

US MBS 30 Year Float Adjusted Index

The Bloomberg Barclays US Mortgage Backed Securities (MBS) 30 Year Float Adjusted Bond Index tracks the 30 year fixed-rate agency mortgage backed pass-through programs guaranteed by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC). The index is constructed by grouping individual TBA-deliverable MBS pools into aggregates or generics based on program, coupon and vintage. MBS pools are adjusted for Federal Reserve holdings (float adjusted). Pool aggregates must have at least USD3bn outstanding and have been issued within the last 10 years. The index was created in November 2018, with history backfilled to October 1, 2006.

Rules for Inclusion

Eligible Currencies	Principal and interest must be denominated in USD.	
Pool Aggregate (Generic) Construction	Fixed-rate MBS pool aggregates, or generics, are formed by grouping individual fixed-rate MBS pools into aggregates based on program, coupon and vintage.	
Quality	<ul style="list-style-type: none"> 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. US agency MBS is assigned the same rating as US government debt. 	
Amount Outstanding	Fixed-rate pool aggregates must have at least USD3bn outstanding.	
Float Adjustments to Amount Outstanding	<ul style="list-style-type: none"> Federal Reserve holdings of MBS pools are mapped into MBS pool aggregates, and then subtracted from the total amount outstanding of the respective aggregates. Adjustments to each security's amount outstanding are made on a monthly basis in the Projected Universe for government holdings in the previous month. The adjustments are reflected in the Returns Universe in the following month. 	
Coupon	Fixed-rate programs are included in half-percent increments.	
Maturity	Pool aggregates must have a weighted average maturity (WAM) of at least one year.	
Issue Date	Eligible securities must have been issued within the past ten years.	
Taxability	Only fully taxable issues are eligible.	
Market of Issue	SEC-registered securities, bonds exempt from registration at the time of issuance and SEC Rule 144A securities with registration rights are eligible.	
Security Types	Included <ul style="list-style-type: none"> Agency MBS: GNMA, FHLMC, FNMA 30-year fixed-rate programs only 	Excluded <ul style="list-style-type: none"> TBAs Collateralized Mortgage Obligations (CMOs) Non-agency (whole loan) collateral FNMA mega pools, FHLMC giant pools, GNMA platinum pools Floating-rate ARMs, hybrid ARMs Jumbo pools Prepayment penalty mortgages 10-year, 15-year, 20-year fixed-rate programs Buydowns High LTV FNMA CR/CQ and FHLMC U6/U9 pools

Rebalancing Rules

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. 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.

Pricing and Related Issues

Sources & Frequency	MBS generics are priced daily based on a weighted average price of their respective underlying non-specified pools. The pools are priced by BVAL on a same-day settlement basis. ¹
Pricing Quotes	Bonds are quoted as a percentage of par.
Timing	<ul style="list-style-type: none"> • 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.
Settlement Assumptions	Same-day settlement basis.
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.
Paydowns	Paydown estimates are made on the first business day of the month using the prior months' factors. Actual paydowns are updated on the 16 th business day of the month.
Calendar	The US MBS 30 Year Float Adjusted Index follows the US bond market holiday schedule.

Monthly Returns in USD, 2013-2018 (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013	-0.52	0.34	0.13	0.52	-1.59	-0.89	-0.09	-0.26	1.47	0.71	-0.64	-0.48	-1.34
2014	1.64	0.35	-0.32	0.96	1.20	0.32	-0.60	0.93	-0.11	0.96	0.63	0.18	6.27
2015	0.65	-0.07	0.39	0.07	-0.02	-0.74	0.63	0.07	0.58	0.08	-0.12	0.02	1.53

¹ For details on the US MBS Index pricing methodology, please refer to *US MBS Index Pricing Methodology and Changes*.

