

US Treasury Index

The Bloomberg US Treasury Index measures US dollar-denominated, fixed-rate, nominal debt issued by the US Treasury. Treasury bills are excluded by the maturity constraint, but are part of a separate Short Treasury Index. STRIPS are excluded from the index because their inclusion would result in double-counting. The US Treasury Index is a component of the US Aggregate, US Universal, Global Aggregate and Global Treasury Indices. The US Treasury Index has history back to January 1, 1973.

Rules for Inclusion

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: <ul style="list-style-type: none"> Local currency treasury issues are classified using the middle issuer level rating from each agency for all outstanding bonds, even if bond level ratings are available. 	
Amount Outstanding	<ul style="list-style-type: none"> USD300mn minimum par amount outstanding. US Treasuries held in the Federal Reserve SOMA account (both purchases at issuance and net secondary market transactions) are deducted from the total amount outstanding. New issuance bought at auction by the Federal Reserve does not enter the index. Net secondary market purchases/sales are adjusted in the Projected Universe of the index weekly, typically on Fridays, and in the Returns Universe once a month, based on the amount outstanding in the Projected Universe at prior month-end.¹ 	
Coupon	<ul style="list-style-type: none"> Fixed-rate coupon. Original zero-coupon issues are included. 	
Maturity	<ul style="list-style-type: none"> At least one year until final maturity, regardless of optionality. Sub-indices based on maturity are inclusive of lower bounds. Intermediate maturity bands include bonds with maturities of 1 to 9.9999 years. Long maturity bands include maturities of 10 years or greater. 	
Security Types	Included <ul style="list-style-type: none"> Public obligations of the US Treasury Bullet, puttable, sinkable/amortizing and callable bonds Original issue zero coupons 	Excluded <ul style="list-style-type: none"> US Treasuries held in the Federal Reserve SOMA account Inflation-linked bonds, floating-rate bonds STRIPS, Treasury bills, bellwethers

¹ All float adjustment updates to the US Treasury amount outstanding in the Projected Universe are made on or prior to T-3 (3 business days before month-end using the U.S. calendar). Further details about indices' treatment of SOMA holdings of US Treasuries can be found in this [note](#).

- State and local government series (SLG) bonds

Rebalancing Rules

Frequency	For each index, Bloomberg maintains two universes of securities: the Returns (Backward) and the Projected (Forward) Universes. The composition of the Returns Universe is rebalanced at each month-end and represents the fixed set of bonds on which index returns are calculated for the next month. The Projected Universe is a forward-looking projection that changes daily to reflect issues dropping out of and entering the index but is not used for return calculations. On the last business day of the month (the rebalancing date), the composition of the latest Projected Universe becomes the Returns Universe for the following month.
Index Changes	During the month, indicative changes to securities (credit rating change, sector reclassification, amount outstanding changes, corporate actions, and ticker changes) are reflected daily in the Projected and Returns Universe of the index. These changes may cause bonds to enter or fall out of the Projected Universe of the index on a daily basis, but will affect the composition of the Returns Universe at month-end only, when the index is next rebalanced.
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.
New Issues	Qualifying securities issued, but not necessarily settled on or before the month-end rebalancing date, qualify for inclusion in the following month's index if the required security reference information and pricing are readily available.

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	<ul style="list-style-type: none"> • Prior to January 14, 2021, bonds are priced at 3 p.m. (New York time). On early market closes, prices are taken as of 1 p.m. (New York time), unless otherwise noted. • From January 14, 2021, and onwards, 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	<ul style="list-style-type: none"> • 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.

Currency Hedging Returns hedged to various non-USD currencies are published for the US Treasury Index. The indices' FX hedging methodology takes rolling one-month forward contracts that are reset at the end of each month and hedges each non-reporting currency-denominated bond in the index into the reporting currency terms. No adjustment is made to the hedge during the month to account for price movements of constituent securities in the Returns Universe of the index.

Calendar The US Treasury Index follows the US bond market holiday schedule.

Index History

January 14, 2021 Pricing time moved from 3 p.m. to 4 p.m. EST for USD prices. For early close days, prices are snapped at 2 p.m. EST.

April 1, 2017 Liquidity constraint raised to USD300mn from USD250mn.

July 1, 2005 Fitch ratings added to Moody's and S&P to determine index eligibility based on the middle rating from each agency.

July 1, 2004 Liquidity constraint raised to USD250mn from USD200mn. Discontinued the implied Aaa+ rating for US Treasuries.

October 1, 2003 Liquidity constraint raised to USD200mn from USD150mn. Lower of Moody's and S&P rating used to determine index eligibility; previously Moody's was used as the primary rating with S&P used where a Moody's rating was unavailable.

July 1, 1999 Liquidity constraint raised to USD150mn from USD100mn.

January 1, 1998 Removed US TIPS from US Aggregate Index.

January 1, 1990 Liquidity constraint raised to USD100mn from USD25mn.

August 1, 1988 Liquidity constraint raised to USD25mn from USD1mn.

January 1, 1973 Inception date of the US Treasury Index.

Sub-indices and Index Customizations

Bloomberg publishes numerous sub-indices of flagship indices and bespoke benchmarks created for specific index users. Several types of bespoke indices are available to select or customize the most appropriate benchmark for specific portfolio needs:

Sub-Index Type	Description	Examples
Enhanced Constraint	Applies a more or less stringent set of constraints to any existing index.	<ul style="list-style-type: none"> US Treasury 1-3 Year
Composites	Investors assign their own weights to sectors or other index sub-components within an overall index.	<ul style="list-style-type: none"> 50% US MBS; 50% US Treasury

Alternative Weights	Uses other rules-based weighting schemes instead of market value weights	<ul style="list-style-type: none"> ● Global Treasury GDP Weighted ● Global Treasury Fiscal Strength Weighted
Mirror Futures Index (MFI)	An index consisting of 14 funded futures contracts weighted to match closely the beginning-of-month OAD of the index.	<ul style="list-style-type: none"> ● Global Treasury Mirror Futures Index
Duration Hedged	Indices constructed to reflect the underlying return of an index with its duration fully or partially hedged using its MFI.	<ul style="list-style-type: none"> ● Global Treasury Duration Hedged Index

Accessing Index Data

Bloomberg Terminal®	<p>Bloomberg benchmarks are the global standard for capital markets investors.</p> <ul style="list-style-type: none"> ● 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.
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Bloomberg Indices Website (www.bloomberg.com/indices)	<p>The index website makes available limited index information including:</p> <ul style="list-style-type: none"> ● Index methodology and factsheets ● Current performance numbers for select indices
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Data Distribution	<p>Index subscribers may choose to receive index data in files. Files may include:</p> <ul style="list-style-type: none"> ● 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
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Index Ticker	LUATTRUU: Total Return USD Unhedged
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