

Bloomberg Fixed Income Volatility Target Indices

This document is intended to be read in conjunction with [Bloomberg Volatility Target Indices Methodology](#), [Bloomberg Cash Indices Methodology](#) and [Bloomberg Fixed Income Index Methodology](#), these documents collectively constitute the index methodology for this Index.

The Bloomberg suite of volatility target indices each apply to an underlying Bloomberg benchmark index. These Bloomberg Volatility Target Indices cover the fixed income asset class, and are designed to adjust the exposures to an underlying index and a cash component to target a specific volatility level.

Index Specification

| | |
|---|--|
| Cash Index | Bloomberg Overnight USD Cash Index |
| Exposure Threshold | 10% |
| Financing Spread | 0% |
| Index Base Value | 1000 |
| Lag for Determination Date | 1 Index Business Day immediately preceding to a Rebalance Date |
| Lag for Rebalance Date | 1 Index Business Day immediately preceding to an Index Business Day |
| Lookback Window for Volatility Calculation | <ul style="list-style-type: none"> • Short-term window: 20 • Long-term window: 40 |
| Maximum Target Exposure | 150% |
| Minimum Target Exposure | 0% |
| Rebalance Frequency | Daily |
| Return Type | <ul style="list-style-type: none"> • Excess Return • Total Return |
| Threshold Type | Absolute |
| Volatility Target | <ul style="list-style-type: none"> • 2% • 5% |
| Volatility Type | Realized volatility |
| Volatility Target Type | <ul style="list-style-type: none"> • Type III for Excess Return Indices • Type IV for Total Return Indices |
| Description of Constituents | <ul style="list-style-type: none"> • Please refer to the Bloomberg Fixed Income Index Methodology |
| Currency | <ul style="list-style-type: none"> • Please refer to Index Information below |
| Minimum Liquidity Requirement | <ul style="list-style-type: none"> • Please refer the Bloomberg Fixed Income Index Methodology |

Index Information

| Index Ticker | Index Name | Currency | Underlying Ticker | Index Base Date | Index Commencement Date |
|--------------|--|----------|-------------------|-----------------|-------------------------|
| LBUSV2E | Bloomberg US Agg Value Unhedged USD 2% Volatility Target Excess Return Index | USD | LBUSTRUU | 31-Dec-02 | 16-Dec-22 |
| LBUSV2T | Bloomberg US Agg Value Unhedged USD 2% Volatility Target Total Return Index | USD | LBUSTRUU | 31-Dec-02 | 16-Dec-22 |
| LBUSV5E | Bloomberg US Agg Value Unhedged USD 5% Volatility Target Excess Return Index | USD | LBUSTRUU | 31-Dec-02 | 16-Dec-22 |
| LBUSV5T | Bloomberg US Agg Value Unhedged USD 5% Volatility Target Total Return Index | USD | LBUSTRUU | 31-Dec-02 | 16-Dec-22 |
| LUATV2E | Bloomberg US Treasury Unhedged USD 2% Volatility Target Excess Return Index | USD | LUATTRUU | 31-Dec-02 | 16-Dec-22 |
| LUATV2T | Bloomberg US Treasury Unhedged USD 2% Volatility Target Total Return Index | USD | LUATTRUU | 31-Dec-02 | 16-Dec-22 |
| LUATV5E | Bloomberg US Treasury Unhedged USD 5% Volatility Target Excess Return Index | USD | LUATTRUU | 31-Dec-02 | 16-Dec-22 |
| LUATV5T | Bloomberg US Treasury Unhedged USD 5% Volatility Target Total Return Index | USD | LUATTRUU | 31-Dec-02 | 16-Dec-22 |

Environmental, Social and Governance (ESG) Disclosures

The Index does not take into account any ESG factors or pursue any ESG objectives, please refer to the with [Bloomberg Volatility Target Indices Methodology](#) ESG disclosures.

Accessing Index Data

Bloomberg Terminal®

- I<GO> - Overview of Bloomberg Indices and how to access them.
- 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 the current index universe including membership information, aggregated characteristics and returns, and historical data.
- 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. 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.

Bloomberg Indices Website (www.bloomberg.com/indices)

This index website makes available limited index information including:

- Index methodology and factsheets.
- Current Performance numbers for select indices.

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