

Bloomberg Barclays MSCI Global High Yield SRI Index

The Bloomberg Barclays MSCI Global High Yield SRI Index is a multi-currency, high yield bond benchmark that negatively screens out issuers with substantial revenue derived from sources such as adult entertainment, alcohol, gambling, tobacco, controversial military weapons, civilian firearms, nuclear power, and genetically modified organisms (GMOs). The index follows the fixed income rules of the Bloomberg Barclays Global High Yield Index, which is the union of the US High Yield, the Pan-European High Yield, and Emerging Markets (EM) Hard Currency High Yield Indices. The index was created in November 2019, with history backfilled to July 1, 2019.

Rules for Inclusion

Sector	<ul style="list-style-type: none"> Corporate (industrial, utility and financial institutions) issuers. Sovereign, agency (government owned, government guaranteed and government sponsored entities), and local authority bonds from EM issuers only. 	
Business Involvement Screening	Adult Entertainment	Excludes all issuers classified as adult entertainment producers that earn more than 5% in revenue, or more than \$500 million in revenue, from adult entertainment materials.
	Alcohol	Excludes all issuers classified as alcohol producers that earn more than 5% in revenue, or more than \$500 million in revenue, from alcohol-related products.
	Gambling	Excludes all issuers classified as involved in gambling operations or support that earn more than 5% in revenue, or more than \$500 million in revenue, from gambling-related activities.
	Tobacco	Excludes all issuers classified as tobacco producers or distributors, retailers, or suppliers that derive 15% or more of their revenue from tobacco-related products.
	Military Weapons	Excludes all issuers classified as involved in manufacturing of nuclear weapons, nuclear weapons components, chemical and biological weapons components, or depleted uranium weapons.
	Civilian Firearms	Excludes all issuers that earn more than 5% in revenue, or more than \$500 million, from manufacturing conventional weapons, conventional weapons components, or conventional weapons support systems and services.
	Nuclear Power	Excludes all issuers classified as nuclear utilities or involved in uranium mining, designing nuclear reactors, or enrichment of fuel for nuclear reactors.
	Genetically Modified Organisms	Excludes all issuers that earn 15% or more revenues as a supplier to the nuclear power industry.
ESG Controversy	Companies that derive any revenue from activities like genetically modifying plants, such as seeds and crops, and other organisms intended for agricultural use or human consumption.	
	Companies that are only involved in GMO Research & Development activities are not excluded.	
ESG Controversy	Excludes all issuers involved in one or more very severe ESG Controversies (MSCI ESG Controversy Score= 0).	
Eligible Currencies	Principal and coupon must be denominated in one of the following currencies: USD, EUR, GBP, CHF, DKK, NOK, SEK.	

Rules for Inclusion

Quality	<ul style="list-style-type: none"> Securities must be rated high yield (Ba1/BB+/BB+ or below) 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. A limited number of unrated securities are included in the US High Yield and EM Hard Currency High Yield sub-components of the Global High Yield Index. The Pan-European High Yield Index component excludes unrated securities. In cases where explicit bond-level ratings may not be available, expected ratings at issuance may be used to ensure timely index inclusion or to classify split-rated issuers properly. 	
Amount Outstanding	<p>Fixed minimum issue sizes are set for all local currency markets:</p> <ul style="list-style-type: none"> US High Yield: USD150mn Pan-European High Yield: EUR100mn, GBP50mn, CHF100mn, DKK500mn, NOK500mn, SEK1bn EM Hard Currency High Yield: USD500mn, EUR500mn, GBP500mn 	
Coupon	<ul style="list-style-type: none"> US High Yield and Pan-European High Yield Indices: fixed-rate, pay-in-kind (PIK) and toggle notes are eligible. EM Hard Currency High Yield Index: fixed-rate and floating-rate (USD-denominated securities only) securities are eligible. Callable fixed-to-floating rate bonds are eligible during their fixed-rate term only. Bonds with a step-up coupon that changes according to a predetermined schedule are eligible. 	
Maturity	<ul style="list-style-type: none"> 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. 	
Taxability	<ul style="list-style-type: none"> Only fully taxable issues are eligible. Dividend Received Deduction (DRD) and Qualified Dividend Income (QDI) eligible securities are excluded. 	
Market of Issue	<ul style="list-style-type: none"> US High Yield Index: securities must be SEC-registered, SEC Rule 144A with or without registration rights. Pan-European High Yield and EM Hard Currency High Yield Indices: securities must be publicly issued in the global and regional markets. 	
Seniority of Debt	Senior and subordinated issues are included.	
Security Types	<p>Included</p> <ul style="list-style-type: none"> Bullet, puttable, sinkable/amortizing and callable bonds Original issue zero coupon bonds Fixed-rate and fixed-to-float (including fixed-to-variable) capital securities Defaulted EM sovereign bonds Loan participation notes 	<p>Excluded</p> <ul style="list-style-type: none"> Contingent capital securities, including traditional CoCos and contingent write-down securities, with explicit capital ratio or solvency/balance sheet-based triggers Bonds with equity type features (eg, warrants, convertibles, preferreds, DRD/QDI-eligible issues) Inflation-linked bonds Private placements, retail bonds USD 25/USD 50 par bonds Securities where reliable pricing is unavailable Defaulted corporate issues Partial pay-in-kind (PIK) bonds Structures notes, pass-through certificates

