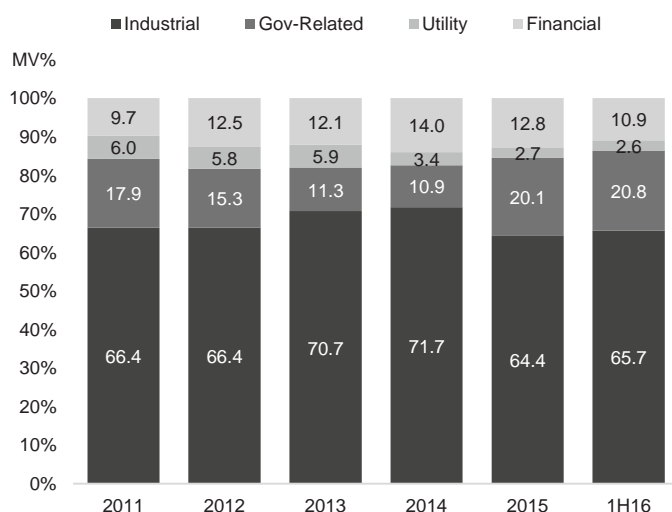


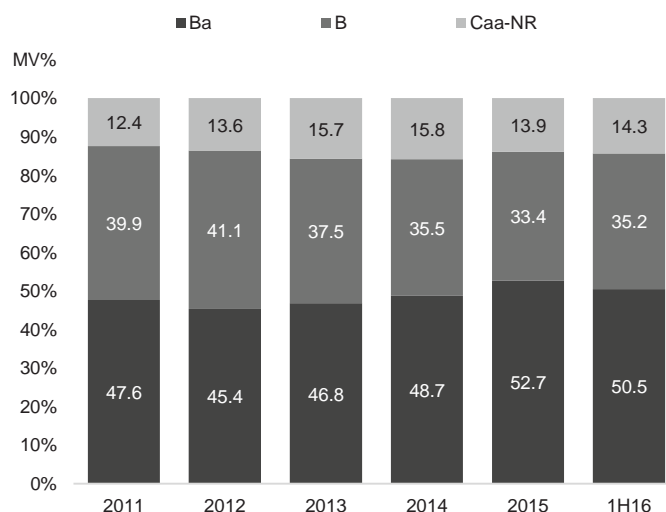
Global High Yield Index

The Bloomberg Barclays Global High Yield Index is a multi-currency flagship measure of the global high yield debt market. The index represents the union of the US High Yield, the Pan-European High Yield, and Emerging Markets (EM) Hard Currency High Yield Indices. The high yield and emerging markets sub-components are mutually exclusive. Until January 1, 2011, the index also included CMBS high yield securities. The Global High Yield Index is a component of the Multiverse Index, along with the Global Aggregate, Euro Treasury High Yield and EM Local Currency Government Indices. It was created in 1999, with history backfilled to January 1, 1990.

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



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



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.
Eligible Currencies	Principal and coupon must be denominated in one of the following currencies: USD, EUR, GBP, CHF, DKK, NOK, SEK.
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.
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.

Rules for Inclusion

	<ul style="list-style-type: none"> 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. 	
Amount Outstanding	Fixed minimum issue sizes are set for all local currency markets: <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 	
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. 	
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.	
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. 	
Security Types	Included <ul style="list-style-type: none"> Bullet, putable, 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 	Excluded <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

Rebalancing Rules

	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	<p>All index-eligible bonds are priced on a daily basis. Pricing sources by index:</p> <ul style="list-style-type: none"> • US High Yield Index: priced by BVAL. • Pan-European High Yield Index: priced by a combination of Barclays market makers, BVAL and third-party sources. • EM Hard Currency High Yield Index: priced by a combination of Barclays market makers, BVAL and third-party sources. <p>A third-party pricing source may be used for bonds where no internal price source is available.</p> <p><i>As previously announced, some index sectors will migrate to a different pricing source between August and November 2016. At the time of this publication, new pricing sources have not been announced for all sectors.</i></p>
Pricing Quotes	Prices are quoted as a percentage of par.
Timing	<p>Prices are snapped at the following times:</p> <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. <p>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.</p>
Bid or Offer Side	Bonds in the index are priced on the bid side.
Settlement Assumptions	T+1 calendar day settlement basis for all bonds. 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 Global High Yield Index is a global, multi-currency index. The USD-denominated portion follows the US holiday calendar, and the Pan-European portion follows the UK holiday calendar. When local or regional currency markets are on holiday, the index is still generated using prices from the previous business day of the affected market. FX rates are updated daily using WM Reuters 4pm (London) rates. FX forwards are also sourced from WM Company.

