

Bloomberg Global Equity Indices Methodology

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Bloomberg

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Introduction

Bloomberg Index Services Limited (“BISL”) has combined decades of expertise in fixed income and commodity indexing, equity capital markets, portfolio analytics, and data to bring an innovative perspective to the world of equity indices. The Bloomberg Global Equity Indices consist of listed securities that provide investors the building blocks for investing in a range of markets and size segments across the globe in a consistent, rules-based manner while maintaining a balance between broad market coverage and liquidity.

The Bloomberg Global Equity Indices offer various size and regional segmentations and an array of services in investable index products and custom index development designed to offer access to systematic strategies (beta, “smart” beta, and alpha). Bloomberg’s index administration and calculation agent services serve our broad client base of asset managers, index administrators, advisors and investors.

Leveraging expertise in cross-asset indexing and factor research, advanced governance, operations, and technology platforms Bloomberg Global Equity indices intend to provide a comprehensive set of indices based on a transparent methodology with clearly defined objectives of representativeness and investability. The methodology for size segmentation and country classification is designed to provide investable opportunity sets at country and regional levels with appropriate market coverage and security market capitalization.

Bloomberg Global Equity Indices are broadly distributed and are available on **IN <GO>** page on the Bloomberg Terminal.

Section 1: Index Calculations

1.1. Price Return Index Calculation

The price return (PR) Index Value is calculated on each Calculation Day using the following formula:

$$PR\ Index_t = \frac{\sum_{i=1}^n P_{i,t} \times N_{i,t} \times TF_{i,t} \times CA_{i,t} \times FX_{i,t}}{Divisor_t}$$

Where:

$PR\ Index_t$	The price return Index Value on Calculation Day t
$Divisor_t$	The divisor of the index on Calculation Day t
$P_{i,t}$	The price of Index Member i in local currency on Calculation Day t
$N_{i,t}$	The Index Shares for Index Member i on Calculation Day t
$TF_{i,t}$	The Tilt Factor for Index Member i on Calculation Day t note: $TF_{i,t}$ is equal to 1 for market capitalization weighted indices
$CA_{i,t}$	The Corporate Action Coefficient for Index Member i on Calculation Day t NOTE: $CA_{i,t}$ is equal to 1 for market capitalization weighted indices
$FX_{i,t}$	The FX Fixing Rate with respect to Index Member i on Calculation Day t
n	denotes the total number of Index Members

NOTE: if the index has no Index Members, $n = 0$, then $PR\ Index_t = PR\ Index_{t-1}$

1.2. Gross Total Return Index Calculation

The gross total return (TR) Index Value reflects the reinvestment of gross dividends. It is calculated on each Calculation Day using the following formula:

$$TR\ Index_t = TR\ Index_{t-1} \times TR_t$$

$$TR_t = \frac{PR\ Index_t}{PR\ Index_{t-1} - D_t}$$

$$D_t = \frac{\sum_{i=1}^n rd_{i,t} \times N_{i,t} \times TF_{i,t} \times CA_{i,t} \times FX_{i,t-1}}{Divisor_t}$$

Where:

$TR\ Index_t$	The gross total return Index Value on Calculation Day t
$Divisor_t$	The divisor of the index on Calculation Day t

D_t	The gross dividend index points
$rd_{i,t}$	The regular dividend per share of Index Member i in local currency on Calculation Day t
$N_{i,t}$	The Index Shares for Index Member i on Calculation Day t
$TF_{i,t}$	The Tilt Factor for Index Member i on Calculation Day t note: $TF_{i,t}$ is equal to 1 for market capitalization weighted indices
$CA_{i,t}$	The Corporate Action Coefficient for Index Member i on Calculation Day t note: $CA_{i,t}$ is equal to 1 for market capitalization weighted indices
$FX_{i,t-1}$	The FX Fixing Rate with respect to Index Member i on Calculation Day $t - 1$
n	denotes the total number of Index Members

1.3. Net Total Return Index Calculation

The net total return (NTR) Index Value reflects the reinvestment of net of tax dividends. It is calculated on each Calculation Day using the following formula:

$$NTR\ Index_t = NTR\ Index_{t-1} \times NTR_t$$

$$NTR_t = \frac{PR\ Index_t}{PR\ Index_{t-1} - ND_t}$$

$$ND_t = \frac{\sum_{i=1}^n nd_{i,t} \times N_{i,t} \times TF_{i,t} \times CA_{i,t} \times FX_{i,t-1}}{Divisor_t}$$

$$nd_{i,t} = rd_{i,t} \times (1 - T_{i,t}) - sd_{i,t} \times T_{i,t}$$

Where:

$NTR\ Index_t$	The net total return Index Value on Calculation Day t
$Divisor_t$	The divisor of the index on Calculation Day t
ND_t	The net dividend index points
$N_{i,t}$	The Index Shares for Index Member i on Calculation Day t
$TF_{i,t}$	The Tilt Factor for Index Member i on Calculation Day t note: $TF_{i,t}$ is equal to 1 for market capitalization weighted indices
$CA_{i,t}$	The Corporate Action Coefficient for Index Member i on Calculation Day t note: $CA_{i,t}$ is equal to 1 for market capitalization weighted indices
$FX_{i,t-1}$	The FX Fixing Rate with respect to Index Member i on Calculation Day $t - 1$
$rd_{i,t}$	The regular dividend per share of Index Member i in local currency on Calculation Day t
$sd_{i,t}$	The special dividend per share of Index Member i in local currency on Calculation Day t
$T_{i,t}$	The withholding tax rate for Index Member i on Calculation Day t with respect to the tax table in <i>Appendix V: Index Tax Framework</i>
n	denotes the total number of Index Members

1.4. Divisor Adjustments

Certain corporate actions such as Mergers and Acquisitions, Spin-offs and Rights Issues lead to an adjustment of the index divisor. New index divisor following such corporate actions is calculated as follows:

$$Divisor_t = Divisor_{t-1} \times \frac{Market\ Value_{t-1,adj}}{Market\ Value_{t-1,unadj}}$$

$$Market\ Value_{t-1,adj} = \sum_{i=1}^n P_{i,t-1,post} \times N_{i,t-1,post} \times TF_{i,t-1} \times CA_{i,t-1,post} \times FX_{i,t-1}$$

$$Market\ Value_{t-1,unadj} = \sum_{i=1}^n P_{i,t-1,pre} \times N_{i,t-1,pre} \times TF_{i,t-1} \times CA_{i,t-1,pre} \times FX_{i,t-1}$$

Where:

$Divisor_t$	The divisor after adjustments for corporate actions
$Divisor_{t-1}$	The divisor prior to adjustments for corporate actions
$P_{i,t-1,pre}$	The price of Index Member i in local currency on Calculation Day $t - 1$
$P_{i,t-1,post}$	The price of Index Member i in local currency on Calculation Day $t - 1$ after adjustment for corporate actions
$N_{i,t-1,pre}$	The Index Shares for Index Member i on Calculation Day $t - 1$

$N_{i,t-1,post}$	The Index Shares for Index Member i on Calculation Day $t - 1$ after adjustment for corporate actions
$TF_{i,t-1}$	The Tilt Factor for Index Member i on Calculation Day t
$CA_{i,t-1,pre}$	The Corporate Action Coefficient for Index Member i on Calculation Day $t - 1$
$CA_{i,t-1,post}$	The Corporate Action Coefficient for Index Member i on Calculation Day $t - 1$ after adjustment for corporate actions
$FX_{i,t-1}$	The FX Fixing Rate with respect to Index Member i on Calculation Day $t - 1$
n	Denotes the total number of Index Members

Section 2: Index Construction

The Bloomberg Global Equity Indices are constructed as individual country indices. Twice a year, as part of the semi-annual Index Reconstitution, securities are assessed and are then classified in the appropriate country and market universe to define each country's Index members. Each company and its eligible securities will be classified into a single country.

2.1. Defining Eligible Equity Universe

2.1.1. Eligible Security Types and Exchange Listings

All listed equities and equity-like securities, including Real Estate Investment Trusts (REITs) are considered for inclusion in the country indices. Private Equity firms¹ are eligible if they are structured as Corporations and Business Development Companies¹ are eligible if they are also classified as Investment Holding Companies¹.

The following security types are excluded: Private Equity and Business Development Companies (if they do not meet the above criteria), Closed-End Investment Companies, ETFs and ETNs, LLCs, Partnerships, Royalty Trusts, Special Purpose Acquisition Companies, and Special Purpose Vehicles.

Securities trading on when-issued basis are not eligible for the Bloomberg Global Equity Indices.

Please refer to [Appendix III: Country Exchanges & Eligible Security Types](#) for the list of eligible security types and eligible exchange listings for each country.

2.2. Index Membership Screening

At each semi-annual Index Reconstitution review, Bloomberg applies the following screens at company or security level to define the eligible universe for each country.

2.2.1. Minimum Annualized Trading Volume

To ensure replicability, index members need to have sufficient liquidity to be eligible.

2.2.1.1. New Index Members Minimum Annualized Trading Volume Ratio Requirements

$$\frac{3\text{-month Average Daily Volume} \times 250}{\text{Index Shares}} > 25\% \quad \text{and} \quad \frac{12\text{-month Average Daily Volume} \times 250}{\text{Index Shares}} > 25\%^2$$

2.2.1.2. Existing Index Members Minimum Annualized Trading Volume Ratio Requirements

$$\frac{3\text{-month Average Daily Volume} \times 250}{\text{Index Shares}} > 6.25\% \quad \text{and} \quad \frac{12\text{-month Average Daily Volume} \times 250}{\text{Index Shares}} > 12.5\%^3$$

2.2.2. Seasoning of Securities

¹ classified as per the Bloomberg Industry Classification System

² If a new index member has traded less than 12 months, liquidity is only tested using the 3-month average daily volume at 25%

³ If an existing index member has traded less than 12 months, liquidity is only tested using the 3-month average daily volume at 12.5%

To ensure a security has sufficient trading history, newly listed securities must have traded for at least 3 months before the Selection Date to be considered for inclusion.

However, large companies with a first trading day following the Selection Date, that do not meet the requirements for fast-track addition³, are considered eligible for addition at the next index Reconstitution even if they have less than 3 months of trading history. To qualify for this exception, a newly trading security must have a full market capitalization greater than its country's 70th percentile of cumulative float market capitalization (i.e. corresponding to the Country Large cap segment) based on the Selection Date of the last semi-annual Reconstitution.

2.2.3. Consecutive Trading Days Requirement

Securities that did not trade for a period of 10 or more consecutive trading days since the last Rebalance effective date are excluded from the Bloomberg Global Equity Indices at the next Reconstitution.

Note that suspensions, as reported by the relevant stock exchange, are excluded.

