

Bloomberg Global Momentum Diversified Leaders Index Methodology

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Table of contents

Introduction	3
Objectives and key features	3
Section 1: Calculation	3
1.1 Constituent Universe	3
Underlying Indices	3
Underlying Constituents	4
1.2 Constituent Selection	4
Momentum Signal Calculation	4
Constituent Selection	5
1.3 Constituent Weights	5
Selected Constituent Volatility Calculation	5
Preliminary Weight Calculation	5
Current Weights	6
1.4 Volatility Control	6
Hypothetical Portfolio Volatility	6
Exposure Calculation	7
Final Weights	8
Target Units	8
1.5 Index Calculation	8
1.6 Rounding	9
Section 2: Limitations	9
Limitations of the index	9
Section 3: Benchmark oversight and governance	9
Benchmark governance, audit, and review structure	9
Index and data reviews	10
Expert judgement	10
Data providers and data extrapolation	11
Conflicts of interest	11
Restatement policy	11
Appendix I: Glossary	12
Appendix II: ESG Disclosures	14
Appendix III: Index Specifications	16
Version Control	17
Disclaimer	18

Introduction

This methodology (the "Methodology") has been made available by Bloomberg Index Services Limited ("BISL") and sets out the rules, criteria, risk factors and other information application to the Bloomberg Global Momentum Diversified Leaders Indices (the "Indices" and each, an "Index"). Capitalized terms used in this Methodology but not otherwise defined have the meanings set forth in Appendix I (Glossary).

Objectives and key features

This Methodology describes the calculation of the Bloomberg Global Momentum Diversified Leaders Indices. Each Index selects the Underlying Constituents based on the momentum signals and subsequently weights the selected Underlying Constituents according to their inversed volatilities and the relevant risk budgets. Finally, the exposure of all selected Underlying Constituents is adjusted for the predefined volatility target.

Section 1: Calculation

1.1 Constituent Universe

The Universe consists of Underlying Indices representing various asset classes and regions are priced in currency of the underlying index. If the currency of any Underlying Index is not Index Currency, the currency of such Underlying Indices shall be converted to the Index Currency before the selection process.

Underlying Indices

With respect to each Underlying Index, the Underlying Index Value on the Underlying Index Base Date shall be the relevant Underlying Index Base Value. Thereafter, the Underlying Index Value with respect to each Underlying Index Business Day shall be calculated in accordance with the following formula:

$$\text{UnderlyingIndex}_t^{\text{ccy}} = \text{UnderlyingIndex}_{t-1}^{\text{ccy}} + \sum_{i \in \{\text{CC}, \text{RC}\}} \text{CU}_{i,t-1} \times (\text{CP}_{i,t} - \text{CP}_{i,t-1})$$

Where:

t means an Underlying Index Business Day;

$t - 1$ means, with respect to Underlying Index Business Day t , the immediately preceding Underlying Index Business Day;

$\text{UnderlyingIndex}_t^{\text{ccy}}$ means the index level of the Underlying Index as of Underlying Index Business Day t in Underlying Index Currency;

$\text{UnderlyingIndex}_{t-1}^{\text{ccy}}$ means the index level of the Underlying Index as of Underlying Index Business Day $t - 1$ in Underlying Index Currency;

i means a variable that represents the relevant Current Contract CC or the relevant Roll Contract RC ;

$\text{CP}_{i,t}$ means the Contract Price of contract i on Underlying Index Business Day t ;

$\text{CP}_{i,t-1}$ means the Contract Price of contract i on Underlying Index Business Day $t - 1$;

$\text{CU}_{i,t-1}$ means the contract units of contract i on Underlying Index Business Day $t - 1$ calculated as follows:

If Underlying Index Business Day $t - 1$ is the Underlying Index Base Date or lies within a Roll Period, then:

$$\text{CU}_{i,t-1} = \frac{\text{UnderlyingIndex}_{t-1}^{\text{ccy}} \times \text{CW}_{i,t-1}}{\text{WP}_{t-1}}$$

Otherwise:

$$\text{CU}_{i,t-1} = \text{CU}_{i,t-2}$$

Where:

$\text{CW}_{i,t-1}$ means the contract weight of contract i on Index Business Day $t - 1$ determined as follows:

