

FTSE Zero Coupon US Treasury STRIPS Target Maturity Index Series

v1.0

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Section 1

Introduction

1. Introduction

1.1 FTSE Zero Coupon US Treasury STRIPS Target Maturity Index Series

1.1.1 The FTSE Zero Coupon US Treasury STRIPS Target Maturity Index Series consists of separate indices with maturity-specific exposure. Each index consists of qualifying US Treasury-backed STRIPS.

1.1.2 The initial index series is comprised of the following indices:

FTSE Zero Coupon US Treasury STRIPS 2030 Maturity Index

FTSE Zero Coupon US Treasury STRIPS 2031 Maturity Index

FTSE Zero Coupon US Treasury STRIPS 2032 Maturity Index

FTSE Zero Coupon US Treasury STRIPS 2033 Maturity Index

FTSE Zero Coupon US Treasury STRIPS 2034 Maturity Index

FTSE Zero Coupon US Treasury STRIPS 2035 Maturity Index

1.1.3 The FTSE Zero Coupon US Treasury STRIPS Target Maturity Index Series does not take account of ESG factors in its index design.

1.2 FTSE Russell

1.2.1 FTSE Russell is a trading name of FTSE International Limited, Frank Russell Company, FTSE Global Debt Capital Markets Limited (and its subsidiaries FTSE Global Debt Capital Markets Inc.,) FTSE Fixed Income LLC, FTSE (Beijing) Consulting Limited.

1.2.2 FTSE Russell hereby notifies users of the index that it is possible that factors, including external factors beyond the control of FTSE Russell, may necessitate changes to, or the cessation, of the index and therefore, any financial contracts or other financial instruments that reference the index or investment funds which use the index to measure their performance should be able to withstand, or otherwise address the possibility of changes to, or cessation of, the index.

1.2.3 Index users who choose to follow this index or to buy products that claim to follow this index should assess the merits of the index's rules-based methodology and take independent investment advice before investing their own or client funds. No liability whether as a result of negligence or otherwise is accepted by FTSE Russell for any losses, damages, claims and expenses suffered by any person as a result of:

- any reliance on these Ground Rules;
- any inaccuracies in these Ground Rules;
- any non-application or misapplication of the policies or procedures described in these Ground Rules; and/or
- any inaccuracies in the compilation of the index or any constituent data.

Section 2

Management responsibilities

2. Management responsibilities

2.1 FTSE International Limited (FTSE)

2.1.1 FTSE is the benchmark administrator of the index series¹.

2.1.2 FTSE is responsible for the daily calculation, production and operation of the index series, and will:

- maintain records of the index weightings of all constituents;
- make changes to the constituents and their weightings in accordance with the Ground Rules;
- carry out the periodic index reviews of the index series and apply the changes resulting from the reviews as required by the Ground Rules; and
- disseminate the indices.

2.2 Amendments to these Ground Rules

2.2.1 These Ground Rules shall be subject to regular review (at least once a year) by FTSE Russell to ensure that they best reflect the aim of the index series. Any proposals for significant amendments to these Ground Rules will be subject to consultation with FTSE Russell advisory committees and other stakeholders if appropriate. The feedback from these consultations will be considered by the FTSE Russell Index Governance Board before approval is granted.

2.2.2 As provided for in the Statement of Principles for FTSE Russell Fixed Income Indices, where FTSE Russell determines that the Ground Rules are silent or do not specifically and unambiguously apply to the subject matter of any decision, any decision shall be based as far as practical on the Statement of Principles. After making any such determination, FTSE Russell shall advise the market of its decision at the earliest opportunity. Any such treatment will not be considered as an exception or change to the Ground Rules, or to set a precedent for future action, but FTSE Russell will consider whether the Ground Rules should subsequently be updated to provide greater clarity.

¹ The term administrator is used in this document in the same sense as it is defined in [Regulation \(EU\) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds](#) (the European Benchmark Regulation) and [The Benchmarks \(Amendment and Transitional Provision\) \(EU Exit\) Regulations 2019](#) (the UK Benchmark Regulation).

