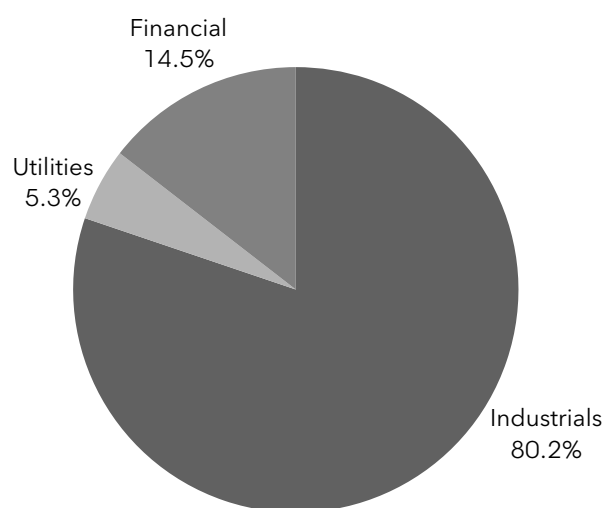


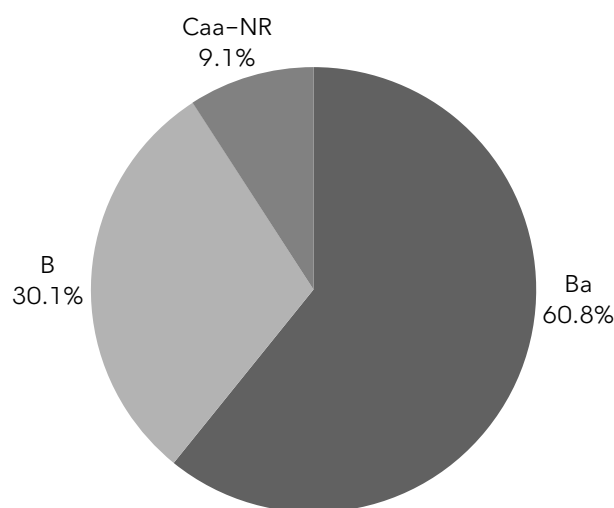
Global High Yield Corporate Very Liquid (ex 144A) Index

The Bloomberg Barclays Global High Yield Corporate Very Liquid (ex 144A) Index is an issuer-constrained version of the Global High Yield Index designed to track a more liquid component of the multi-currency, global high yield corporate debt market. The Global High Yield Corporate Very Liquid (ex 144A) Index includes only the three largest bonds from each issuer that have a minimum amount outstanding of USD500mn and less than five years from the issue date. The index also limits the exposure of each issuer to 2% of the total market value and redistributes any excess market value index-wide on a pro rata basis. Bonds issued under US Rule 144A (with or without registration rights) are not eligible. The Global High Yield Corporate Very Liquid (ex 144A) Index was created in August 2015, with history backfilled to April 2013.

Composition by Sector (MV%) - As of February 28, 2017



Quality (MV%) - As of February 28, 2017



Rules for Inclusion

Sector	Corporate (industrial, utility and financial institutions) issuers.
Eligible Currencies	Principal and coupon must be denominated in one of the following currencies: CHF, DKK, EUR, GBP, NOK, SEK, USD.
Quality	<ul style="list-style-type: none"> Securities must be rated high yield (Ba1/BB+/BB+ or below) 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. A limited number of unrated securities are included in the US High Yield and EM Hard Currency High Yield sub-components of the Global High Yield Index. The Pan-European High Yield Index component excludes unrated securities. In cases where explicit bond-level ratings may not be available, expected ratings at issuance may be used to ensure timely index inclusion or to classify split-rated issuers properly.
Coupon	<ul style="list-style-type: none"> US High Yield and Pan-European High Yield Indices: fixed-rate, pay-in-kind (PIK) and toggle notes are eligible. EM Hard Currency High Yield Index: fixed-rate and floating-rate (USD-denominated securities only) securities are eligible.

Rules for Inclusion

	<ul style="list-style-type: none"> • 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. 	
Amount Outstanding	USD500mn (or equivalent) using an exchange rate that is reset once a year on the last business day of November.	
Largest Issue Constraint	Only the three largest securities, based on amount outstanding, from each issuer are included. In cases in which two securities from the same issuer have the same amount outstanding, the most seasoned security is selected. In cases in which two securities have the same amount outstanding and seasoning, the first alphanumeric CUSIP is selected.	
Maturity	<ul style="list-style-type: none"> • At least one year until final maturity, regardless of optionality. • Bonds that convert from fixed to floating rate, including fixed-to-float perpetuals, will exit the index one year prior to conversion to floating rate. Fixed-rate perpetuals are not included. 	
Market of Issue	<ul style="list-style-type: none"> • US High Yield Index: securities must be SEC-registered. • Pan-European High Yield and EM Hard Currency High Yield Indices: securities must be publicly issued in the global and regional markets. 	
Seniority of Debt	Senior and subordinated issues are included.	
Taxability	<ul style="list-style-type: none"> • Only fully taxable issues are eligible. • Dividend Received Deduction (DRD) and Qualified Dividend Income (QDI) eligible securities are excluded. 	
Security Types	Included <ul style="list-style-type: none"> • Bullet, puttable, sinkable/amortizing and callable bonds • Original issue zero coupon bonds • Fixed-rate and fixed-to-float (including fixed-to-variable) capital securities • Defaulted EM sovereign bonds • Loan participation notes 	Excluded <ul style="list-style-type: none"> • 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) • Inflation-linked bonds • Private and 144A placements, retail bonds • USD 25/USD 50 par bonds • Securities where reliable pricing is unavailable • Defaulted corporate issues • Partial pay-in-kind (PIK) bonds • Structures notes, pass-through certificates

