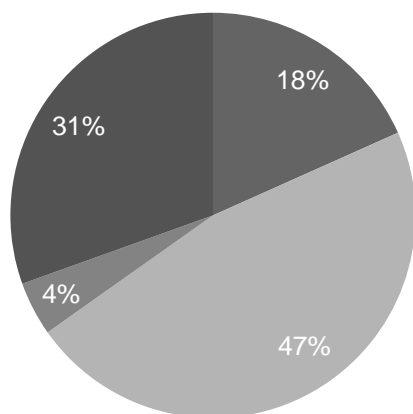


# US Intermediate Credit Index

The Bloomberg Barclays US Intermediate Credit Index measures the investment grade, US dollar-denominated, fixed-rate, taxable corporate and government-related bond markets with a maturity greater than 1 year and less than 10 years. It is composed of the US Corporate Index and a non-corporate component that includes non-US agencies, sovereigns, supnationals and local authorities constrained by maturity. The US Intermediate Credit Index is a subset of the US Credit Index which feeds into the US Government/Credit Index and US Aggregate Index. Index history is available back to 1973.

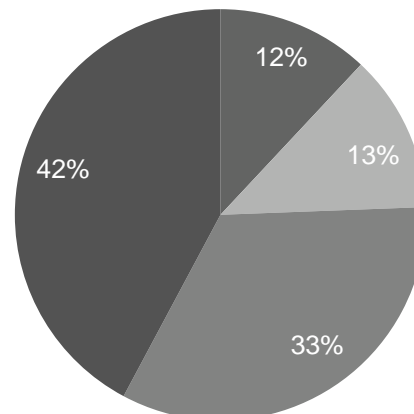
Composition by Sector (MV%) - October 2016

■ Gov-Related ■ Industrials ■ Utilities ■ Financial Institutions



Composition by Quality (MV%) - October 2016

■ Aaa ■ Aa ■ A ■ Baa



Note: October 2016 data is as of October 31.

## Rules for Inclusion

<b>Sector</b>	<ul style="list-style-type: none"> <li>• Corporate (industrial, financial institutions, utility).</li> <li>• Government-related (foreign agencies, sovereign, supranational and local authority, including taxable municipalities).</li> <li>• Under the indices' classification schema, an issuer is classified as government-related (as opposed to corporate) if it is 50% or more government owned, carries a government guarantee or is government sponsored.</li> </ul>
<b>Eligible Currencies</b>	Principal and interest must be denominated in USD.
<b>Quality</b>	<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>• Expected ratings at issuance may be used to ensure timely index inclusion or to properly classify split-rated issuers.</li> <li>• 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.</li> </ul>
<b>Amount Outstanding</b>	All securities must have USD250mn minimum par amount outstanding.
<b>Coupon</b>	<ul style="list-style-type: none"> <li>• Fixed-rate coupon.</li> <li>• Fixed-to-floating rate bonds are eligible during their fixed-rate term only.</li> <li>• Bonds with a step-up coupon that changes according to a predetermined schedule are eligible.</li> </ul>