Section 3

FTSE Russell index policies

3. FTSE Russell index policies

These Ground Rules should be read in conjunction with the following policy documents, which can be accessed using the links below or by contacting fi.index@lseg.com. These policies are reviewed annually, and any changes are approved by the FTSE Russell Product governance board.

3.1 Statement of Principles for FTSE Fixed Income Indices (the Statement of Principles)

Indices need to keep abreast of changing markets and the Ground Rules cannot anticipate every eventuality. Where the Ground Rules do not fully cover a specific event or development, FTSE Russell will determine the appropriate treatment by reference to the Statement of Principles for FTSE Fixed Income Indices, which summarises the ethos underlying FTSE Russell's approach to index construction. The Statement of Principles is reviewed annually and any changes proposed by FTSE Russell are presented to the FTSE Russell Index advisory board for discussion before approval by the FTSE Russell Product governance board.

The Statement of Principles for Fixed Income Indices can be accessed using the following link:

[Statement of Principles Fixed Income Indices.pdf](#)

3.2 Queries and Complaints

FTSE Russell's complaints procedure can be accessed using the following link:

[Benchmark Determination Complaints Handling Policy.pdf](#)

3.3 Recalculation Policy and Guidelines

The Recalculation Policy and Guidelines for Fixed Income Indices document is available from the FTSE Russell website using the link below or by contacting fi.index@lseg.com.

[Fixed Income Recalculation Policy and Guidelines.pdf](#)

3.4 Policy for Benchmark Methodology Changes

Details of FTSE Russell's policy for making benchmark methodology changes can be accessed using the following link:

[Policy for Benchmark Methodology Changes.pdf](#)

3.5 FTSE Russell Governance Framework

- 3.5.1 To oversee its indices, FTSE Russell employs a governance framework that encompasses product, service and technology governance. The framework incorporates the London Stock Exchange Group's three lines of defence risk management framework and is designed to meet the requirements of the IOSCO Principles for

Financial Benchmarks², the European benchmark regulation³ and the UK benchmark regulation⁴. The FTSE Russell Governance Framework can be accessed using the following link:

[FTSE Russell Governance Framework.pdf](#)

² IOSCO Principles for Financial Benchmarks Final Report, FR07/13 July 2013.

³ Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds.

⁴ The Benchmarks (Amendment and Transitional Provision) (EU Exit) Regulations 2019.

Section 4

Composition and design criteria

4. Composition and design criteria

- 4.1.1 The initial index series consists of six (6) target maturity indices.
- 4.1.2 The indices are composed of a static list of qualifying interest-only (IO) US Treasury-backed STRIPS. The constituents within each target maturity vintage will be selected based on maturity year on initial Selection Date and weighted equally based on maturity month. For example, generally there will be four securities within each vintage maturing in February, May, August, and November of a given year, at index inception, these will be equally weighted so that the securities maturing in each month will represent one-fourth of the index.
- 4.1.3 Once the weighting for each vintage is set at inception, the constituents will not be rebalanced, in alignment with a buy and hold strategy. If for whatever reason the number of constituents within a given vintage falls below four, the index provider may select additional zero-coupon US Treasury-backed STRIPS with similar risk profiles to the respective index.
- 4.1.4 In the final year of each index, the cash proceeds resulting from maturing positions will be reinvested at a rate equal to a constant maturity 30-day T-Bill. The index will terminate on month-end after the final position within the index has matured. For example, generally the index will terminate on the last day of November since the last position within a target year typically falls during the month of November.

Figure 1. 1.1 FTSE Zero Coupon US Treasury STRIPS Target Maturity Index Series

Index Name	Inception date	Projected Termination Date
FTSE Zero Coupon US Treasury STRIPS 2030 Maturity Index	September 30, 2025	November 30, 2030
FTSE Zero Coupon US Treasury STRIPS 2031 Maturity Index	September 30, 2025	November 30, 2031
FTSE Zero Coupon US Treasury STRIPS 2032 Maturity Index	September 30, 2025	November 30, 2032
FTSE Zero Coupon US Treasury STRIPS 2033 Maturity Index	September 30, 2025	November 30, 2033
FTSE Zero Coupon US Treasury STRIPS 2034 Maturity Index	September 30, 2025	November 30, 2034
FTSE Zero Coupon US Treasury STRIPS 2035 Maturity Index	September 30, 2025	November 30, 2035