2.2.4. Market Price Cap

Securities with a closing market price equal to or greater than US\$20,000 on a Selection Date are not eligible for inclusion in the Bloomberg Global Equity Indices.

Note that existing Index Members are not removed, if their closing market price is equal or greater than US\$20,000 on a Selection Date.

2.2.5. Sanctions

Securities subject to sanction issued by any of the following entities, the US Office of Financial Assets Control (OFAC), the US Department of Defense (DoD), the European Union (EU), the United Nations (UN) and the United Kingdom (UK) may not be eligible for inclusion in the Bloomberg Global Equity Indices. Existing Index Members will be assessed on a case-by-case basis.

Securities incorporated, listed and/or with a Country of Risk pointing to a country subject to comprehensive economic sanctions may not be eligible. For more information, refer to the Appendix VIII: Handling of Sanctions

2.2.6. Minimum Free Float Shares

Securities with a free float percentage below 10% are not eligible to become Index Members.

However, companies with a free float percentage below 10% can still be eligible if the security float market capitalization is greater than 0.5 times the 70th percentile of its country's cumulative float market capitalization.

The security's free float percentage is not rounded and can be found on **<ticker> HDS <GO>** page on the Bloomberg Terminal.

2.2.7. Minimum Float Market Capitalization

To qualify for inclusion, securities must have a free float adjusted market capitalization of at least US\$ 100 million when classified in Developed Markets and US\$ 50 million when classified in Emerging Markets.

Note that securities part of Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect Program require at least US\$ 2 billion company full market capitalization to be eligible for Index Inclusion.

A security's free float adjusted market capitalization can be found on **<ticker> DES <GO>** page on the Bloomberg Terminal.

Minimum float market cap cut-offs are reviewed semi-annually during the March and September Reconstitutions.

2.2.8. Foreign Investment Limits (FIL)

China A companies' free float percentage are capped at 28% in the Global Equity Indices.

³ Refer to section 6.1 of Global Equity Indices Corporate Action Methodology

Companies that breach 28% foreign investment limit are removed at the last trading price from the Indices with a 2-business day notice.

In some countries, companies can be subject to a FIL depending on their industry. When publicly available, BISL caps the free float percentage according to the industry's FIL. For more details refer to [Appendix XII](#).

2.2.9. Stock Exchange Specific Restrictions

- China: China A companies that are on the sell only list published by the Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect Programs are not eligible to be Index Members. Such Companies are removed from the Indices at the last trading price with a 2-business day notice.
- India Companies that are on the breach list published by the National Securities Depository Limited (NSDL) are not eligible to be Index Members. Such Companies are removed from the Indices as part of the semi-annual Index Reconstitutions.

2.3. Market Classification

Each company and its securities are classified to a single country. The following outlines the steps taken to determine the country membership:

At Reconstitution, only active securities are considered for inclusion unless they are existing Index Members or newly listed securities with a first trading day post-last Selection Date.

2.3.1. General rule

The Country of Classification, as determined by BISL for its indices, corresponds to a company's Primary Listing when it is the same as its Country of Incorporation.

For more information on the eligible stock exchanges, refer to the Appendix III: Country Exchanges & Eligible *Security Types*

2.3.2. Situations where the general rule is not applicable

1. Primary listing is a foreign listing:

Due to a lack of a suitable capital markets environments, certain securities have their Primary Listing at a foreign stock exchange. In such cases, the Country of Classification is primarily driven by its Country of Risk.

The Country of Risk is a Bloomberg proprietary value, primarily driven by four factors: Country of Domicile, Country of Listing, Country of Largest Revenue and Reporting Currency.

Foreign listings are only eligible for the below countries or territories.

- Developed Markets: Hong Kong, Israel, the Netherlands, and Singapore
- Emerging Markets: China and Peru

2. Company with Depositary Receipt listings

Non-Index members that have multiple listings (local listing and foreign listing) are assessed to enter the Index using first their local listing. In case, the local listing fails to qualify due to low liquidity, then the company's eligibility is re-assessed using its foreign listing.

Note that this applies only for companies classified in countries where foreign listings are eligible as described above.

Current Index members represented in the Index by their foreign listing will start using their local listing provided it has more than 12 months of trading history and fulfill liquidity requirements applied to new index members as defined in *2.2.1.2. Index Membership Screening*.

3. Chinese Companies with multiple listings

When a company is classified in China, both A-Share and H-Share are treated as separate share classes and are eligible for inclusion provided they fulfill criteria defined in *2.2 Index Membership Screening*

4. Country of Incorporation is a tax haven:

Companies incorporated in a tax haven country, such as Bahamas or Cayman Islands, are assigned to the country of Primary Listing.

For an exhaustive list of tax haven countries recognized by Bloomberg, refer to the [Appendix VII: Market Classification](#)

5. Country specific cases:

5.1 Countries under current sanctions are ineligible. Refer to the [Appendix VIII: Handling of Sanctions](#) for the exhaustive list.

5.2 Companies meeting the following criteria are assigned to China:

- Country of Primary Listing = Hong Kong
Country of Country of Incorporation = China, Hong Kong or any Tax Haven country
Share Type = H Shares
- Country of Primary Listing = Hong Kong
Country of Incorporation = China, Hong Kong or any Tax Haven country
Share Type = Red Chip
Country of Largest Revenue ≠ Hong Kong or Macau
- Country of Primary Listing = Hong Kong
Country of Incorporation = China, Hong Kong or any Tax Haven country
Share Type ≠ Red Chip
Share Type ≠ H Shares
Country of Largest Revenue = China
Country of Domicile = China
- Primary Listing = Northbound Shanghai or Northbound Shenzhen Stock Connect program
Share Type = China A Common shares
- Country of Primary Listing ≠ China or Hong Kong (e.g. USA)
Country of Incorporation = China, Hong Kong or any Tax Haven country
Country of Risk = China

5.3 Companies meeting the following criteria are assigned to Hong Kong:

- Country of Primary Listing = Hong Kong
Country of Country of Incorporation = Hong Kong or any Tax Haven country
Country of Risk ≠ China
Country of Domicile ≠ China
Share Type ≠ H Shares or Red Chip
- Country of Primary Listing = Hong Kong
Country of Country of Incorporation = Hong Kong or any Tax Haven country
Country of Risk = China
Country of Domicile ≠ China
Country of Largest Revenue = Hong Kong, Macau
Share Type ≠ H Shares or Red Chip
- Country of Primary Listing = Hong Kong
Country of Country of Incorporation = Hong Kong or any Tax Haven country
Share Type = Red Chip
Country of Largest Revenue = Hong Kong or Macau
Country of Domicile ≠ China
Share Type ≠ H Shares

6. Other Cases:

Discretion may be applied to assign securities that do not meet the above criteria to a country based on, but not limited to, the Country of Largest Revenue, the distribution of its operations, and/or institutional investors' perspective on country classification.

A company's Primary Listing and Country of Incorporation can be found on the **<ticker> DES <GO>** page on the Bloomberg Terminal.

2.4. Defining Size Segmentation

Size-segments are designed to maintain, to the extent possible, a similar percentile distribution of market capitalization within each country universe (i.e. coverage), and more importantly maintain the market capitalization homogeneity among countries from the same market classification (i.e. size). Maintaining the size homogeneity receives a higher priority. Total market capitalization is used to classify securities into the size segments. This ensures all securities of a company are classified in the same size segment.

The following steps are followed to create and maintain the Bloomberg Global Equity Indices.

2.4.1. Step 1: Determine the Target Developed Market Size Cut-offs

The size cut-offs for Developed Markets (DM) are derived by sorting the entire DM eligible securities universe by total market capitalization from high to low. Starting from the largest security, the size segment cut-offs are determined as follows:

- Developed Markets Large Cap cut-off: Company's total market capitalization corresponding to a cumulative free float market capitalization of 70%.
- Developed Markets Mid Cap cut-off: Company's total market capitalization corresponding to a cumulative free float market capitalization of 85%.
- Developed Markets Small Cap cut-off: Company's total market capitalization corresponding to a cumulative free float market capitalization of 99%.

See example below for illustration purposes only:

Rank	Company Name	Security Full Market Cap (MM\$)	Security Free Float Adj. Market cap (MM\$)	Sum of Free Float Adj. Market Cap (MM\$)	Cumulative Percentile	
1	A	1,500,000	1,500,000	1,500,000	2.865%	
2	B	1,000,000	1,000,000	2,500,000	4.774%	
3	C	850,000	820,000	3,320,000	6.340%	
4	D	500,000	450,000	3,770,000	7.199%	
...	
749	AACX	16,850	11,350	36,653,871	69.997%	← Large cap cutoff
750	AACY	16,742	9,500	36,663,371	70.015%	
...	
1650	DFGT	825	550	44,509,656	84.999%	← Mid cap cutoff
1651	DFGU	820	800	44,510,456	85.001%	
...	
5619	RYTC	155	145	51,841,269	98.999%	← Small cap cutoff
5620	RYTD	153	65	51,841,269	99.001%	
...	
8419	ZMEC	55	35	52,364,893	99.999%	
8420	ZMED	50	25	52,364,918	100.000%	

Size segment cut-offs are reviewed semi-annually during the March and September Reconstitutions.

Example: The security's full market capitalization corresponding to 70th percentile of the cumulative float market capitalization from a descending order is \$10 billion. This corresponds to the Developed Market Large cap cut-off.

2.4.2. Step 2: Determine Coverage Level Buffer Zones

To enable homogeneity among all the Developed Markets, Bloomberg defines a buffer zone around each size segment's targeted market capitalization. The lower and upper bands are set at 75% and 125% of each size segment.

Example: If the Developed Markets Large Cap cut-off is \$10 billion, the size buffer zone is set between \$7.5 billion (i.e. lower band) and \$12.5 billion (i.e. upper band).

2.4.3. Step 3: Country Level

Step 1 above is then repeated for each country eligible universe. The total market capitalization is sorted from high to low and the cumulative float market capitalization percent is calculated at each security in a descending order.

Note that all securities are classified in the same size segment. In addition, each company and its securities are classified into a single market. Refer to *Appendix VII: Market Classification*

2.4.4. Step 4: Determine Size Segment Cut-offs at Country Level

The full market capitalization of the security at the 70th, 85th and 99th percentile of the cumulative float market capitalization is determined for each country.

In order to accommodate for countries' size differences within the DM region, the target coverage used at country level can fluctuate within the below ranges:

- Large Cap Cumulative Coverage: 65% to 75%
- Mid Cap Cumulative Coverage: 80% to 90%
- Small Cap Cumulative Coverage: 98% to 99.5%

Consequently, if the full market capitalization of the security at 70% of the cumulative float market capitalization for a DM country is either:

- 1) Less than the DM lower band set at 0.75 x Large Cap size cut-off, then the cumulative coverage can be reduced up to the 65th percentile.
- 2) Greater than the DM higher band set at 1.25 x Large Cap size cut-off, then the cumulative coverage can be expanded up to the 75th percentile.

