

US Treasury Floating Rate Index

The Bloomberg Barclays US Treasury Floating Rate Index measures the performance of floating rate bonds issued by the US Treasury. With variable coupon resets, US Treasury Floating Rate securities are not eligible for other flagship indices such as the US Aggregate, Global Aggregate, US Treasury, and US Short Treasury Indices that include fixed-rate securities only. The inception date of this index is February 1, 2014, which coincides with the first bond issued under the floating rate program.

Rules for Inclusion

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| Sector | US Treasury Floating Rate bonds are classified as Treasuries. No distinction is made between nominal, inflation-linked, T-bill, or floating rate bonds for sector classification purposes. |
| Quality | No minimum credit quality. |
| Coupon | Only floating rate coupons are eligible. |
| Amount Outstanding | USD250mn or greater. US Treasuries held in the Federal SOMA account are deducted from the total amount outstanding. |
| Maturity | No minimum maturity – US Treasury Floating Rate bonds remain index eligible until they mature. |

Floating Rate Coupon and Accrued Interest Calculations

- Interest payments on US Treasury Floating Rate securities are made on a quarterly basis with a cumulative daily interest accrual calculated from an interest rate that floats based on daily changes in a representative index rate.
- Accrued interest for an index eligible bond during the floating rate coupon **Accrual Period** is calculated daily from the **Index Rate** plus a **Spread**, divided by 360, subject to a minimum of zero. Daily accruals are summed in the accrual period to determine the coupon paid.

Where:

- Accrual Period** = time between dated date or last interest payment date to the current date, excluding the next interest or maturity date
- Index Rate** = the High Rate from the 13-week T-bill auction converted to a simple-interest money market yield on an actual/360 basis
- Spread** = determined in the security's initial auction; expressed in tenths of a basis point
- Minimum Daily Interest Accrual** = 0.000 percent
- Day Count:** Actual/360
- Lock Out Period:** The two business days preceding an FRN Issue Date or an FRN Interest Date. A 13-week Treasury bill auction whose rate becomes effective in the two business day Lock Out Period prior to an FRN Issue Date or FRN Interest Date shall be ignored for purposes of calculating the interest accrual on that FRN for that day. Instead, the rate in effect for the Lock Out Period will be from the most recent 13-week Treasury bill auction result that occurred prior to the start of the Lock Out Period.

For details on US Treasury floating rate bond mechanics, please see the TreasuryDirect website at www.treasurydirect.gov

Rebalancing Rules

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| 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. 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. |
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Rebalancing Rules

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| 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

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| Sources & Frequency | All index-eligible bonds are priced on a daily basis by Bloomberg's evaluated pricing service, BVAL. |
| 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 US 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 | 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. |
| Calendar | The US Treasury Floating Rate Index follows the US bond market holiday schedule. |

Accessing Index Data

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| 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 |

Pricing and Related Issues

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
 - Index data is also available via authorized redistributors
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Index Ticker

BTFLTRUU

Index Licensing

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

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 - OTC Derivative Products
 - Bond Pricing Service
 - Index-Linked Insurance Products
 - Custom Index Solutions
 - Exchange Traded Funds (ETFs)
 - Mutual Funds
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