Monthly Returns in USD, 2013-2018 (%)

2016	1.27	0.34	0.31	0.15	0.14	0.78	0.20	0.15	0.28	-0.24	-1.70	-0.02	1.64
2017	-0.06	0.47	0.02	0.66	0.65	-0.39	0.45	0.73	-0.18	-0.05	-0.12	0.33	2.55
2018	-1.17	-0.72	0.64	-0.50	0.73	0.06	-0.09	0.59	-0.62	-0.70	–	–	-1.78

Accessing Index Data

Bloomberg Terminal®	<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.bloomberg.com/professional/product/indices)	<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
Data Distribution	<p>Index subscribers may choose to receive index data in files. Files may include:</p> <ul style="list-style-type: none"> • 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: US MBS 30 Year Float Adjusted and Related Indices

Ticker (USD Unhedged)	Index	Ticker (USD Unhedged)	Index
I34320US	US MBS 30 Year Float Adjusted	BCMATRUU	US MBS Fixed-Rate FNMA
I10926US	US MBS 30 Year	BCMCTRUU	US MBS Fixed-Rate FHLMC
LUMSTRUU	US MBS	BCM3TRUU	US MBS Fixed-Rate Conventional 30 Year
LGNMTRUU	US MBS Fixed-Rate GNMA	LD16TRUU	US MBS Fixed-Rate GNMA 30 Year

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.

Index Licensing

Bloomberg requires index data licenses for services and products linked to the Indices

• Index or Constituent-Level Redistribution	• Bond Pricing Service	• Exchange Traded Funds (ETFs)
• Exchange Traded Notes (ETNs)	• Index-Linked Insurance Products	• Mutual Funds
• OTC Derivative Products	• Custom Index Solutions	

New York

+1-212-318-1000

London

+44-20-7330-7500

Singapore

+65-6212-1000

Hong Kong

+852-2977-6000

Tokyo

+81-3-3201-8900

Sydney

+61-2-9777-8600

indexhelp@bloomberg.net

Disclaimer

BLOOMBERG is a trademark and service mark of Bloomberg Finance L.P. BARCLAYS is a trademark and service mark of Barclays Bank Plc, used under license. Bloomberg Finance L.P. and its affiliates (collectively, "Bloomberg") or Bloomberg's licensors own all proprietary rights in the BLOOMBERG BARCLAYS INDICES. Neither Bloomberg nor Barclays Bank PLC or Barclays Capital Inc. or their affiliates (collectively "Barclays") guarantee the timeliness, accuracy or completeness of any data or information relating to BLOOMBERG BARCLAYS INDICES or make any warranty, express or implied, as to the BLOOMBERG BARCLAYS INDICES or any data or values relating thereto or results to be obtained therefrom, and expressly disclaims all warranties of merchantability and fitness for a particular purpose with respect thereto. It is not possible to invest directly in an index. Back-tested performance is not actual performance. Past performance is not an indication of future results. To the maximum extent allowed by law, Bloomberg and its licensors, and their respective employees, contractors, agents, suppliers and vendors shall have no liability or responsibility whatsoever for any injury or damages - whether direct, indirect, consequential, incidental, punitive or otherwise - arising in connection with BLOOMBERG BARCLAYS INDICES or any data or values relating thereto - whether arising from their negligence or otherwise. This document constitutes the provision of factual information, rather than financial product advice. Nothing in the BLOOMBERG BARCLAYS INDICES shall constitute or be construed as an offering of financial instruments or as investment advice or investment recommendations (i.e., recommendations as to whether or not to "buy," "sell," "hold" or enter into any other transaction involving a specific interest) by Bloomberg or its affiliates or licensors or a recommendation as to an investment or other strategy. Data and other information available via the BLOOMBERG BARCLAYS INDICES should not be considered as information sufficient upon which to base an investment decision. All information provided by the BLOOMBERG BARCLAYS INDICES is impersonal and not tailored to the needs of any specific person, entity or group of persons. Bloomberg and its affiliates express no opinion on the future or expected value of any security or other interest and do not explicitly or implicitly recommend or suggest an investment strategy of any kind. In addition, Barclays is not the issuer or producer of the BLOOMBERG BARCLAYS INDICES and has no responsibilities, obligations or duties to investors in these indices. While Bloomberg may for itself execute transactions with Barclays in or relating to the BLOOMBERG BARCLAYS INDICES, investors in the BLOOMBERG BARCLAYS INDICES do not enter into any relationship with Barclays and Barclays does not sponsor, endorse, sell or promote, and Barclays makes no representation regarding the advisability or use of, the BLOOMBERG BARCLAYS INDICES or any data included therein. Customers should consider obtaining independent advice before making any financial decisions. ©2018 Bloomberg Finance L.P. All rights reserved.