Example: New Zealand corresponding full market cap at 70th percentile = \$6 billion. As it is below the DM lower band cut-off of \$7.5 billion, the coverage is reduced until \$7.5 billion is reached (for example to the 63rd percentile).

Note: As the size homogeneity is considered as more important than the coverage, it is allowed to breach the 65th percentile range in the example above to determine the Large Cap segment in New Zealand.

Note: Existing Index members falling beyond the lower band of the Small Cap cutoff are assigned to Micro cap. Non-existing Index members not meeting the 99% cutoff are assigned to Micro cap.

2.4.5. Step 5: Combine all Country Size Segments

Securities qualifying for each country's Large, Mid and Small Cap segments are combined to create the Developed Market Large, Mid and Small Cap Indices.

Eligible listings of the same company are systematically assigned to the same size segment (largest).

2.4.6. Step 6: Determine the Emerging Market Size Cut-offs

The same process applies to determine the Index Members of the Emerging Market (EM) country and Region Indices, except for Step 1 where the EM's size segments are set at half the DM's cut-offs.

Example: If the DM Large cap cut-off is \$10 billion, the EM Large Cap cut-off will be \$5 billion.

Size segment cut-offs are reviewed semi-annually during the March and September Reconstitutions.

2.5. Defining Buffer Zones to Manage the Index Turnover

In order to minimize index turnover, buffer zones are used to manage the migrations of securities between different size segments. At each semi-annual Reconstitution, the upper and lower buffer zones are set at 125% and 75% of the market capitalization cut-off.

A current Index Member is allowed to remain in its current size segment until the market capitalization of the security is higher or lower than the market capitalization associated with the upper or the lower buffer zones of the market capitalization of the size segment on the day of index Reconstitution.

Example: If a Country Mid Cap cut-off is \$5 billion and the a Company A, current Mid Cap has a market capitalization of \$4.2 billion, it will be maintained in the Mid Cap segment of that Country Index as it is greater than \$3.75 billion (i.e. \$5 billion x 0.75).

2.6. Minimum Number of Members in a Country Index

If at the end of the steps above, there are less than 3 Index members assigned to a country's Large and Mid Cap Index, BISL migrates the largest securities by float market capitalization assigned to Small Cap (or Micro cap) to the Mid Cap segment in order to reach 3 members.

Note that if the number of Large and Mid Cap Index members of a country drops below 3 due to corporate actions, BISL generally does not migrate securities intra-quarter and waits until the next Index Reconstitution to adjust the number of Index members if need be.

2.7. Defining the Industry Classification

All Index Members are classified into a set of industries and sub-industries based on the Bloomberg Industry Classification System (BICS). Index Member's industry classification is determined as of the Selection Date of each quarterly Index Review.

The BICS hierarchy is built around 11 level 1 sectors. Each company is classified down to, at least, level 4 and up to level 7.

BICS Hierarchy Structure

- Level 1 – 11 Sectors
- Level 2 – 20 Industry Groups
- Level 3 – 59 Industries
- Level 4 – 214 Sub-Industries

Refer to the [Appendix X: Bloomberg Industry Classification System \(BICS\)](#) for more details on the BICS methodology.

Section 3: Index Maintenance

3. Index Maintenance

An index must be rebalanced periodically and maintained daily for corporate actions to accurately reflect the aggregate performance of its members.

3.1. Quarterly Index Review

Selection Date: Index Shares and Industry Classifications are determined using publicly available information as of one day of the last week of January, April, July and October.

Note that size segmentation is determined using the closing market prices as of 1 week prior to the Announcement Date.

Announcement Date: Changes are announced at the close of Wednesday on the last week of February, May, August and November providing 10 full business day advance notification.

Effective Date: Index Shares and Industry Classifications are updated on a quarterly basis at the close of the 2nd Wednesday in the months of March, June, September, and December.

3.2. Semi-Annual Index Review

Index Members are reviewed on a semi-annual basis in the months of March and September. The Reconstitution follows the steps as described in [Section 2: Index Construction](#).

Note that the selection, the announcement and the implementation of the semi-annual Index Reviews coincide with the quarterly Index Review dates.

Each Rebalance follows the exchange calendar for NYSE trading days. Should a Rebalance fall on a NYSE exchange holiday, it will be postponed to the next business day.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Selection Date	Last Week			Last Week			Last Week			Last Week		

Announcement Date		Last Wed			Last Wed			Last Wed			Last Wed	
Effective Date			2nd Wed			2nd Wed			2nd Wed			2nd Wed

3.3. Float Calculations

Security's weights in the Bloomberg Global Equity Indices are determined by their free float adjusted market capitalizations. BISL calculates the Index Shares (or the free float figure), by subtracting shares held by insiders and those deemed to be stagnant shareholders from the total shares outstanding.

Refer to the [Appendix IV: Float Calculations](#) for more details.

The security's free float percentage can be found on **<ticker> HDS <GO>** page on the Bloomberg Terminal. For more information about corporate action treatment and implementation, refer to the Bloomberg Corporate Actions methodology. Past and upcoming corporate actions at security level can be found using **<ticker> CACS <GO>** and **<ticker> DVD <GO>** functions on the Bloomberg Terminal.

Appendix I: Restatement Policy

BISL strives to provide accurate calculation of its indices. However, to the extent a material error in Index Values is uncovered following publication and dissemination, a public notification will be made alerting of such error and what course of action will be undertaken and when. In such situations, BISL may decide to:

- 1) Not correct until the next index review;
- 2) Apply a correction going forward with advance notification; or
- 3) Restate the historical indices

BISL reviews discrepancies and generally restates indices if the impact is in excess of 3 bps⁴ and occurred in the last 2 business days.

In some cases, BISL may apply discretion and determine that a restatement is required. The decision will take into consideration the following factors (not listed in order of importance):

- The relative importance of the data field impacted by the error
- Whether the indices were replicable
- When the error occurred and when it was discovered
- The number of indices and sub-indices affected
- Whether the impacted indices are linked to tradable products
- The magnitude of the error
- The burden of restatement on client re-processing relative to the impact of the error
- The impact of the restatement on analytical tools

A decision to restate any Index results in the restatement of all impacted Indices. Real-time indices are not considered for restatement, all real-time dissemination is considered indicative. Discrepancies discovered after 12 months will not be corrected.

BISL uses the following as guidance in determining its actions:

Index correction guidelines

Action	Error	Event types	Correction at Next Review	Going Forward Correction	Historical Restatement
Corporate Actions					
Addition/ Deletion	Incorrect addition	Spinoff, IPO	Yes, if still warranted	No	No
	Incorrect deletion	M&A, delisting, bankruptcy	Yes, if still warranted	No	No
	Incorrect weight	IPO, spinoff	No	Correction with 2 business day notice if it doesn't qualify for restatement	Yes, if qualifies for restatement
Price Adjustment on ex-date	Incorrect terms applied	Split, stock dividend, spinoff, special dividend, rights issue	No	Next day correction if it doesn't qualify for restatement	Yes, if qualifies for restatement
	Cancelled/missed/postponed		No	Next day correction if it doesn't qualify for restatement	Yes, if qualifies for restatement
Cash distribution	Incorrect amount, currency, tax rate	Regular cash dividend	No	Next day delta reinvestment if it doesn't qualify for restatement	Delta reinvestment if qualifies for restatement
	Cancelled/postponed		No	Next day negative reinvestment if it doesn't qualify for restatement	Negative reinvestment if qualifies for restatement

⁴ of the respective country Large-Mid-Small Total Return Index

	Missed event		No	Next day reinvestment if it doesn't qualify for restatement	Reinvestment if qualifies for restatement
Data Points					
Identifier	Missed identifier change		No	Next day change	No
FOL	Missed country FOL restrictions change	Overstated FOL	No	Change with 2 day notice	No
		Understated FOL	Yes	No	No
Withholding tax rate	Missed country change in tax rate applicable to foreign investors	Incorrect tax rate applied to already reinvested dividends	No	Negative reinvestment if it doesn't qualify for restatement	Negative reinvestment if qualifies for restatement
Closing Market Price	Official closing market price change	Incorrect closing market price used in index calculations	No	Next day correction if it doesn't qualify for restatement	Yes, if qualifies for restatement
Intraday Market Price	Revised intraday market price	Incorrect intraday market price	No	No	No
FX rates	Official FX rate	Incorrect FX rate used in index calculations	No	Next day correction if it doesn't qualify for restatement	Yes, if qualifies for restatement

Appendix II: Market Disruptions

Should a market disruption occur during trading hours causing the relevant stock exchange to not resume normal activity prior to market close, for one or more listed securities, BISL will use the last available price up to the disruption.

In cases where the market prices for Index Members are revised by the stock exchange following a disruption, the impact of the discrepancy is assessed, and actions are determined as per the rules stated in the *Appendix I: Restatement Policy*.

In cases where a market disruption occurs on the implementation of a corporate action, or a Rebalance, decisions to maintain or postponed the planned changes will be made on a case-by-case basis and will be communicated accordingly.

