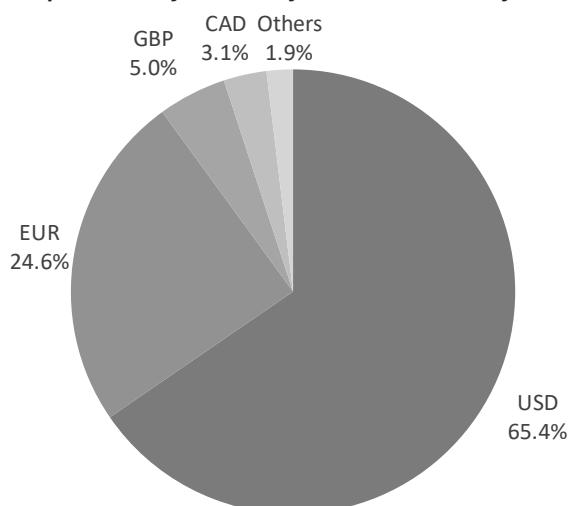


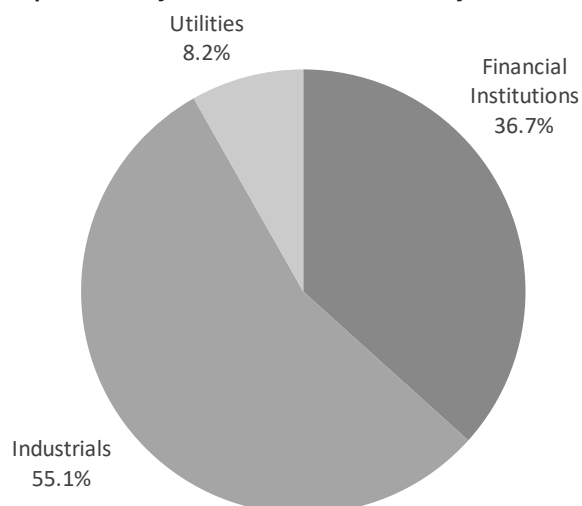
# Bloomberg Barclays MSCI Global Corporate SRI Carbon ESG-Weighted Index

The Bloomberg Barclays MSCI Global Corporate SRI Carbon ESG-Weighted Bond Index is a multi-currency benchmark that tracks the fixed-rate, investment-grade corporate debt, and includes issuers with MSCI ESG Ratings of BB or higher. The index also negatively screens issuers that are involved in business activities that are restricted because they are inconsistent with certain values-based business involvement criteria, including activities with high carbon intensity or related to controversial weapons, and those issuers with a "red" MSCI ESG Controversy Score. Additionally, the index is partitioned into sub-indices based on currency and sector, and the weights of these sub-indices are rebalanced monthly to match the sub-index market value weights in the Global Aggregate Corporate Index. Bond weights are also tilted based on ESG Ratings, and issuers are capped at 2% by market value. The index was created in January 2021, with history backfilled to January 1, 2015.

Composition by Currency (MV%) - January 29, 2021



Composition by Sector (MV%) - January 29, 2021



## Rules for Inclusion

<b>Sector</b>	Corporate (industrial, utility, and financial institutions) issuers only.
<b>Eligible Currencies</b>	<ul style="list-style-type: none"> <li>Principal and coupon must be denominated in one of the following eligible currencies: Americas: CAD, CLP, COP, MXN, PEN, USD EMEA: CHF, CZK, DKK, EUR, GBP, HUF, ILS, NOK, PLN, RON, RUB, SEK Asian-Pacific: AUD, CNY, HKD, IDR, JPY, KRW, MYR, NZD, SGD, THB</li> <li>Eligible currencies will not necessarily have debt included in the index if no securities satisfy the inclusion rules.</li> <li>New currency inclusion is reviewed annually through the index governance process. To be considered for inclusion, new currency candidates must be rated investment grade and sufficiently tradable, convertible and hedgeable for international investors.</li> </ul>
<b>Quality</b>	Securities must be rated investment grade (Baa3/BBB-/BBB- or higher) using the middle rating of Moody's, S&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:

- Expected ratings at issuance may be used to ensure timely index inclusion or to properly classify split-rated issuers.
- 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.

