

# FTSE High Yield (Treasury Rate-Hedged) Index

Credit | US Dollars

The FTSE High Yield (Treasury Rate-Hedged) Index is a US Dollar-denominated index that measures the performance of high-yield debt issued by corporations domiciled in the US or Canada. The index consists of a long position in high-yield bonds and a duration dollar-matched short position in US Treasury securities. The high-yield portion of the index consists of cash-pay bonds, including Rule 144A bonds, issued by corporations. No more than two issues per parent issuer are included and each high-yield issuer is limited to 2% of the market value of the high-yield position of the index. The index's short position in US Treasury securities is constructed using three US Treasury securities corresponding to the 2-, 5-, and 10-year US Treasury futures contracts in an attempt to approximate the maturity distribution of the overall index.

The index's short position in US Treasury securities is designed to hedge the duration and yield curve exposure of the long position in the high-yield bonds in the FTSE High Yield (Treasury Rate-Hedged) Index. This approach seeks to mitigate the potential negative impact of rising US Treasury interest rates on the performance of high yield bonds. Conversely, the approach may limit the potential positive impact of falling interest rates.

## INDEX PROFILE

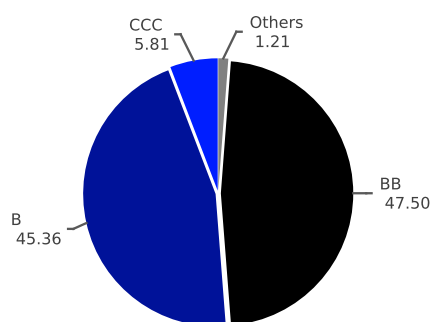
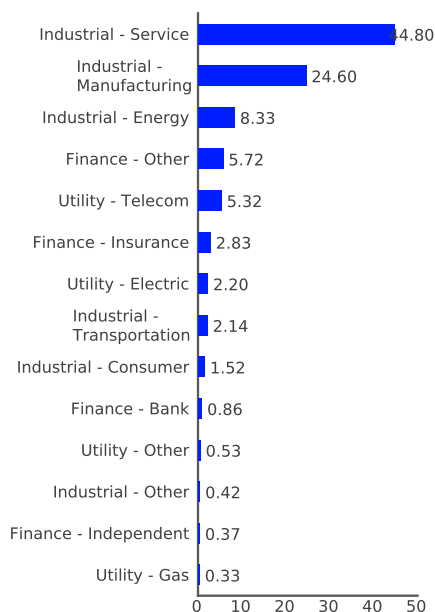
Description	# of Issues	Effective Duration (Years)	Average Life (Years) <sup>1</sup>	Average Credit Rating <sup>1</sup>	Average Coupon (%) <sup>1</sup>	Yield to Maturity (%)
Index <sup>2</sup>	248	-0.074	-	-	3.05	8.26
High-Yield	244	3.373	4.884	B+	6.94	7.81
US Treasury	3	3.38	3.745	AA+	3.89	3.97
Cash <sup>3</sup>	1	-	-	-	-	4.43

<sup>1</sup>Market weighted averages.

<sup>2</sup>Methods for calculating statistics for the High Yield (Treasury Rate-Hedged) Index where the suffixes HY, TSY, CASH represent High Yield, US Treasury, and Cash Collateral components respectively.

<sup>3</sup>Cash represents proceeds from the short position in US Treasury securities. Returns on cash are based on the 1 month term repo rate provided by the Citi Finance desk.

## INDUSTRY AND QUALITY COMPOSITION (Market Weight %)



**Index Quality:** Index quality is defined to be the rating assigned by Standard and Poor's Financial Services LLC ("S&P") when it exists. If a bond is not rated by S&P but it is rated by Moody's Investor Service, Inc ("Moody's"), the S&P equivalent of the Moody's rating is assigned. If a bond is split-rated, that is rated investment grade by S&P or Moody's and high yield by the other, index quality is taken to be S&P equivalent of the investment grade rating.

## HISTORICAL INDEX LEVEL (Unhedged)



ANNUALIZED RETURNS (in %)

