

1-5 Year Europe Select Index

The Bloomberg Barclays 1-5 Year Europe Select Bond Index tracks the fixed-rate, EUR-denominated, investment grade debt from European and supranational issuers. It includes treasury, government-related, and corporate senior bonds with at least EUR500mn par amount outstanding and with up to, but not including, 5 years remaining to maturity. The index was launched in January 2019, with index history backfilled to January 1, 2012.

Rules for Inclusion

Eligible Currencies	Principal and interest must be denominated in EUR.	
Quality	<p>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 used to classify securities by credit quality:</p> <ul style="list-style-type: none"> Treasury and 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. Expected ratings at issuance may be used to ensure timely index inclusion or to classify split-rated issuers properly. 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. 	
Coupon	Fixed-rate coupon (including zero coupon).	
Amount Outstanding	EUR500mn minimum par amount outstanding.	
Sector	Treasury, Government-Related and Corporate issuers only. Securitized bonds are excluded.	
Country of Risk	Bonds with Supranational or European countries of risk are included. ¹	
Maturity	Between one and up to, but not including, five years until final maturity.	
Market of Issue	Publicly issued in the global and regional markets.	
Seniority of Debt	Only senior issues are included.	
Taxability	Only fully taxable issues are eligible.	
Security Types	<p>Included</p> <ul style="list-style-type: none"> Bullet bonds Original issue zero coupon bonds Underwritten MTNs 	<p>Excluded</p> <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, floating-rate issues Private placements, retail bonds Securitized bonds Illiquid securities where reliable pricing is unavailable Sukuk

¹ European countries include: Albania, Andorra, Austria, Belarus, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Gibraltar, Great Britain, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Macedonia, Malta, Moldova, Monaco, Montenegro, Netherlands, Norway, Poland, Portugal, Romania, San Marino, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Ukraine, and the Vatican.

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 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 by Bloomberg's evaluated pricing service, BVAL.
Timing	<ul style="list-style-type: none"> • 4:15pm (London time). • On early market closes, prices are taken as of 12:00pm (London time), unless otherwise noted. • If the last business day of the month is a UK holiday, prices from the previous business day are used.
Bid or Offer Side	Bonds in the index are priced on the bid side. Treasuries are priced on the mid 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. 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.
Currency Hedging	The Bloomberg Barclays' 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 1-5 Year Europe Select Index follows the UK bond market holiday schedule. For month-end dates, the European calendar may also be employed in the event a UK holiday falls on a month-end date but European markets remain open.

Monthly Returns in EUR Unhedged, 2012-2019(%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2012	1.36	0.96	0.12	0.04	-0.19	0.24	0.82	0.83	0.54	0.43	0.54	0.33	6.19
2013	-0.36	0.48	0.23	0.87	-0.24	-0.64	0.50	-0.07	0.42	0.65	0.30	-0.22	1.93
2014	0.74	0.18	0.30	0.25	0.41	0.42	0.21	0.39	0.20	-0.09	0.19	0.17	3.41

Monthly Returns in EUR Unhedged, 2012-2019(%)

2015	0.25	0.29	0.05	-0.13	-0.04	-0.41	0.48	-0.18	0.15	0.37	0.31	-0.27	0.85
2016	0.43	0.17	0.05	-0.03	0.17	0.29	0.15	0.00	0.06	-0.34	-0.12	0.31	1.13
2017	-0.38	0.32	-0.24	0.17	0.16	-0.28	0.20	0.19	-0.09	0.26	-0.05	-0.27	-0.01
2018	-0.25	0.10	0.26	-0.07	-0.56	0.32	-0.12	-0.26	-0.03	0.07	0.18	0.33	-0.04
2019	0.19	-	-	-	-	-	-	-	-	-	-	-	0.19

Accessing Index Data

Bloomberg Terminal®

Bloomberg benchmarks are the global standard for capital markets investors.

- 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)

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 Tickers: 1-5 Year Europe Select and Related Indices

Ticker (EUR Unhedged)	Index	Ticker (EUR Unhedged)	Index
I34468EU	1–5 Year Europe Select	LECP TREU	Euro Aggregate: Corporates
LBEATREU	Euro Aggregate	LP06 TREU	Pan-European Aggregate
LEA6 TREU	Euro Aggregate 1–5 Year	LEGATREU	Global Aggregate

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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