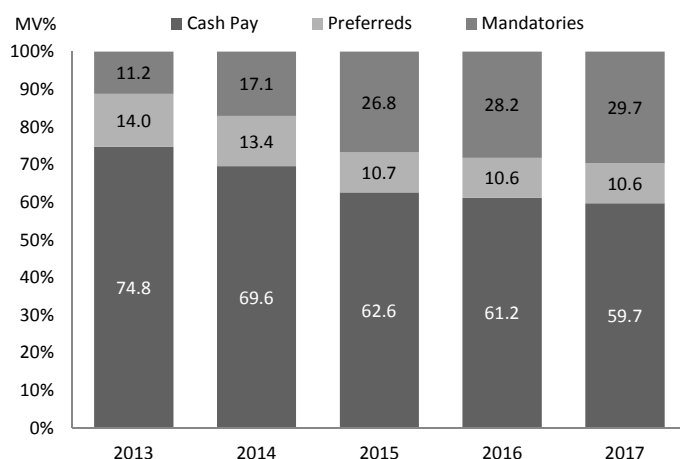


US Convertible Bond > \$500MM Index

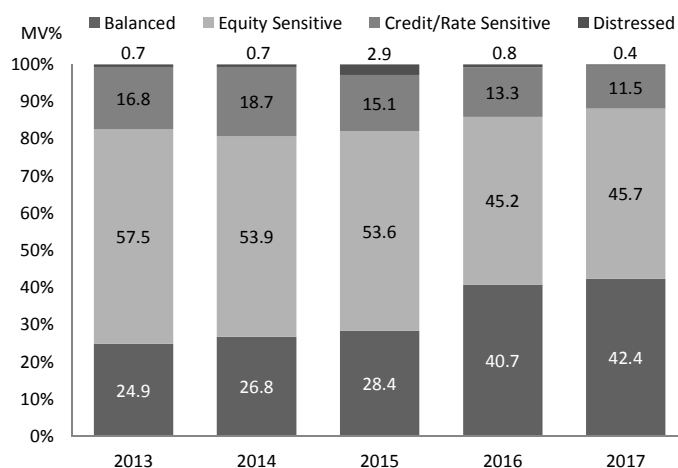
The Bloomberg Barclays US Convertible Bond > \$500MM Index tracks the performance of USD-denominated convertible securities with minimum amount outstanding of \$500mn. These bonds offer upside participation with an equity component (usually a non-detachable common stock warrant) and downside protection with a fixed income component (usually a bond or preferred stock) and can offer various degrees of equity exposure. The index is a subcomponent of the Bloomberg Barclays US Convertibles Index and was created in 2003.

Historical Composition by Security Type (MV%) - Trailing 5 Years*



*Note: 2017 data are as of February 2017.

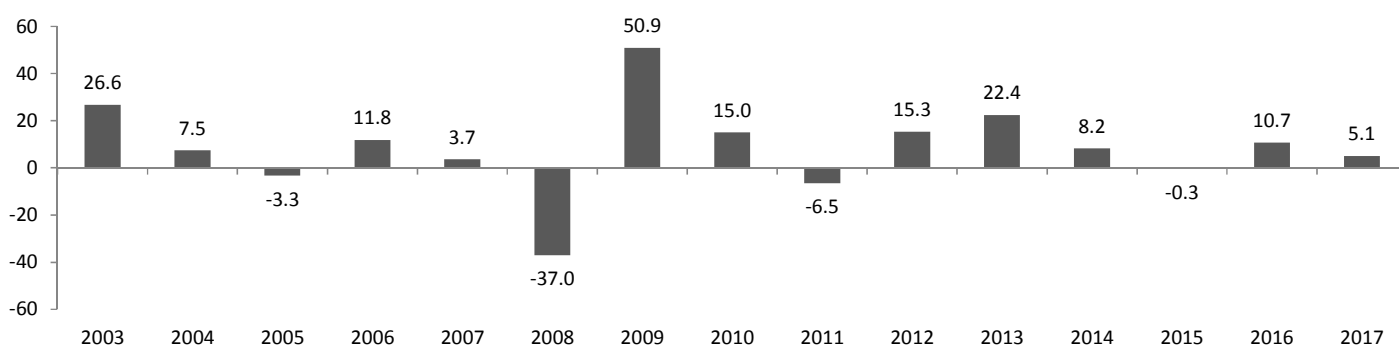
Historical Composition by Profile (MV%) - Trailing 5 Years*



Rules for Inclusion

Amount Outstanding	USD 500mn par amount outstanding (or accreted face value for Zeros/OIDs)
Maturity	At least 31 days until maturity
Status of Debt	Non-called, non-defaulted securities
Currency	Denominated in USD
Market of Issue	SEC-registered or SEC Rule 144A registered convertible tranches

Historical Annual Returns, 2003-2017* (%)



*Note: *2003-2016 data are as of year-end; 2017 data are as of February 2017.

