

## Bloomberg Barclays MSCI Global Aggregate 500MM ex Securitized Sustainable SRI Sector Neutral Index

The Bloomberg Barclays MSCI Global Aggregate 500MM ex Securitized Sustainable SRI Sector Neutral Index tracks fixed-rate, investment-grade debt with at least USD500mn par amount outstanding. This index is based on the Global Aggregate 500MM ex Securitized Index and applies additional criteria to include issuers with MSCI ESG Ratings of BBB or higher and negatively screen issuers that are involved in business activities that are restricted because they are inconsistent with certain values-based business involvement criteria and those issuers with a “red” MSCI ESG Controversy Score. Additionally, the market value of the three sectors (Treasury, Government-Related, and Corporate) are reweighted to match the weights of these three sectors in the Global Aggregate 500MM ex Securitized Index. The index was created in June 2021, with history backfilled to May 1, 2016.

### Rules for Inclusion

Sector	Treasury, Government-Related, and Corporate issuers.			
Eligible Currencies	<ul style="list-style-type: none"><li>Principal and interest must be denominated in one of the following 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 not 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>			
Quality	<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 local currency and hard currency debt ratings 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><li>For the Canadian Dollar market, DBRS is considered in addition to Moody's, S&amp;P and Fitch. When all four ratings agencies are available, the highest and lowest ratings are removed and the lower of the two remaining is used.</li></ul>			
Amount Outstanding	<p>Fixed minimum issue sizes are set for all local currency markets:</p> <table><tr><td><ul style="list-style-type: none"><li>250mn: CAD</li><li>333.3mn: GBP</li><li>500mn: USD, EUR, CHF, AUD</li><li>833.3mn: NZD, SGD</li><li>1.6bn: RON, PEN</li><li>3.3bn: DKK, NOK, PLN, ILS, HKD, MYR</li><li>4.16bn: SEK</li><li>8.3bn: CNY*</li></ul></td><td><ul style="list-style-type: none"><li>16.6bn: MXN, CZK, THB</li><li>33.3bn: RUB</li><li>58.3bn: JPY</li><li>166.6bn: CLP</li><li>333.3bn: HUF</li><li>833.3bn: KRW</li><li>1.6trn: COP</li><li>3.3trn: IDR</li></ul></td></tr></table>		<ul style="list-style-type: none"><li>250mn: CAD</li><li>333.3mn: GBP</li><li>500mn: USD, EUR, CHF, AUD</li><li>833.3mn: NZD, SGD</li><li>1.6bn: RON, PEN</li><li>3.3bn: DKK, NOK, PLN, ILS, HKD, MYR</li><li>4.16bn: SEK</li><li>8.3bn: CNY*</li></ul>	<ul style="list-style-type: none"><li>16.6bn: MXN, CZK, THB</li><li>33.3bn: RUB</li><li>58.3bn: JPY</li><li>166.6bn: CLP</li><li>333.3bn: HUF</li><li>833.3bn: KRW</li><li>1.6trn: COP</li><li>3.3trn: IDR</li></ul>
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## Rules for Inclusion

\*The minimum amount outstanding required for CNY-denominated treasury and policy bank debt is CNY 8.3bn. The total amount of index-eligible CNY debt will be phased into the Global Aggregate Index at 5% increments over a 20 month period starting April 1, 2019 until November 2020 when 100% of index-eligible debt will be reflected in the index.

Coupon	<ul style="list-style-type: none"> <li>Fixed-rate coupon.</li> <li>Callable fixed-to-floating rate and fixed-to-variable bonds are eligible during their fixed-rate term only.</li> <li>Step-up coupons and those that change according to a predetermined schedule are eligible.</li> </ul>	
Maturity	<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>	
Market of Issue	Publicly issued in the global and regional markets.	
Seniority of Debt	Senior and subordinated issues are included.	
Taxability	<ul style="list-style-type: none"> <li>Only fully taxable issues are eligible.</li> <li>Dividend Received Deduction (DRD) and Qualified Dividend Income (QDI) eligible securities are excluded.</li> </ul>	
Security Types	<p>Included</p> <ul style="list-style-type: none"> <li>Bullet, putable, sinkable/amortizing and callable bonds</li> <li>Original issue zero coupon bonds</li> <li>Bonds issued through underwritten MTN programs</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> <li>Loan participation notes (as of April 1, 2013)</li> <li>Malaysia government Sukuk (as of April 1, 2015)</li> </ul>	<p>Excluded</p> <ul style="list-style-type: none"> <li>Securitized bonds</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>Floating-rate bonds, inflation-linked bonds</li> <li>Private placements and retail bonds</li> <li>Fixed-rate perpetuals</li> <li>Sinkable Russian OFZ bonds issued prior to 2009</li> <li>USD 25/USD 50 par bonds</li> <li>Structured notes, pass-through certificates</li> <li>Illiquid securities where reliable pricing is unavailable</li> <li>Formosa bonds</li> </ul>

