Global Aggregate (500MM) Index

The Bloomberg Global Aggregate (500MM) Index is a measure of global investment grade debt from 24 local currency markets. This multicurrency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers. The Global Aggregate (500MM) Index is a subset of the Bloomberg Global Aggregate Index. There are four regional aggregate benchmarks that largely comprise the Global Aggregate (500MM) Index: the US Aggregate (500MM), the Pan-European Aggregate (500MM), the Asian-Pacific Aggregate (500MM), and the Canadian Aggregate (500MM) Indices. The Global Aggregate (500MM) Index also includes Eurodollar, Euro-Yen, and 144A Index-eligible securities, and debt from five local currency markets not tracked by the regional aggregate benchmarks (CLP, COP, MXN, PEN, and ILS). The Global Aggregate (500MM) Index was created in October 2000.

Rules for Inclusion

Eligible Currencies
- Principal and coupon must be denominated in one of the following eligible currencies:
  - Americas: CAD, CLP, COP, MXN, PEN, USD
  - EMEA: CHF, CZK, DKK, EUR, GBP, HUF, ILS, NOK, PLN, RON, RUB, SEK
  - Asian-Pacific: AUD, CNY, HKD, IDR, JPY, KRW, MYR, NZD, SGD, THB
- Eligible currencies will not necessarily have debt included in the index if no securities satisfy the inclusion rules.
- New currency inclusion is reviewed annually through the index governance process. To be considered for inclusion, new currency candidates must be rated investment grade and sufficiently tradable, convertible and hedgeable for international investors.

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 and hard currency sovereign issues are classified using the middle issuer-level local currency and hard currency debt ratings from each agency for all outstanding bonds, even if bond-level ratings are available.
- Expected ratings at issuance may be used to ensure timely index inclusion or to classify split-rated issuers properly.
- Unrated securities may use an issuer rating for index classification purposes, if available. Unrated subordinated securities are included if a subordinated issuer rating is available.
- German Pfandbriefe are assigned ratings that are one full rating category above the issuer's unsecured debt.
- For the Canadian Dollar market, DBRS is considered in addition to Moody's, S&P and Fitch. When all four ratings agencies are available, the highest and lowest rating are removed and the lower of the two remaining is used.

Coupon
- Fixed-rate coupon.
- Callable fixed-to-floating rate bonds are eligible during their fixed-rate term only.

- Bonds with a step-up coupon that changes according to a predetermined schedule are eligible.

Amount Outstanding   Fixed minimum issue sizes are set for all local currency markets:

- 500mn: USD (excluding MBS)*, CAD, EUR, CHF, AUD
- 333.3mn: GBP
- 58.3bn: JPY
- 1bn: USD MBS pass-throughs (as of April 1, 2014)
- 1.6bn: RON, PEN
- 3.3bn: DKK, NOK, PLN, ILS, HKD, MYR
- 4.16bn: SEK
- 8.3bn: CNY
- 16.6bn: MXN, CZK, THB
- 33.3bn: RUB
- 833.3mn: NZD, SGD
- 333.3bn: HUF
- 166.6bn: CLP
- 833.3bn: KRW
- 1.6trn: COP
- 3.3trn: IDR

Maturity
- At least one year until final maturity, regardless of optionality.
- MBS must have a weighted average maturity of at least one year. CMBS and ABS must have a remaining average life of at least one year.
- Bonds that convert from fixed to floating rate, including fixed-to-float perpetuals, will exit the index one year prior to conversion to floating-rate. Fixed-rate perpetuals are not included.
- Sub-indices based on maturity are inclusive of lower bounds. Intermediate maturity bands include bonds with maturities of 1 to 9.999 years. Long maturity bands include maturities of 10 years or greater.

Taxability
- Only fully taxable issues are eligible.
- Build America Bonds (BAB) with the tax credit to the issuer are eligible; those with tax credits issued to investors are considered tax exempt.
- Dividend Received Deduction (DRD) and Qualified Dividend Income (QDI) eligible securities are excluded.

Market of Issue   Publicly issued in the global and regional markets.

Seniority of Debt   Senior and subordinated issues are included.

