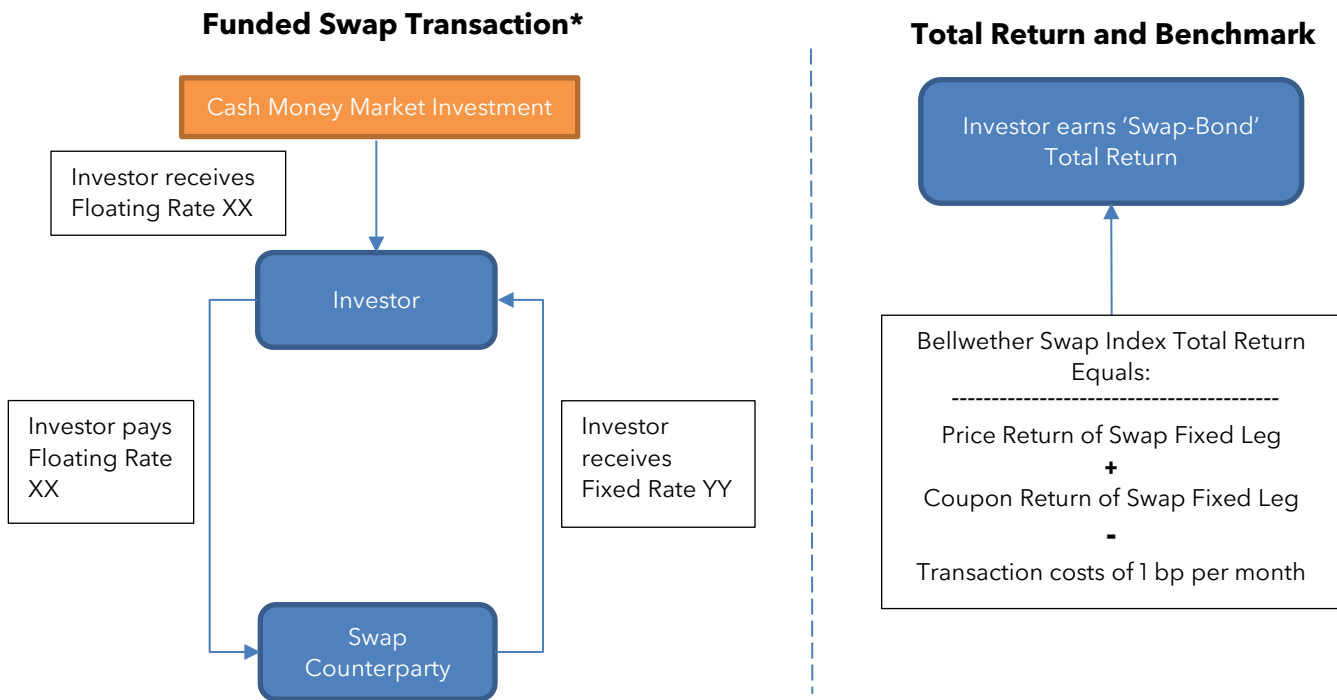


US Bellwether Swap Indices

The Bloomberg Bellwether Swap Indices are a series of benchmarks tracking the performance and attributes of the fixed leg across major tenor points of the US SOFR Swap 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 July 1, 1992.



*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.

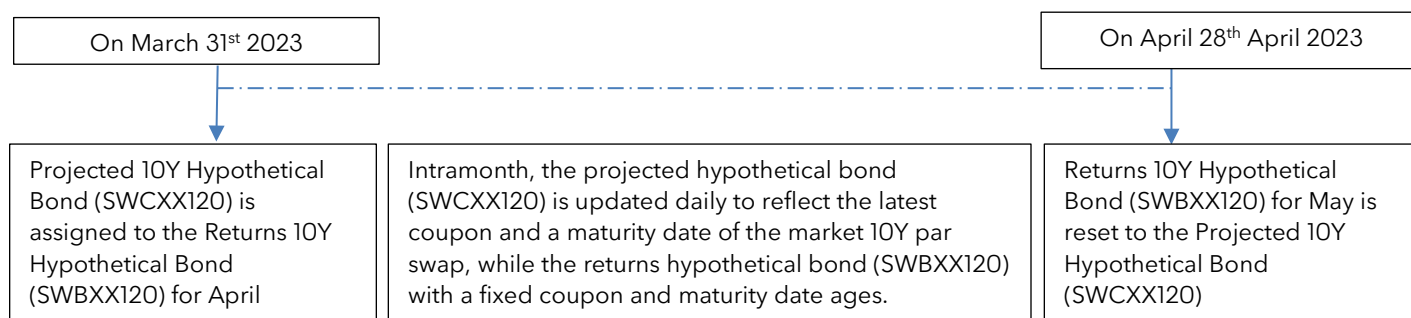
Reinvestment of Cash Flows

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 (I03584US Index) as an example:

Projected BW Swap CUSIP: SWCXX120

Returns BW Swap CUSIP: SWBXX120



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.

- T+1 calendar day settlement basis.

Settlement Assumptions

- 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 US Bellwether Swap Index follows the US bond market holiday schedule.

Swap Curve Type Effective November 1, 2021 the USD Bellwether Swap Indices migrated from the Libor swap curve to the market SOFR swap curve S490 (without any fixed spread adjustment) as a result of Libor deprecation.

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

I03581US: Bloomberg Bellwether Swap: 6 Month Total Return Index Unhedged USD

I03582US: Bloomberg Bellwether Swap: 2 Year Total Return Index Value Unhedged USD

I03583US: Bloomberg Bellwether Swap: 5 Year Total Return Index Value Unhedged USD

I03584US: Bloomberg Bellwether Swap: 10 Year Total Return Index Value Unhedged USD

I03585US: Bloomberg Bellwether Swap: 20 Year Total Return Index Value Unhedged USD

I03586US: Bloomberg Bellwether Swap: 30 Year Total Return Index Value Unhedged USD

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- Mutual Funds
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