

# Bloomberg US Floating-Rate Note Index

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

The Bloomberg US Floating-Rate Note Index measures the performance of USD denominated, investment-grade, floating-rate notes across corporate and government-related sectors. This index is not part of the US Aggregate Index, which is a fixed coupon index. Starting April 1, 2021, SOFR linked securities were added to the index. Prior to this date, only LIBOR linked securities were eligible. The index history is available from October 1, 2003.

**Index ID** 7296

**Base Currency Index Ticker** I07296US / BFRNTRUU: Total Return USD Unhedged

## Eligibility Requirements:

**Currency** Principal and interest must be denominated in USD.

**Sector** Government-Related and Corporate.

**Credit Rating** 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:

- Expected ratings at issuance may be used to ensure timely index inclusion or to properly classify split-rated issuers.
- Unrated securities may use an issuer rating for index classification purposes if available. Unrated subordinated securities may use a subordinated issuer rating if available.

**Minimum Liquidity Requirements** USD 300mn minimum par amount outstanding.

**Coupon**

- Quarterly payment 3-month LIBOR-based fixed spread securities.
- Quarterly payment compounded Overnight SOFR-based fixed spread securities.
- Floors are permitted

**Maturity**

- Minimum of 1 month to final maturity.
- Must have an original maturity of at least 18 months.

**Market of Issue**

- SEC-registered securities, bonds exempt from registration at the time of issuance, or SEC Rule 144A securities with or without registration rights are index eligible. A security with both SEC Regulation-S (Reg-S) and SEC Rule 144A tranches is treated as one security for in par value; to prevent double-counting, the 144A tranche is used to represent the issue and comprises the combined amount outstanding of the 144A and Reg-S tranches.

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- Issues with global market of issue are included.

**Seniority of Debt**

Senior and subordinated issues are included.

**Security Types****Included**

- Quarterly payment 3-month LIBOR-based fixed-spread securities.
- Quarterly payment compounded Overnight SOFR-based fixed spread securities.
- FRNs with coupon step-ups
- Corporate entities and funding agreements
- Bullet and callable structures

**Excluded**

- Quarterly payment simple Overnight SOFR-based fixed spread securities.
- Fixed-rate bullet and fixed-to-floating securities; securities not floating rate at issuance
- Bonds with equity-type features (e.g., warrants, convertibles, contingent capital securities)
- Inflation-linked bonds
- Securitized bonds (MBS, ABS, CMBS, covered)
- Yankee CDs
- Treasuries
- FDIC-guaranteed bank debt
- Capped, collared or inverse floating rate notes
- Illiquid securities with no available market quotes

**Rebalance Date**

The last business day of each month.

**Publication Currency:**

Bloomberg offers this index in additional base currencies for both unhedged and hedged indices.

- See Appendix 2 of the [Bloomberg Fixed Income Index Methodology](#) for Currency Hedging and Currency Returns.
- See Appendix 12 of the [Bloomberg Fixed Income Index Methodology](#) for Index Identification and Publication Currency.

## Environmental, Social and Governance (ESG) Disclosures

This Index does not take into account any ESG factors or pursue any ESG objectives. Please refer to the [Bloomberg Fixed Income Methodology](#) for ESG disclosures.

Date	Update
December 2023	Publication in new format

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