Security Types

Included

- Bullet, putable, sinkable/amortizing and callable bonds
- Taxable municipal securities, including Build America Bonds (BABs)
- Original issue zero coupon bonds
- Bonds issued through underwritten MTN programs
- Enhanced equipment trust certificates (EETC)
- Certificates of deposit
- Fixed-rate and fixed-to-float (including fixed-to-variable) capital securities
- Loan participation notes (as of April 1, 2013)
- US agency CMBS (as of July 1, 2014)
- Malaysian government Sukuk (as of April 1, 2015)
- Covered bonds
- CNY treasury and policy bank debt (as of April 1, 2019)

Excluded

- Contingent capital securities, including traditional CoCos and contingent write-down securities, with explicit capital ratio or solvency/balance sheet-based triggers
- Bonds with equity type features (eg, warrants, convertibles, preferreds, DRD/QDI-eligible issues)
- Tax-exempt municipal securities
- Inflation-linked bonds, floating-rate issues
- Fixed-rate perpetuals
- Private placements, retail bonds
- Sinkable Russian OFZ bonds issued prior to 2009
- USD 25/USD 50 par bonds
- Structured notes, pass-through certificates
- Non-ERISA eligible CMBS, US agency MBS hybrid ARMs
- Illiquid securities where reliable pricing is unavailable
- Formosa bonds (as of April 1, 2017)

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, except CHF-denominated bonds, which are priced by SIX, and JPY-denominated corporates, which are priced by Japan Securities Dealers Association (JSDA).

Timing Prices are snapped at the following times:

- North American currency bonds: 4pm (New York time); 4pm (Toronto time) for CAD-denominated securities. USD-denominated bonds prior to January 14, 2021 used 3pm New York time pricing snap.

- Pan European currency bonds: 4:15pm (London time); 4pm (London time) for CHF-denominated securities.

- Asian currency bonds: 5pm (Sydney time) for AUD-denominated and NZD-denominated securities; 3pm (Tokyo time) for JPY-denominated; 5 p.m. (Shanghai time) for CNY-denominated securities; 5pm (Tokyo time) for all other securities.

If the last business day of the month is a public holiday in a major regional market, prices from the previous business day are used to price bonds in the particular market.

Bid or Offer Side Bonds in the index are priced on the bid side. The initial price for new corporate issues entering the index is the offer side; after the first month, the bid price is used. Japanese, Euro and Sterling treasury bonds use mid prices.

Settlement Assumptions T+1 calendar day settlement basis for all bonds except MBS, which use same-day settlement. At month-end, settlement is assumed to be the first calendar day of the following month, even if the last business day is not the last day of the month, to allow for one full month of accrued interest to be calculated.

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 non-USD 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 Global Aggregate (500MM) Index is a global, multi-currency index that is generated every business day of the year except for January 1, the only holiday common to all regional calendars. During holidays observed by local markets, the index will still be generated using prices from the previous business day. FX rates are updated daily using WM Reuters 4pm (London) rates. FX forwards are also sourced from WM Company.

Accessing Index Data

Bloomberg Terminal®
Bloomberg benchmarks are the global standard for capital markets investors.

- 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 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
LGA5TRUU: Total Return USD Unhedged

Index Licensing

Bloomberg requires index data licenses for services and products linked to the Indices

- Index or Constituent-Level Redistribution
- Exchange Traded Notes (ETNs)
- OTC Derivative Products

- Bond Pricing Service
- Index-Linked Insurance Products
- Custom Index Solutions

- Exchange Traded Funds (ETFs)
- Mutual Funds
- Separately Managed Accounts (SMAs)

Disclaimer

Take the next step.
For additional information,
email indexhelp@bloomberg.net
or press the <HELP> key twice
on the Bloomberg Terminal*

bloomberg.com/indices

Beijing +86 10 6649 7500	**Hong Kong** +852 2977 6000	**New York** +1 212 318 2000	**Singapore** +65 6212 1000
Dubai +971 4 364 1000	**London** +44 20 7330 7500	**San Francisco** +1 415 912 2960	**Sydney** +61 2 9777 8600
Frankfurt +49 69 9204 1210	**Mumbai** +91 22 6120 3600	**São Paulo** +55 11 2395 9000	**Tokyo** +81 3 4565 8900