Annual Returns, 2006-2016 (%)

	USD		EUR		JPY		GBP		CHF		CAD	
	Unhedged	Hedged	Unhedged	Hedged	Unhedged	Hedged	Unhedged	Hedged	Unhedged	Hedged	Unhedged	Hedged
2006	13.69	12.2	1.7	9.8	14.78	6.92	-0.27	11.76	5.3	8.14	13.27	11.08
2007	3.16	1.95	-6.95	0.6	-3.28	-2.7	1.43	2.39	-4.32	-1.06	-12.5	0.8
2008	-26.88	-25.25	-23.09	-27.91	-40.66	-26.59	1.24	-26.9	-31.26	-28.22	-8.54	-28.74
2009	59.4	57.7	54.43	58.22	63.7	56.39	41.92	57.27	54.81	57.28	35.36	56.09
2010	14.82	15.06	22.8	15.18	0.03	15.75	18.43	15.71	3.53	14.95	8.83	15.92
2011	3.12	3.63	6.57	3.5	-2.17	3.27	3.89	3.39	3.45	2.01	5.68	3.71
2012	19.6	19.25	17.77	18.55	34.41	19.1	14.35	19.1	17.08	18.16	16.96	19.84
2013	7.33	6.47	2.69	6.15	30.46	6.35	5.33	6.67	4.28	5.99	14.53	7.2
2014	0.01	2.58	13.89	2.28	14.08	2.08	6.23	2.73	11.74	2.01	9.02	3.3
2015	-2.72	-0.69	8.36	-1.22	-2.39	-1.04	2.91	-0.77	-2	-2.14	16.67	-0.71
1H16	8.73	8.77	6.32	8.01	-7.27	8	19.88	8.52	5.82	7.69	1.65	8.48

Index History

June 1, 2014	Global classification scheme modified to incorporate new sectors, sector name changes and sector retirements.
April 1, 2014	Minimum amount outstanding for GBP-denominated EM bonds raised from GBP350mn to GBP500mn. Fixed local currency minimum issue sizes set for all local currency high yield bond markets. Minimum issue size for USD-denominated and EUR-denominated high yield non-EM bonds remained at USD150mn and EUR100mn, respectively.
April 1, 2013	Moved to a single list of countries defined as Emerging Markets. Issuers of high yield debt with a country of risk on the new EM country list excluded from high yield benchmarks and added to EM hard currency indices, provided all other index inclusion rules were met. USD1bn/EUR1bn equivalent minimum issuer size constraint on hard currency EM corporate bond issuers removed.
January 1, 2011	US CMBS High Yield securities removed from Global High Yield Index.
October 1, 2009	Pay-in-kind (PIK) securities added to the US High Yield and Pan-European High Yield Indices.
January 1, 2008	Fixed-to-floating rate perpetual securities without a coupon step-up on their first call date eligible for inclusion.
January 1, 2006	Minimum amount outstanding raised from USD300mn/EUR300mn to USD500mn/EUR500mn for EM bonds. Minimum amount outstanding for Pan-European high yield securities raised from EUR50mn to EUR100mn equivalent.
July 1, 2005	Fitch ratings added to Moody's and S&P to determine index eligibility based on the middle rating from each agency.
October 1, 2003	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 rating used in cases where a Moody's rating was unavailable.
July 1, 2000	Minimum amount outstanding for US High Yield Index raised from USD100mn to USD150mn. Defaulted securities removed from the US High Yield Index.
January 1, 1999	Creation of the Global High Yield Index with index history backfilled to January 1, 1990.

Sub-indices and Index Customizations

Barclays 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"> Global High Yield Ba Global High Yield 1–5 Year
Composites	Investors assign their own weights to sectors or other index sub-components within an overall index.	<ul style="list-style-type: none"> 25% US High Yield; 25% Pan-European High Yield; 50% EM Hard Currency High Yield
Issuer Constrained	Indices that cap issuer exposure to a fixed percentage. Options available for applying issuer caps and redistributing excess MV to other issuers.	<ul style="list-style-type: none"> Global High Yield 2% Issuer Capped
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 High Yield 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 High Yield 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 Index data is also available via authorized redistributors

Bloomberg Total Return Index Value Tickers: Global High Yield and Related Indices

Ticker (USD Unhedged)	Index	Ticker (USD Unhedged)	Index
LG30TRUU	Global High Yield	LF89TRUU	US High Yield 2% Issuer Capped
LG50TRUU	Global High Yield Corporate	BEBGTRUU	EM USD Aggregate High Yield
LF98TRUU	US Corporate High Yield	LP02TRUU	Euro High Yield
LP01TRUU	Pan-European High Yield	LP03TRUU	Pan-European High Yield ex Euro

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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New York

+1-212-617-5020

London

+44-20-3525-9976

Singapore

+65-6311-1449

Hong Kong

+852-2293-1346

Tokyo

+81-3-3201-7024

Sydney

+61-2-9777-7208

info@bloombergindices.com

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