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

MSCI ESG Rating	<p>The following criteria apply:</p> <ul style="list-style-type: none"> <li>Securities must have an MSCI ESG Rating of BBB or higher.</li> <li>Unrated issuers from sectors with ratings are excluded.</li> <li>Prior to April 8, 2021, MSCI ESG Ratings, Controversy Scores and Business Involvement data were applied at the ticker level, where every bond within the same ticker would have the same MSCI ESG Rating, with MSCI mapping ESG data from the entity with the largest debt outstanding (by market value) to all companies with the same Bloomberg Barclays ticker.</li> <li>From April 9, 2021, MSCI ESG data is applied at the bond level which may result in bonds with the same Bloomberg Barclays ticker having different MSCI ESG Ratings.</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

From index inception, the index additionally excludes issuers that MSCI define as having a percentage of revenue from the business activities related to:

- Tobacco Distribution greater than 10%
- Tobacco Retailing greater than 10%
- Tobacco Supply greater than 10%

From September 2020, the index additionally excludes issuers that MSCI define as having a percentage of revenue from the business activities related to:

- Thermal Coal greater than 5%
- Generation of Thermal Coal greater than 5%
- Oil Sands greater than 5%

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](#)).

**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.

## Rebalancing Rules

**Minimum ESG Exclusions** From February 28, 2021, the following criteria will be applied. On the last business day before month end, using the Forward Universe of the previous day, after applying the Non-ESG criteria rules for inclusion, defined above, and additionally removing any non-ESG rated bonds, the number of issuers for the eligible universe are defined. If, after having additionally applied the ESG selection criteria above, less than 20% of the total number of issuers in the eligible universe are excluded, then the eligible issuers are ranked in the order below, according to the following criteria:

- MSCI ESG Rating score (higher ESG Rating score preferred to remain in the index)
- MSCI ESG Controversies score (higher Controversies score preferred to remain in the index)

Then based on this ranking, issuers will be excluded from the index, until the number of excluded issuers is higher than 20% of the eligible universe total number of issuers. If, more than one issuer has the same ESG Rating and Controversy score and is required to be removed to reach the 20% threshold, then all issuers with the same ESG Rating and Controversy score are removed.

**Sector Neutral Reweighting** The application of screens based on MSCI ESG Ratings, MSCI ESG Controversies, and MSCI ESG Business Involvement Screening Research (BISR) will alter the sector composition of the index versus the standard Global Aggregate 500MM ex Securitized Index. The index’s sector weights are therefore adjusted to match the market value weights of Treasury, Government-Related, and Corporate sectors of the standard Global Aggregate 500MM ex Securitized Index. These sector weights are fixed as of month end, and may drift intra-month as prices change and bonds are called or tendered.

**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

## Rebalancing Rules

	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 the 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 Swiss Exchange and JPY corporates are priced by Japan Securities Dealers Association (JSDA). If any of the pricing sources were to fail to generate a security's price, the security will be priced using information from the last index publication date.
<b>Pricing Quotes</b>	Bonds are quoted as a percentage of par.
<b>Timing</b>	<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. (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 Aggregate 500MM ex Securitized Sustainable SRI Sector Neutral 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.

## Accessing Index Data

<b>Bloomberg Terminal®</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</b> ( <a href="http://www.bloomberg.com/professional/product/indices">www.bloomberg.com/professional/product/indices</a> )	<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>
<b>Index Ticker</b>	I36446US: Total Return USD Unhedged

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