

US Treasury Floating Rate Bond Index (BUSYFL)

The Bloomberg US Treasury Floating Rate Bond Index (BUSYFL) measures the performance of floating rate bonds issued by the US Treasury and have a maturity greater than or equal to 1 year. With variable coupon resets, US Treasury Floating Rate securities are ineligible for other flagship indices such as the US Aggregate, Global Aggregate, US Treasury, and US Short Treasury Indices that include fixed-rate securities only. The inception date of this index is February 1, 2014, which coincides with the first bond issued under the floating rate program.

Rules for Inclusion

Sector	US Treasury Floating Rate bonds are classified as Treasuries. No distinction is made between nominal, inflation-linked, T-bill, or floating rate bonds for sector classification purposes.
Quality	No minimum credit quality.
Amount Outstanding	USD250mn or greater. US Treasuries held in the Federal SOMA account are deducted from the total amount outstanding.
Coupon	Only floating rate coupons are eligible.
Maturity	US Treasury Floating Rate securities must have a maturity of one year or greater.

Floating Rate Coupon and Accrued Interest Calculations

- Interest payments on US Treasury Floating Rate securities are made on a quarterly basis with a cumulative daily interest accrual calculated from an interest rate that floats based on daily changes in a representative index rate.
- Accrued interest for an index eligible bond during the floating rate coupon **Accrual Period** is calculated daily from the **Index Rate** plus a **Spread**, divided by 360, subject to a minimum of zero. Daily accruals are summed in the accrual period to determine the coupon paid.

Where:

- Accrual Period** = time between dated date or last interest payment date to the current date, excluding the next interest or maturity date
- Index Rate** = the High Rate from the 13-week T-bill auction converted to a simple-interest money market yield on an actual/360 basis
- Spread** = determined in the security's initial auction; expressed in tenths of a basis point
- Minimum Daily Interest Accrual** = 0.000 percent
- Day Count**: Actual/360
- Lock Out Period**: The two business days preceding an FRN Issue Date or an FRN Interest Date. A 13-week Treasury bill auction whose rate becomes effective in the two business day Lock Out Period prior to an FRN Issue Date or FRN Interest Date shall be ignored for purposes of calculating the interest accrual on that FRN for that day. Instead,

the rate in effect for the Lock Out Period will be from the most recent 13-week Treasury bill auction result that occurred prior to the start of the Lock Out Period.

For details on US Treasury floating rate bond mechanics, please see the TreasuryDirect website at www.treasurydirect.gov.

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. 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.
Timing	<ul style="list-style-type: none"> • 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. • 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 2 p.m. (New York time), unless otherwise noted. • If the last business day of the month is a US 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.
Calendar	The US Treasury Floating Rate Bond Index (BUSYFL) follows the US bond market holiday schedule.

Accessing Index Data

Bloomberg Terminal®	<p>Bloomberg benchmarks are the global standard for capital markets investors.</p> <ul style="list-style-type: none"> • 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)	<p>The index website makes available limited index information including:</p> <ul style="list-style-type: none"> • Index methodology and factsheets • Current performance numbers for select indices
Data Distribution	<p>Index subscribers may choose to receive index data in files. Files may include:</p> <ul style="list-style-type: none"> • 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	BUSYFL or I37110US: Total Return USD Unhedged

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