Appendix III: Country Exchanges & Eligible Security Types

Developed Markets

Country	Country Code	Exchanges	Exchange Code	Security Types	Foreign Listing
Australia	AU	Australian Securities Exchange	AT	Common Stock, CDIs, REITs, Stapled	
Austria	AT	Vienna Stock Exchange	AV	Common Stock	
Belgium	BE	Euronext Brussels	BB	Common Stock, REITs	
Canada	CA	TSX Toronto Exchange	CT	Common Stock, REITs, Unit	
Denmark	DK	NASDAQ OMX Copenhagen	DC	Common Stock	
Finland	FI	NASDAQ OMX Helsinki	FH	Common Stock	
France	FR	Euronext Paris	FP	Common Stock, REITs	
Germany	DE	XETRA	GE, GQ, GY	Common Stock (Bearer/Registered), Preference, REITs	
Hong Kong	HK	Hong Kong Stock Exchange	HK	Common Stock, REITs, Stapled	Common Stock, ADRs, GDRs
Ireland	IE	Euronext Dublin	ID	Common Stock, Units, REITs	
Israel	IL	Tel Aviv Stock Exchange	IT	Common Stock, REITS	Common Stock, ADRs, GDRs
Italy	IT	Borsa Italiana	IM	Common Stock, REITs, Saving Shares	
Japan	JP	Tokyo Stock Exchange	JT	Common Stock, REITs	
Netherlands	NL	Euronext Amsterdam	NA	Common Stock, REITs, Certificates	Common Stock, ADRs, GDRs
New Zealand	NZ	New Zealand Exchange	NZ	Common Stock, REITs, Stapled	
Norway	NO	Euronext Oslo	NO	Common Stock	
Portugal	PT	Euronext Lisbon	PL	Common Stock	
Singapore	SG	Singapore Exchange	SP	Common Stock, REITs, Stapled, Units	Common Stock, ADRs, GDRs
Spain	ES	Sociedad de Bolsas (SIBE)	SQ	Common Stock, REITs	
Switzerland	CH	SIX Swiss Exchange	SE, XW	Common Stock (Bearer/Registered)	
Sweden	SE	NASDAQ OMX Stockholm, First North Stockholm	SS, SF	Common Stock, SDRs	
United Kingdom	GB	London Stock Exchange (domestic & international)	LN, LI	Common Stock, REITS, Unit	
United States	US	NYSE, NYSE American, NYSE ARCA, IEX, NASDAQ CM, NASDAQ GS, NASDAQ GM, CBOE BZX	UN, UA, UP, VF, UR, UW, UQ, UF	Common Stock, REITS, Tracker Stocks	

Emerging Markets

Country	Country Code	Exchanges	Exchange Code	Security Type	Foreign Listing
Brazil	BR	Bovespa (sao Paulo)	BS	Common Stock, Preferred shares, Units	
Chile	CL	Bolsa de Comercio de Santiago de Chile	CC	Common Stock, Preferred shares	
China	CN	SH-HK Connect, SZ-HK Connect, Hong Kong Stock Exchange	C1, C2, HK	China A, China B, H Shares, Red Chip	Common Stock, ADRs, GDRs
Colombia	CO	Bolsa de Valores de Colombia	CX	Common Stock, Preferred shares	
Czechia	CZ	Prague Stock Exchange	CK	Common Stock	
Egypt	EG	Egyptian Exchange	EC	Common Stock	
Greece	GR	Athens Stock Exchange	GA	Common Stock	
Hungary	HU	Budapest Stock Exchange	HB	Common Stock	
India	IN	BSE India, National Stock Exchange of India	IB, IS	Common Stock	
Indonesia	ID	Indonesia Stock Exchange	IJ	Common Stock	
Kuwait	KW	Boursa Kuwait	KK	Common Stock	
Malaysia	MY	Bursa Malaysia	MK	Common Stock, REITs, Stapled	
Mexico	MX	Mexico Stock Exchange	MF, MM	Common Stock, REITs, Units	
Peru	PE	Lima Stock Exchange	PE	Common Stock	Common Stock, ADRs, GDRs, CDIs
Philippines	PH	Philippine Stock Exchange	PM	Common Stock	
Poland	PL	Warsaw Stock Exchange	PW	Common Stock	
Qatar	QA	Qatar Exchange	QD	Common Stock	
Saudi Arabia	SA	Saudi Arabian Stock Exchange	AB	Common Stock	
South Africa	ZA	Johannesburg Stock Exchange	SJ	Common Stock, REITs	
South Korea	KR	KOSPI Stock Market, KOSDAQ	KP, KQ	Common Stock, Preferred shares	
Taiwan	TW	Taiwan Stock Exchange, Taipei Exchange (Main board)	TT	Common Stock	
Thailand	TH	The Stock Exchange of Thailand	TB	Common Stock, Preferred shares	
Turkey	TR	Borsa Istanbul	TI	Common Stock	
UAE	AE	Abu Dhabi Securities Exchange, Dubai Financial Market, NASDAQ Dubai	DH, DB, DU	Common Stock	

Appendix IV: Float Calculations

The float is the total number of shares available for trading. Bloomberg calculates a security's free float as follows:

$$\text{Float shares} = \text{Total Shares outstanding} - \text{Stagnant Shares}$$

Float data is sourced directly from Bloomberg proprietary data.

Stagnant shareholders:

- Central Bank
- Government
- Corporation: Legal entities owned by shareholders that do not actively manage money. If corporations own stock in another public company, it is usually the result of a corporate partnership, which results in long term relationships.
- Holding companies: An entity that acts as a parent company to many subsidiaries. Holding companies typically do not produce any goods or services themselves.
- Foundation: Private, non-profit and tax-free organizations that collect and distribute money for charitable purposes.
- Employee Stock Ownership Plan (ESOP)
- Individuals: Any individual filer (person) is considered a stagnant shareholder.
- Insiders: Names Executives or Board members of the issuer are stagnant holders since their incentives are aligned with the company and its performance.
- Trust/Family Trust: A fiduciary arrangement that allows a third party or trustee to hold assets on behalf of a beneficiary or beneficiaries.

On the contrary, the below shareholder types are considered as free float.

- Bank
- Hedge Fund
- Endowment
- Sovereign Wealth Fund
- Insurance company
- Investment advisor
- Pension fund
- 13F Filers (US SEC)
- UK Share Registry (REG)

Note that a shareholder, regardless of its type, is considered Stagnant if it owns more than 25% of the shares outstanding.

The security's free float percentage can be found on **<ticker> HDS <GO>** page on the Bloomberg Terminal.

Appendix V: Index Tax Framework

All withholding rates are researched and supplied by Bloomberg Tax & Accounting (BTAX). Withholding rates are applied to each Index Member based on its country of incorporation.

Bloomberg does not take into account specialized or individualized tax situations of investors or companies when applying withholding tax to the net dividend index calculation. In some instances, special tax exemptions are offered to companies who might generate profit from promoting tourism, or reducing carbon emissions, or structuring capital repayments. In other instances, some investors may benefit from certain tax statuses, treaties, or reinvestment strategies.

Because Bloomberg cannot know the individual circumstances of each company or investor, and many exemptions must be re-applied for each fiscal year, Bloomberg chooses to apply a withholding rate that has the widest general applicability. We recommend consulting with a tax specialist to advise on specific tax treatments.

Withholding rates are as follows. Changes to withholding rates are monitored and supplied by BTAX. Should a rate change, Bloomberg will supply a communication to subscribed clients regarding the change and ensuing implementation date for the updated rate.

Bloomberg Tax Withholding Rates

Country	Country ISO	Country ISO (3)	Rate (%)	REIT Rate (%)
Afghanistan	AF	AFG	20	
Albania	AL	ALB	8	
Algeria	DZ	DZA	15	
American Samoa	AS	ASM	30	
Andorra	AD	AND	0	
Angola	AO	AGO	10	
Anguilla	AI	AIA	0	
Antigua & Barbuda	AG	ATG	25	
Argentina	AR	ARG	7	
Armenia	AM	ARM	5	
Aruba	AW	ABW	10	
Australia	AU	AUS	30	
Austria	AT	AUT	27.5	
Bahamas	BS	BHS	0	
Azerbaijan	AZ	AZE	5	
Bahrain	BH	BHR	0	
Bangladesh	BD	BGD	20	
Barbados	BB	BRB	25	
Belarus	BY	BLR	15	
Belgium	BE	BEL	30	
Belize	BZ	BLZ	15	
Benin	BJ	BEN	15	
Bermuda	BM	BMU	0	
Bhutan	BT	BTN	10	
Bolivia	BO	BOL	12.5	
Bonaire	BQ	BES	15	
Bosnia Herzegovina	BA	BIH	10	
Botswana	BW	BWA	10	
Brazil	BR	BRA	0	
British Virgin Islands	VG	VGB	0	
Brunei	BN	BRN	0	
Bulgaria	BG	BGR	5	
Burkina Faso	BF	BFA	12.5	
Burundi	BI	BDI	15	
Cabo Verde	CV	CPV	10	
Cambodia	KH	KHM	14	
Cameroon	CM	CMR	16.5	
Canada	CA	CAN	25	
Cayman Islands	KY	CYM	0	
Central African Republic	CF	CAF	15	
Chad	TD	TCD	20	
Chile	CL	CHL	35	
China	CN	CHN	10	
Colombia	CO	COL	20	

Comoros	KM	COM	10	
Cook Islands	CK	COK	15	
Costa Rica	CR	CRI	5	
Côte D'Ivoire	CI	CIV	15	
Croatia	HR	HRV	10	
Curacao	CW	CUW	0	
Cyprus	CY	CYP	0	
Czechia	CZ	CZE	35	
Democratic Republic of Congo	CD	COD	20	
Denmark	DK	DNK	27	
Djibouti	DJ	DJI	0	
Dominica	DM	DMA	15	
Dominican Republic	DO	DOM	10	
Ecuador	EC	ECU	10	
Egypt	EG	EGY	5	
El Salvador	SV	SLV	5	
Equatorial Guinea	GQ	GNQ	25	
Eritrea	ER	ERI	0	
Estonia	EE	EST	0	
Eswatini	SZ	SWZ	15	
Ethiopia	ET	ETH	10	
Falkland Islands	FK	FLK	0	
Faroe Islands	FO	FRO	18	
Fiji	FJ	FJI	0	
Finland	FI	FIN	20	
France	FR	FRA	25	
French Polynesia	PF	PYF	10	
Gabon	GA	GAB	20	
Gambia	GM	GMB	15	
Georgia	GE	GEO	5	
Germany	DE	DEU	25	
Ghana	GH	GHA	8	
Gibraltar	GI	GIB	0	
Greece	GR	GRC	5	
Greenland	GL	GRL	36	
Grenada	GD	GRD	15	
Guam	GU	GUM	30	
Guatemala	GT	GTM	5	
Guernsey	GG	GGY	0	
Guinea	GN	GIN	15	
Guinea-Bissau	GW	GNB	30	
Guyana	GY	GUY	20	
Haiti	HT	HTI	20	
Honduras	HN	HND	10	
Hong Kong	HK	HKG	0	
Hungary	HU	HUN	0	

Iceland	IS	ISL	20	0
India	IN	IND	20	
Indonesia	ID	IDN	20	
Iraq	IQ	IRQ	0	
Ireland	IE	IRL	25	
Isle of Man	IM	IMN	0	
Israel	IL	ISR	25	
Italy	IT	ITA	26	
Jamaica	JM	JAM	33.33	
Japan	JP	JPN	15.315	
Jersey	JE	JEY	0	
Jordan	JO	JOR	0	
Kazakhstan	KZ	KAZ	15	
Kenya	KE	KEN	15	
Kiribati	KI	KIR	0	
Kosovo	XK		0	
Kuwait	KW	KWT	0	
Kyrgyzstan	KG	KGZ	10	
Lao People's Democratic Republic	LA	LAO	10	
Latvia	LV	LVA	0	
Lebanon	LB	LBN	10	
Lesotho	LS	LSO	0	
Liberia	LR	LBR	15	
Libya	LY	LBY	0	
Lichtenstein	LI	LIE	0	
Lithuania	LT	LTU	15	
Luxembourg	LU	LUX	15	
Macao	MO	MAC	0	
Madagascar	MG	MDG	10	
Malawi	MW	MWI	0	
Malaysia	MY	MYS	0	10
Maldives	MV	MDV	10	
Mali	ML	MLI	10	
Malta	MT	MLT	0	
Marshall Islands	MH	MHL	0	
Mauritania	MR	MRT	10	
Mauritius	MU	MUS	0	
Mexico	MX	MEX	10	30
Micronesia	FM	FSM	0	
Moldova	MD	MDA	6	
Monaco	MC	MCO	0	
Mongolia	MN	MNG	20	
Montenegro	ME	MNE	15	
Montserrat	MS	MSR	0	
Morocco	MA	MAR	12.5	
Mozambique	MZ	MOZ	20	