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 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, 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.
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	Index is priced daily. Prior to February 2007, index pricing occurred twice a month on the 15 th and the end of each month. Price sources used to derive the US Convertible Bond > \$500MM Index for non-exchange listed OTC securities include: Barclays trader pricing, Barclays' own proprietary convertible valuation model, and external sources such as industry brokers' price lists. The 4pm New York time closing price is used for all exchange-listed convertible preferreds and mandatories, in the absence of trader pricing.
Timing	<ul style="list-style-type: none"> • 4pm (New York time). • On early market closes, prices are taken as of 1pm (New York 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 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.
Calendar	The US Convertible Bond > \$500MM Index follows the US stock market holiday schedule.

US Convertible Bond > \$500MM Index-Specific Analytics

CY/YTM/YTP	The average of the greater of current yield, yield to maturity, or yield to put for each issue. For mandatories, only current yield is used. Similar to preferreds, yield to maturity is less meaningful and, therefore, only the greater of current yield or yield to put is used.
Percent Premium	The average percentage premium to conversion value (parity), based on the bid prices of the securities.
Rich/(Cheap)	The average premium/(discount) to the securities' theoretical values, based on the bid prices of the securities.
Implied Volatility	The average implied volatility based on the convertible's bid price. Issues for which implied volatility is not meaningful (i.e., all mandatories, and securities with individual implied volatilities below 5% or above 100%) are excluded from the calculation.

Premium Over Investment Value	Also known as "Risk Premium," measures the average percentage difference between the price of each security and its investment value (its value as a fixed income instrument) based on the bid prices and our credit spread assumptions. Mandatories are excluded from this calculation given the lack of a fixed redemption value. Similarly, distressed securities are also excluded.
S over IV	The average S over IV ratio (the ratio of a security's conversion value (parity) to its investment value) expressed as a fraction. This ratio measures the degree to which a security is in-the-money or out-of-the-money based on its proximity to the value 1.0. Mandatories and distressed securities are excluded from this calculation.
Vega-Weighted Implied Volatility	The average implied volatility based on the bid prices and weighted by the total vega (in USD) of each issue. Compared with the market-weighted average implied volatility, the vega-weighted average tends to assign lower weights to bonds that are far out-of-the-money or deep in-the-money. All securities except for mandatories are included in the calculation, with the upper and lower bounds for the implied volatility set at 100% and 5%, respectively.
Duration Weighted OAS	The average OAS, weighted by duration and market value of each security. By weighing a security's OAS by its duration, convertibles with shorter durations (i.e., those with shorter maturities, deep in-the-money, etc.) and, therefore, less sensitive to interest rate changes, are assigned a lower weight, allowing a greater contribution from securities for which the implied spread is more meaningful.
Delta	The average theoretical delta per share (in percentage terms) weighted by the market value of each issue. It is a measure of the convertible's sensitivity to small changes in the underlying stock price.
Gamma	The average gamma per share (in percentage terms) weighted by the market value of each issue. Gamma is a measure of the rate of change of delta.
Vega	The average theoretical vega expressed as a percentage of par and weighted by the market value of each issue. Vega measures the sensitivity of the convertible's price to a 1% change in volatility.
Stock Dividend Yield	The average annual dividend yield of the underlying securities making up any particular index, weighted by the convertible market value of each issue.
Call Protection	The average remaining call protection in years, weighted by the market value of each issue.
Break Even	The average breakeven time in years, weighted by the market value of each issue. Breakeven measures the time in years for an investor to recoup the premium paid through the convertible's incremental income advantage versus its underlying common stock (i.e., income pickup over common stock). We exclude zeros, OIDs, and securities with breakevens in excess of 10 years from this calculation.

Accessing Index Data

Bloomberg Professional® service	<p>Bloomberg benchmarks are the global standard for capital markets investors.</p> <ul style="list-style-type: none"> • INDEX<Go> – 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. • 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. 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. • DES<Go> – The index description page provides transparency into an individual index including membership information, aggregated characteristics and returns, and historical performance.
Bloomberg Indices Website (www.bloombergindeces.com)	<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

Accessing Index Data

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

Bloomberg Total Return Index Value Tickers: US Convertible Bond > \$500MM and Related Indices

Ticker (USD Unhedged)	Index	Ticker (USD Unhedged)	Index
LUCCTRUU	US Convertibles	BU09TRUU	US Convertibles: Bonds Only
BCS5TRUU	US Convertible Bond > \$500MM	LUC5TRUU	US Convertibles: Balanced
LUC1TRUU	US Convertibles: Cash Pay Bonds	LUC6TRUU	US Convertibles: Equity Sensitive
LUC2TRUU	US Convertibles: Zero Cpn/OID	LUC7TRUU	US Convertibles: Credit/Rate Sensitive
LUC3TRUU	US Convertibles: Preferreds	LUC8TRUU	US Convertibles: Distressed
LUC4TRUU	US Convertibles: Mandatories	LUC9TRUU	US Convertibles: Investment Grade

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.

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