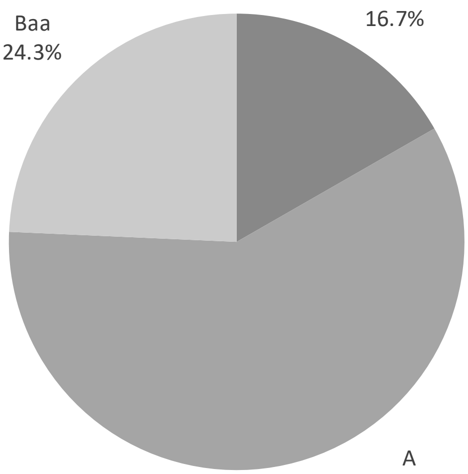
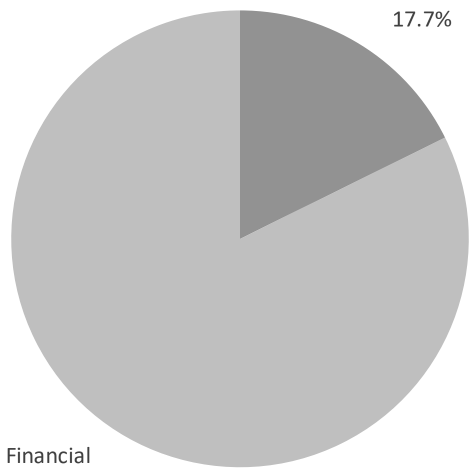
Bloomberg Barclays MSCI Euro Corporate Liquid FRN 0-7 Year SRI Sustainable Index

The Bloomberg Barclays MSCI Euro Corporate Liquid FRN 0-7 Year SRI Sustainable Index is a fixed-rate, investment-grade corporate bond benchmark that follows the rules of the Bloomberg Barclays Euro FRN Corporate Index and applies additional sector and ESG criteria for security eligibility. The index includes issuers with MSCI ESG Ratings of BBB or higher and negatively screens issuers that are involved in business activities that are restricted because they are inconsistent with certain values-based business involvement criteria, including activities related to controversial military weapons, and those issuers with a "red" MSCI ESG Controversy Score. Additionally, the index excludes issuers from emerging markets and limits the exposure of each issuer to 5% of the total market value of the index, redistributing excess market value index-wide on a pro rata basis. The index was created in June 2019, with history backfilled to April 2013.

Composition by Quality (MV%) – August 31, 2020



Composition by Sector (MV%) – August 31, 2020



Rules for Inclusion

Sector	Corporate (industrial, utility and financial institutions) issuers only from developed markets.
Eligible Currencies	Principal and interest must be denominated in EUR.
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: • Expected ratings at issuance may be used to ensure timely index inclusion or to properly classify split−rated issuers. • 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.
Amount Outstanding	EUR500mn minimum par amount outstanding.

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Coupon	3-month EURIBOR-based fixed spread securities.	
Maturity	At least one month and up to, but not including, seven years until final maturity, regardless of optionality.	
Seniority of Debt	Senior and subordinated issues are included.	
Market of Issue	Fully taxable, publicly issued in the global and regional markets.	
Security Types	Included • Floating Rate Notes (Euribor-linked)	Excluded • Nominal Treasury, government related and securitized bonds • Inflation-linked bonds • Private placements and retail bonds • Financials • Emerging Market Issuers

Environment, Social, and Governance (ESG) Rules

MSCI ESG Rating	• Securities must have an MSCI ESG Rating of BBB or higher. • Unrated issuers from sectors with ratings are excluded. • Ratings are applied at the ticker level. Every bond within the same ticker will have the same MSCI ESG Rating. • MSCI ESG Ratings are generally updated annually, but may be reviewed more frequently as needed.
Business Involvement Screens	The index excludes issuers involved in the following business lines/activities as per the standard Barclays MSCI SRI screen: • Alcohol • Tobacco • Gambling • Adult Entertainment • Genetically Modified organisms (GMO) • Nuclear Power • Civilian Firearms • Military Weapons o Landmine Manufacturing o Cluster Bomb Manufacturing o Depleted Uranium Weapons o Chemical and Biological Weapons Components From October 2020, the index additionally excludes issuers with greater than 5% revenue from the business activities related to: o Thermal Coal o Generation of Thermal Coal o Unconventional Oil and Gas o Arctic Gas o Arctic Oil Involvement is defined for each restricted activity and may be based on % of revenue, total revenue, or any tie regardless of revenue (see page 15 for standard screen threshold in ESG Methodology).
MSCI ESG Controversy Score	Excludes any issuer with a "Red" MSCI ESG Impact Monitor score (less than 1), which measures an issuer's involvement in major ESG controversies and how well they adhere to international norms and principles.

