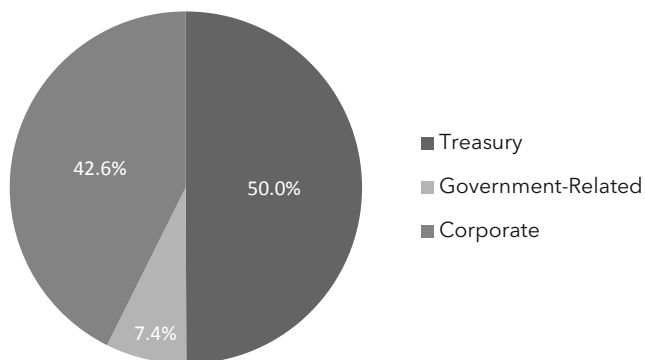


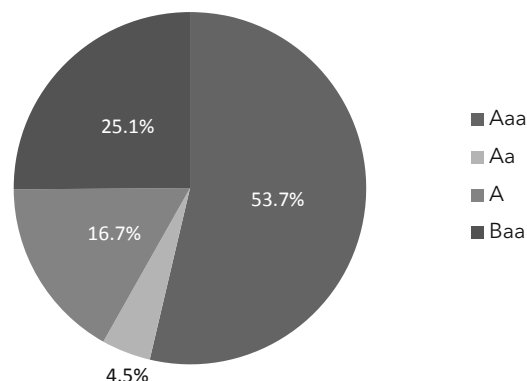
# US Government/Credit Float-Adjusted 5-10 Year Index

The Bloomberg Barclays US Government/Credit Float-Adjusted 5-10 Year Bond Index is a Float-Adjusted version of the US Government/Credit Index, which tracks the market for investment grade, US dollar-denominated, fixed-rate treasuries, government-related and corporate securities. Both the flagship US Government/Credit Index and the Float-Adjusted version exclude holdings of US Treasuries, but the Float-Adjusted version also excludes US agency debentures held in the Federal Reserve SOMA account. To be included in the US Government/Credit Float-Adjusted 5-10 Year Index, securities must have at least five and up to, but not including, ten years to maturity. The Bloomberg Barclays Float-Adjusted index family was launched in July 2009 with an inception date of July 1, 2009.

Composition by Sector (MV%) - December 30, 2016



Composition by Quality (MV%) - December 30, 2016



## Rules for Inclusion

<b>Sector</b>	Treasuries, government-related (sovereign, agency, local authority and supranational), and corporate issuers are eligible.
<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>Local currency treasury and hard currency sovereign issues are classified using the middle issuer level rating from each agency for all outstanding bonds, even if bond level ratings are available.</li> <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>Coupon</b>	<ul style="list-style-type: none"> <li>Fixed-rate coupon.</li> <li>Callable 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>Amount Outstanding</b>	<ul style="list-style-type: none"> <li>All securities must have USD250mn minimum par amount outstanding.</li> <li>US Treasuries and US agency debentures 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 at each month-end with a one-month lag.</li> </ul> <p><i>As previously announced, the minimum amount outstanding for US Aggregate Indices will be raised to USD300mn from USD250mn for Treasury, Government-Related and Corporate securities as of April 1, 2017.</i></p>				
<b>Maturity</b>	<ul style="list-style-type: none"> <li>Securities must have at least 5 and up to, but not including, 10 years remaining to 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 perpetual bonds 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, puttable, sinkable/amortizing and callable bonds</li> <li>Taxable municipal securities, including Build America Bonds (BAB)</li> <li>Original issue zero coupon bonds</li> <li>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) capital securities</li> </ul> </td> <td> <ul style="list-style-type: none"> <li>US Treasuries and US agency debentures held in the Federal Reserve SOMA account</li> <li>Contingent capital securities, including traditional CoCos and contingent write-down securities, with explicit capital ratio or solvency/balance sheet-based triggers</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, strips</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, puttable, sinkable/amortizing and callable bonds</li> <li>Taxable municipal securities, including Build America Bonds (BAB)</li> <li>Original issue zero coupon bonds</li> <li>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) capital securities</li> </ul>	<ul style="list-style-type: none"> <li>US Treasuries and US agency debentures held in the Federal Reserve SOMA account</li> <li>Contingent capital securities, including traditional CoCos and contingent write-down securities, with explicit capital ratio or solvency/balance sheet-based triggers</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, strips</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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## Rebalancing Rules

<b>Frequency</b>	For each index, Bloomberg maintains two universes of securities: the Returns (Backward) and Projected (Forward) Universes. The composition of the <i>Returns Universe</i> is rebalanced at each month-end and represents the fixed set of bonds on which index returns are calculated for the next month. The <i>Projected Universe</i> 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
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## Rebalancing Rules

	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, ticker changes) are reflected daily in both 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 required security reference information and pricing are readily available.

## Pricing and Related Issues

<b>Sources &amp; Frequency</b>	Most index-eligible bonds are priced on a daily basis by Bloomberg's evaluated pricing service, BVAL. Certain segments of Eurodollar issues and LATAM USD-denominated bonds are priced by third party sources.
<b>Timing</b>	<ul style="list-style-type: none"> <li>• 3pm (New York time), except for taxable municipal bonds which are 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>
<b>Bid or Offer Side</b>	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.
<b>Settlement Assumptions</b>	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.
<b>Verification</b>	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.
<b>Currency Hedging</b>	Returns hedged to various non-USD currencies are published for the US Government/Credit Float Adjusted 5-10 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.
<b>Calendar</b>	The US Government/Credit Float Adjusted 5-10 Year Index follows the US bond market holiday schedule.
<b>Index Ticker</b>	BFAOTRUU

## Monthly Returns in USD, 2010-2016 (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2010	2.01	0.60	-0.38	1.54	1.21	2.42	1.66	2.41	0.65	0.53	-1.05	-2.43	9.44
2011	0.39	0.10	-0.03	1.72	1.95	-0.43	2.65	2.18	0.22	0.29	-0.38	1.71	10.79
2012	1.67	-0.06	-0.88	1.85	1.26	0.09	1.79	0.24	0.41	0.40	0.55	-0.30	7.22
2013	-0.98	0.93	0.30	1.37	-2.53	-2.63	0.25	-1.03	1.38	1.21	-0.43	-1.14	-3.37
2014	1.97	0.74	-0.38	0.98	1.59	-0.06	-0.30	1.44	-1.12	1.21	0.94	-0.25	6.91
2015	3.11	-1.34	0.70	-0.26	-0.15	-1.43	0.71	-0.14	1.08	-0.07	-0.30	-0.56	1.28
2016	1.88	1.05	1.10	0.48	-0.11	2.36	0.64	-0.36	0.10	-0.88	-3.18	0.10	3.10

## Accessing Index Data

<b>Bloomberg Professional® service</b>	<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>
<b>Bloomberg Indices Website (www.bloombergindices.com)</b>	<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>
<b>Data Distribution</b>	<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>

## Bloomberg Total Return Index Value Tickers: US Govt/Credit Float-Adjusted 5-10 Year and Related Indices

Ticker (USD Unhedged)	Index	Ticker (USD Unhedged)	Index
<b>BFA0TRUU</b>	US Government/Credit Float Adjusted 5-10 Year	<b>LUGCTRUU</b>	US Government/Credit
<b>LF97TRUU</b>	US Intermediate Government/Credit	<b>LUAGTRUU</b>	US Government
<b>LGC5TRUU</b>	US Long Government/Credit	<b>LC07TRUU</b>	US Credit

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.

February 22, 2017

## Index Licensing

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