

Bloomberg U.S. Investment Grade Corporate Bond Tradable Tracker Index

The Bloomberg U.S. Investment Grade ("IG") Corporate Bond Tradable Tracker Index (TTIGCU) is designed to be a rules-based index that aims to track the Bloomberg U.S. Corporate Bond Index ("Parent Index"), based on liquidity criteria. Tradable Trackers are a suite of indices based on Bloomberg's leading Fixed Income Indices. Unlike end-of-day indices, Tradable Trackers are constructed using a liquid subset of the constituents of the parent index, to allow for intraday indicative levels while tightly tracking the broader Bloomberg Indices on which they are based. Tradable Trackers will support innovation in the index-linked products market, facilitating the development of standardized and listed products. These products will aim to provide the market with tools to hedge bond exposures, identify trading opportunities and efficiently gain credit exposure.

Rules for Inclusion

Index Eligibility

Each bond in the Tradable Tracker Index must be a constituent member of the Bloomberg U.S. Corporate Bond Index.

Sector

Corporate (industrial, utility, and financial institutions) issuers.

Eligible Currencies

Principal and interest must be denominated in USD.

Quality

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 promote 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 are included if a subordinated issuer rating is available.

Coupon

- Fixed (including fixed-to-floating bonds during their fixed rate term only).
- Zero coupon bonds.

Amount Outstanding

USD 1,000mn minimum par amount outstanding.

Maturity

- At least one year until final maturity, regardless of optionality.
- 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.
- Callable (including make-whole call) and puttable bonds are eligible.

Market of Issue

- 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.
- Global bonds are included.
- Bonds that were previously SEC-registered or 144A with registration rights but later deregistered by the issuer remain index eligible.

Seniority of Debt

- Bonds must be senior unsecured or higher in capital structure.

Rebalancing Rules

Frequency

The index will be rebalanced quarterly (February end, May end, August end and November end) on the last day of the quarter and eligibility of bonds will be determined on the fourth to last business day of each quarter.

Bond Selection

During rebalancing, Tradable Trackers selects bonds with the highest projected liquidity over the 3-month period after the rebalance date. The index prioritizes bonds with the highest liquidity metric for selected issuers and is based on the daily average number of TRACE trades (>250m) in the past 20 days, the amount outstanding at time of rebalance and the age of issue also at time of rebalance.

Index Changes

At the end of each month between rebalancings, changes to securities (credit rating change, sector reclassification, amount outstanding changes, corporate actions, and ticker changes) may cause bonds to fall out of the Tradable Tracker Index.

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.

Pricing and Related Issues

Sources & Frequency

All index-eligible bonds are priced on a daily basis by Bloomberg's evaluated pricing service, BVAL.

Pricing Quotes

Bonds are quoted as a percentage of par.

Timing

- 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.

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 Index follows the U.S. bond market holiday schedule.

Intraday Indicative Levels

Sources & Frequency

The Index has an intraday indicative index value, powered by IBVAL, BVAL's intraday pricing product. It is calculated in real-time and displayed on the Bloomberg terminal during U.S. corporate bond market trading hours. For the avoidance of doubt, the intraday indicative levels are not to be used as, and do not constitute, benchmarks.

Accessing Index Data

Bloomberg Terminal*

Bloomberg benchmarks are the global standard for capital markets investors.

- **DES <GO>** – The index description page provides transparency into an individual index including membership information, aggregated characteristics and returns, and historical performance.
- **MEMB <GO>** – The Bloomberg member weightings function displays the members of a fixed income index and its current weightings, along with par value, BVAL price and market value. A user can evaluate the composition of an index to determine the focus of the index.
- **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
- Index data is also available via authorized redistributors

Index Ticker

TTIGCU (I36357US)

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)

¹As such term is defined in the European Union's regulation on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016), as and to the extent such legislative framework was "on-shored" in the UK from 1 January 2021

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