## Rules for Inclusion

<b>Maturity</b>	<ul style="list-style-type: none"> <li>Eligible bonds must have a maturity between 1 to 9.999 years.</li> <li>At least one year until final maturity, regardless of optionality.</li> <li>Bonds that convert from fixed to floating rate, including fixed-to-float perpetual, will exit the index one year prior to conversion to floating-rate. Fixed-rate perpetuals are not included.</li> </ul>				
<b>Market of Issue</b>	<ul style="list-style-type: none"> <li>SEC-registered securities, bonds exempt from registration at the time of issuance and SEC Rule 144A securities with registration rights are eligible. A security with both SEC Regulation-S (Reg-S) and SEC Rule 144A tranches is treated as one security for index purposes. The 144A tranche is used to prevent double-counting and represents the combined amount outstanding of the 144A and Reg-S tranches.</li> <li>Global bonds are included.</li> <li>Bonds that were previously SEC-registered or 144A with registration rights but later deregistered by the issuer remain index eligible.</li> </ul>				
<b>Seniority of Debt</b>	Senior and subordinated issues are included.				
<b>Taxability</b>	<ul style="list-style-type: none"> <li>Only fully taxable issues are eligible.</li> <li>Build America Bonds (BAB) with the tax credit to the issuer are eligible; those with tax credits issued to investors are considered tax exempt.</li> <li>Dividend Received Deduction (DRD) and Qualified Dividend Income (QDI) eligible securities are excluded.</li> </ul>				
<b>Security Types</b>	<table border="0"> <thead> <tr> <th>Included</th> <th>Excluded</th> </tr> </thead> <tbody> <tr> <td> <ul style="list-style-type: none"> <li>Bullet, putable, sinkable/amortizing and callable bonds</li> <li>Taxable municipal securities, including Build America Bonds (BAB)</li> <li>Original issue zero coupon and underwritten MTN</li> <li>Enhanced equipment trust certificates (EETC)</li> <li>Certificates of deposit</li> <li>Fixed-rate and fixed-to-float (including fixed-to-variable) securities</li> </ul> </td> <td> <ul style="list-style-type: none"> <li>Contingent capital securities, including traditional CoCos and contingent write-down securities</li> <li>Bonds with equity type features (eg, warrants, convertibles, preferreds, DRD/QDI-eligible issues)</li> <li>Tax-exempt municipal securities</li> <li>Inflation-linked bonds, floating-rate issues</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> </ul> </td> </tr> </tbody> </table>	Included	Excluded	<ul style="list-style-type: none"> <li>Bullet, putable, sinkable/amortizing and callable bonds</li> <li>Taxable municipal securities, including Build America Bonds (BAB)</li> <li>Original issue zero coupon and underwritten MTN</li> <li>Enhanced equipment trust certificates (EETC)</li> <li>Certificates of deposit</li> <li>Fixed-rate and fixed-to-float (including fixed-to-variable) securities</li> </ul>	<ul style="list-style-type: none"> <li>Contingent capital securities, including traditional CoCos and contingent write-down securities</li> <li>Bonds with equity type features (eg, warrants, convertibles, preferreds, DRD/QDI-eligible issues)</li> <li>Tax-exempt municipal securities</li> <li>Inflation-linked bonds, floating-rate issues</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> </ul>
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<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

Sources & Frequency	All index-eligible bonds are priced daily by BVAL <sup>1</sup>
Pricing Quotes	Bonds can be quoted in a variety of ways, including nominal spreads over benchmark securities/Treasuries, spreads over swap curves, 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 curve (swap or Treasury) and/or changes in the quoted spread. Prices from third-party sources are quoted as a percentage of par.
Timing	<ul style="list-style-type: none"> <li>• 3pm (New York time) for all securities except taxable municipal bonds which use 4pm (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>
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.
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 to identify outliers. Index users may also challenge price levels, which are then reviewed and updated as needed using input from various sources.
Currency Hedging	Returns hedged to various non-USD currencies are published for the US Intermediate Credit 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 Intermediate Credit Index follows the US bond market holiday schedule.

## Monthly Returns in USD, 2007-2016 (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2007	0.07	1.61	0.01	0.55	-0.77	-0.18	0.48	0.86	0.70	0.94	1.07	0.16	5.60
2008	1.77	0.52	-0.99	0.20	-0.66	-0.54	-0.32	0.65	-5.90	-4.19	3.00	4.10	-2.76
2009	1.16	-1.35	0.16	2.66	2.96	1.78	3.02	1.60	1.37	0.83	1.56	-0.77	15.93
2010	1.56	0.45	0.34	1.17	-0.22	1.45	1.81	1.32	0.90	0.70	-0.86	-1.06	7.75
2011	0.60	0.38	0.01	1.42	1.13	-0.34	1.68	0.07	-0.80	1.20	-1.32	1.27	5.37
2012	1.99	0.67	-0.17	0.94	0.11	0.47	1.68	0.47	0.72	0.72	0.18	0.05	8.10
2013	-0.33	0.62	0.18	0.97	-1.36	-1.91	0.66	-0.59	0.94	1.05	0.06	-0.42	-0.17
2014	1.09	0.68	-0.14	0.76	1.00	0.02	-0.16	0.84	-0.78	0.71	0.50	-0.41	4.16
2015	1.78	-0.42	0.42	0.05	-0.06	-0.93	0.29	-0.31	0.56	0.25	-0.14	-0.56	0.90
2016	0.64	0.48	1.57	0.73	-0.07	1.46	0.66	0.03	0.08	-0.32	—	—	5.35

## Index History

June 1, 2014	Global classification scheme modified to incorporate new sectors, sector name changes and sector retirements.
April 1, 2013	Loan Participation Notes (LPNs) eligible for the index.