<b>Amount Outstanding</b>	Fixed minimum issue sizes are set for all local currency minimums:	
	<ul style="list-style-type: none"> <li>• 150mn: CAD</li> <li>• 200mn: GBP</li> <li>• 300mn: USD, EUR, CHF, AUD</li> <li>• 500mn: NZD, SGD</li> <li>• 1bn: RON, PEN</li> <li>• 2bn: DKK, NOK, PLN, ILS, HKD, MYR</li> <li>• 2.5bn: SEK</li> <li>• 5bn: CNY</li> </ul>	<ul style="list-style-type: none"> <li>• 10bn: MXN, CZK, THB</li> <li>• 20bn: RUB</li> <li>• 35bn: JPY</li> <li>• 100bn: CLP</li> <li>• 200bn: HUF</li> <li>• 500bn: KRW</li> <li>• 1trn: COP</li> <li>• 2trn: IDR</li> </ul>
<b>Coupon</b>	<ul style="list-style-type: none"> <li>• Fixed-rate coupon (including zero coupon).</li> <li>• Callable fixed-to-floating rate bonds are eligible during their fixed-rate term only.</li> <li>• Step-up coupons and those that change according to a predetermined schedule are also eligible.</li> </ul>	
<b>Maturity</b>	<ul style="list-style-type: none"> <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 1 year prior to conversion to floating-rate. Fixed-rate perpetual bonds are not included.</li> </ul>	
<b>Seniority of Debt</b>	Senior and subordinated issues are included.	
<b>Market of Issue</b>	Fully taxable, publicly issued in the global and regional markets.	
<b>Taxability</b>	Only fully taxable issues are eligible.	
<b>Security Types</b>	<b>Included</b> <ul style="list-style-type: none"> <li>• Bullet, putable, sinkable/amortizing and callable bonds</li> <li>• Original issue zero coupons</li> <li>• Underwritten MTNs</li> <li>• Fixed-rate and fixed-to-float (including fixed-to-variable) capital securities</li> </ul>	<b>Excluded</b> <ul style="list-style-type: none"> <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 (e.g. warrants, convertibles, preferreds)</li> <li>• Floating-rate bonds, inflation-linked bonds</li> <li>• Private placements and retail bonds</li> <li>• Structured notes, pass-through certificates</li> <li>• Illiquid securities with no available internal or third-party pricing source</li> </ul>

## Environment, Social, and Governance (ESG) Rules

<b>MSCI ESG Rating</b>	<ul style="list-style-type: none"> <li>• Securities must have an MSCI ESG Rating of BB or higher.</li> <li>• ESG Pillar Score for each component (Environment, Social, and Governance) must be at least 2</li> <li>• Unrated issuers from sectors with ratings are excluded.</li> <li>• Ratings are applied at the ticker level. Every bond within the same ticker will have the same MSCI ESG Rating.</li> <li>• MSCI ESG Ratings are generally updated annually, but may be reviewed more frequently as needed.</li> </ul>
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**Business Involvement Screens** The index excludes issuers involved in the following business lines/activities as per the standard Bloomberg Barclays MSCI SRI screen:

- Alcohol
- Tobacco
- Gambling
- Adult Entertainment
- Genetically Modified organisms (GMO)
- Nuclear Power
- Civilian Firearms
- Military Weapons
  - Landmine Manufacturing
  - Cluster Bomb Manufacturing
  - Depleted Uranium Weapons
  - Chemical and Biological Weapons Components

Involvement is defined for each restricted activity and may be based on % of revenue, total revenue, or any tie regardless of revenue (see page 15 for standard screen threshold in [ESG Methodology](#)).

The index also has additional Bloomberg Barclays MSCI screens, besides the standard ones outlined above:

- Exclude issuers with any ties to the following categories: Biochemical Systems, Biochemical System Components, Depleted Uranium, Cluster Bombs, Land Mines, Nuclear Systems, Nuclear System Components
- Exclude issuers that generate any revenue from Weapons
- Exclude issuers that generate more than 25% of revenue from Nuclear Power
- Exclude Tobacco Producers that generate more than 10% of revenue from Tobacco
- Exclude issuers that generate more than 10% of revenue from Tobacco
- Exclude issuers that generate more than 5% of revenue from Gambling Operations or Gambling Support
- Exclude issuers that generate more than 10% of revenue from Adult Revenue

From September 2020, the index also excludes issuers from the following business lines/ activities:

- Carbon Emission Intensity more than 750
- Revenue from Thermal Coal greater than 10%
- Revenue from Generation of Thermal Coal greater than 10%

**MSCI ESG Controversy Score** Excludes any issuer with a “Red” MSCI ESG Impact Monitor score (less than 1), which measures an issuer’s involvement in major ESG controversies and how well they adhere to international norms and principles.

#### Factor Tilts

The weight of each index eligible issuer (and security) is adjusted by a fixed multiplier (see table), which is determined by its MSCI ESG Rating (AAA, AA, A, BBB, BB, B, CCC, NR).