Myanmar	MM	MMR	0	
Namibia	NA	NAM	20	
Nauru	NR	NRU	0	
Nepal	NP	NPL	0	
Netherlands	NL	NLD	15	
New Caledonia	NC	NCL	18	
New Zealand	NZ	NZL	15	
Nicaragua	NI	NIC	15	
Niger	NE	NER	0	
Nigeria	NG	NGA	10	
Niue	NU	NIU	0	
North Macedonia	MK	MKD	10	
Northern Mariana Islands	MP	MNP	30	
Norway	NO	NOR	25	
Oman	OM	OMN	0	
Pakistan	PK	PAK	15	0
Palau	PW	PLW	4	
Palestine	PS	PSE	0	
Panama	PA	PAN	10	
Papau New Guinea	PG	PNG	15	
Paraguay	PY	PRY	15	
Peru	PE	PER	5	
Philippines	PH	PHL	25	
Poland	PL	POL	19	
Portugal	PT	PRT	25	
Puerto Rico	PR	PRI	10	
Qatar	QA	QAT	0	
Republic of the Congo	CG	COG	15	
Romania	RO	ROU	8	
Russia	RU	RUS	15	
Rwanda	RW	RWA	15	
Saint Kitts and Nevis	KN	KNA	15	
Saint Lucia	LC	LCA	0	
Saint Martin	MF	MAF	0	
Samoa	WS	WSM	0	
San Marino	SM	SMR	0	
Sao Tome and Principe	ST	STP	20	
Saudi Arabia	SA	SAU	5	
Senegal	SN	SEN	10	
Serbia	RS	SRB	20	
Seychelles	SC	SYC	15	
Sierra Leone	SL	SLE	10	
Singapore	SG	SGP	0	10
Saint Maarten	SX	SXM	0	
Slovakia	SK	SVK	0	
Slovenia	SI	SVN	15	

Solomon Islands	SB	SLB	30	
Somalia	SO	SOM	0	
South Africa	ZA	ZAF	20	
South Korea	KR	KOR	22	
South Sudan	SS	SSD	0	
Spain	ES	ESP	19	
Sri Lanka	LK	LKA	15	
St Vincent and the Grenadines	VC	VCT	0	
Sudan	SD	SDN	0	
Suriname	SR	SUR	25	
Sweden	SE	SWE	30	
Switzerland	CH	CHE	35	
Taiwan	TW	TWN	21	15
Tajikistan	TJ	TJK	12	
Tanzania	TZ	TZA	10	
Thailand	TH	THA	10	
Timor-Leste	TL	TLS	0	
Togo	TG	TGO	0	
Tonga	TO	TON	15	
Trinidad and Tobago	TT	TTO	10	
Tunisia	TN	TUN	10	
Turkey	TR	TUR	10	
Turkmenistan	TM	TKM	15	
Turks and Caicos Islands	TC	TCA	0	
Tuvalu	TV	TUV	0	
US Virgin Islands	VI	VIR	11	
Uganda	UG	UGA	15	
Ukraine	UA	UKR	15	
United Arab Emirates	AE	ARE	0	
United Kingdom	GB	GBR	0	20
United States	US	USA	30	
Uruguay	UY	URY	7	
Uzbekistan	UZ	UZB	10	
Vanuatu	VU	VUT	0	
Venezuela	VE	VEN	0	
Vietnam	VN	VNM	0	
Wallis and Futuna	WF	WLF	0	
Yemen	YE	YEM	0	
Zambia	ZM	ZMB	20	
Zimbabwe	ZW	ZWE	15	

Appendix VI: Target Currency Calculation Methodology

FX Rates and Target Currency Conversions

Bloomberg receives price information for all securities in the local currency of the country exchange where the security is primarily listed and trading. Regional indices and some country indices may consist of individual securities denominated in a range of currencies, therefore necessitating a conversion of prices to a common singular currency in order to calculate country, regional and global indices.

The currency exchange rates are provided by BFIX which include spot, forward, and non-deliverable forward rate currency fixings published by Bloomberg. More information regarding BFIX methodology and publishing rates can be found at:

<https://www.bloomberg.com/markets/currencies/fixings>

The FX Fixing Rate shall mean the mid-rates at the FX Fixing Time which can be found using the **BFIX<GO>** function on the Bloomberg Terminal and at: <https://www.bloomberg.com/markets/currencies/fixings>

The FX Fixing Time shall mean London 4:00 PM. The FX Fixing Rate is used for all currency conversions globally.

The primary exchange in this document shall mean the primary quotation system on which an eligible index constituent is traded as determined by the Index Administrator. A list of stock exchanges and coordinating countries can be found in the Appendix II of this document.

FX Calendar

For index calculations purposes, the currency conversion of cash distributions uses the FX Fixing of the day prior to the ex-date. Note that Bloomberg only uses FX Fixing on days where the underlying security's primary exchange is open.

Pricing Precision

Three decimal places.

No rounding will be applied to calculated prices resulting from corporate actions.

Calendars and Closing Price by Country

Country	Market Segment	Exchange Code	Bloomberg Calendar	Bloomberg Price Logic Name	Exchange Close Time (Local)
Australia	DM	AT	AX	PX_LAST	4:12 PM
Austria	DM	AV	WV	PX_LAST	5:30 PM
Belgium	DM	BB	BU	PX_LAST	5:30 PM
Canada	DM	CT	T4	PX_LAST	4:00 PM
Denmark	DM	DC	CP	PX_OFFICIAL_CLOSE	5:00 PM
Finland	DM	FH	HE	PX_OFFICIAL_CLOSE	6:30 PM
France	DM	FP	PA	PX_LAST	5:30 PM
Germany	DM	GE, GO, GY	IB	PX_OFFICIAL_CLOSE	5:30 PM
Hong-Kong	DM	HK	HS	PX_OFFICIAL_CLOSE	4:10 PM
Ireland	DM	ID	IE	PX_LAST	4:40 PM
Israel	DM	IT	TL	PX_LAST	5:14 PM
Italy	DM	IM	MI	PX_OFFICIAL_CLOSE	5:30 PM
Japan	DM	JT	TK	PX_LAST	3:00 PM
	DM	JN	N8	PX_LAST	3:30 PM
Netherlands	DM	NA	AM	PX_LAST	5:30 PM
New Zealand	DM	NZ	ND & N&	PX_LAST	4:45 PM
Norway	DM	NO	OS	PX_LAST	4:30 PM
Portugal	DM	PL	P2	PX_LAST	4:30 PM
Singapore	DM	SP	S3, SX, SG	PX_LAST	5:16 PM
Spain	DM	SQ	MS	PX_OFFICIAL_CLOSE	5:30 PM
Switzerland	DM	SE	VI	PX_OFFICIAL_CLOSE	5:20 PM
Sweden	DM	SS	ST	PX_LAST	5:30 PM
United Kingdom	DM	LN, LI	LS, 1L	PX_LAST	4:30 PM
United States	DM	UN	US	PX_OFFICIAL_CLOSE	4:00 PM

	DM	UA	US	PX_OFFICIAL_CLOSE	4:00 PM
	DM	UW	US	PX_OFFICIAL_CLOSE	4:00 PM
	DM	UR	US	PX_OFFICIAL_CLOSE	4:00 PM
Brazil	EM	BS	B2	PX_LAST	4:55 PM
Chile	EM	CC	S4	PX_OFFICIAL_CLOSE	4:00 PM
China	EM	CG	SH	PX_OFFICIAL_CLOSE	3:00 PM
	EM	HK	HS	PX_OFFICIAL_CLOSE	4:10 PM
	EM	C1, C2	RG	PX_OFFICIAL_CLOSE	3:00 PM
Colombia	EM	CX	C7	PX_LAST	3:00 PM
Czechia	EM	CK	P1	PX_LAST	4:10 PM
Egypt	EM	EC	E8	PX_LAST	2:30 PM
Greece	EM	GA	AT	PX_OFFICIAL_CLOSE	5:00 PM
Hungary	EM	HB	B8	PX_LAST	5:00 PM
India	EM	IB, IS	#X,#H	PX_OFFICIAL_CLOSE	4:00 PM
Indonesia	EM	IJ	JA	PX_LAST	3:15 PM
Kuwait	EM	KK	KW	PX_LAST	12:30 PM
Malaysia	EM	MK	KL, KO	PX_LAST	5:00 PM
Mexico	EM	MF	ME	PX_OFFICIAL_CLOSE	2:00 PM
Peru	EM	PE	LV	PX_LAST	3:10 PM
Philippines	EM	PM	MN	PX_LAST	3:00 PM
Poland	EM	PW	WR	PX_LAST	4:50 PM
Qatar	EM	QD	QD	PX_OFFICIAL_CLOSE	1:00 PM
Saudi Arabia	EM	AB	TD	PX_OFFICIAL_CLOSE	3:00 PM
South Africa	EM	SJ	JH	PX_OFFICIAL_CLOSE	5:00 PM
South Korea	EM	KP	SE	PX_OFFICIAL_CLOSE	3:20 PM
Taiwan	EM	TT	TW	PX_LAST	1:30 PM
Thailand	EM	TB	TS	PX_LAST	5:00 PM
Turkey	EM	TI	II	PX_LAST	6:10 PM
UAE	EM	DH	DH	PX_LAST	3:00 PM
	EM	DB	DB	PX_LAST	3:00 PM
	EM	DU	UQ	PX_LAST	2:00 PM

Appendix VII: Market Classification

Framework & General Principles⁵

To ensure the determination and maintenance of the market classification is transparent and consistent, BISL follows a framework built around three pillars and adheres to these general principles:

- BISL recognizes that situations tend to deteriorate faster than they improve. Accordingly, the market classification framework is designed to look closer to the lower ranked markets and to allow for faster downgrades than upgrades.
- BISL recognizes that non-EM countries should be scrutinized for longer periods prior to a potential classification to developed or emerging markets.

