US Treasury Inflation-Linked Bond Index (Series-L)

The Bloomberg Barclays US Treasury Inflation-Linked Bond Index (Series-L) measures the performance of the US Treasury Inflation Protected Securities (TIPS) market. Federal Reserve holdings of US TIPS are not index eligible and are excluded from the face amount outstanding of each bond in the index. The US TIPS Index is a subset and the largest component of the Global Inflation-Linked Bond Index (Series-L). US TIPS are not eligible for other Bloomberg Barclays nominal Treasury or broad-based aggregate bond indices. The US TIPS (Series-L) was launched in March 1997.

Composition by Maturity (MV%) – February 28, 2017

<table>
<thead>
<tr>
<th>Maturity Interval</th>
<th>MV%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-5 yrs</td>
<td>38.6%</td>
</tr>
<tr>
<td>5-10 yrs</td>
<td>41.7%</td>
</tr>
<tr>
<td>10-15 yrs</td>
<td>7.2%</td>
</tr>
<tr>
<td>15-20 yrs</td>
<td>0.8%</td>
</tr>
<tr>
<td>20-30 yrs</td>
<td>11.6%</td>
</tr>
<tr>
<td>1-5 yrs</td>
<td>38.6%</td>
</tr>
</tbody>
</table>

Historical Market Value and number of TIPS issued - Trailing 5 Years*

*Note: 2013 - 2016 data are as of year-end; 2017 data as of February 28, 2017.

Rules for Inclusion

- **Country Eligibility**
  - Only includes TIPS issued by the United States.

- **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**
  - USD 500mn minimum par amount outstanding (not adjusted for inflation indexation).
  - US TIPS 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.
March 8, 2017

Rules for Inclusion

Eligible Currencies
Principal and interest must be inflation-linked and denominated in USD.

Coupon
Fixed-rate nominal coupon.

Maturity
- At least 1 year until final maturity.
- Sub-indices based on maturity are inclusive of lower bounds. 1–10 year maturity bands include bonds with maturities of 1 to 9.9999 years. 10+ year maturity bands include maturities of 10 years or greater.

Security Types
Included
- Eligible bonds must be capital-indexed and linked to a commonly used domestic inflation index

Excluded
- Nominal bonds and floating-rate bonds
- Non-government inflation-linked bonds
- STRIPS, Treasury bills, bellwethers
- Private placements, retail 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 daily basis by Bloomberg’s evaluated pricing serve, BVAL.

Pricing Quotes
The index uses mid-market prices according to local market quote conventions.

Timing
- 3pm (New York Time).
- On early market close, prices are taken as of 1pm on early close, unless otherwise noted.
- If the last business day is a public holiday, prices from the previous business day are used.

Bid or Offer Side
Bonds in the index are priced on the mid side.

Settlement Assumptions
- T+1 calendar day settlement basis.
March 8, 2017

Pricing and Related Issues

- 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 US TIPS Index (Series-L) follows the US bond market holiday schedule.

Monthly Returns in USD, 2006-2017 (%)

