

# US Treasury 20+ Year Index

The Bloomberg US Treasury 20+ Year Index measures the performance of US dollar-denominated, fixed-rate, nominal debt issued by the US Treasury with a maturity greater than 20 years. STRIPS are excluded from the index because their inclusion would result in double-counting. The US Treasury 20+ Year Index is a sub-set of the US Treasury Index, which is a component of the US Aggregate, Global Aggregate, and Global Treasury Indices. The index inception date is February 1, 1992.

## Rules for Inclusion

|                     |  |   |
|---------------------|--|---|
| Eligible Currencies | Principal and interest must be denominated in USD.   |   |
| Quality             | <p>Securities must be rated investment grade (Baa3/BBB-/BBB- or higher) using the middle rating of Moody’s, S&amp;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:</p> <ul style="list-style-type: none"><li>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.</li></ul> |   |
| Amount Outstanding  | <ul style="list-style-type: none"><li>USD300mn minimum par amount outstanding.</li><li>US Treasuries held in the Federal Reserve SOMA account (both purchases at issuance and net secondary market transactions) are deducted from the total amount outstanding. New issuance bought at auction by the Federal Reserve does not enter the index. Net secondary market purchases/sales are adjusted in the Projected Universe of the index weekly, typically on Fridays, and in the Returns Universe once a month, based on the amount outstanding in the Projected Universe at prior month-end.<sup>1</sup></li></ul>          |   |
| Coupon              | <ul style="list-style-type: none"><li>Fixed-rate coupon.</li><li>Original zero-coupon issues are included.</li></ul>   |   |
| Maturity            | Eligible bonds should have a maturity of 20 years or greater.  |   |
| Security Types      | Included <ul style="list-style-type: none"><li>Public obligations of the US Treasury</li><li>Bullet, putable, sinkable/amortizing and callable bonds</li><li>Original issue zero coupons</li></ul>   | Excluded <ul style="list-style-type: none"><li>US Treasuries held in the Federal Reserve SOMA account</li><li>Inflation-linked bonds, floating-rate bonds</li><li>STRIPS, Treasury bills, bellwethers</li></ul> |

<sup>1</sup> All float adjustment updates to the US Treasury amount outstanding in the Projected Universe are made on or prior to T-3 (3 business days before month-end using the U.S. calendar). Further details about indices’ treatment of SOMA holdings of US Treasuries can be found in this [note](#).

- State and local government series (SLG) bonds

## Rebalancing Rules

|                                   |   |
|-----------------------------------|---|
| <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 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. |
| <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 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.   |
| <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> | Index-eligible bonds are priced on a daily basis by Bloomberg's evaluated pricing service, BVAL.  |
| <b>Pricing Quotes</b>          | Bonds are quoted as percentage of par.  |
| <b>Timing</b>                  | <ul style="list-style-type: none"> <li>• Prior to January 14, 2021, bonds are priced at 3 p.m. (New York time). On early market closes, prices are taken as of 1 p.m. (New York time), unless otherwise noted.</li> <li>• From January 14, 2021, and onwards, bonds are priced at 4 p.m. (New York time). On early market closes, prices are taken as of 1 p.m. (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.  |
| <b>Settlement Assumptions</b>  | <ul style="list-style-type: none"> <li>• T+1 calendar day settlement basis for all bonds.</li> <li>• 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.</li> </ul>  |

**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 the US Treasury 20+ Year Index. 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 US Treasury 20+ Year Index follows the US bond market holiday schedule.

## Accessing Index Data

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

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- 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.
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**Index Ticker** LT11TRUU: Total Return USD Unhedged

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