The market classification review is performed in the 2nd quarter of each year.

Pillar 1	Pillar 2	Pillar 3
Economic Development Requirements	Representativity & Replicability Requirements	Market Accessibility Requirements
<ul style="list-style-type: none"> ▪ GNI per capita vs High Income threshold (HIT) <ul style="list-style-type: none"> ○ DM: >1.25x HIT ○ EM: >0.75x HIT ○ 3 consecutive years ▪ Freedom House <ul style="list-style-type: none"> ○ DM: max 1x "Not Free" ○ EM: max 2x "Not Free" ○ 3 consecutive years ▪ Local/USD FX Volatility vs Bloomberg Dollar Spot Index⁶ <ul style="list-style-type: none"> ○ DM: <2x 360d avg volatility ○ EM: <2x 360d avg volatility ○ 2 consecutive years 	<ul style="list-style-type: none"> ▪ Minimum number of Index members <ul style="list-style-type: none"> ○ DM: >=4 index members ○ EM: >=4 index members ○ 3 consecutive index reconstitutions ▪ Average Float Market Capitalization vs regional average <ul style="list-style-type: none"> ○ DM: 1/3x regional average ○ EM: 1/3x regional average ○ 2 consecutive index reconstitutions ▪ Average liquidity vs regional average <ul style="list-style-type: none"> ○ DM: 1/3x regional average ○ EM: 1/3x regional average ○ 2 consecutive index reconstitutions 	<ul style="list-style-type: none"> ▪ Openness to foreign investors / Availability of local custodians ▪ Settlement period ▪ FX convertibility ▪ Availability of hedging instruments ▪ Regulatory framework stability
Rules based		Facts & Feedback based

Scoring Mechanism

1. Pillars 1 & 2 have three assessment criteria each
2. Each assessment criteria is graded: PASS = 1 point, PARTIAL = 0.5 points or FAIL = 0 points
3. Each market is scored out of 6.
4. Recommendations are rules-based as per the following grid:

Combined Score (1+2)	Recommended Actions		
	Current DM	Current EM	Current Watch List
0 points - 1.5 points	Re-test using EM's requirements: - If the new score is between 2.5 and 6: Addition to EM - Otherwise: Remove from DM and add to stand alone	Removal from existing classification	No change

⁵ This framework is applicable from Q2 2023 onward with resulting impact in 2024 onward.

⁶ BBDXY Index: The Bloomberg Dollar Spot Index tracks the performance of a basket of ten leading global currencies versus the U.S. Dollar. Each currency in the basket and their weight is determined annually based on their share of international trade and FX liquidity.

2 points - 2.5 points	Add to watchlist for EM addition	Add to watchlist for EM removal	
3 points - 4 points	No change	No change	
4.5 points - 5 points			Add to watchlist for EM addition
5.5 points - 6 points		Re-test using DM's requirements: <ul style="list-style-type: none"> - If the new score is between 4 and 6: Add to watchlist for addition to DM - Otherwise: No change 	Add to watchlist for EM

Decision Making Process

1. Scores from Pillars 1 and 2 are entirely rules and facts based
2. Any change recommendation is determined based on the combined score from Pillars 1 and 2
3. This recommendation is shared as part of the Market Classification Annual Review
4. Scores from Pillar 3 is based on investors' feedback gathered through the consultation process
5. Any final recommendations are reviewed by BISL's internal governance, and final determination is at BISL's discretion

Any changes would be announced with sufficient advance notice.

Current Market Classification

Developed Markets			Emerging Markets		
Americas	EMEA	APAC	Americas	EMEA	APAC
Canada	Austria	Australia	Brazil	Czechia	China
United States	Belgium	Hong Kong	Chile	Egypt	India
	Denmark	Japan	Colombia	Greece	Indonesia
	Finland	New Zealand	Mexico	Hungary	Korea
	France	Singapore	Peru	Kuwait	Malaysia
	Germany			Poland	Philippines
	Ireland			Qatar	Taiwan
	Israel			Saudi Arabia	Thailand
	Italy			South Africa	
	Netherlands			Turkey	
	Norway			UAE	
	Portugal				
	Spain				
	Sweden				
	Switzerland				
	United Kingdom				

Note: Russia was removed from Bloomberg Global Equity Indices on March 10, 2022

Elimination Factors

Bloomberg Global Equity Indices may eliminate certain additional countries and jurisdictions from inclusion in the indices for the following reasons:

Territories

Territories are areas of land that are under the jurisdiction of a ruler or state. They do not have an independent sovereign government and are therefore subject to the rules, regulations, and more often than not, economic practices of the ruling country. Such examples include the Faroe Islands, Virgin Islands, New Caledonia, etc.

Inaccessible markets

Inaccessible markets are those where either no current equity stock exchange exists, or the market is not open to non-resident investors. Such examples include Afghanistan, Gambia, Tonga, Liechtenstein, etc.

Economic Sanctions

Bloomberg Global Equity Indices will not include securities whose issuers are subject to comprehensive country sanctions imposed by the U.S. Refer to the [Appendix VIII: Handling of Sanctions](#) for more information.

Bloomberg will consider including securities from countries that have security-specific economic sanctions (such as Venezuela and Russia), however, any securities that have been specifically subject to sanctions will not be eligible for inclusion in any of the Bloomberg Global Equity Indices.

Tax Havens

Countries or jurisdictions that are considered tax havens by Bloomberg Global Equity Indices are not eligible for consideration. Please see our full description and list of tax haven countries below.

Country	ISO Country Code
Antilles	AN
Bahamas	BS
Bermuda	BM
BES Islands	BQ
British Virgin Islands	VG
Cayman Islands	KY
Curacao	CW
Cyprus	CY
Guernsey	GS

Country	ISO Country Code
Isle of Man	IM
Jersey	JE
Luxembourg	LU
Marshall Islands	MR
Panama	PA
Papua New Guinea	PG
Puerto Rico	PR
Saint Marten	SX

Appendix VIII: Handling of Sanctions

While circumstances can vary with respect to the nature and application of various sanctions regimes, the following principles outline the general approach Bloomberg Global Equity Indices intend to follow:

1. Bloomberg Global Equity Indices exclude from their global universe the securities of issuers incorporated in, listed in and/or with a Country of Risk subject to comprehensive country sanctions imposed by the US. Currently: Crimea region, Cuba, North Korea, Iran and Syria.
2. In addition, Bloomberg Global Equity Indices will review and may exclude securities of issuers it understands to be subject to the US Office of Financial Assets Control (OFAC) sanctions and/or sanctions imposed by the European Union (EU), the United Nations (UN) and/or the United Kingdom (UK) and/or the US Department of Defense (DoD).
3. At the semi-annual Reconstitution in March and September, new equity securities Bloomberg Global Equity Indices understands to be subject to relevant sanctions trading prohibitions will not be considered index eligible.
4. Equity securities that become ineligible for index inclusion will be dropped from the index as soon as practically possible. As above, they will be removed at market value (if trading) or otherwise at zero. Similarly, such securities will also not be considered index eligible at the semi-annual rebalancing in March and September.
5. If Bloomberg Global Equity Indices understands sanctions to be lifted, Bloomberg will review the impacted equity securities to determine if they have become eligible to re-enter the index, provided (i) they still meet all other index eligibility and liquidity criteria and (ii) at least six months have passed since removal, or they are IPOs that are fast-tracked.
6. Bloomberg Global Equity Indices may update and/or change its sanctions-related determinations with respect to particular issuers or securities based on its understanding of relevant factual and/or legal and regulatory information and developments.

Appendix IX: Governance and Disclosure

Limitations of the Index

Although each Index is designed to be representative of the market it measures or otherwise align with its stated objective, it may not be representative in every case or achieve its stated objective in all instances. The Index is designed and calculated strictly to follow the rules of this methodology, and any Index Values or other output is limited in its usefulness to such design and calculation.

Markets can be volatile, including those market interests that the Index measures or upon which the Index is dependent to achieve its stated objective. For example, illiquidity can have an impact on the quality or amount of data available to the administrator for calculation and may cause the Index to produce unpredictable or unanticipated results.

In addition, market trends and changes to market structure may render the objective of the Index unachievable or to become impractical to replicate by investors.

In particular, the indices measure global equity markets. As with all equity investing, the indices are exposed to market risk. The value of equities fluctuate with the changes in economic forecasts, interest rate policies established by central banks and perceived geo-political risk. The indices do not take into account the cost of replication and as a result a tracking portfolio's returns will underperform the Index with all else equal. As the indices are designed to measure those markets, they could be materially impacted by market movements, thus significantly impacting the use or usefulness of the fixings for some or all users.

In addition, certain Sub-Indices may be designed to measure smaller subsets of the indices (e.g. such as specific styles, size, and sector). Some of these Sub-Indices have very few qualifying Index Member and may have none for a period of time. During such a period, the Sub-Index will continue to be published at its last value, effectively reporting a 0% return, until new securities qualify. If no securities are expected to qualify (due to changes in market structure and other factors), the Sub-Index may be discontinued. In such an event, this discontinuation will be announced to Index users.

Benchmark and Governance

Please refer to the BISL Benchmark Procedures Handbook available [here](#).

Index and Data Reviews

Please refer to the BISL Benchmark Procedures Handbook available [here](#).

Expert Judgment

Please refer to the BISL Benchmark Procedures Handbook available [here](#).

Data Providers and Data Extrapolation

Please refer to the BISL Benchmark Procedures Handbook available [here](#).

Conflicts of Interest

Please refer to the BISL Benchmark Procedures Handbook available [here](#).

Appendix X: Bloomberg Industry Classification System (BICS)

Methodology

Bloomberg classifies companies by tracking their primary business activities as measured by their primary source of revenue; it then groups them together according to market based industries. Members of groupings should exhibit similar behavior in market cycles and should be correlated. Each company is reviewed at least once a year and following significant changes such as an M&A.

Data Driven

Bloomberg's experienced analyst teams utilize the full power of the Bloomberg terminal to classify companies based on various qualitative and quantitative measures. The lead quantitative measure for determining primary business activity is revenue. Secondary quantitative considerations include operating income and assets. Qualitative measures such as market perceptions are also considered if a strong consensus exists within the market or when quantitative measures are insufficient to determine the company's primary classification.

Hierarchy structure and features

Bloomberg classifies every company to Level 4, Sub Industry and, where appropriate, classifies companies at more granular levels such as Segment Levels (Levels 5-7). This allows BICS to capture all levels of specialization within an industry and provides flexibility for users.

