

BCOM

Carbon Tilted Index

The Bloomberg Commodity (BCOM) Carbon Tilted Index is designed to account for carbon emissions associated with the production of the physical commodities comprising the benchmark. Using Life Cycle Analysis, carbon emissions are measured and the weight of commodities with a lower carbon footprint is increased. The benchmark maintains similar portfolio characteristics to the BCOM benchmark.

Lower Carbon Profile

Allows investors to align their investment goals with sustainability goals by supporting the transition to a low-carbon economy

Maintain Diversified Exposure

Tilting methodology and preservation of BCOM sector weights has resulted in similar portfolio characteristics comparable to the BCOM benchmark

Innovative Approach

Includes data-driven considerations that capture GHG emissions across the relevant life cycle of the commodity

Flexibility

Fully integrated within BCOM for diversified exposure to commodity markets and support for end-to-end customization

BCOM Carbon Tilted Process

The Bloomberg Commodity Indices have served as industry standard commodity benchmarks since their launch by responding to changing markets and client needs. As investor demands have emphasized focus on sustainability and climate goals, the tilted process seeks to retain the broad representation and diversification benefits of BCOM while preserving sector weights.



Composition tracks that of the flagship BCOM Index



Incorporates GHG emissions associated with the production processes linked to each commodity



Within each sector, overweight commodities with lower carbon footprint



Reduces associated GHG emissions while maintaining diversification benefits and inflation hedging characteristics

Bloomberg Commodity Indices Overview

Bloomberg Commodity Index (BCOM)

The Bloomberg Commodity Index was launched in 1998, introducing for the first time an explicit focus on market liquidity and a capping mechanism constraining individual sectors and preserving the balance over time.

BCOM Forward Indices

This family leverages the robustness of the weighting process of the flagship, while allowing investors to target single maturity buckets, extending to six months from spot in one-month increments.

BCOM Single Commodity, Leveraged and Inverse Indices

Tracking the performance of single commodity future contracts, with an embedded zero-floor protection. Leveraged (2X) and inverse (1X and 2X) versions are also available.

BCOM Roll Select Indices

This version of the index aims to mitigate the adverse impact of contango on performance by picking optimal forward rolling strategies. For each commodity, the forward strategy that implies the most backwardation (alternatively least contango) is selected.

Bloomberg Enhanced Roll Yield Index (BERY)

BERY addresses the key concern of negative yield from the shape of futures by diminishing the traditional trade-off between liquidity and performance by redefining the index weighting scheme and diversifying contract selection. Ultimately, BERY seeks to provide high capacity, mitigate the impact of negative carry and reduce roll congestion.

About Bloomberg Indices Services Limited

- Proven track record in creating industry leading benchmarks across asset classes
- Innovative approach to delivering strategic solutions to help market participants address their evolving needs
- Access to a comprehensive range of trusted data and reliable technology for calculations, analytics and workflow automation
- Distribution capabilities that can help amplify the visibility of our customers' products

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