Bloomberg US Corporate 20+ Years Single A Issuer & Sector Capped Index

This document is intended to be read in conjunction with the Bloomberg Fixed Income Index Methodology; these documents collectively constitute the index methodology for this Index.

The Bloomberg US Corporate 20+ Years Single A Issuer & Sector Capped Index measures the USD-denominated, investment grade, fixed-rate corporate bond market. Securities must carry IG rating between A3/A- and A1/A+ from at least one of the three rating Agencies (Moody's, S&P and Fitch); and none of the three rating agencies (Moody's, S&P and Fitch) should exceed rating of A1/A+. The index includes bonds with a country of risk of USA. The Bloomberg US Corporate 20+ Years Single A Issuer & Sector Capped Index is a subset of the US Agg Corporate and Global Agg Corporate Indices. The index was launched in October 2023, with the history backfilled to January 1, 2019.

The features specific to this Index are set out below.

Description of Index Constituents	US Aggregate Corporate Bonds
Index Ticker	I38389US Index: Total Return USD Unhedged

Eligibility Requirements:

Currency	Principal and interest must be denominated in USD
Country	USA
Sector	Corporate issues only
Credit Rating	Securities must carry an Investment Grade rating between A3/A- and A1/A+ from at least one of the three Rating Agencies (Moody's, S&P and Fitch); and none of the three rating agencies (Moody's, S&P and Fitch) should exceed rating of A1/A+
Amount Outstanding	USD 1Billion minimum par amount outstanding
Coupon	• Fixed-rate coupon • Callable fixed-to-floating rate bonds are eligible during their fixed-rate term only
Maturity	Minimum maturity of bonds should be greater than or equal to 20 Years
Minimum Liquidity Requirements	See Minimum Amount Outstanding specified above
Seniority of Debt	Senior bonds are included
Market of Issue	Global bonds are included

Security Types

Included

- Bullet, Puttable, Sinkable/Amortizing and Callable Bonds
- Original Issue Zero Coupon bonds
- Underwritten MTN
- Enhanced Equipment Trust Certificates (EETC)
- Certificates of deposit

Excluded

- Defaulted bonds
- Contingent capital securities, including traditional CoCos and contingent write-down securities, with explicit capital ratio or solvency/balance sheet-based triggers
- Bonds with equity type features (eg, warrants, convertibles, preferreds, DRD/QDI-eligible issues)
- Eurodollar issues
- USD25/USD50 par bonds
- Inflation-linked bonds, floating-rate issues
- Private placements with no SEC registration rights, retail bonds
- Structured notes, pass-through certificates
- Illiquid securities with no available internal or third-party pricing source

Rebalance 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.

Issuer Capping

We are capping on all Sectors (Class 3) in the Index at 20% and all issuers at 10%. An initial capping of 20% applied on all sectors (Class 3) across the Index, which means if any sector exceeds 20% of total market value of the Index, the extra market value will be distributed among other sectors at pro-rata basis; the process will be repeated until no sector exceeds 20% of total market value in the index. Once sector capping is applied, a 10% capping will be applied at issuer level which means, any issuer exceeds 10% of total market value of the Index, the extra market value will be distributed among other issuers at pro-rata basis; the process will be repeated until no issuer exceeds 10% of total market value in the index.

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 Index-eligible bonds are priced on a daily basis by Bloomberg's evaluated pricing service, BVAL.

Pricing Quotes Bonds are quoted as percentage of par.

Timing

- Bonds are priced at 4 p.m. (Eastern time). On early close days, bonds are priced at 1 p.m. unless otherwise noted.
- Prior to January 14, 2021, bonds were priced at 3 p.m. (Eastern time) and on early market close days, bonds were priced at 1 p.m. (Eastern time). On early close days between January 14, 2021 through November 25, 2021, 2 p.m. (Eastern time) prices were used.
- 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.

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.

Calendar The Bloomberg US Corporate 20+ Years Single A Issuer & Sector Capped Index follows the US bond market holiday schedule.

Environmental, Social and Governance Disclosures

This Index does not take into account any ESG factors or pursue any ESG objectives; please refer to the Bloomberg Fixed Income Index Methodology for more detail on ESG disclosures.

Accessing Index Data

Bloomberg Terminal®

Bloomberg benchmarks are the global standard for capital markets investors.

- 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)

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 Licensing

Bloomberg requires index data licenses for services and products linked to the Indices

- Index or Constituent-Level Redistribution
- Exchange Traded Notes (ETNs)
- OTC Derivative Products
- Bond Pricing Service
- Index-Linked Insurance Products
- Custom Index Solutions
- Exchange Traded Funds (ETFs)
- Mutual Funds
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