ESG Rating	Tilt
AAA, AA, A	2.0x
BBB	1.0x
BB, B, CCC, NR	0.5x

## Rebalancing Rules

#### Currency And Sector Neutral Reweighting

The application of multiple screens based on MSCI ESG Ratings, MSCI ESG Controversies, and MSCI ESG Business Involvement Screening Research (BISR), among others, will alter the currency and sector composition of the index versus the standard Global Aggregate Corporate Index. The Global Aggregate Corporate Index is thus divided into 10 sub-indices, based on a combination of currency and BCLASS 2 sector for three currencies (USD, EUR, and GBP) and one sub-index for the remaining currencies. The Global Corporate SRI Carbon ESG-Weighted Index’s weights in each of these 10 sub-indices are then adjusted to match the market value weights of these 10 sub-indices in the Global Aggregate Corporate Index. These sub-index weights are fixed as of month end, and may drift intra-month as prices change and bonds are called or tendered.

<b>Issuer Capping Methodology</b>	Issuers that exceed 2% of the market value of the uncapped Bloomberg Barclays MSCI Global Corporate SRI Carbon ESG-Weighted Index are limited at 2%. The excess market value over the 2% cap will be redistributed on a pro rata basis to all other issuers' bonds in the index that are under the 2% cap. The process is repeated until no issuer exceeds the 2% limit. For example, an issuer that represents 3% of the uncapped index will have 1% of the index's market value redistributed to each bond from all issuers under the 2% cap on a pro rata basis. The 2% issuer cap is applied each month as the index is rebalanced.
<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, ticker changes, etc.) 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/announced, 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>	All index-eligible bonds are priced on a daily basis by Bloomberg's evaluated pricing service, BVAL, except CHF-denominated bonds, which are priced by SIX.
<b>Pricing Quotes</b>	Bonds are quoted as percentage of par.
<b>Timing</b>	<p>Prices are snapped at the following times:</p> <ul style="list-style-type: none"> <li>North American currency bonds: 4 p.m. (New York time) starting from January 14, 2021 and onwards, and 3 p.m. (New York time) prior to January 14, 2021; 4 p.m. (Toronto time) for CAD-denominated securities.</li> <li>Pan-European currency bonds: 4:15 p.m. (London time); 4 p.m. (London time) for CHF-denominated securities.</li> <li>Asian currency bonds: 5 p.m. (Sydney time) for AUD-denominated and NZD-denominated securities; 3 p.m. (Tokyo time) for JPY-denominated securities; 5 p.m. (Shanghai time) for CNY-denominated securities; 5 p.m. (Tokyo time) for all other securities.</li> </ul> <p>If the last business day of the month is a public holiday in a major regional market, prices from the previous business day are used to price bonds in the particular market.</p>
<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>	<ul style="list-style-type: none"> <li>T+1 calendar day settlement basis.</li> <li>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.</li> </ul>
<b>Verification</b>	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.
<b>Calendar</b>	The Bloomberg Barclays MSCI Global Corporate SRI Carbon ESG-Weighted Index is a global, multi-currency index that is generated every business day of the year except for January 1, the only holiday common to all regional calendars. During holidays observed by local markets, the index will still be generated using prices from

the previous business day. FX rates are updated daily using WM Reuters 4pm (London) rates. FX forwards are also sourced from WM Company.

## Monthly Returns in USD, 2015-2021 (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2015	0.28	-0.52	-0.99	0.77	-1.08	-1.09	0.35	-0.48	0.06	0.57	-1.02	-0.23	-3.37
2016	0.07	0.61	3.59	1.40	-0.72	1.26	1.56	0.18	0.01	-1.78	-2.76	0.43	3.77
2017	0.87	0.63	0.02	1.39	1.64	0.40	1.69	0.78	-0.26	0.09	0.57	0.76	8.90
2018	0.69	-1.77	0.44	-1.10	-0.76	-0.47	0.58	0.24	-0.42	-1.57	-0.24	1.26	-3.23
2019	2.20	0.12	1.59	0.40	0.71	2.65	0.00	1.90	-0.78	1.17	-0.25	0.84	11.02
2020	1.52	0.40	-6.62	4.75	1.41	1.94	4.19	-0.32	-0.81	-0.10	2.84	1.14	10.32
2021	-0.99	-	-	-	-	-	-	-	-	-	-	-	-0.99

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- 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. PORT includes tools to analyze performance of a portfolio versus a benchmark as well as models for performance attribution, tracking error analysis, value-at-risk, scenario analysis, and optimization.
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- Index methodology and factsheets
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### Index Ticker

I36069US : Total Return USD Unhedged

## Index Licensing

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