

STRS Bloomberg Barclays U.S. Universal Bond Index Choice

Bonds

Investment Objective

This investment choice is intended to closely match the return of the Bloomberg Barclays U.S. Universal Bond Index, before fees.

Investment Characteristics

The STRS Bloomberg Barclays U.S. Universal Bond Index Choice consists entirely of U.S. dollar-denominated securities. This choice is intended to be an intermediate-term investment vehicle due to the moderate variability of its returns. It is designed to closely match the returns of the Bloomberg Barclays U.S. Universal Bond Index. A significant portion of the index includes debt issued by the U.S. government and other government-related entities, residential and commercial mortgage-backed securities, and investment-grade corporate bonds. A small portion of the index is high yield debt with ratings below the BBB category. Also included is debt from emerging market countries and other foreign issuers. The value of bonds is sensitive to changes in interest rates. When interest rates fall, bond prices rise and vice versa. Total returns are comprised of changes in principal values plus interest income earned.

Risk

An investment in the STRS Bloomberg Barclays U.S. Universal Bond Index Choice could lose value over short or even long periods. The choice's share price will fluctuate in a range similar to the variability of the overall bond market. The choice is subject to a variety of risks which can adversely affect performance. Some of these include a rise in interest rates, issuer impairment or default, early or late redemption of a security's cash flows and purchasing power risk in the event of high inflation.

An investment in this choice is not insured or guaranteed by the Federal Deposit Insurance Corporation, the U.S. government or any other government-sponsored enterprises.

Investment Manager

STRS Ohio

Index Statistics as of March 31, 2018

Number of Issues	15,816
Average Yield	3.44%
Average Maturity	8.19 Years
Market Value	\$23.90 Trillion

Investment Performance

Please refer to the STRS Ohio *Investment Performance Report* included in this selection packet.

Annual Asset Management Fee

The total annual fee for the STRS Bloomberg Barclays U.S. Universal Bond Index Choice is 0.07%.

Index Characteristics as of March 31, 2018

<u>Sector</u>	<u>% of Index</u>
Treasury	31%
Mortgage	26%
Corporate	24%
Emerging Market	8%
Government Related	6%
High Yield	5%

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