Structure (applicable to equities)

- Level 1 – 11 Sectors
- Level 2 – 20 Industry Groups
- Level 3 – 59 Industries
- Level 4 – 214 Sub-Industries
- Level 5 – 693 Segments
- Level 6 – 576 Segments
- Level 7 – 174 Segments

BICS Level 1 Sectors
Communications
Consumer Discretionary
Consumer Staples
Energy
Financials
Health Care
Industrials
Materials
Real Estate
Technology
Utilities

The complete BICS Hierarchy and more information on BICS can be found by running the **BICS <GO>** function searching "BICS" using the **DOCS <GO>** function.

Appendix XI: Bloomberg REIT

Methodology

Companies classified as per the Bloomberg Industry Classification System (BICS) with a level 3 sub-industry of "REIT" are eligible to be part of the Bloomberg REIT Indices. Companies classified as "Mortgage REIT" (level 5 within the "Financials" Industry) are not eligible to be part of the REIT Indexes.

Data Driven

Bloomberg's experienced analyst teams utilize the full power of the Bloomberg terminal to classify companies based on various qualitative and quantitative measures. The lead quantitative measure for determining primary business activity is revenue. Secondary quantitative considerations include operating income and assets. Qualitative measures such as market perceptions are also considered if a strong consensus exists within the market or when quantitative measures are insufficient to determine the company's primary classification.

Appendix XII: Industry Related Foreign Investment Limits

Country	Sector	Foreign Investment Limit %
Australia	Airlines	49%
Canada	Airlines	49%
	Wireless Telecommunications	33.3%
	Wireline Telecommunications	33.3%
Finland	Airlines	50%
France	Airlines	50%
Ireland	Airlines	50%
Malaysia	Airlines	45%
Singapore	Airlines	50%
United Kingdom	Airlines	50%
United States	Airlines	25%

NOTE: In addition to the above sector-based foreign investment limits, BSL also reflects a company based foreign investment limit of 35% for TELSTRA CORP LTD and of 50% for NORWEGIAN AIR SHUTTLE AS.

Appendix XIII: History Construction

Introduction

As the Indices have garnered increased interest and adoption by market participants, there has been demand in back-calculating the history available beyond the base date of March 30, 2015. The Indices were calculated by applying the time windowed methodology used at the original base date and extending the history start date to March 31, 2003. To ensure continuity with the live history, the index level values were rebased back to the start date. Missing historical data applied the most recent available terminal data. As such, assumptions may not hold and are subject to completeness of data.

Index Shares

The number of Index Shares are derived by multiplying the point in time total shares outstanding by the point in time free floating percentage. Where free float percentage is not available, the following waterfall was applied:

- Earliest known free float percentage
- If there is no historical record of any free float percentage, then assume 100% free float percentage

For depositary receipts, the number of Index Shares are derived by multiplying the point receipt total shares outstanding by the underlying common stock's free float percentage. If no historical record existed, or if the underlying stock was a private security, then assume 100% free float percentage.

Market Classification & Country Review

Market classifications for global indices have existed since the late 1990s. The criteria for classification have evolved but a focus on the quality of markets, materiality, trading and foreign access, market stability, and cost limitations still remain the key focus points when determining the market classification of a country for index inclusion.

To maintain relevancy, Bloomberg applied the above criteria for assessing historical market and country classification. Historical calculation includes the following country specific designations and assumptions:

- China: China A shares trading on Northbound Shanghai or Northbound Shenzhen Stock Connect program were eligible and added in the Global Equity Indices starting at the March 2019 Index Reconstitution effective on March 25, 2019
- Egypt: The universe for the March 2011 selection period was derived by rolling the previous known universe, due to the exchange closing.
- Greece: Classified as Developed Market from 2003-2015 and Emerging Market from 2015-Present.
- Israel: Classified as Emerging Market from 2003-2009 and Developed Market from 2009-Present. The Israeli country indices, and any regional index that contains Israel as a constituent member, utilizes a Monday-Sunday calendar until November 15, 2020. After this date, all Global indices, including Israel, follow the Weekday trading calendar.
- Kuwait, Pakistan, Qatar, Saudi Arabia, and UAE: Not deemed appropriate for Emerging Markets inclusion prior to March 2015.
- Pakistan: Due to liquidity issues, the September 2008 and March 2009 selection periods were derived by rolling the previous known universes.
- Russia: Russia was removed from Global Equity Indices on March 10, 2022.
- Global Calendar: From 2003-2007, a business date was defined following the Weekday trading calendar for all Global countries and regions.

Country	Developed Market	Emerging Market
Israel	March 2009 onward	March 2003-March 2009
Greece	March 2003 - March 2015	March 2015 onward
Kuwait		March 2015 onward
Pakistan		March 2015 -March 2024
Qatar		March 2015 onward
Saudi Arabia		March 2015 onward
United Arab Emirates		March 2015 onward

Rebalancing

Back-calculation was performed with quarterly index reviews in the months of March, June, September, and December. Membership followed a semi-annual reconstitution in March and September. The historical selection date was the 2nd Friday of the month and historical effective date the 4th Friday of the month. In June 2021, the rebalancing schedule changed to reflect an effective date of the 2nd Wednesday of the month.

Sanctions

Securities subject to US, UN, UK, or EU sanctions may not be eligible for inclusion in the Bloomberg Global Equity Indices. Sanctions are applied historically from the earliest known sanctions for security exclusionary purposes.

Size Categorizations

Size categorizations are derived by utilizing the live country classifications as currently constituted. The historical country classifications are ignored.

Tax Rates

The historical tax rates used in the daily calculation were backfilled from the earliest known Bloomberg Tax & Accounting (BTAX) reporting period.

FX Rates

Between March 2003 and March 2007, Bloomberg Generic London, taken at 6:00 PM was used for Index calculations. From March 2007 onward, BFIX London 4:00 PM has been used for Index calculations.

Bloomberg Price logic

PX_LAST has been used for all countries till 31 May, 2020 except United States.

From 1 June, 2020 PX_OFFICIAL_CLOSE has been used for countries like China, Chile, Denmark, Finland, Greece, Germany, Hong Kong, Italy, India, Mexico, Qatar, Saudi Arabia, South Africa, South Korea, Spain and Switzerland. Refer to '[Calendars and Closing Price by Country' in Appendix VI](#) for more details.

PX_LAST has been used for United States till 03 January, 2016 and from 04 January, 2016 BISL has used PX_OFFICIAL_CLOSE for United states.

Appendix XIV: ESG Disclosures

EXPLANATION OF HOW ESG FACTORS ARE REFLECTED IN THE KEY ELEMENTS OF THE BENCHMARK METHODOLOGY	
Item 1. Name of the benchmark administrator.	Bloomberg Index Services Limited ("BISL")
Item 2. Type of benchmark or family of benchmarks. <i>Choose the relevant underlying asset from the list provided in Annex II to Commission Delegated Regulation (EU) 2020/1816.</i>	Equities
Item 3. Name of the benchmark or family of benchmarks.	Bloomberg Global Equity Indices
Item 4. Does the benchmark methodology for the benchmark or family of benchmarks take into account ESG factors?	No
Item 5. Where the response to Item 4 is positive, please list below, for each family of benchmarks, those ESG factors that are taken into account in the benchmark methodology, taking into account the ESG factors listed in Annex II to Delegated Regulation (EU) 2020/1816. Please explain how those ESG factors are used for the selection, weighting or exclusion of underlying assets. The ESG factors shall be disclosed at an aggregated weighted average value at the level of the family of benchmarks.	
(a) List of environmental factors considered:	Not applicable
(b) List of social factors considered:	Not applicable
(c) List of governance factors considered:	Not applicable
Item 6. Where the response to Item 4 is positive, please list below, for each benchmark, those ESG factors that are taken into account in the benchmark methodology, taking into account the ESG factors listed in Annex II to Delegated Regulation (EU) 2020/1816, depending on the relevant underlying asset concerned. Please explain how those ESG factors are used for the selection, weighting or exclusion of underlying assets. The ESG factors shall not be disclosed for each constituent of the benchmark, but shall be disclosed at an aggregated weighted average value of the benchmark. Alternatively, all of this information may be provided in the form of a hyperlink to a website of the benchmark administrator included in this explanation. The information on the website shall be easily available and accessible. Benchmark administrators shall ensure that information published on their website remains available for five years.	
(a) List of environmental factors considered:	Not applicable
(b) List of social factors considered:	Not applicable
(c) List of governance factors considered:	Not applicable
Hyperlink to the information on ESG factors for each benchmark:	
Item 7. Data and standards used	
(a) Data input. <i>(i) Describe whether the data are reported, modelled or sourced internally or externally. (ii) Where the data are reported, modelled or sourced externally, please name the third party data provider.</i>	Not applicable
(b) Verification and quality of data. <i>Describe how data are verified and how the quality of those data is ensured.</i>	Not applicable
(c) Reference standards <i>Describe the international standards used in the benchmark methodology.</i>	Not applicable
Date on which information has been last updated and reason for the update:	September 2022, addition of ESG disclosure

Glossary Of Terms

Term	Definition
<ul style="list-style-type: none"> • Calculation Day 	<ul style="list-style-type: none"> • Monday to Friday. Bloomberg does not perform Weekend calculations and reflects corporate actions only between Mondays to Fridays. • For securities trading in countries open from Sunday to Thursday, the last traded price from Thursday is carried forward to Friday. Monday's performance is calculated between Monday's close price and Friday's carried forward price.
<ul style="list-style-type: none"> • Country of Domicile 	<ul style="list-style-type: none"> • Returns the ISO (International Organization for Standardization) code of the country where the company's senior management is located. For covered warrants the country of the issuer is returned. For uncovered warrants, the country of the underlying security is returned.
<ul style="list-style-type: none"> • Corporate Action Coefficient 	<ul style="list-style-type: none"> • Adjustment factor applied to a security's closing market price to neutralize an anticipated price movement related to a specific corporate action effective at the open of the next business day.
<ul style="list-style-type: none"> • Country of Classification 	<ul style="list-style-type: none"> • Country assigned to a security by Bloomberg for Index purposes.
<ul style="list-style-type: none"> • Country of Incorporation 	<ul style="list-style-type: none"> • Specifies the ISO (International Organization for Standardization) country code of where a company is incorporated. Supranational (SNAT) will be returned for entities formed by multiple governments and without a single country of incorporation. Multinational (MULT) will be returned for companies incorporated in multiple jurisdictions (countries). Multinational companies that are physically incorporated in a single country will return the ISO country code of that country. Multi-issuers will return "MULT" when the individual entities that make up the Multi-issuer are incorporated in different countries. For covered warrants, the country of the issuer is returned. For uncovered warrants, the country of the underlying security is returned.
<ul style="list-style-type: none"> • Country of Largest Revenue 	<ul style="list-style-type: none"> • Name of the country from which the company produced the largest portion of its revenue based on the latest annual report.
<ul style="list-style-type: none"> • Country of Risk 	<ul style="list-style-type: none"> • Returns the International Organization for Standardization (ISO) country code of the issuer's Country of Risk (CoR). The CoR for public companies can take on three different methodologies: Red Chip, Holding Company, or 10 Points. Methodologies will be applied to companies, if applicable, in the order below. <p>Holding Companies Holding Companies with no direct material assets or operations should take on the CoR of the country which holds the largest portion of company operations, defined by the largest amount of subsidiaries containing matching country-level criteria. When this information cannot be sourced, the country which the company generates the highest amount of revenue from should be used.</p> <p>10-Points: Methodology consists of four factors. Management location is defined by the Country of Domicile, which is the location of key company players as Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Operating Officer (COO), and/or General Counsel.</p> <p>Breakdown of four factors with relevant API fields: 4 points: Location of Management / Country of Domicile 3 points: Country of Listing / Primary Security Composite Exchange Code () 2 points: Sales / Revenue / Country of Largest Revenue 1 point: Reporting Currency / Currency Override</p> <p>The country with the highest points is defined as the Country of Risk. Any scoring ties will go to the Country of Domicile.</p> <p>The Country of Risk methodology used for private companies will be chosen based on debt issuance. If the private company has issued debt, the CoR should take on the CoR of the debt obligor (DY372). If the private company has no</p>

