

# Bloomberg Announces Standardized Total Return Swaps on the Bloomberg Barclays Indices

*Offers Investors Synthetic Exposure to the Most Widely-Used Fixed Income Benchmarks*

**New York – March 29, 2017** – Bloomberg today announced the launch of standardized Total Return Swap contracts on the Bloomberg Barclays Indices, providing predefined synthetic exposure to cash bonds for the most widely-used fixed income benchmarks. As investors seek more cost-efficient methods of trading in less-liquid credit markets, Bloomberg TRS (BTRS) offers exposure to the Bloomberg Barclays US Corporate Investment Grade and US High Yield Indices at minimal capital expense.

"The introduction of Bloomberg TRS will help drive down costs and risks for a broader set of market participants," said Bloomberg's Global Credit and TRS Business Manager Paul Kaplan. "As margin, risk and post-trade capital requirements have reduced the amount of risk and large bond positions that financial institutions can carry, our standardized total return swaps enable buy-side and sell-side clients to maintain effective trading strategies."

Additional benefits include:

- **Unprecedented Transparency:** Full constituent data and analytics are now available through the Bloomberg Terminal to all Bloomberg Anywhere subscribers. Price discovery will be enhanced with streaming levels from multiple market makers.
- **"Fungible" Trading Solution:** Investors are able to enter and exit trades with minimum negotiations.
- **Minimized Tracking Error:** Buying swaps as synthetic exposure to indices incurs a lower risk of divergence between the price behavior of a position and the price behavior of a benchmark.
- **Flexibility:** Standardized TRS and other OTC products provide alternative positions to holding cash.
- **Scalability:** A standardized model and interoperability with Bloomberg's other fixed income analytics supports the introduction of additional benchmarks.

"Total return swaps have gained popularity amongst institutional investors in recent years," said Kevin McPartland, Managing Director, Market Structure and Technology at Greenwich Associates. "Many dealers have followed suit, putting forth total return swaps as another key tool for clients in their credit product arsenal."

"Over the past 12 years trading the product, I have seen regular interest from clients to have independent governance and contract standardization for indices," said Jonathan Blender, Head of Fixed Income Index Trading at Deutsche Bank.

BTRS contracts supplement a broader set of existing products which incorporate the Bloomberg Barclays Indices. Find more information about the Bloomberg Barclays Indices at [bloombergindices.com](http://bloombergindices.com) and Bloomberg Total Return Swaps at {SWPM <GO>}.

## About the Bloomberg Barclays Indices

Since 1973, the Bloomberg Barclays Indices have been the most widely-used for fixed income investors seeking objective, rules-based, and representative benchmarks to measure asset class risk and returns. Whether published under the banner of Kuhn Loeb, Lehman Brothers or Barclays, these indices have provided investors with a wealth of market information. On August 24, 2016, Bloomberg acquired these assets from Barclays. Barclays and Bloomberg have agreed to co-brand the indices as the Bloomberg Barclays Indices for an initial term of five years. For more information, visit [Bloomberg Barclays Indices](http://Bloomberg Barclays Indices).

## **About Bloomberg**

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