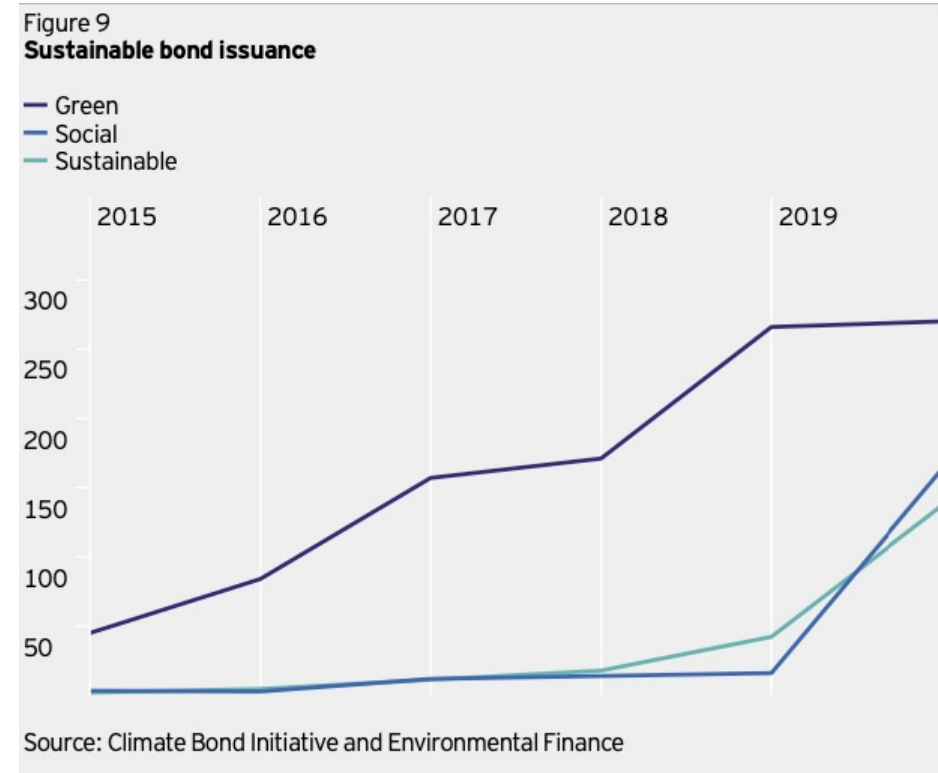
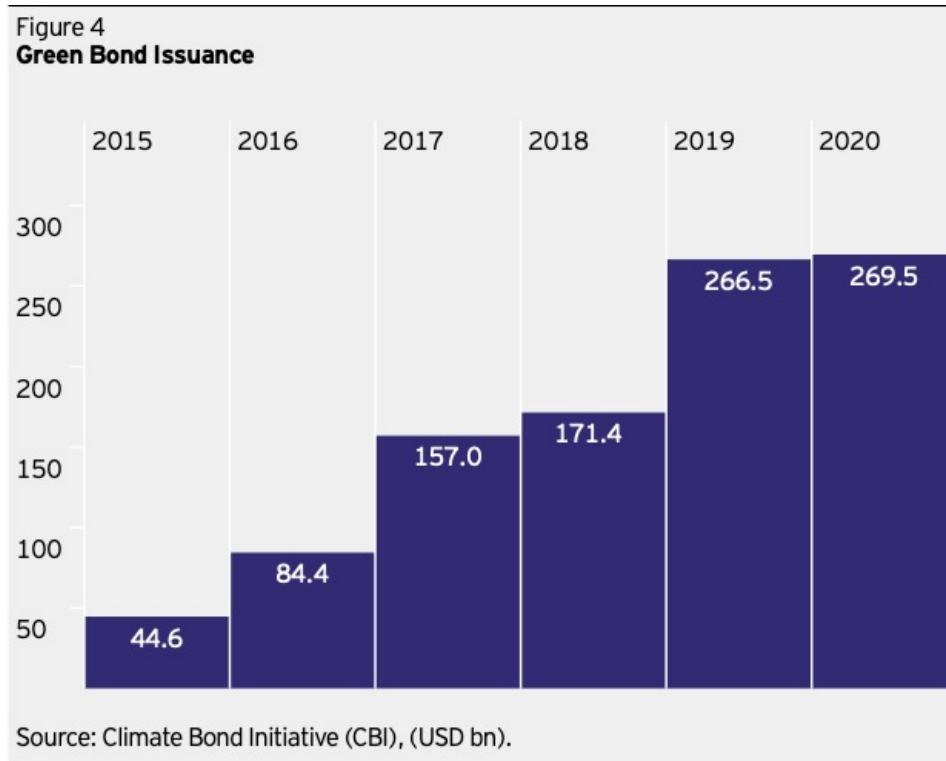
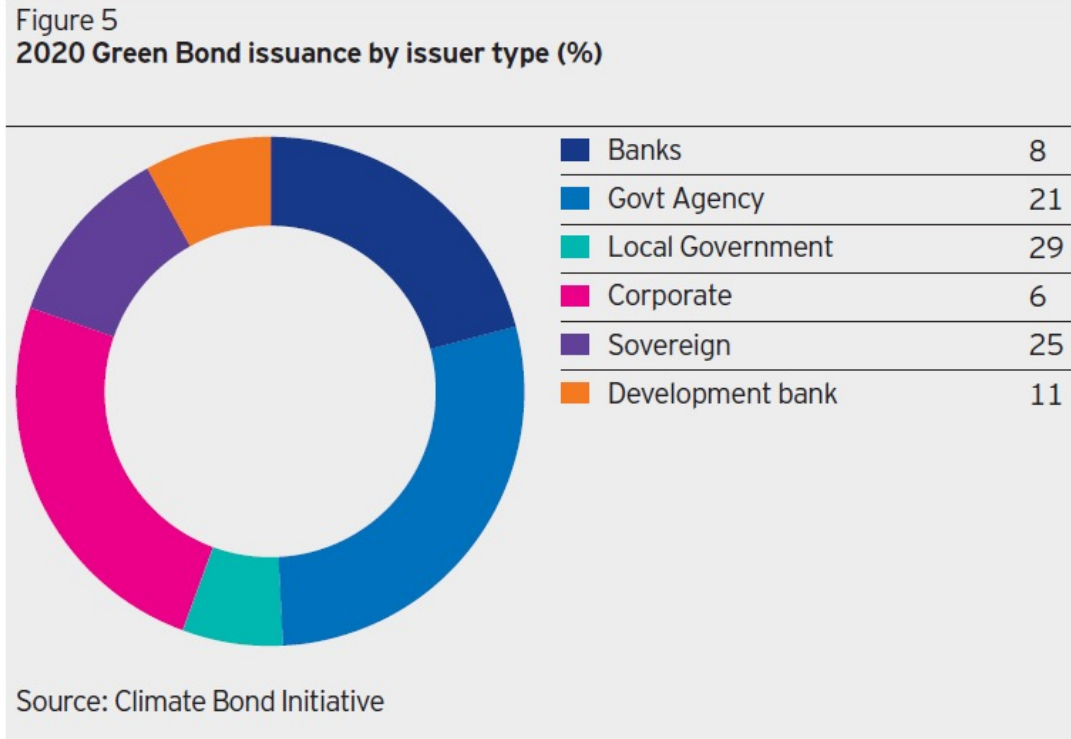


