

# Bloomberg Equity Indices

Section 871(m) Information

As of January 1, 2022

In response to client inquiries, Bloomberg Equity Indices has prepared this document to assist clients in their determination whether certain Bloomberg Equity indices may be considered a "Qualified Index" under Section 871(m) of the Internal Revenue Code.

The determination as to whether an index is a Qualified Index is made on the first business day of the applicable calendar year.<sup>1</sup>

<b>871(m) Criteria</b>	<b>Bloomberg US Large Cap Price Return Index (B500)</b>
References at least 25 component securities	√
References only long equity positions	√
Does not contain any single U.S. security that represents more than 15% of the index weighting	√
Does not contain any collection of five or fewer U.S. securities that together represent more than 40% of the index weighting	√
Modified or rebalanced only according to publicly stated, predefined criteria, which may require interpretation by the index provider or a board or committee responsible for maintaining the index	√
Did not provide a dividend yield in the immediately preceding calendar year that exceeded 150% of the annual dividend yield reported on the S&P 500 index for that year	√
Referenced by futures or option contracts that trade on a national securities exchange, a domestic board of trade designated as a contract market or certain foreign exchanges described in the Section 871(m) regulations	√
Passive index based on a diverse basket of publicly traded securities that is widely used by numerous market participants	√

<sup>1</sup> For new indices, the determination is made on the first business day on which the index is created.

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