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	Prices are quoted as a percentage of par.
Timing	Prices are snapped at the following times: <ul style="list-style-type: none"> • USD-denominated bonds: 3pm (New York time). • Pan-European currency bonds: 4:15pm (London time); 4pm (London time) for CHF-denominated securities. If the last business day of the month is a public holiday in a major regional market, prices from the previous business day are used to price bonds in the particular market.
Bid or Offer Side	Bonds in the index are priced on the bid side. The initial price for new corporate issues entering the index is the offer side; after the first month, the bid price is used.
Settlement Assumptions	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. Index users may also challenge price levels, which are then reviewed and updated as needed using input from various sources.
Currency Hedging	Returns hedged to various currencies are published for multi-currency indices. 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 Bloomberg Barclays MSCI Global High Yield SRI Index follows the US and London bond market holiday schedule.

Accessing Index Data

Bloomberg Terminal®	<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.bloomberg.com/professional/product/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
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
Index Ticker	I35309US: Total Return USD Unhedged

Index Licensing

Bloomberg requires index data licenses for services and products linked to the Indices

<ul style="list-style-type: none"> • Index or Constituent-Level Redistribution • Exchange Traded Notes (ETNs) • OTC Derivative Products 	<ul style="list-style-type: none"> • Bond Pricing Service • Index-Linked Insurance Products • Custom Index Solutions 	<ul style="list-style-type: none"> • Exchange Traded Funds (ETFs) • Mutual Funds
--	---	--

February 11, 2020

Bloomberg Barclays Indices

New York

+1-212-318-2000

London

+44-20-7330-7500

Singapore

+65-6212-1000

Hong Kong

+852-2977-6000

Tokyo

+81-3-3201-8900

Sydney

+61-2-9777-8600

For further information on Bloomberg
Barclays Indices:

indexhelp@bloomberg.net

www.bloomberg.com/professional/product/indices

MSCI ESG Client Service

Asia Pacific

+612 9033 9339

Americas

+1 212 804 5299

Europe, Middle East and Africa +44 207
618 2510

For further information on MSCI ESG
Research:

esgclientservice@msci.com

www.msci.com/esg

Disclaimer

This document and the information contained in it, including without limitation all text, data, graphs and charts (collectively, the "Information") is the property of MSCI Inc. and/or its subsidiaries (collectively, "MSCI"), Bloomberg Index Services Limited and/or its affiliates (collectively, "Bloomberg"), Barclays Bank PLC. and/or its affiliates (collectively, "Barclays"), or their licensors, direct or indirect suppliers or any third party involved in making or compiling any Information (MSCI, Bloomberg and Barclays, collectively, the "Information Providers") and is provided for informational purposes only. The Information may not be reproduced or disseminated in whole or in part without prior written permission from the authorized Information Provider(s). All rights in the Bloomberg Barclays MSCI Environmental, Social & Governance (ESG) fixed income indices (the "ESG Indices") vest in MSCI, Bloomberg and Barclays.

The Information may not be used to create derivative works or to verify or correct other data or information. For example (but without limitation), the Information may not be used to create indices, databases, risk models, analytics or software, or in connection with issuing, offering, sponsoring, managing or marketing securities, portfolios, financial products or other investment vehicles utilizing or based on, linked to, tracking or otherwise derived from the Information.

