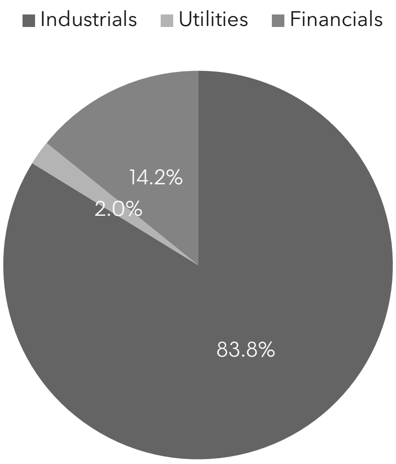
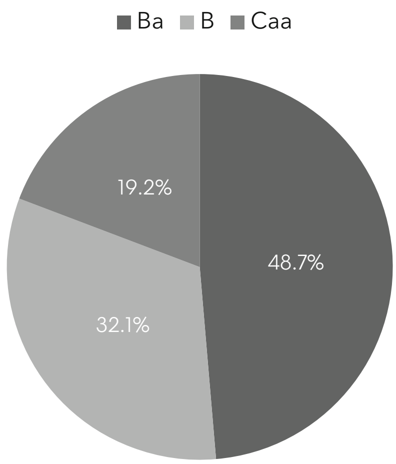
US High-Yield 0-5 Year (Ex 144A) Index

US High Yield 0-5 Year (Ex 144A) Index is an issuer-constrained version of the US Corporate High Yield Index, which measures USD-denominated, high yield, fixed-rate corporate debt. To be included in the index, bonds must be SEC registered, exempt from SEC registration, or issued under Regulation S with less than five years to maturity and pay non-zero cash coupons. Bonds issued under US Rule 144A (with or without registration rights) are not eligible. The exposure of each issuer is capped at 2% of the total index market value, with excess market value redistributed index-wide on a pro rata basis. The US High Yield 0-5 Year (Ex 144A) Index was launched on July 26, 2013.

Composition by Sector (MV%) – February 28, 2017



Composition by Quality (MV%) – February 28, 2017



Rules for Inclusion

Eligible Currencies	Principal and interest must be denominated in USD.
Quality	Securities must be rated high yield (between Caa2/CCC/CCC and Ba1/BB+/BB+) 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.
Amount Outstanding	USD350mn minimum par amount outstanding.
Coupon	• Fixed-rate coupon. • Callable fixed-to-floating rate bonds are eligible during their fixed-rate term only. • Bonds with a step-up coupon that changes according to a predetermined schedule are eligible. • Pay-in-kind (PIK) bonds and partial PIKs are excluded. • Toggle notes are eligible during their toggle periods.

Rules for Inclusion

Maturity	0 to 4.9999 remaining years to maturity, regardless of optionality.
Taxability	• Only fully taxable issues are eligible. • Dividend Received Deduction (DRD) and Qualified Dividend Income (QDI) eligible securities are excluded.
Seniority of Debt	Senior and subordinated issues are included.
Market of Issue	• SEC-registered securities, securities exempt from SEC registration, and bonds issued under Regulation S are eligible. • SEC Rule 144A securities (with or without registration rights) are excluded. • Bonds from issuers that have later de-registered remain index eligible if they were previously SEC registered.
Security Types	Included • Corporate bonds • Fixed-rate bullet, putable, and callable bonds • Soft bullets • Securities with less than 1 year to maturity • SEC-registered, bonds exempt from SEC registration, and Regulation S bonds Excluded • Non-corporate issues • Bonds issued under SEC Rule 144A • Bonds with equity-type features (eg, warrants, convertibles, contingent capital securities) • Pay-in-kind (PIK) and zero-coupon bonds • Eurobonds • Defaulted bonds • Private placements • Floating-rate issues • Emerging market bonds • Illiquid securities with no available internal or third-party pricing • Caa3/CCC-/CCC- rated securities • Formosa Bonds

Rebalancing Rules

Issuer Capping Methodology	All issuers (viewed at the ticker level) that exceed 2% of the market value of the uncapped US High Yield Index are capped 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. This process is repeated until no issuer exceeds the 2% limit. For example, an issuer that represents 3.5% of the uncapped index will have 1.5% of the index's market value redistributed to each bond from all issuers under the 2% cap on a pro rata basis.
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 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.

March 16, 2017

Rebalancing Rules

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	Most index-eligible bonds are priced on a daily basis by Bloomberg's evaluated pricing service, BVAL. Some market segments are priced by 3rd party pricing sources.
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	• 3pm (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. 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 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 interested 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 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 High Yield 0-5 Year (Ex 144A) Index follows the US bond market holiday schedule.
Ticker	BEJKTRUU: Total Return Index Value

Monthly Returns in USD, 2013-2017 (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013	-	-	-	-	-	-	1.92	0.18	0.89	1.46	0.60	0.45	5.62
2014	0.41	1.09	0.25	0.44	0.43	0.50	-0.97	1.11	-1.37	0.78	-0.31	-1.15	1.18
2015	0.12	2.09	-0.40	1.04	0.50	-0.80	-0.86	-1.60	-1.95	1.95	-1.83	-2.02	-3.83
2016	-1.53	0.66	3.58	3.15	0.73	0.79	1.94	1.43	0.80	0.31	-0.15	1.55	13.99
2017	1.12	1.21	-	-	-	-	-	-	-	-	-	-	2.34

Accessing Index Data

Accessing Index Data

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New York
+1-212-617-5020

London
+44-20-3525-9976

Singapore
+65-6212-1449

Hong Kong
+852-2293-1346

Tokyo
+81-3-3201-7024

Sydney
+61-2-9777-7208

indexhelp@bloomberg.net

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