Design criteria and calculation assumptions

Base Index	Initial selection is derived from the FTSE US Treasury Index. The FTSE US Treasury Index has a minimum maturity criterion of at least one year and a minimum float-adjusted amount outstanding of USD 5 billion.
Security Type Inclusion	US Treasury STRIPS that mature within the stated year of the respective target maturity index Only the interest-only (IO) STRIPS from Treasury bonds maturing in the February, May, August, and November 15 cycles are included.
Coupon	Zero Coupon
Weighting	Constituents within a given vintage will be equally weighted based on the maturity month. Weights will be set on Selection Day.
Rebalancing	N/A
Reconstitution	If a given vintage falls below four securities on a month-end, the index provider may select additional US Treasury-backed interest-only (IO) STRIPS with similar risk profiles.
Reinvestment of cash flows	In the final year of each index, the cash proceeds resulting from each maturing position at a rate of a constant maturity 30-day T-Bill.
Index Termination	The index will terminate on month-end after the final position within the index has matured.
Pricing	LSEG Pricing Service
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.

4.2 Holiday calendar

- 4.2.1 The index is calculated Monday through Friday except Christmas Day (observed) and New Year's Day (observed). Each local market will observe its own holiday calendar: if a local market is on holiday, the closing prices used for that day will be the closing prices from the previous day.

4.3 Index quality

- 4.3.1 An index quality is assigned to each index bond as of profile fixing. The quality is first mapped to the Standard & Poor's Financial Services LLC (S&P) rating. If a bond is not rated by S&P but it is rated by Moody's Investors Service, Inc (Moody's), the S&P equivalent of the Moody's rating is assigned to the index quality. If a bond is rated by neither S&P nor Moody's, the bond is not assigned an index quality. If a bond is rated as investment grade by one rating agency and high yield by the other, the S&P equivalent of the investment-grade rating is assigned to the index quality. These ratings remain unchanged for the entire performance month.

4.4 Return computation

- 4.4.1 Total returns are computed on the assumption that each security is purchased at the beginning of the period and sold at the end of the period. An issue's total rate of return is the percentage change in its total value over the measurement period (see figure two). The components of total return are price change, principal payments, coupon payments and accrued interest. The total returns use each individual security's beginning-of-period market value.

Figure two: total rate of return calculation methodology

Beginning-of-period value	-	(Beginning price + Beginning accrued) x Beginning par amount outstanding
End-of-period value	-	[(Ending price + Ending accrued) x (Beginning par amount outstanding – Principal payments)] + Coupon payments + Principal payments
Total rate of return (%)	-	[(End-of-period value/Beginning-of-period value) – 1] x 100

A note on precision: returns are computed to at least six decimal places but reported to a maximum of four. In addition, owing to rounding inaccuracies inherent in computer floating-point arithmetic, the last digit in any reported value may sometimes be off by one from its true value.

Tickers for the FTSE Zero Coupon US Treasury STRIPS Target Maturity Index Series

Ticker	Index
CFIIZCBA	FTSE Zero Coupon US Treasury STRIPS 2030 Maturity Index
CFIIZCBB	FTSE Zero Coupon US Treasury STRIPS 2031 Maturity Index
CFIIZCBC	FTSE Zero Coupon US Treasury STRIPS 2032 Maturity Index
CFIIZCBE	FTSE Zero Coupon US Treasury STRIPS 2033 Maturity Index
CFIIZCBF	FTSE Zero Coupon US Treasury STRIPS 2034 Maturity Index
CFIIZCBG	FTSE Zero Coupon US Treasury STRIPS 2035 Maturity Index

4.5 Chronological summary of events

FTSE Zero Coupon US Treasury STRIPS Target Maturity Index Series Index event summary

Year	Monthly highlights
2025	TBD:

Appendix A

Further information

For contact details, please visit the FTSE Russell website or contact FTSE Russell client services at fi.index@lseg.com.

Website: www.lseg.com/en/ftse-russell/

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