	USD
YTD*	1.33
1 Year	7.75
3 Years	9.21
5 Years	8.44
Since Inception	4.69

\* Not annualized

DESIGN CRITERIA AND CALCULATION METHODOLOGY

Coupon:	Fixed-rate and non-convertible
Currency:	USD
Minimum Maturity:	At least one year
Minimum Issue Size:	The outstanding amount of an issue must total at least USD 1 billion in order to be considered eligible for inclusion.
Number of Issues:	For each high yield issuer, no more than two issues are included. The selection is first based on the largest par amount outstanding and then the most recent issue date.
Issue Dates:	The bonds in the high yield index must be issued within the last 5 years. Bonds downgraded from investment-grade enter the index if issued within the last 4 years.
Minimum Quality:	An index quality is assigned to each index bond each month. The quality is first mapped to the S&P rating. If a bond is not rated by S&P but it is rated by Moody's, the S&P equivalent of the Moody's rating is assigned to the index quality. Maximum rating: BB+ by S&P and Ba1 by Moody's Minimum rating: C by S&P and Ca by Moody's
Weighting:	Market capitalization prior to applying any capping constraints for diversification
Issuer Cap:	Market weight per issuer to be less than or equal to 2% of the market value of the index
Reinvestment of cash flows:	Intra-month cash flows from interest and principal payments are not reinvested as part of monthly index total return calculations.
Pricing:	For High-Yield Corporate Bonds: IDC bid-side 4:00 p.m. (New York) For US Treasury Bonds: LSEG Pricing Service bid-side 3:00 p.m. (New York)
Calculation Frequency:	Daily
Settlement Date:	Monthly – Settlement is on the last calendar day of the month. Daily – Same day settlement except if the last business day of the month is not the last calendar day of the month; then, settlement is on the last calendar day of the month.
Base Date:	March 31, 2008

VENDOR CODES

CFIHYHG FTSE High Yield (Treasury Rate-Hedged) Index

© 2025 London Stock Exchange Group plc and its applicable group undertakings (the "LSE Group"). The LSE Group includes (1) FTSE International Limited ("FTSE"), (2) Frank Russell Company ("Russell"), (3) FTSE Global Debt Capital Markets Inc. and FTSE Global Debt Capital Markets Limited (together, "FTSE Canada"), (4) MTSNext Limited ("MTSNext"), (5) Mergent, Inc. ("Mergent"), (6) FTSE Fixed Income LLC ("FTSE FI"), (7) The Yield Book Inc. ("YB"), and (8) Beyond Ratings S.A.S. ("BR"). All rights reserved.

The FTSE Fixed Income Indices are calculated by or on behalf of FTSE Fixed Income LLC or its affiliate, agent or partner. FTSE International Limited is authorized and regulated by the Financial Conduct Authority as a benchmark administrator. FTSE Russell® is a trading name of FTSE, Russell, FTSE Canada, MTSNext, Mergent, FTSE FI, YB, and BR. "FTSE®", "Russell®", "FTSE Russell®", "MTS®", "FTSE4Good®", "ICB®", "Mergent®", "WorldBIG®", "USBIG®", "EuroBIG®", "AusBIG®", "The Yield Book®", Beyond Ratings®, and all other trademarks and service marks used herein (whether registered or unregistered) are trademarks and/or service marks owned or licensed by the applicable member of the LSE Group or their respective licensors and are owned, or used under license, by FTSE, Russell, MTSNext, FTSE Canada, Mergent, FTSE FI, YB, or BR.

All information is provided for information purposes only. All information and data contained in this publication is obtained by the LSE Group, from sources believed by it to be accurate and reliable. Because of the possibility of human and mechanical error as well as other factors, however, such information and data is provided "as is" without warranty of any kind. No member of the LSE Group nor their respective directors, officers, employees, partners or licensors make any claim, prediction, warranty or representation whatsoever, expressly or impliedly, either as to the accuracy, timeliness, completeness, merchantability of any information or of results to be obtained from the use of the FTSE Russell Indices or the fitness or suitability of the FTSE Russell Indices for any particular purpose to which they might be put. Any representation of historical data accessible through FTSE Russell Indices is provided for information purposes only and is not a reliable indicator of future performance.

No responsibility or liability can be accepted by any member of the LSE Group nor their respective directors, officers, employees, partners or licensors for (a) any loss or damage in whole or in part caused by, resulting from, or relating to any error (negligent or otherwise) or other circumstance involved in procuring, collecting, compiling, interpreting, analyzing, editing, transcribing, transmitting, communicating or delivering any such information or data or from use of this document or links to this document or (b) any direct, indirect, special, consequential or incidental damages whatsoever, even if any member of the LSE Group is advised in advance of the possibility of such damages, resulting from the use of, or inability to use, such information. No member of the LSE Group nor their respective directors, officers, employees, partners or licensors provide investment advice and nothing contained in this document or accessible through FTSE Russell Indices, including statistical data and industry reports, should be taken as constituting financial or investment advice or a financial promotion.

Past performance is no guarantee of future results. Charts and graphs are provided for illustrative purposes only. Index returns shown may not represent the results of the actual trading of investable assets. Certain returns shown may reflect back-tested performance. All performance presented prior to the index inception date is back-tested performance. Back-tested performance is not actual performance, but is hypothetical. The back-test calculations are based on the same methodology that was in effect when the index was officially launched. However, back-tested data may reflect the application of the index methodology with the benefit of hindsight, and the historic calculations of an index may change from month to month based on revisions to the underlying economic data used in the calculation of the index.

No part of this information may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without prior written permission of the applicable member of the LSE Group. Use and distribution of the LSE Group data requires a license from FTSE, Russell, FTSE Canada, MTSNext, Mergent, FTSE FI, YB, BR, and/or their respective licensors.