

# Bloomberg MSCI US Corporate SRI Select Index

The Bloomberg MSCI US Corporate SRI Select Index is a USD-denominated benchmark that includes investment grade, fixed-rate and taxable corporate bonds from both developed and emerging markets issuers. The index follows the same general criteria as the Bloomberg US Corporate Index, but removes issuers with ties to thermal coal, oil and gas or those involved in certain controversial business lines. The index also excludes issuers with very severe ESG Controversies or Red Flags. The Bloomberg MSCI US Corporate SRI Select Index was launched in June 2020.

## Rules for Inclusion: Fixed Income Criteria

<b>Sector</b>	Corporate (industrials, utilities, and financial institutions) issuers only.
<b>Eligible Currencies</b>	Principal and coupon must be denominated in USD.
<b>Quality</b>	<p>Securities must be rated investment grade (Baa3/BBB-/BBB- or higher) 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>Market of Issue</b>	<ul style="list-style-type: none"> <li>• SEC-registered securities, bonds exempt from registration at the time of issuance and SEC Rule 144A securities with registration rights are eligible. A security with both SEC Regulation-S (Reg-S) and SEC Rule 144A tranches is treated as one security for index purposes. The 144A tranche is used to prevent double-counting and represents the combined amount outstanding of the 144A and Reg-S tranches.</li> <li>• Global bonds are included.</li> <li>• Bonds that were previously SEC-registered or 144A with registration rights but later deregistered by the issuer remain index eligible.</li> </ul>
<b>Amount Outstanding</b>	USD 750mn minimum par amount outstanding.
<b>Coupon</b>	<ul style="list-style-type: none"> <li>• Fixed-rate coupon.</li> <li>• Original zero coupon bonds are included.</li> <li>• Callable fixed-to-floating rate bonds are eligible during their fixed-rate term only.</li> <li>• Bonds with a step-up coupon that changes according to a predetermined schedule are eligible.</li> </ul>
<b>Maturity</b>	<ul style="list-style-type: none"> <li>• At least one year until final maturity, regardless of optionality.</li> <li>• 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.</li> </ul>

<b>Taxability</b>	<ul style="list-style-type: none"> <li>• Only fully taxable issues are eligible.</li> <li>• Dividend Received Deduction (DRD) and Qualified Dividend Income (QDI) eligible securities are excluded.</li> </ul>	
<b>Seniority of Debt</b>	Senior and subordinated issues are included.	
<b>Country of Risk</b>	Bonds with a Country of Risk equal to Russia or bonds denominated in Russian ruble were removed on April 1, 2022. See the Index Announcement <a href="#">FI Implementation Update on Russian Sanctions</a> for more details.	
<b>Security Types</b>	Included	Excluded
	<ul style="list-style-type: none"> <li>• Bullet, putable, sinkable/amortizing and callable bonds</li> <li>• Original issue zero coupon bonds</li> <li>• Bonds issued through underwritten MTN programs</li> <li>• Enhanced equipment trust certificates (EETC)</li> <li>• Certificates of deposit</li> <li>• Fixed-rate and fixed-to-float (including fixed-to-variable) capital securities</li> </ul>	<ul style="list-style-type: none"> <li>• Contingent capital securities, including traditional CoCos and contingent write-down securities, with explicit capital ratio or solvency/balance sheet-based triggers</li> <li>• Bonds with equity type features (e.g., warrants, convertibles, preferreds, DRD/QDI-eligible issues)</li> <li>• Inflation-linked bonds, floating-rate issues</li> <li>• Taxable and tax-exempt municipal securities</li> <li>• Covered bonds</li> <li>• Fixed-rate perpetuals</li> <li>• Private placements, retail bonds</li> <li>• USD25/USD50 par bonds</li> <li>• Structured notes, pass-through certificates</li> <li>• Securities where reliable pricing is unavailable</li> </ul>

## Environment, Social and Governance (ESG) Rules

### Business Involvement Screening

Adult Entertainment:

- Excludes all researched companies classified as a "Producer" deriving 5% or more aggregate revenue from the production, distribution, and retail of adult entertainment material.
- Starting on April 1, 2022, excludes all researched companies deriving 10% or more aggregate revenue from the production, distribution, and retail of adult entertainment materials.
- Prior to April 1, 2022, excludes all researched companies classified as a "Producer" deriving 500mn USD or more aggregate revenue from the production, distribution, and retail of adult entertainment material.