Rebalancing Rules

Issuer Capping	Issuers that exceed 5% of the market value of the uncapped Euro Corporate Liquid 0–7 FRN Index are limited to 5%. The excess market value over the 5% cap will be redistributed on a pro rata basis to all other issuers' bonds in the index that are under the 5% cap. The process is repeated until no issuers exceeds the 5% limit.
Frequency	For each index, Bloomberg maintains two universes of securities: the Returns (Backward) and the Statistics (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, ticker changes, etc.) are reflected daily in both the Statistics and Returns Universe of the index. These changes may cause bonds to enter or fall out of the Statistics 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/announced, but not necessarily settled, on or before the month–end rebalancing date, qualify for inclusion in the following month's index if 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	Bonds can be quoted in a variety of ways, including nominal spreads over benchmark securities/treasuries, or direct price quotes as a percentage of par. For securities quoted on a spread basis, daily security price changes will result from movements in the underlying treasury curve and/or changes in the quoted spread. Prices from third–party sources are quoted as a percentage of par.
Timing	• 4.15pm (London time). • On early market closes, prices are taken as of 12pm (London time), unless otherwise noted. • If the last business day of the month is a public holiday, prices from the previous business day are used.
Bid or Offer Side	Bonds in the index are priced on the bid side.
Settlement Assumptions	• T+1 calendar day settlement basis. • 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. Index users may also challenge price levels, which are then reviewed and updated as needed using input from various sources.
Calendar	The Euro Corporate Liquid FRN 0–7 Year SRI Sustainable Index follows the UK market holiday schedule.

Monthly Returns in EUR, 2013-2020 (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013	-	-	0.09	0.17	0.14	-0.02	0.15	0.15	0.08	0.18	0.08	0.04	0.96
2014	0.15	0.15	0.06	0.09	0.11	0.12	0.13	0.14	0.10	0.01	0.04	0.00	1.09
2015	0.10	0.16	0.02	0.07	0.02	-0.19	0.09	0.04	-0.25	0.01	0.07	0.02	0.15
2016	-0.02	-0.04	0.15	0.13	0.04	-0.03	0.12	0.12	0.02	0.05	0.00	0.01	0.53
2017	0.08	0.05	0.00	0.03	0.05	0.05	0.08	0.01	0.09	0.06	0.02	0.00	0.52
2018	0.04	-0.07	-0.20	0.01	-0.39	-0.09	0.18	-0.05	0.04	-0.13	-0.56	-0.11	-1.33
2019	0.30	0.28	0.16	0.24	-0.14	0.14	0.15	0.03	-0.01	-0.01	-0.01	0.03	1.16
2020	0.07	-0.08	-2.53	1.08	0.45	0.60	0.31	0.17	-	-	-	-	0.03

Accessing Index Data

Bloomberg Terminal®	Bloomberg benchmarks are the global standard for capital markets investors. • INDEX<Go> – The Bloomberg Indices Introduction 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. • 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. • PORT<Go> – Bloomberg's Portfolio & Risk Analytics solution includes tools to analyze the risk, return, and current structure of indices. PORT includes tools to analyze performance of a portfolio versus a benchmark as well as models for performance attribution, tracking error analysis, value-at-risk, scenario analysis, and optimization. • DES<Go> – The index description page provides transparency into the current and projected index universe including membership information, aggregated characteristics and returns, and historical data.
Bloomberg Indices Website (www.bloomberg.com/professional/product/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	I34981EU : Total Return EUR Unhedged

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