

EUR Bellwether Swap Indices

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 EUR Bloomberg Bellwether Swap Indices are a series of benchmarks tracking the performance of hypothetical par priced bonds whose characteristics match the fixed leg of a 6m Euribor swap of the same maturity. The Bellwether Swap indices follow the Bloomberg Indices' monthly rebalancing conventions. The indices were created in June 2002, with history backfilled to January 01, 1999.

Description of Index Constituents The EUR Bellwether Index consists of a hypothetical par bond that matches the terms of the fixed leg of a constant maturity swap with a specific tenor treated as a bond.

Index Ticker

- I05138EU: Bloomberg EUR Bellwether Swap: 6 Month Total Return Index Unhedged EUR
- I05140EU: Bloomberg EUR Bellwether Swap: 2 Year Total Return Index Unhedged EUR
- I05141EU: Bloomberg EUR Bellwether Swap: 5 Year Total Return Index Unhedged EUR
- I05142EU: Bloomberg EUR Bellwether Swap: 10 Year Total Return Index Unhedged EUR
- I05143EU: Bloomberg EUR Bellwether Swap: 20 Year Total Return Index Unhedged EUR
- I05144EU: Bloomberg EUR Bellwether Swap: 30 Year Total Return Index Unhedged EUR

Eligibility Requirements

Currency EUR

Credit Rating None

Amount Outstanding None

Minimum Liquidity Requirements None

Construction and Rebalancing Rules

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.

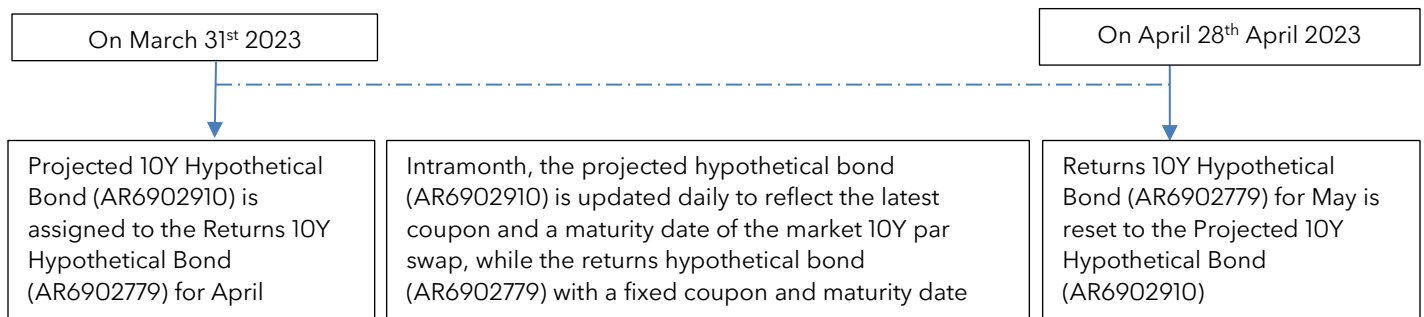
Frequency For each swap index, Bloomberg maintains two universes of securities: the Returns (Backward) and the Projected (Forward) Universes. The Returns Universe for each swap index is rebalanced at each month-end and represents a fixed coupon hypothetical bond that mirrors the fixed leg of the par 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.
Swap Curve Type	The EUR Bellwether Swap Indices use the 6m Euribor Swap (S45) curve as the discount curve to calculate NPV of cashflows. It also uses the 6m Euribor Swap (S45) curve to set the characteristics of the Hypothetical bond.
Transaction Costs	The published Total Return of all Swap Indices are net of a transaction cost of 1 bp per month (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.

Using the 10-year Bellwether Swap Index (I05142EU Index) as an example:

Projected BW Swap CUSIP: AR6902910

Returns BW Swap CUSIP: AR6902779



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 [Bloomberg Fixed Income Index Methodology](#) ESG disclosures.

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