Alcohol:

- Excludes all researched companies classified as a "Producer" deriving 5% or more aggregate revenue from the production, distribution, retail, and supply of alcohol related products.
- Starting on April 1, 2022, excludes all researched companies deriving 10% or more aggregate revenue from the production, distribution, retail, and supply of alcohol related products.
- Prior to April 1, 2022, excludes all researched companies classified as a "Producer" deriving 500mn USD or more aggregate revenue from the production, distribution, retail, and supply of alcohol related products.

**Gambling:**

- Excludes all researched companies classified as either involved in "Operations" deriving 5% or more aggregate revenue from gambling related business activities or involved in "Support" deriving 10% or more aggregate revenue from gambling related business activities.
- Prior to April 1, 2022, excludes all researched companies classified as either involved in "Operations" or "Support" deriving 5% or 500mn USD or more aggregate revenue from gambling related business activities.

**Tobacco:**

- Excludes all researched companies either classified as a "Producer" or deriving 5% or more aggregate revenue from the production, distribution, retail, supply, and licensing of tobacco related products.
- Prior to April 1, 2022, excludes all researched companies deriving 15% or more aggregate revenue from the distribution, retail, and supply of tobacco related products.

**Nuclear Weapons:**

- Excludes all researched companies manufacturing nuclear weapons, including nuclear warheads, intercontinental ballistic missiles, and ballistic missile submarines, which are capable of the delivery of nuclear warheads.
- Excludes all researched companies manufacturing key nuclear weapons components.

**Controversial Weapons:**

- Excludes all researched companies manufacturing biological and chemical weapons or key biological and chemical weapons components.
- Excludes all researched companies manufacturing cluster munitions whole weapons systems, components, or delivery platforms.
- Excludes all researched companies manufacturing landmines whole systems or components.
- Excludes all researched companies involved in the production of depleted uranium (DU) weapons, ammunition, and armor, including companies that manufacture armor piercing, fin stabilized, discarding sabot tracing rounds (APFSDS-T); Kinetic Energy Missiles made with DU penetrators; and DU-enhanced armor, including composite tank armor.

**Conventional Weapons:**

- Excludes all researched companies deriving revenue from the production of conventional weapons and components.
- Excludes all researched companies deriving 5% or more revenue from conventional weapons support systems and services.
- Prior to April 1, 2022, excludes all researched companies deriving 5% or 500mn USD or more aggregate revenue from weapons systems, components, and support systems and services.

**Civilian Firearms:**

- Excludes all researched companies classified as "Producer" of firearms and small arms ammunitions for civilian markets. It does not include companies that cater to the military, government, and law enforcement markets
- Starting on April 1, 2022, excludes all researched companies classified as a "Retailer" deriving revenue from the production and distribution (wholesale or retail) of firearms or small arms ammunition intended for civilian use.
- Prior to April 1, 2022, excludes all researched companies classified as a "Retailer" deriving 5% or 20mn USD or more revenue from the production and distribution (wholesale or retail) of firearms or small arms ammunition intended for civilian use.

**Fossil Fuel:**

- Excludes all researched companies having an industry tie to fossil fuels (thermal coal, oil and gas) – in particular, reserve ownership, related revenues and power generation. This list does not include companies providing evidence of owning metallurgical coal reserves.

**Nuclear Power:**

- Excludes all researched companies owning or operating nuclear power plants.
- Excludes all researched companies owning or operating active uranium mines.
- Excludes all researched companies involved in uranium enrichment and processing.
- Excludes all researched companies involved in the design and engineering of nuclear power reactors.
- Starting on April 1, 2022, excludes all researched companies classified as a “Supplier” deriving revenue from nuclear power activities.
- Prior to April 1, 2022, excludes all researched companies classified as a “Supplier” deriving 15% or more aggregate revenue from nuclear power activities.