	<p>issued debt, the CoR should take on the CoR value of its parent company. In the case where there is no parent company and no debt issued, the 10-Point methodology will be used.</p> <p>Note: Country of Risk does not identify political, geographic, and/or economical risk alone. The methodology was originally established in 1999 and enhanced in 2008 in which the importance of reporting currency shifted from most important factor to least. The change was implemented on ongoing bases.</p>
<ul style="list-style-type: none"> • Float shares/free float shares 	<ul style="list-style-type: none"> • Number of shares that are available to the public. This figure is calculated by subtracting the shares held by insiders and those deemed to be stagnant shareholders from the shares outstanding. Stagnant holders include ESOP's, ESOT's, QUEST's, employee benefit trusts, corporations not actively managing money, venture capital companies and shares held by governments.
<ul style="list-style-type: none"> • H Shares 	<ul style="list-style-type: none"> • Companies incorporated in mainland China that are traded on the Hong Kong Stock Exchange.
<ul style="list-style-type: none"> • Index Value 	<ul style="list-style-type: none"> • The value of the Index calculated in accordance with the methodology.
<ul style="list-style-type: none"> • Index Member 	<ul style="list-style-type: none"> • A security that is a constituent of an Index.
<ul style="list-style-type: none"> • Index Review 	<ul style="list-style-type: none"> • The quarterly or semi-annual review process to determine the Index Shares and Index Members for each Index.
<ul style="list-style-type: none"> • Index Shares 	<ul style="list-style-type: none"> • Shares of an Index Member within an Index. The number of Index Shares are updated at each quarterly Rebalance and adjusted intra-quarter for corporate actions.
<ul style="list-style-type: none"> • Industry Classification 	<ul style="list-style-type: none"> • The industry sector in which a company is classified into.
<ul style="list-style-type: none"> • Primary Listing 	<ul style="list-style-type: none"> • Name of the main exchange on which the security is listed
<ul style="list-style-type: none"> • Rebalance 	<ul style="list-style-type: none"> • The process of applying a selection and re-weighting of securities to an Index.
<ul style="list-style-type: none"> • Rebalance Date 	<ul style="list-style-type: none"> • The date upon which a Rebalance is made effective. For the avoidance of doubt the Rebalance becomes effective on the close of the Rebalance Date.
<ul style="list-style-type: none"> • Red Chip 	<ul style="list-style-type: none"> • Mainland China companies incorporated outside mainland China and listed in Hong Kong
<ul style="list-style-type: none"> • Reconstitution 	<ul style="list-style-type: none"> • The process of determining the Index Members for an Index.
<ul style="list-style-type: none"> • Selection Date 	<ul style="list-style-type: none"> • Date at which the relevant data points are taken for each security for the Reconstitution or Share Update.
<ul style="list-style-type: none"> • Share Update 	<ul style="list-style-type: none"> • The process of determining the number of Index Shares for each Index Member in an Index.
<ul style="list-style-type: none"> • Tax Haven 	<ul style="list-style-type: none"> • A country or jurisdiction that is considered a tax haven by Bloomberg Global Equity Indices. See • <i>Appendix VII: Market Classification</i> • for further information
<ul style="list-style-type: none"> • Tilt Factor 	<ul style="list-style-type: none"> • Factor applied to a security's float adjusted market capitalization to reflect its exposure to a specific investment objective.
<ul style="list-style-type: none"> • Total Market Capitalization 	<ul style="list-style-type: none"> • Combined market value of all of a company's outstanding equity capital across share classes

Methodology Book Changes

May 2021

- **2.1.1 Eligible Security Types and Exchange Listings**

Change in the eligibility rule related to Private Equity and Business Development Companies.

- **2.2.5 Sanctions**

Clarifications to the sanctions implementation framework

- **2.2.6 Minimum Free Float Shares**

Change of free float determination approach for Index Member trading exclusively as Depositary Receipts.

- **2.7 Defining the Industry Classification**

New section detailing the construction of the sector Indices

- **3.1 Quarterly Index Review**

New section detailing the maintenance of the sector Indices

- **Appendix VIII: Handling of Sanctions**

Clarifications made to be aligned with Section 2.2.5

- **Appendix X: Bloomberg Industry Classification System (BICS)**

New appendix detailing the methodology of the BICS

June 2021

- **2.2.1. Minimum Trading Volume**

Clarification of the requirements for securities classified in Emerging Market countries

- **Appendix III: Country Exchanges & Eligible Security Types**

Clarification related to the eligible stock exchanges in China

January 2022

- **2.2.1. Minimum Trading Volume**

Clarification of the requirements for securities classified in Emerging Market countries

- **2.2.8. Stock Exchange Restrictions**

Addition of new eligibility requirements for China and India

- **Appendix III: Country Exchanges & Eligible Security Types**

Correction of the eligible stock exchanges in China and Taiwan

- **Appendix XI: Bloomberg REIT**

Addition of a new Appendix describing the construction of the Bloomberg REIT indices

February 2022

- **2.2.6. Minimum Free Float Percentage**

Addition of an eligibility rule for companies with free float percentage below 10%

- **2.2.8. Foreign Investment Limits (FIL)**

Addition of free float limitations for China A and selected industries

- **Appendix III: Country Exchanges & Eligible Security Types**

Addition of foreign listings eligibility for Singapore

- **Appendix XII: Industry Related Foreign Investment Limits**

Addition of a new appendix

April 2022

- **2.3.2. Situations where the general rule is not applicable**

Removal of Russia as a country deemed eligible for primary listing is a foreign listing

- **Appendix III: Country Exchanges & Eligible Security Types**

Removal of Russia and Moscow exchange

- **Appendix VI: Target Currency Calculation Methodology**

Removal of Russia from calendars and closing price by country table

- **Appendix VII: Market Classification**

Update of market classification and mention of Russia's removal

June 2022

- **Appendix XII: Industry Related Foreign Investment Limits**

Addition of France and Finland

- **Appendix III: Country Exchanges & Eligible Security Types**

Addition of Stapled security type in New Zealand and Malaysia

- **Appendix XIII: History Construction**

Information related to the China A domestic inclusion timing

Information related to the historical market classification

September 2022

- **2.3.2: Situations Where the General Rule is not applicable**

Determination of the Index primary listing for companies with Depositary Receipts listing

- **2.4.5: Step 7: Combine all Country Size Segments**

Clarification of treatment for companies with multiple listings.

- **Appendix XII: Industry Related Foreign Investment Limits**

Clarification related to foreign investment limits applied at company level

- **Appendix XIV: ESG Disclosures**

New appendix

January 2023

- **Appendix V: Index Tax Framework**

Withholding tax rate changes for Belarus, Colombia, Egypt, Morocco, Sri Lanka and Romania

March 2023

- **2.4.4: Determine Size Segment Cut-offs at Country Level**

Clarification of the size segment assignment to Micro cap

- **Appendix VI: Target Currency Calculation Methodology**

Pricing values are no longer rounded when adjusted for corporate actions

August 2023

- **2.2.6: Minimum Free Float Shares**

Update to the float determination of Index members that exclusively list as Depositary Receipts

- **2.2.7: Minimum Float Market Capitalization**

Clarification of the minimum market capitalization for securities of Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect Program

- **2.2.8: Foreign Investment Limits (FIL)**

Clarification of the removal timing for Index members breaching the foreign investment in China

- **2.2.9: Stock Exchange Specific Restrictions**

Clarification of the removal timing for Index members on the sell only list in China

Clarification of the removal timing for Index members on the foreign investment breach list in India

- **2.6: Minimum Number of Members in a Country Index**

Clarification of the minimum number of members in a country Large & Mid Cap Index

- **Appendix V: Index Tax Framework**

Withholding REIT tax rate changes for Pakistan

- **Appendix VI: Target Currency Calculation Methodology**

Update to the Calendars and Closing Price by Country table

- **Appendix VII: Market Classification Framework**

Update to the framework of the market classification review

- **Appendix XIII: History Construction**

Clarification on assumptions used for history back-calculation

Clarification of the FX rates used for the 2003-2007 period

Clarification of the country classification for the 2003-2007 period

December 2023

Replace Czech Republic by Czechia throughout the document

- **2.6: Minimum Number of Members in a Country Index**

Clarification of the size segments in which companies can be selected from to ensure at least 3 index members in a country large and mid cap index

March 2024

- **2.2.1: Minimum Trading Volume**

Change of minimum liquidity requirements to be eligible to the Bloomberg Global Indices

- **2.3.2: Situation Where the General Rule is not Applicable**

Change of listing determination to represent a company with multiple listings

Change of eligibility criteria for Chinese companies with listings in both China and Hong Kong. Companies classified in China can

be reflected in the Bloomberg Global Indices by both listings,

- **2.2.5: Sanctions**

Clarification of the entities that are considered for potential ineligibility. Addition of US Department of Defense (DOD)

- **Appendix III: Country Exchanges & Eligible Security Types, Appendix VI: Target Currency Calculation Methodology, Appendix VII: Market Classification, Appendix XIII: History Construction**

Removal of Pakistan from the Emerging Markets classification

Clarification on security types eligible for Germany and Switzerland (Registered/bearer)

Clarification on security types eligible for foreign listings for Peru (CDIs)

- **Appendix V: Index Tax Framework**

Change of withholding tax rates applicable for Azerbaijan, Morocco and Tajikistan

- **Appendix XIII: History Construction**

Clarification of the end of day market prices used historically

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