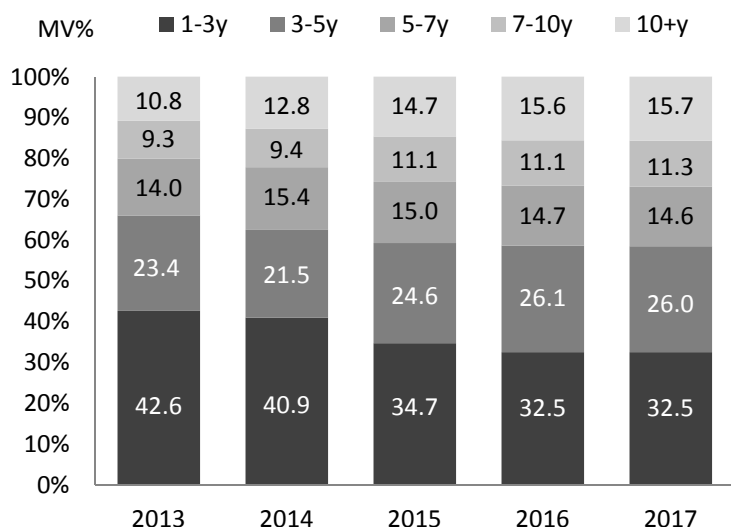


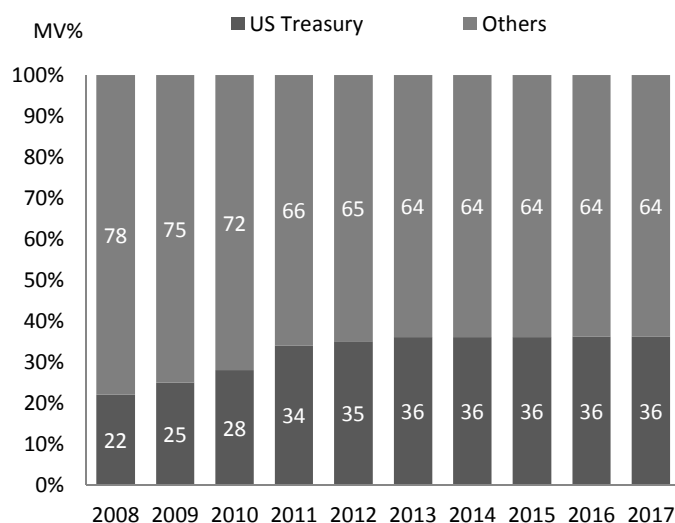
US Treasury Index

The Bloomberg Barclays 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 was launched on January 1, 1973.

Historical Composition by Maturity (MV%) - Trailing 5 Years*



Historical Treasury Sector as a Percentage of the US Aggregate (MV%) - Trailing 10 Years*



*Note: 2017 data are as of January 2017.

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:

- 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

- USD250mn 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 at each month-end with a one-month lag.

As previously announced, the minimum amount outstanding for US Aggregate Indices will be raised to USD300mn from USD250mn for Treasury, Government-Related and Corporate securities as of April 1, 2017.

Coupon

- Fixed-rate coupon.
- Original zero coupon issues are included.

Rules for Inclusion

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 9.999 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 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"> 3pm (New York time). On early market closes, prices are taken as of 1pm (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

Pricing and Related Issues

also challenge price levels, which are then reviewed and updated as needed using input from various sources.

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.

Monthly Returns in USD, 2007-2017 (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2007	-0.16	1.66	-0.05	0.52	-0.90	-0.04	1.66	1.57	0.54	0.79	3.07	0.08	9.01
2008	2.54	1.14	0.69	-1.72	-1.17	0.79	0.42	1.25	0.61	-0.11	5.31	3.39	13.74
2009	-2.92	-0.53	2.18	-1.82	-1.01	-0.21	0.42	0.89	0.78	-0.05	1.39	-2.61	-3.57
2010	1.58	0.40	-0.85	1.05	1.71	1.86	0.68	2.01	0.02	-0.16	-0.70	-1.80	5.87
2011	-0.02	-0.07	-0.06	1.15	1.56	-0.34	1.82	2.78	1.75	-0.82	0.75	0.97	9.81
2012	0.42	-0.71	-1.00	1.45	1.71	-0.35	1.01	-0.13	-0.31	-0.17	0.52	-0.44	1.99
2013	-0.81	0.53	0.10	0.89	-1.71	-1.10	-0.11	-0.49	0.70	0.48	-0.33	-0.91	-2.75
2014	0.97	-0.55	1.05	-0.16	-0.14	0.94	0.55	-0.29	0.27	1.36	0.16	0.17	4.07
2015	2.59	-1.54	0.63	-0.53	-0.18	-0.88	0.83	0.04	0.88	-0.37	-0.41	-0.16	0.84
2016	2.13	0.89	0.16	-0.11	0.00	2.21	0.41	-0.55	-0.13	-1.10	-2.67	-0.11	1.04
2017	0.23	-	-	-	-	-	-	-	-	-	-	-	0.23

Index History

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 Professional® service	<p>Bloomberg benchmarks are the global standard for capital markets investors.</p> <ul style="list-style-type: none"> INDEX<Go> – The Bloomberg Indices landing page is a dashboard for index-related information on the terminal. Find daily and monthly index returns for key indices from each index family as well as index publications including methodologies, factsheets, monthly reports, updates and alerts. 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. 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. DES<Go> – The index description page provides transparency into an individual index including membership information, aggregated characteristics and returns, and historical performance.
Bloomberg Indices Website (www.bloombergindices.com)	<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
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

Bloomberg Total Return Index Value Tickers: US Treasury and Related Indices

Ticker (USD Unhedged)	Index	Ticker (USD Unhedged)	Index
LUATTRUU	US Treasury	LT31TRUU	US Treasury 3–10 Year
LT08TRUU	US Intermediate Treasury	LT03TRUU	US Treasury 5–7 Year
LUTLTRUU	US Long Treasury	LT51TRUU	US Treasury 5–10 Year
LT01TRUU	US Treasury 1–3 Year	LT09TRUU	US Treasury 7–10 Year
LTR1TRUU	US Treasury 1–5 Year	LT10TRUU	US Treasury 10–20 Year
LT02TRUU	US Treasury 3–5 Year	LT11TRUU	US Treasury 20+ Year
LT13TRUU	US Treasury 3–7 Year	LT12TRUU	US Short Treasury

Total Return Index Values are available in other currencies and on a hedged basis. Attributes such as yield and duration, are also available. Please refer to Accessing Bloomberg Barclays Index Data Using Bloomberg Tickers for a full list of tickers and attributes that are available.

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- Mutual Funds

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