Supply trends: green bond, social and sustainable bonds

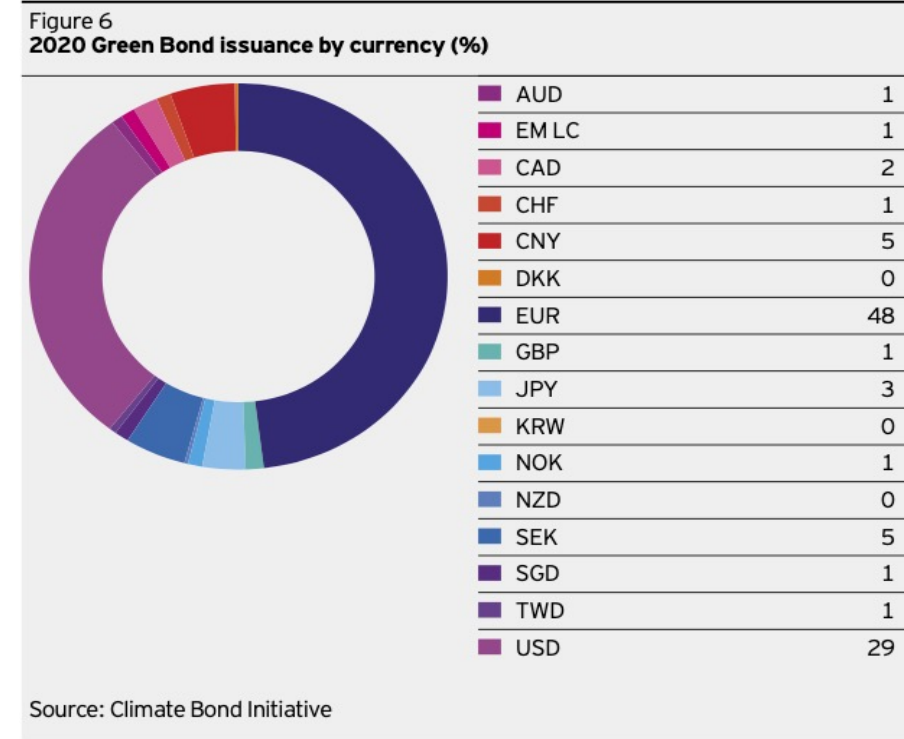


Supply of green bonds has about doubled every year until 2020 when social bonds became the flavor of the day