<sup>1</sup> Prior to 14 October 2016, index-eligible bonds were priced by Barclays market makers and other third-party sources.

December 19, 2016

January 1, 2008	Fixed-to-floating rate perpetual securities without a coupon step-up on their first call date eligible for inclusion.
July 1, 2005	Fitch ratings added to Moody's and S&P to determine index eligibility and classification.
January 1, 2005	Index sector classification scheme moves from a three-pillar structure (government, credit, securitized) to a more globally consistent four-pillar structure (treasury, government-related, corporate and securitized).
July 1, 2004	Liquidity constraint raised to USD250mn from USD 200mn.
October 1, 2003	Liquidity constraint raised to USD 200mn from USD150mn. Capital and senior unsecured securities with fixed-to-variable coupons, and taxable municipal bonds added to the index. Lower of Moody's and S&P rating used to determine index eligibility instead of Moody's only for split-rated issuers.
July 1, 2000	US Corporate Index renamed the US Credit Index. All Yankee corporates absorbed into their respective industry and sector classifications.144A bonds with registration rights added to the index.
July 1, 1999	Liquidity constraint raised to USD150mn from USD100mn.
January 1, 1994	Liquidity constraint raised to USD100mn from USD50mn.
January 1, 1992	Liquidity constraint raised to USD50mn from USD25mn. Bullet asset backed issues moved from the finance sector of the US Corporate Index to the US ABS Index.
August 1, 1988	Liquidity constraint raised to USD25mn from USD1mn.
January 1, 1973	Inception date of the US Credit Index (originally named the US Corporate Index).

## Sub-indices and Index Customizations

Bloomberg publishes numerous sub-indices of flagship indices and bespoke benchmarks created for specific index users. Several types of bespoke indices are available to select or customize the most appropriate benchmark for specific portfolio needs:

Sub-Index Type	Description	Examples
Enhanced Constraint	Applies a more or less stringent set of constraints to any existing index.	<ul style="list-style-type: none"><li>US Credit ex Baa</li></ul>
Composites	Investors assign their own weights to sectors or other index sub-components within an overall index.	<ul style="list-style-type: none"><li>50% US Credit; 50% MBS</li></ul>
Issuer Constrained	Indices that cap issuer exposure to a fixed percentage. Options available for applying issuer caps and redistributing excess MV to other issuers.	<ul style="list-style-type: none"><li>US Credit 2% Issuer Capped Index</li></ul>
ESG Screened/Weighted	Applies Environmental, Social and Governance filters and/or tilts to a standard index.	<ul style="list-style-type: none"><li>Barclays MSCI US Credit Socially Responsible Index</li></ul>
Mirror Futures Index (MFI)	An index consisting of 14 funded futures contracts weighted to match closely the beginning-of-month OAD of the index.	<ul style="list-style-type: none"><li>US Credit Mirror Futures Index</li></ul>
Duration Hedged	Indices constructed to reflect the underlying return of an index with its duration fully or partially hedged using its MFI.	<ul style="list-style-type: none"><li>US Credit Duration Hedged Index</li></ul>

## Accessing Index Data

## Accessing Index Data

Bloomberg Professional® service	<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>
Bloomberg Indices Website (www.bloombergindices.com)	<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>
Data Distribution	<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>
Index Ticker	<ul style="list-style-type: none"> <li>LUICTRUU: Total Return USD Unhedged</li> </ul>

## Bloomberg Total Return Index Value Tickers: US Credit and Related Indices

Ticker (USD Unhedged)	Index	Ticker (USD Unhedged)	Index
LUCRTRUU	US Credit	LDA1TRUU	US Credit A
LUICTRUU	US Intermediate Credit	LDA2TRUU	US Credit Aa
LULCTRUU	US Long Credit	LDA3TRUU	US Credit Aaa
LD01TRUU	US Credit 1-3 Year	LDB1TRUU	US Credit Baa
LD18TRUU	US Credit 1-5 Year	LUANTRUU	US Credit Non-Corporate
LD26TRUU	US Credit 5-10 Year	LUACTRUU	US Corporate

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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