indices

Data Distribution

Index subscribers may choose to receive index data in files. Files may include:

- Index level and/or constituent level returns and characteristics for any indices
- Automatic delivery of files via email or SFTP following the completion of the index production process after market close
- Clients may receive standard files or may customize file contents
- Index data is also available via authorized redistributors

Index Ticker

BCIW1A: Total Return USD Unhedged

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