The user of the Information assumes the entire risk of any use it makes or permits to be made of the Information. NONE OF THE INFORMATION PROVIDERS MAKES ANY EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS WITH RESPECT TO THE INFORMATION (OR THE RESULTS TO BE OBTAINED BY THE USE THEREOF) AND, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH INFORMATION PROVIDER EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES (INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF ORIGINALITY, ACCURACY, TIMELINESS, NON-INFRINGEMENT, COMPLETENESS OR MERCHANTABILITY).

Without limiting any of the foregoing and to the maximum extent permitted by applicable law, in no event shall any Information Provider have any liability regarding any of the Information including with respect to any direct, indirect, special, punitive, consequential (including lost profits) or other damages even if notified of the possibility of such damages. The foregoing shall not exclude or limit liability that may not be excluded or limited, including without limitation (as applicable), for death or personal injury to the extent such injury results from the negligence or willful default of itself or its servants, agents or sub-contractors.

Information containing historical information, data or analysis should not be taken as an indication or guarantee of future performance, analysis, forecast or prediction. Past performance does not guarantee future results.

None of the Information constitutes an offer to sell (or a solicitation of an offer to buy), any security, financial product or other investment vehicle or any trading strategy.

MSCI's wholly-owned subsidiary, MSCI ESG Research Inc., is a Registered Investment Adviser under the Investment Advisers Act of 1940. Except with respect to any applicable products or services from MSCI ESG Research Inc., none of MSCI's products or services recommends, endorses, approves or otherwise expresses any opinion regarding issuers, securities, financial products or instruments or trading strategies and none of MSCI's products or services is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and no such products or services may be relied on as such.

Barclays regularly trades, generally deals as principal and generally provides liquidity (as market maker or otherwise) in the securities, commodities, currencies, derivatives and other financial instruments that may be included in the ESG Indices, as well as other financial products linked to such indices. Barclays trading desks may have either long and/or short positions in such securities, commodities, currencies, derivatives and index-linked products, which may pose a conflict with the interests of investing customers and/or index users. All levels, prices and spreads are historical and do not represent current market levels, prices or spreads, some or all of which may have changed since the publication of this document. To the extent any historical pricing information was obtained from Barclays trading desks, the firm makes no representation that it is accurate or complete. Barclays has investment banking and other business relationships with many of the issuers of securities included in the ESG Indices, which may result in potential conflicts of interest. Barclays may from time to time perform commercial, investment banking or other advisory services for the issuers of securities included in the ESG Indices, including acting as manager, co-manager or underwriter of such securities.

The ESG Indices use ratings and other data, analysis and information from MSCI ESG Research. Issuers mentioned or included in any MSCI ESG Research materials may include MSCI Inc., clients of MSCI, or suppliers to MSCI, and may also purchase research or other products or services from MSCI ESG Research. MSCI ESG Research materials, including materials utilized in ESG Indices or other products, have not been submitted to, nor received approval from, the United States Securities and Exchange Commission or any other regulatory body. ESG Indices are unmanaged indices that cannot be invested in directly. None of the ESG Indices recommend, endorse, approve or otherwise express any opinion regarding any issuer, securities, financial products or instruments or trading strategies and none of the ESG Indices are intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and they may not be relied on as such. Any funds, products or other securities or investment vehicles using or based on the ESG Indices are not sponsored, endorsed, or promoted by Bloomberg, Barclays or MSCI.

Any use of or access to the ESG Indices requires a license from both MSCI and Bloomberg. Any use of or access to other products, services or information of Bloomberg requires a license from Bloomberg. Any use of or access to other products, services or information of Barclays requires a license from Barclays. Any use of or access to other products, services or information of MSCI requires a license from MSCI. MSCI, Barra, RiskMetrics, MSCI ESG Research, FEA, and other MSCI brands and product names are the trademarks or service marks of MSCI. BLOOMBERG is a trademark and service mark of Bloomberg Finance L.P. BARCLAYS is a trademark and service mark of Barclays Bank Plc. The Global Industry Classification Standard (GICS) was developed by and is the exclusive property of MSCI and Standard & Poor's. "Global Industry Classification Standard (GICS)" is a service mark of MSCI and Standard & Poor's.

Barclays offers premier investment banking products and services to its clients through Barclays Bank PLC. Barclays Bank PLC is authorized by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority and is a member of the London Stock Exchange. Barclays Bank PLC is registered in England No. 1026167. Registered Office: 1 Churchill Place, London E14 5HP. Barclays undertakes its US securities and investment banking business in the name of its wholly-owned subsidiary Barclays Capital Inc.

©2020 Bloomberg Finance L.P. All rights reserved.