<table>
<thead>
<tr>
<th></th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>-0.01</td>
<td>-0.04</td>
<td>-2.19</td>
<td>-0.09</td>
<td>0.30</td>
<td>0.28</td>
<td>1.63</td>
<td>1.73</td>
<td>0.16</td>
<td>-0.17</td>
<td>1.24</td>
<td>-2.34</td>
<td>0.41</td>
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<tr>
<td>2007</td>
<td>0.13</td>
<td>2.13</td>
<td>0.24</td>
<td>0.71</td>
<td>-1.31</td>
<td>-0.15</td>
<td>2.27</td>
<td>0.87</td>
<td>1.33</td>
<td>1.12</td>
<td>3.97</td>
<td>-0.16</td>
<td>11.63</td>
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<tr>
<td>2008</td>
<td>3.96</td>
<td>1.23</td>
<td>-0.06</td>
<td>-2.11</td>
<td>0.33</td>
<td>1.53</td>
<td>-0.51</td>
<td>0.82</td>
<td>-3.83</td>
<td>-8.69</td>
<td>0.71</td>
<td>4.96</td>
<td>-2.35</td>
</tr>
<tr>
<td>2009</td>
<td>1.69</td>
<td>-1.97</td>
<td>5.85</td>
<td>-1.87</td>
<td>2.10</td>
<td>0.46</td>
<td>0.07</td>
<td>0.88</td>
<td>2.11</td>
<td>1.23</td>
<td>2.78</td>
<td>-2.19</td>
<td>11.41</td>
</tr>
<tr>
<td>2010</td>
<td>1.61</td>
<td>-1.16</td>
<td>0.13</td>
<td>2.37</td>
<td>0.00</td>
<td>1.42</td>
<td>0.15</td>
<td>1.72</td>
<td>0.60</td>
<td>2.65</td>
<td>-1.69</td>
<td>-1.55</td>
<td>6.31</td>
</tr>
<tr>
<td>2011</td>
<td>0.19</td>
<td>0.86</td>
<td>1.01</td>
<td>2.51</td>
<td>0.31</td>
<td>0.81</td>
<td>3.91</td>
<td>0.81</td>
<td>-0.23</td>
<td>1.86</td>
<td>0.77</td>
<td>0.04</td>
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<tr>
<td>2012</td>
<td>2.30</td>
<td>-0.33</td>
<td>-1.08</td>
<td>2.02</td>
<td>1.67</td>
<td>-0.56</td>
<td>1.90</td>
<td>-0.29</td>
<td>0.51</td>
<td>0.86</td>
<td>0.48</td>
<td>-0.65</td>
<td>6.98</td>
</tr>
<tr>
<td>2013</td>
<td>-0.67</td>
<td>0.03</td>
<td>0.28</td>
<td>0.79</td>
<td>-4.36</td>
<td>-3.58</td>
<td>0.73</td>
<td>-1.46</td>
<td>1.45</td>
<td>0.55</td>
<td>-1.08</td>
<td>-1.47</td>
<td>-8.61</td>
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<tr>
<td>2014</td>
<td>1.98</td>
<td>0.44</td>
<td>-0.47</td>
<td>1.35</td>
<td>2.12</td>
<td>0.30</td>
<td>0.03</td>
<td>0.44</td>
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<td>0.85</td>
<td>0.26</td>
<td>-1.13</td>
<td>3.64</td>
</tr>
<tr>
<td>2015</td>
<td>3.15</td>
<td>-1.20</td>
<td>-0.47</td>
<td>0.74</td>
<td>-0.82</td>
<td>-0.98</td>
<td>0.21</td>
<td>-0.76</td>
<td>-0.59</td>
<td>0.25</td>
<td>-0.10</td>
<td>-0.79</td>
<td>-1.44</td>
</tr>
<tr>
<td>2016</td>
<td>1.48</td>
<td>1.11</td>
<td>1.80</td>
<td>0.34</td>
<td>-0.71</td>
<td>2.08</td>
<td>0.87</td>
<td>-0.45</td>
<td>0.55</td>
<td>-0.40</td>
<td>-1.92</td>
<td>-0.10</td>
<td>4.68</td>
</tr>
<tr>
<td>2017</td>
<td>0.84</td>
<td>0.47</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1.31</td>
</tr>
</tbody>
</table>

Accessing Index Data

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March 8, 2017

**Accessing Index Data**

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- Clients may receive standard files or may customize file contents
- Index data is also available via authorized distributors

**Bloomberg Total Return Index Value Tickers US TIPS Index (Series-L) and Related Indices**

<table>
<thead>
<tr>
<th>Ticker (USD Unhedged)</th>
<th>Index</th>
<th>Ticker</th>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>LBUTTRUU</td>
<td>US TIPS (Series-L)</td>
<td>DTIPTRUU</td>
<td>US TIPS Duration Hedged Index</td>
</tr>
<tr>
<td>BUT5TRUU</td>
<td>US TIPS 1–5 Year (Series-L)</td>
<td>DT15TRUU</td>
<td>US TIPS DHI – 50% Hedged Index</td>
</tr>
<tr>
<td>LT11TRUU</td>
<td>US TIPS 1–10 Year (Series-L)</td>
<td>LF94TRUU</td>
<td>Global Inflation–Linked (Series-L)</td>
</tr>
<tr>
<td>LT15TRUU</td>
<td>US TIPS 5–15 Year (Series-L)</td>
<td>LR10TRUU</td>
<td>Global Inflation–Linked 1–10 Year (Series-L)</td>
</tr>
<tr>
<td>MTIPTRUU</td>
<td>US TIPS Mirror Futures Index</td>
<td>LR03TRUU</td>
<td>Global Inflation–Linked 10+ Year (Series-L)</td>
</tr>
</tbody>
</table>

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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