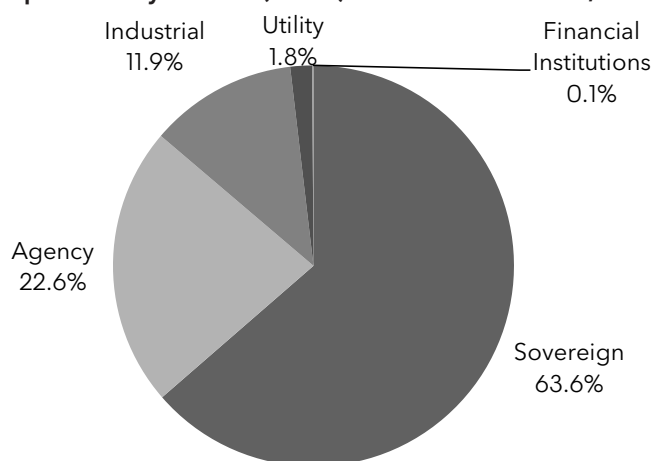


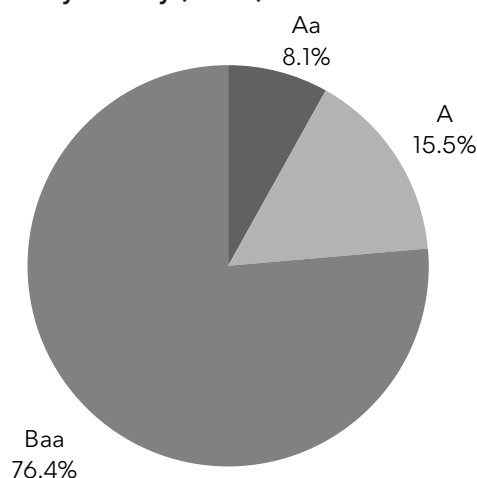
EM USD ex China Investment Grade 10 year 10% Country Capped Index

The Bloomberg Barclays EM USD ex China Investment Grade 10 year 10% Country Capped Index is a USD-denominated, investment grade, Emerging Markets debt benchmark that includes fixed and floating-rate debt issued from sovereign, quasi-sovereign and corporate issuers. The index excludes bonds with a country of risk of China. Country eligibility and classification as Emerging Markets is rules-based and reviewed annually using World Bank income group and International Monetary Fund (IMF) country classifications. Bonds must have at least 10 years remaining to maturity. Country exposures are capped at 10% in market value. This index inception date is November 1, 2013.

Composition by Class 2 (MV%) as of December 30, 2016



Composition by Quality (MV%) as of December 30, 2016



Rules for Inclusion

Country Inclusion

Bloomberg uses a fixed list of emerging market countries that is reviewed annually to define country eligibility in dedicated EM hard currency, local currency, and inflation-linked benchmarks. Criteria for inclusion in the EM country list are rules-based and include:

- Countries that meet one of the following two criteria: World Bank Income group classifications of *low/middle income* OR International Monetary Fund (IMF) classification as a *non-advanced* country.
- Additional countries that bond investors classify as EM due to factors such as investability concerns, the presence of capital controls, and/or geographic considerations may also be included on the list and are also reviewed on an annual basis. As of April 2014, 4 additional markets are included in the Bloomberg EM country list: Czech Republic, Israel, South Korea and Taiwan.

Sector

- Hard currency debt from sovereign, agency (government owned, government guaranteed and government sponsored entities), local authority and corporate issuers are eligible.
- Under the index classification schema, an issuer is classified as government-related (as opposed to corporate) if it is more than 50% government owned, carries a government guarantee or is government sponsored.
- For EM hard currency indices, Bloomberg defines quasi-sovereigns as any non-sovereign government-related issuer inclusive of both government-related agency and local authority debt.

Currency

Principal and coupon must be denominated in USD.

Quality

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

Rules for Inclusion

	<p>used to classify securities by credit quality:</p> <ul style="list-style-type: none"> • Hard currency sovereign issues are classified using the middle issuer rating from each agency for all outstanding bonds, even if bond level ratings are available. • 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	USD 500mn minimum par amount outstanding at the security level.
Coupon	Fixed and floating-rate coupon.
Maturity	<ul style="list-style-type: none"> • Remaining years to maturity must be at least 10 years, regardless of optionality. • 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 perpetuals are not included.
Security Type	Brady bonds, Eurobonds, globals, loans, and local issues are permitted. Warrants are excluded.
Placement Type	SEC registered and 144A/Reg S bonds are eligible.
Market of Issue	Publicly issued in the global and local markets.

Rebalancing Rules

Country Capping Methodology	All countries that exceed 10% of the market value of the uncapped EM USD ex China Investment Grade 10 year Index are limited at 10%. The excess market value over the 10% cap will be redistributed on a pro rata basis to all countries' bonds in the index that are under the 10% cap. The process is repeated until no country exceeds the 10% limit. For example, a country that represents 11% of the uncapped index will have 1% of the index's market value redistributed to each bond from all countries under the 10% cap on a pro rata basis. The 10% country 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 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 Universes 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.
EM Country List	EM country list is evaluated once a year during the Bloomberg annual index governance process.

Pricing and Related Issues

Sources & Frequency	All index-eligible bonds are priced on a daily basis by Bloomberg's evaluated pricing service, BVAL, and third-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. In most instances, the quote type used is a spread measure that results in daily security price changes from the movement of 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	<ul style="list-style-type: none"> • 3pm (New York time) each day. • 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 US holiday, prices from the previous day are used.
Bid or Offer Side	Bonds in the index are priced on the bid side.
Settlement Assumptions	<ul style="list-style-type: none"> • T+1 calendar day settlement basis. • 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 to identify outliers. Index users may also challenge price levels, which are then reviewed and updated as needed using input from various sources.
Calendar	The EM USD ex China Investment Grade 10 year 10% Country Capped Index follows the US bond market holiday schedule.

Monthly Returns in USD, 2013-2016 (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013	–	–	–	–	–	–	–	–	–	–	-3.38	0.16	-3.22
2014	0.28	3.61	1.60	2.04	4.23	-0.15	0.76	2.65	-2.78	2.80	0.60	-1.42	14.95
2015	2.66	0.07	-0.11	0.45	-1.12	-3.51	-0.05	-2.45	-3.00	3.85	-1.28	-2.13	-6.67
2016	-0.07	2.59	5.97	2.34	-1.06	5.86	2.28	2.32	-1.11	-2.25	-6.12	1.13	11.82

Note: 2013 YTD return is not annualized.

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.
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January 23, 2017

Bloomberg Indices Website
(www.bloombergindices.com)

The index website makes available limited index information including:

- Index methodology and factsheets
- Current performance numbers for select indices

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 Ticker

Ticker (USD Unhedged)	Index
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BCIYTRUU	EM USD ex China Investment Grade 10 year 10% Country Capped Index
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