**Genetically Modified Organisms (GMOs):**

- Prior to April 1, 2022, excludes all researched companies deriving revenue from genetically modifying plants, such as seeds and crops, and other organisms intended for agricultural use or human consumption.

**ESG Controversy**

Excludes all researched companies involved in one or more very severe ESG Controversies (MSCI ESG Controversy Score= 0, Red Flags), which measures an issuer’s involvement in major ESG controversies and how well they adhere to international norms and principles.

Starting on April 1, 2022, issuers without ESG Controversy Scores from MSCI are excluded.

**Board Diversity**

Excludes all issuers without any women on the board of directors. Issuers without Board Diversity data from MSCI ESG Research are excluded.

**ESG Mapping Methodology****Ticker Mapping**

Prior to April 9, 2021, assignment of MSCI ESG Ratings, Controversy Scores, and Business Involvement data to issuers in the Bloomberg MSCI ESG family of fixed income indices was made at the Bloomberg ticker level. However, many companies have multiple issuing entities that share a common ticker. In the cases where MSCI has ESG data for more than one of these sub-entities, the entity with the largest debt outstanding (by market value) in the Bloomberg index family was mapped to the Bloomberg ticker. Every bond with the same ticker will have the same underlying ESG data.

**Bond Mapping**

Since April 9, 2021, ESG data has been applied at the bond level. See the index Announcement for [Planned Change to ESG Mapping Methodology](#) more details.

**Non-covered Issuers**

Issuers not covered by MSCI Business Involvement Screening Research (BISR) and Fossil Fuel Research are eligible, provided the bonds satisfy all the index inclusion rules. Issuers with missing ESG Controversy Scores are not eligible.

**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 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 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

- Prior to January 14, 2021, bonds are priced at 3 p.m. (New York time). On early market closes, prices are taken as of 1 p.m. (New York time), unless otherwise noted.
- From January 14, 2021, and onwards, bonds are priced at 4 p.m. (New York time). On early market closes, prices are taken as of 2 p.m. (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. 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 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 to identify outliers. Index users may also challenge price levels, which are then reviewed and updated as needed.

### Calendar

The US Corporate SRI Select Index follows the US bond market holiday schedule.

## Accessing Index Data

- Bloomberg Terminal®** Bloomberg benchmarks are the global standard for capital markets investors.
- INDE<GO> - The Bloomberg Indices dashboard page, which contains daily, monthly, and year-to-date index returns for key indices from each index family as well as a link to index publications.
  - 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.
  - DES<GO> - The index description page provides transparency into an individual index including membership information, aggregated characteristics and returns, and historical performance.
  - INP<GO> - The Bloomberg Indices Publications page, which includes methodologies, factsheets, monthly reports, announcements and technical notes. A user may also subscribe to index publications via the "Actions" button.
  - 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.

- Bloomberg Indices Website**  
([www.bloomberg.com/indices](http://www.bloomberg.com/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

**Index Ticker** I35653US: Total Return USD Unhedged

## Index Licensing

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

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

## Disclaimer

This document and the information contained in it, including without limitation all text, data, graphs and charts (collectively, the "Information") is the property of MSCI Inc. and/or its affiliates (collectively, "MSCI"), Bloomberg Index Services Limited and/or its affiliates (collectively, "Bloomberg"), or their licensors, direct or indirect suppliers or any third party involved in making or compiling any Information (MSCI and Bloomberg, collectively, the "Information Providers") and is provided for informational purposes only. The Information may not be reproduced or disseminated in whole or in part without prior written permission from the authorized Information Provider(s). All rights in the Bloomberg MSCI Environmental, Social & Governance (ESG) fixed income indices (the "ESG Indices") vest in MSCI and Bloomberg. The Information may not be used to create derivative works or to verify or correct other data or information. For example (but without limitation), the Information may not be used to create indices, databases, risk models, analytics or software, or in connection with issuing, offering, sponsoring, managing or marketing securities, portfolios, financial products or other investment vehicles utilizing or based on, linked to, tracking or otherwise derived from the Information.

