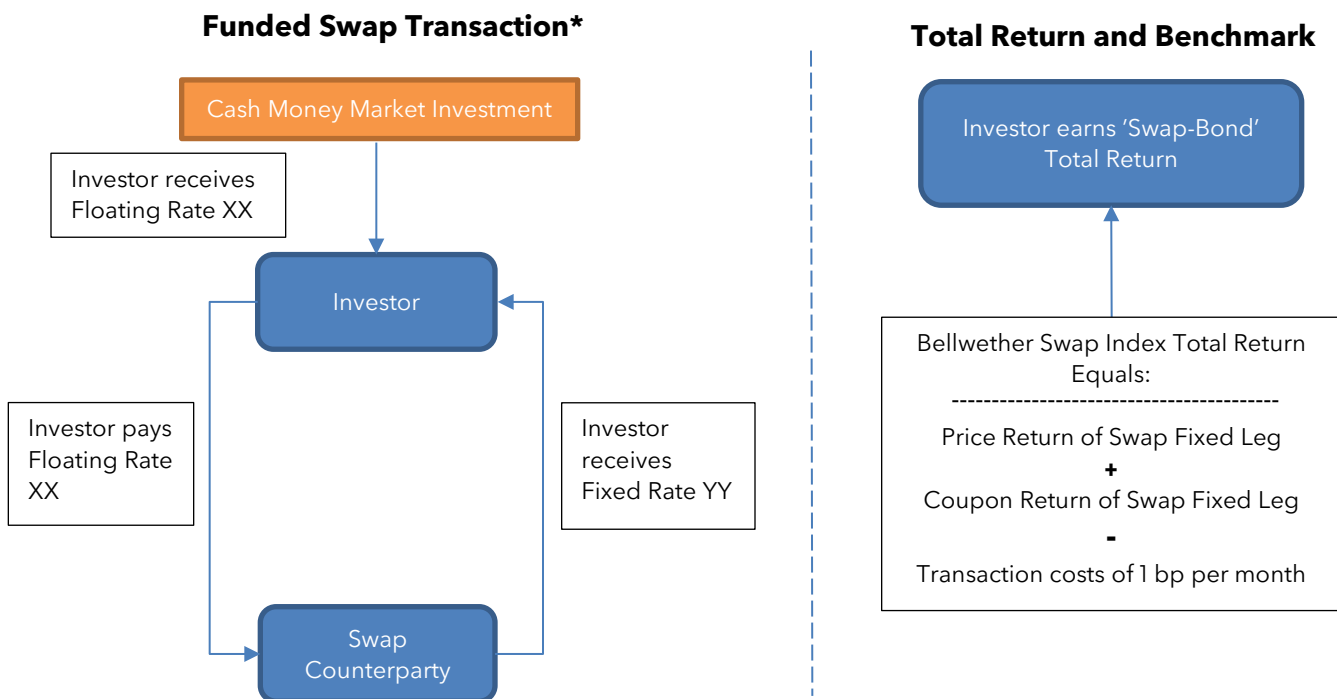


# Canadian Bellwether Swap Indices

The Bloomberg Canadian Bellwether Swap Indices are a series of benchmarks tracking the performance and attributes of the fixed leg across major tenor points of the CAD Swap (S4) curve ranging from 3m to 30-years and represents a funded total return of the fixed leg of a constant maturity swap with a specific tenor treated as a bond. The Bellwether Swap indices follow the Bloomberg Indices' monthly rebalancing conventions. The indices have history backfilled to August 1, 2006.



\*Assumes no transaction costs on the funding leg

## Membership

**Hypothetical Par Bond** For each swap index, Bloomberg constructs a hypothetical par bond that matches the terms of the fixed leg of the swap.

**Par Bond Construction** At each month-end the hypothetical bond is constructed with maturity matching the Bellwether tenor such as 3-month, 6-month, 1 year, 2 year, 5 year, etc.) and with coupon matching the prevailing market swap rate so that the bond reprices to par. This means that the indices maintain a constant maturity month to month.

**Pricing Methodology** On each subsequent day of the month the hypothetical bond is priced daily by discounting its cash flows using discount factors from the market swap curve.

## Rebalancing Rules

### Frequency

For each swap index, Bloomberg maintains two universes of securities: the Returns (Backward) and the Projected (Forward) Universes. The Returns Universe for each swap index is rebalanced at each month-end and represents a fixed coupon hypothetical bond that mirrors the fixed leg of the par swap on the last business day of each month and whose returns are calculated for the next month Index returns. The Projected Universe is a forward-looking hypothetical bond that updates daily to reflect the latest swap rate and maturity date for a given tenor, but is not used for return calculations. On the last business day of the month (the rebalancing date), the terms and coupon of the hypothetical bond in the Projected Universe are used to update the Returns Universe hypothetical bond for the following month.

