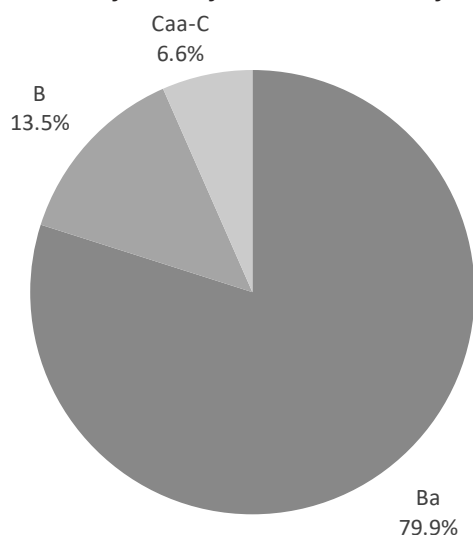


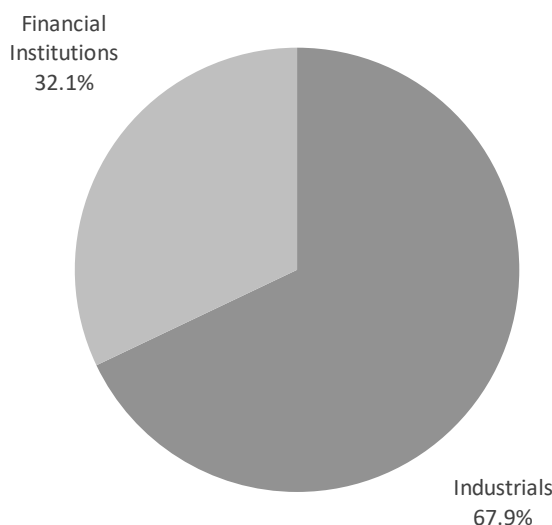
# Bloomberg Barclays MSCI Euro High Yield Sustainable and SRI Index

The Bloomberg Barclays MSCI Euro High Yield Sustainable and SRI Bond Index is a fixed-rate, high-yield corporate bond benchmark that follows the rules of the Bloomberg Barclays Euro Corporate High Yield Index. To be eligible for the index, bonds must have a minimum amount outstanding of EUR250mn. The index excludes issuers that are involved in business activities that are restricted according to pre-defined Business Involvement Screens and issuers with a "Red" MSCI ESG Controversy Score. The index also weights issuers with MSCI ESG Ratings of BBB or higher at 100% weight by market value, weights issuers with MSCI ESG Ratings of BB at 50% weight by market value, and excludes issuers with MSCI ESG Ratings of below BB. The index was created in February 2021, with history backfilled to May 1, 2019.

Composition by Quality (MV%) - February 26, 2021



Composition by Sector (MV%) - February 26, 2021



## Rules for Inclusion

<b>Sector</b>	Corporate (industrial, utility and financial institutions) issuers only.
<b>Eligible Currencies</b>	Principal and interest must be denominated in EUR.
<b>Quality</b>	<p>Securities must be rated high yield (Ba1/BB+/BB+ or below) 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>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> </ul>
<b>Amount Outstanding</b>	EUR250mn minimum par amount outstanding.
<b>Coupon</b>	<ul style="list-style-type: none"> <li>Fixed-rate coupon.</li> <li>Pay-in-kind (PIK) and Partial PIK bonds are excluded.</li> <li>Callable fixed-to-floating rate and fixed-to-variable bonds are eligible during their fixed-rate term only.</li> </ul>

- Step-up coupons and those that change according to a predetermined schedule are eligible.

#### Maturity

- At least one year until final maturity, regardless of optionality.
- 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.

#### Seniority of Debt

Senior and subordinated issues are included.

#### Market of Issue

Fully taxable, publicly issued in the global and regional markets.

