

# US 1-5 Year Credit Select Index

The Bloomberg Barclays US 1-5 Year Credit Select Bond Index tracks the USD-denominated, fixed-rate, taxable corporate, government-related and sovereign bonds. The index contains 60% equally weighted sovereign debt from select markets and 40% corporate and government-related debt from select issuers capped at 10% weight per issuer. All eligible bonds have between 1 and 5 years to maturity. Sukuk bonds are excluded. The US 1-5 Year Credit Select Index is a subset of the US Universal Index. The index was launched in November 2018, with index history backfilled to November 1, 2013.

## Rules for Inclusion

<b>Eligible Currencies</b>	Principal and interest must be denominated in USD.	
<b>Amount Outstanding</b>	USD500mn minimum par amount outstanding.	
<b>Coupon</b>	Fixed-rate coupon only.	
<b>Maturity</b>	Between 1 and 5 years until final maturity.	
<b>Non-Sovereign Ticker Eligibility</b>	VALEBZ, CDEL, CMPCCI, ECOPET, BHARTI, PERTIJ, PEMEX, CFELEC, GAZPRU, LUKOIL, SABIC, ENELIM, UCGIM, ENIIM, BBVASM, TELEFO, & SANTAN	
<b>Sovereign Country Eligibility</b>	South Africa, Italy, Romania, Columbia, Mexico, Brazil, Russia, Saudi Arabia, Indonesia, & Turkey	
<b>Taxability</b>	<ul style="list-style-type: none"> <li>Only fully taxable issues are eligible.</li> <li>Dividend Received Deduction (DRD) and Qualified Dividend Income (QDI) eligible securities are excluded.</li> </ul>	
<b>Market of Issue</b>	<ul style="list-style-type: none"> <li>Global and Eurodollar bonds are included.</li> <li>SEC registered and exempt securities are included.</li> </ul>	
<b>Security Types</b>	<b>Included</b> <ul style="list-style-type: none"> <li>Original issue zero coupon bonds</li> <li>Underwritten MTN</li> </ul>	<b>Excluded</b> <ul style="list-style-type: none"> <li>Contingent capital securities, including traditional CoCos and contingent write-down securities, with explicit capital ratio or solvency/balance sheet-based triggers</li> <li>Bonds with equity type features (eg, warrants, convertibles, preferreds, DRD/QDI-eligible issues)</li> <li>Inflation-linked bonds, floating-rate issues</li> <li>Taxable and tax-exempt municipal securities, covered bonds</li> <li>Private placements, retail bonds</li> <li>USD25/USD50 par bonds</li> <li>Structured notes, pass-through certificates</li> <li>Illiquid securities with no available internal or third-party pricing source</li> <li>Sukuk issues</li> </ul>

## Rebalancing Rules

<b>Issuer Capping Methodology</b>	All issuers that exceed 10% of the market value of the uncapped corporate and government-related subset of the US 1–5 Year Credit Select Index are limited at 10%. The excess market value over the 10% cap will be redistributed on a pro rata basis to all issuers' bonds in the subset that are under the 10% cap. The process is repeated until no issuer exceeds the 10% limit. For example, a issuer that represents 11% of the uncapped subset will have 1% of the subset's market value redistributed to each bond from all countries under the 10% cap on a pro rata basis. The 10% issuer cap is applied each month as the index is rebalanced.
<b>Frequency</b>	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. 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.
<b>Index Changes</b>	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 Universes 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.
<b>Reinvestment of Cash Flows</b>	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.
<b>New Issues</b>	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

<b>Sources &amp; Frequency</b>	Bonds are priced on a daily basis by Bloomberg's evaluated pricing service, BVAL.
<b>Pricing Quotes</b>	Bonds are marked on a dollar price basis.
<b>Timing</b>	<ul style="list-style-type: none"> <li>• 3pm (New York time).</li> <li>• On early market closes, prices are taken as of 1pm (New York time), unless otherwise noted.</li> <li>• If the last business day of the month is a public holiday, prices from the previous business day are used.</li> </ul>
<b>Bid or Offer Side</b>	Bonds in the index are priced on the bid side. The initial price for new issues entering the index is the offer side; after the first month, the bid price is used.
<b>Settlement Assumptions</b>	T+1 calendar day settlement basis for all bonds. 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.
<b>Verification</b>	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.
<b>Calendar</b>	The US 1–5 Year Credit Select Index follows the US bond market holiday schedule.

## Monthly Returns in USD, 2013-2018(%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013	–	–	–	–	–	–	–	–	–	0.86	0.22	0.10	1.18
2014	0.43	0.81	-0.21	0.42	1.33	0.20	-0.18	0.38	-0.70	0.82	0.00	-1.48	1.80
2015	0.44	1.27	0.74	0.73	0.42	-0.27	0.20	-0.32	-0.30	1.04	-0.28	-1.06	2.62
2016	0.40	1.22	1.98	0.94	-0.07	1.70	0.39	0.53	0.28	-0.06	-1.48	0.60	6.57
2017	0.74	0.99	0.14	0.54	0.50	0.09	0.72	0.62	0.02	0.07	-0.05	0.16	4.62
2018	-0.21	-0.56	0.09	-0.37	-0.30	0.12	0.72	-0.51	0.74	-0.54	0.14	–	-0.68

## Accessing Index Data

<b>Bloomberg Terminal®</b>	<p>Bloomberg benchmarks are the global standard for capital markets investors.</p> <ul style="list-style-type: none"> <li>INDEX&lt;Go&gt; – The Bloomberg Indices landing page is a dashboard for index-related information on the Terminal. Find daily and monthly index returns for key indices from each index family as well as index publications including methodologies, factsheets, monthly reports, updates and alerts.</li> <li>IN&lt;Go&gt; – 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.</li> <li>PORT&lt;Go&gt; – Bloomberg's Portfolio &amp; 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.</li> <li>DES&lt;Go&gt; – The index description page provides transparency into an individual index including membership information, aggregated characteristics and returns, and historical performance.</li> </ul>
<b>Bloomberg Indices Website</b> ( <a href="http://www.bloomberg.com/professional/product/indices">www.bloomberg.com/professional/product/indices</a> )	<p>The index website makes available limited index information including:</p> <ul style="list-style-type: none"> <li>Index methodology and factsheets</li> <li>Current performance numbers for select indices</li> </ul>
<b>Data Distribution</b>	<p>Index subscribers may choose to receive index data in files. Files may include:</p> <ul style="list-style-type: none"> <li>Index level and/or constituent level returns and characteristics for any indices</li> <li>Automatic delivery of files via email or SFTP following the completion of the index production process after market close</li> <li>Clients may receive standard files or may customize file contents</li> <li>Index data is also available via authorized redistributors</li> </ul>

## Bloomberg Total Return Index Value Ticker: US 1-5 Year Credit Select

**Ticker (USD Unhedged) Index**

I34363US

US 1–5 Year Credit Select

Total Return Index Values are available in other currencies and on a hedged basis. Attributes such as yield and duration, are also available. Please refer to Accessing Bloomberg Barclays Index Data Using Bloomberg Tickers for a full list of tickers and attributes that are available.

## Index Licensing

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