The user of the Information assumes the entire risk of any use it makes or permits to be made of the Information. NONE OF THE INFORMATION PROVIDERS MAKES ANY EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS WITH RESPECT TO THE INFORMATION (OR THE RESULTS TO BE OBTAINED BY THE USE THEREOF) AND, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH INFORMATION PROVIDER EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES (INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF ORIGINALITY, ACCURACY, TIMELINESS, NON-INFRINGEMENT, COMPLETENESS OR MERCHANTABILITY).

Without limiting any of the foregoing and to the maximum extent permitted by applicable law, in no event shall any Information Provider have any liability regarding any of the Information including with respect to any direct, indirect, special, punitive, consequential (including lost profits) or other damages even if notified of the possibility of such damages. The foregoing shall not exclude or limit liability that may not by applicable law be excluded or limited, including without limitation (as applicable), for death or personal injury to the extent such injury results from the negligence or willful default of itself or its servants, agents or sub-contractors.

Information containing historical information, data or analysis should not be taken as an indication or guarantee of future performance, analysis, forecast or prediction. Past performance does not guarantee future results. All levels, prices and spreads are historical and do not represent current market levels, prices or spreads, some or all of which may have changed since the publication of this document.

None of the Information constitutes an offer to sell (or a solicitation of an offer to buy), any security, financial product or other investment vehicle or any trading strategy.

MSCI's wholly-owned subsidiary, MSCI ESG Research LLC, is a Registered Investment Adviser under the Investment Advisers Act of 1940. Except with respect to any applicable products or services from MSCI ESG Research LLC, none of MSCI's products or services recommends, endorses, approves or otherwise expresses any opinion regarding issuers, securities, financial products or instruments or trading strategies and none of MSCI's products or services is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and no such products or services may be relied on as such.

The ESG Indices use ratings and other data, analysis and information from MSCI ESG Research LLC. Issuers mentioned or included in any MSCI ESG Research materials may include MSCI Inc., clients of MSCI, or suppliers to MSCI, and may also purchase research or other products or services from MSCI ESG Research LLC. MSCI ESG Research LLC materials, including materials utilized in ESG Indices or other products, have not been submitted to, nor received approval from, the United States Securities and Exchange Commission or any other regulatory body. ESG Indices are unmanaged indices that cannot be invested in directly. None of the ESG Indices recommend, endorse, approve or otherwise express any opinion regarding any issuer, securities, financial products or instruments or trading strategies and none of the ESG Indices are intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and they may not be relied on as such. Any funds, products or other securities or investment vehicles using or based on the ESG Indices are not sponsored, endorsed, or promoted by Bloomberg or MSCI.

Any use of or access to the ESG Indices requires a license from both MSCI and Bloomberg. Any use of or access to other products, services or information of Bloomberg requires a license from Bloomberg. Any use of or access to other products, services or information of MSCI requires a license from MSCI. MSCI, Barra, RiskMetrics, MSCI ESG Research, FEA, and other MSCI brands and product names are the trademarks or service marks of MSCI. BLOOMBERG is a trademark and service mark of Bloomberg Finance L.P. The Global Industry Classification Standard (GICS) was developed by and is the exclusive property of MSCI and Standard & Poor's. "Global Industry Classification Standard (GICS)" is a service mark of MSCI and Standard & Poor's.

©2022 Bloomberg Finance L.P. All rights reserved

### Take the next step.

For additional information,  
email [indexhelp@bloomberg.net](mailto:indexhelp@bloomberg.net)  
or press the <HELP> key twice  
on the Bloomberg Terminal\*

[bloomberg.com/indices](https://www.bloomberg.com/indices)

<b>Beijing</b>	<b>Hong Kong</b>	<b>New York</b>	<b>Singapore</b>
+86 10 6649 7500	+852 2977 6000	+1 212 318 2000	+65 6212 1000
<b>Dubai</b>	<b>London</b>	<b>San Francisco</b>	<b>Sydney</b>
+971 4 364 1000	+44 20 7330 7500	+1 415 912 2960	+61 2 9777 8600
<b>Frankfurt</b>	<b>Mumbai</b>	<b>São Paulo</b>	<b>Tokyo</b>
+49 69 9204 1210	+91 22 6120 3600	+55 11 2395 9000	+81 3 4565 8900