#### Security Types

##### Included

- Bullet, puttable, sinkable/amortizing and callable bonds
- Fixed-rate and fixed-to-floating capital securities

##### Excluded

- Treasury, government related and securitized bonds
- Floating-rate bonds, inflation-linked bonds
- Private placements and retail bonds
- Emerging Market Issuers
- PIK and Partial PIK bonds

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

#### MSCI ESG Rating

The following criteria apply:

- Securities must have an MSCI ESG Rating of BB or higher. Securities with MSCI ESG Rating of BBB or higher are weighted at 100% of their market value; securities with MSCI ESG Rating of BB are weighted at 50% of their market value.
- Unrated issuers from sectors with ratings are excluded.
- Ratings are applied at the ticker level. Every bond within the same ticker will have the same MSCI ESG Rating.
- MSCI ESG Ratings are generally updated annually, but may be reviewed more frequently as needed.

#### 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 December 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 0%
- Unconventional Oil and Gas greater than 0%
- Any Fossil Fuel Reserves
- Generation of 10% or more electricity from thermal coal or 10% or more installed capacity attributed to thermal coal or 5% or more revenue from thermal coal-based power generation

- Generation of 30% or more electricity from nuclear power or 30% or more installed capacity attributed to nuclear sources or 30% or more revenue (either reported or estimated) from ownership or operation of nuclear power plants
- Generation of 30% or more electricity from liquid fuel and natural gas or 30% or more installed capacity attributed to liquid fuel and natural gas or 30% or more revenue (either reported or estimated) from liquid fuel- and natural gas-based power generation
- Conventional Oil and Gas greater than 0% or total revenue with less than 40% or the total revenue being derived from alternative energy
- Tobacco revenue greater than 10%
- Any tie to controversial weapons
- Manufacturing of nuclear weapons or provision of auxiliary services related to nuclear weapons

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](#)).

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**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.

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## Rebalancing Rules

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**Issuer Capping Methodology** Issuers that exceed 3% of the market value of the uncapped Bloomberg Barclays MSCI Euro High Yield Sustainable and SRI Index are limited at 3%. The excess market value over the 3% cap will be redistributed on a pro rata basis to all other issuers’ bonds in the index that are under the 3% cap. The process is repeated until no issuer exceeds the 3% limit. For example, an issuer that represents 4% of the uncapped index will have 1% of the index’s market value redistributed to each bond from all issuers under the 3% cap on a pro rata basis. The 3% 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 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, 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.

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**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/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.

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## Pricing and Related Issues

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**Sources & Frequency** All index-eligible bonds are priced on a daily basis by Bloomberg’s evaluated pricing service, BVAL.

**Pricing Quotes** Bonds are quoted as a percentage of par.

**Timing**

- 4:15pm (London time).
- On early market closes, prices are taken as of 12:00pm (London time), unless otherwise noted.

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- 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. 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.

**Calendar**

The Euro High Yield Sustainable and SRI Index follows the UK market holiday schedule.

**Monthly Returns in EUR Unhedged, 2019-2021 (%)**

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2019	–	–	–	–	-1.32	2.42	0.81	0.88	-0.06	-0.09	0.53	0.88	4.08
2020	0.12	-1.66	-12.86	5.51	2.43	1.93	1.38	1.55	-0.55	0.17	3.85	0.78	1.46
2021	0.45	0.61	–	–	–	–	–	–	–	–	–	–	1.06

**Accessing Index Data****Bloomberg Terminal®**

Bloomberg benchmarks are the global standard for capital markets investors.

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- 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. PORT includes tools to analyze performance of a portfolio versus a benchmark as well as models for performance attribution, tracking error analysis, value-at-risk, scenario analysis, and optimization.
- DES<Go> – The index description page provides transparency into the current and projected index universe including membership information, aggregated characteristics and returns, and historical data.

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- 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

**Index Ticker**

I36085EU : Total Return Euro Unhedged

March 5, 2021

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March 5, 2021

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