Issuance by type and currency



57% of issuance is sovereign/supra/agency



48% of issuance is EUR and only 29% USD

While total market cap is \$1 tn, investable universe is much smaller

Figure 7
Major Green Bond indices¹

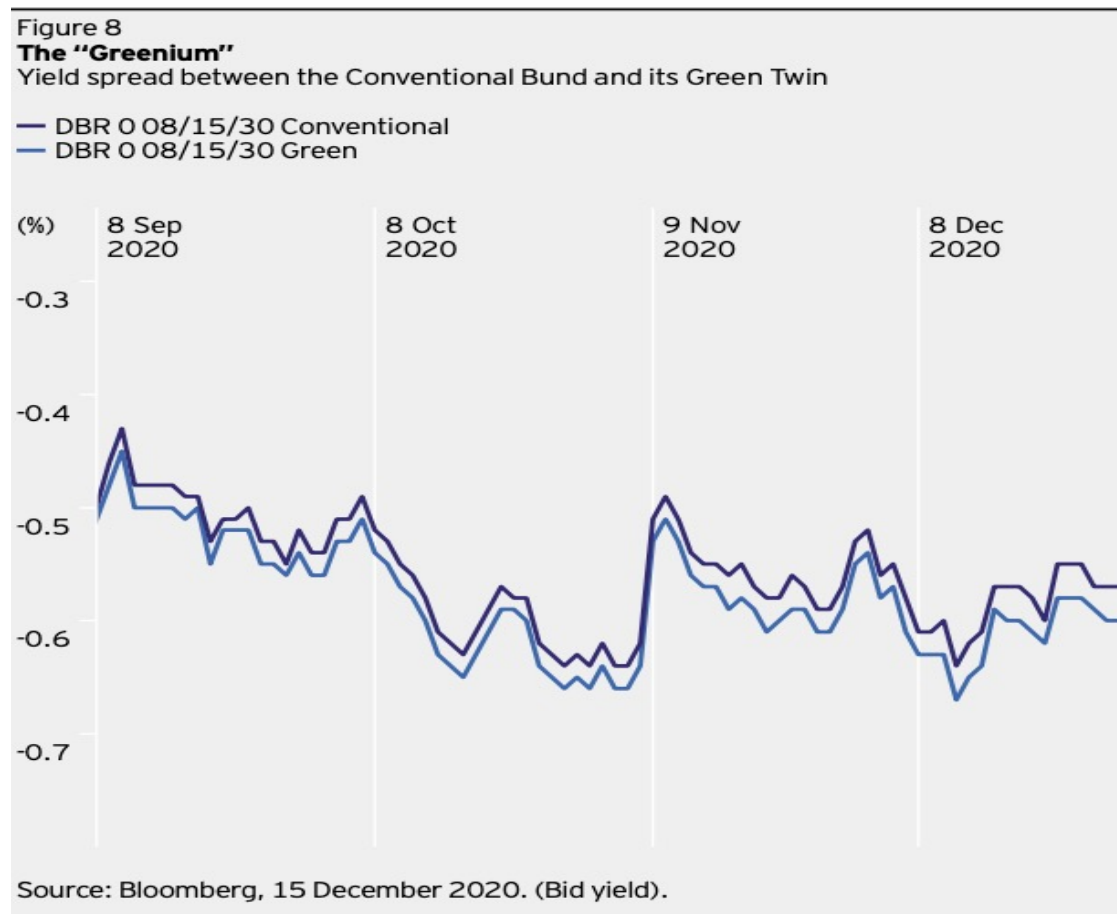
Index	Bloomberg Ticker	Currencies	Credit quality	# of bonds	Issuer or sector caps based on MV weights	Min issue size	Mod Duration	Standard	Mkt Value (USD-bn)
BB Barclays MSCI Green Bond Index	GBGL	Global	IG	581	No caps	USD300M	8.31	MSCI ESG	576
Bank of America-ML Bond Index	GREN	Global	IG	678	Issuer cap 10%	USD250M	8.32	CBI	542
S&P Green Bond Index	SPUSGRN	Global	No min	7,716	No caps		7.38	GBP	791
S&P Green Bond Select Index	SPGRNSL	USD, EUR, JPY, GBP, CHF, AUD, NZD, CAD, SEK, NOK	No min	644	Issuer cap of 10%; HY sector cap of 20%		8.16	CBI/GBP	553
Solactive Green Bond Index	SOLGREEN	20 currencies	No min		Bond cap of 5%	USD100M	7.3	CBI	684
Solactive Green Bond Index Investment Grade	SGREENIG	EUR, USD	IG	440	Corp issuer cap: 5%; Gov issuer cap 10%	EUR300M USD300M	9.1	CBI	394

Source: Bloomberg, as at 30 November 2020.

For Solactive Green Bond Index and Solactive Green Bond Index Investment Grade, source: Solactive as at 7 December 2020.

Of the global green indices, Solactive Green Bond index represents the universe most closely matched to traditional reserve management guidelines and has a market cap of about \$400 bn.

The “greenium”



Despite lower liquidity, there is a slight price premium for green bonds due to demand outstripping supply