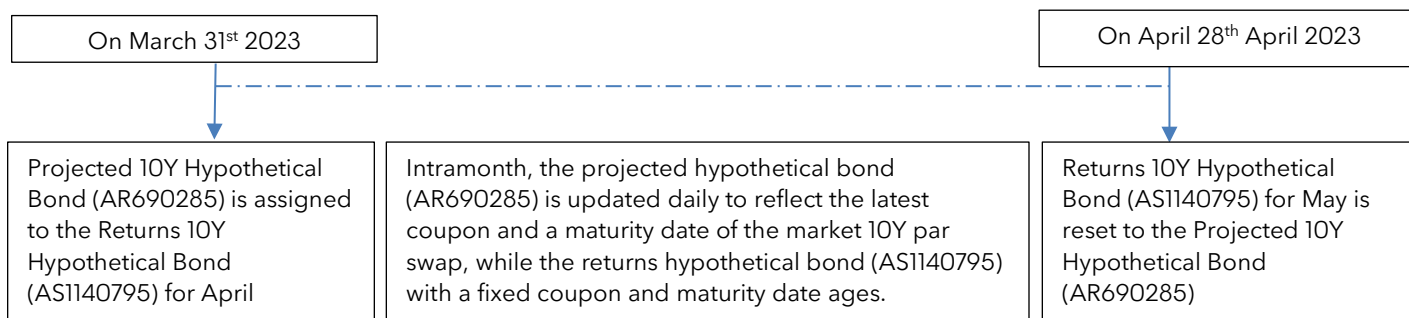
### Reinvestment of Cash Flows

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.

Using the 10-year Bellwether Swap Index (I14562CA Index) as an example:

Projected BW Swap CUSIP: AR690285

Returns BW Swap CUSIP: AS1140795



## Pricing and Related Issues

### Sources & Frequency

All Swap tenors are priced on a daily basis by Bloomberg's BGN pricing source.

### Pricing Quotes

Par Swap rates are priced.

### Timing

- 4 p.m. (New York time).
- On early market closes, prices are taken as of 1 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.

### Market Side

Swaps in the index are priced on the mid side.

### 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 to identify outliers. Index users may also challenge price levels, which are then reviewed and updated as needed.

### Calendar

The Canadian Bellwether Swap Index follows the US bond market holiday schedule.

**Swap Curve Type** The CAD Bellwether swap indices continue to be priced of the CAD Swap curve vs 3m CDOR. Liquidity will be reviewed periodically to assess whether a move to the relevant RFR curve is more appropriate.

**Transaction Costs** The published Total Return of all Swap Indices are net of a transaction cost of 1 bp per month on the fixed funding leg (12 bps per annum) i.e. a transaction cost of 1 bp per month is deducted from the published Total Return of any Swap Index.

## 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)** 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

**Sample Index Ticker**

I14552CA: Bloomberg CAD Bellwether Swap: 6 Month Total Return Index Unhedged CAD  
 I14554CA: Bloomberg CAD Bellwether Swap: 2 Year Total Return Index Unhedged CAD  
 I14557CA: Bloomberg CAD Bellwether Swap: 5 Year Total Return Index Unhedged CAD  
 I14562CA: Bloomberg CAD Bellwether Swap: 10 Year Total Return Index Unhedged CAD  
 I14572CA: Bloomberg CAD Bellwether Swap: 20 Year Total Return Index Unhedged CAD  
 I14582CA: Bloomberg CAD Bellwether Swap: 30 Year Total Return Index Unhedged CAD

## 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

BLOOMBERG, BLOOMBERG INDICES and Bellwether Swap Indices (the "Indices") are trademarks or service marks of Bloomberg Finance L.P. Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited, the administrator of the Indices (collectively, "Bloomberg") or Bloomberg's licensors own all proprietary rights in the Indices. Bloomberg does not guarantee the timeliness, accuracy or completeness of any data or information relating to the Indices. Bloomberg makes no warranty, express or implied, as to the Indices or any data or values relating thereto or results to be obtained therefrom, and expressly disclaims all warranties of merchantability and fitness for a particular purpose with respect thereto. It is not possible to invest directly in an Index. Back-tested performance is not actual performance. Past performance is not an indication of future results. To the maximum extent allowed by law, Bloomberg, its licensors, and its and their respective employees, contractors, agents, suppliers and vendors shall have no liability or responsibility whatsoever for any injury or damages - whether direct, indirect, consequential, incidental, punitive or otherwise - arising in connection with the Indices or any data or values relating thereto - whether arising from their negligence or otherwise. This document constitutes the provision of factual information, rather than financial product advice. Nothing in the Indices shall constitute or be construed as an offering of financial instruments or as investment advice or investment recommendations (i.e., recommendations as to whether or not to "buy", "sell", "hold", or to enter or not to enter into any other transaction involving any specific interest or interests) by Bloomberg or a recommendation as to an investment or other strategy by Bloomberg. Data and other information available via the Indices should not be considered as information sufficient upon which to base an investment decision. All information provided by the Indices is impersonal and not tailored to the needs of any person, entity or group of persons. Bloomberg does not express an opinion on the future or expected value of any security or other interest and do not explicitly or implicitly recommend or suggest an investment strategy of any kind. Customers should consider obtaining independent advice before making any financial decisions. © 2023 Bloomberg. All rights reserved. This document and its contents may not be forwarded or redistributed without the prior consent of Bloomberg.

The BLOOMBERG TERMINAL service and Bloomberg data products (the "Services") are owned and distributed by Bloomberg Finance L.P. ("BFLP") except (i) in Argentina, Australia and certain jurisdictions in the Pacific islands, Bermuda, China, India, Japan, Korea and New Zealand, where Bloomberg L.P. and its subsidiaries distribute these products, and (ii) in Singapore and the jurisdictions serviced by Bloomberg's Singapore office, where a subsidiary of BFLP distributes these products.

### 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