Rebalancing Rules & Capping Methodology

Issuer Capping Methodology	Issuers that exceed 2% of the market value of the uncapped Global High Yield Corporate Very Liquid (ex 144A) 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.
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

Rebalancing Rules & Capping Methodology

	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.
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	All index-eligible bonds are priced on a daily basis. Pricing sources by index: <ul style="list-style-type: none"> US High Yield Index: priced by BVAL, Bloomberg's evaluated pricing service Pan-European High Yield Index: priced by BVAL and third-party sources EM Hard Currency High Yield Index: priced by BVAL and third-party sources
Pricing Quotes	Prices are quoted as a percentage of par.
Timing	Prices are snapped at the following times: <ul style="list-style-type: none"> USD-denominated bonds: 3pm (New York time) Pan-European currency bonds: 4:15pm (London time); 4pm (London time) for CHF-denominated securities 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.
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. 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 currencies are published for multi-currency indices. 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 Global High Yield Corporate Very Liquid (ex 144A) Index is a global, multi-currency index. The USD-denominated portion follows the US holiday calendar, and the Pan-European portion follows the UK holiday calendar. When local or regional currency markets are on holiday, the index is still generated using prices from the previous business day of the affected market. FX rates are updated daily using WM Reuters 4pm (London) rates. FX forwards are also sourced from WM Company.

Annual Returns, 2006-2017 (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013	–	–	–	2.87	-1.15	-2.46	2.51	-0.69	1.86	2.66	0.57	0.85	7.08
2014	0.05	2.73	0.11	0.89	0.37	1.00	-1.95	1.14	-3.19	0.83	-0.63	-1.94	-0.74
2015	-0.94	2.49	-1.99	2.02	-0.53	-1.56	-0.38	-1.47	-3.12	3.18	-2.97	-2.39	-7.63
2016	-1.76	0.41	6.03	3.62	-0.58	0.11	2.64	1.91	0.51	-0.53	-1.46	1.75	13.10
2017	1.87	0.78	–	–	–	–	–	–	–	–	–	–	2.66

Sub-indices and Index Customizations

Barclays publishes numerous sub-indices of flagship indices and bespoke benchmarks created for specific index users. Several types of bespoke indices are available to select or customize the most appropriate benchmark for specific portfolio needs:

Sub-Index Type	Description	Examples
Enhanced Constraint	Applies a more or less stringent set of constraints to any existing index.	<ul style="list-style-type: none"> Global High Yield Ba Global High Yield 1–5 Year
Composites	Investors assign their own weights to sectors or other index sub-components within an overall index.	<ul style="list-style-type: none"> 25% US High Yield; 25% Pan-European High Yield; 50% EM Hard Currency High Yield
Issuer Constrained	Indices that cap issuer exposure to a fixed percentage. Options available for applying issuer caps and redistributing excess MV to other issuers.	<ul style="list-style-type: none"> Global High Yield 2% Issuer Capped
Mirror Futures Index (MFI)	An index consisting of 14 funded futures contracts weighted to match closely the beginning-of-month OAD of the index.	<ul style="list-style-type: none"> Global High Yield Mirror Futures Index
Duration Hedged	Indices constructed to reflect the underlying return of an index with its duration fully or partially hedged using its MFI.	<ul style="list-style-type: none"> Global High Yield Duration Hedged Index

Accessing Index Data

Bloomberg Professional® service	<p>Bloomberg benchmarks are the global standard for capital markets investors.</p> <ul style="list-style-type: none"> INDEX<Go> – 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. 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. 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. DES<Go> – The index description page provides transparency into an individual index including membership information, aggregated characteristics and returns, and historical performance.
Bloomberg Indices Website (www.bloombergindices.com)	<p>The index website makes available limited index information including:</p> <ul style="list-style-type: none"> Index methodology and factsheets Current performance numbers for select indices

Accessing Index Data

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

Bloomberg Total Return Index Value Tickers: Global High Yield Corporate Very Liquid (ex 144A) Index

GBP hedged

BHVLTRGH

JPY hedged

BHVLTRJH

EUR hedged

BHVLTRRH

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.

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