If contract i is the Current Contract CC , then:

$$CW_{CC,t-1} = \begin{cases} 2/3, & \text{if } t-1 = R_1 \\ 1/3, & \text{if } t-1 = R_2 \\ 0, & \text{if } t-1 = R_3 \\ 1, & \text{otherwise} \end{cases}$$

If contract i is the Roll Contract RC , then:

$$CW_{RC,t-1} = \begin{cases} 1/3, & \text{if } t-1 = R_1 \\ 2/3, & \text{if } t-1 = R_2 \\ 1, & \text{if } t-1 = R_3 \\ 0, & \text{otherwise} \end{cases}$$

Where:

R_1 means, with respect to Current Contract CC , the Roll Date Start;

R_2 means the Futures Business Day immediately following R_1 ;

R_3 means the Futures Business Day immediately following R_2 ;

WP_{t-1} means the weighted sum of prices of the Current Contract and Roll Contract calculated as follows:

$$WP_{t-1} = \sum_{i \in \{CC, RC\}} CW_{i,t-1} \times CP_{i,t-1}$$

Where:

i , $CW_{i,t-1}$ and $CP_{i,t-1}$ are as defined above.

Underlying Constituents

The Underlying Indices with the currency that is not Index Currency shall be converted to the Underlying Constituents with the Index Currency ("IC") in accordance with the following formula:

$$P_t^i = P_{t-1}^i \times \left(1 + \left(\frac{\text{UnderlyingIndex}_t^{\text{ccy}}}{\text{UnderlyingIndex}_{t-1}^{\text{ccy}}} - 1 \right) \times \frac{\text{Spot}_t^{\text{ccy}/\text{IC}}}{\text{Spot}_{t-1}^{\text{ccy}/\text{IC}}} \right)$$

$$P_{t_0}^i = \text{UnderlyingIndex}_{t_0}^{\text{ccy}}$$

Where:

t means Underlying Index Business Day;

$t-1$ means, with respect to an Underlying Index Business Day t , the immediately preceding Underlying Index Business Day;

t_0 means the date of the first value of the Underlying Index;

ccy means the Underlying Index Currency;

IC means the Index Currency;

P_t^i means the price of the Underlying Constituent as of Underlying Index Business Day t ;

P_{t-1}^i means the price of the Underlying Constituent as of Underlying Index Business Day $t-1$;

$P_{t_0}^i$ means the price of the Underlying Constituent as of Underlying Index Business Day t_0 ;

$\frac{\text{Spot}_t^{\text{ccy}/\text{IC}}}{\text{Spot}_{t-1}^{\text{ccy}/\text{IC}}}$ means the spot price return of the currency pair of ccy versus IC as of Underlying Index Business Day t ;

$\text{UnderlyingIndex}_t^{\text{ccy}}$ means the index level of the Underlying Index as of Underlying Index Business Day t in Underlying Index Currency;

$\text{UnderlyingIndex}_{t-1}^{\text{ccy}}$ means the index level of the Underlying Index as of Underlying Index Business Day $t-1$ in Underlying Index Currency;

$\text{UnderlyingIndex}_{t_0}^{\text{ccy}}$ means the index level of the Underlying Index as of Underlying Index Business Day t_0 ;

1.2 Constituent Selection

Momentum Signal Calculation

There are L ("Number of Momentum Lookback Windows") Momentum Lookback Windows and each of them is corresponding to a specific set of Selection Dates. On each Selection Date, the Index shall select K ("Number of Selections") Underlying Constituents

based on the calculated momentum signals of the corresponding Momentum Lookback Window. The momentum signals are calculated in accordance with the following formula:

$$MOM_t^{i,l} = \frac{P_t^i}{P_{t-n_l}^i} - 1$$

Where:

n_l means the number of Index Business Days corresponding to Momentum Lookback Window l ;

t means Index Business Day;

$t - n_l$ means the Index Business Day that is n_l Index Business Days immediately preceding t ;

$MOM_t^{i,l}$ means the momentum signal of Underlying Constituent i and Momentum Lookback Window l ;

P_t^i means the price of the Underlying Constituent i as of Index Business Day t ;

$P_{t-n_l}^i$ means the price of the Underlying Constituent i as of Index Business Day $t - n_l$;

Constituent Selection

On each Selection Date, the momentum signals for all the indices from the Universe shall be ranked from high to low for the corresponding Momentum Lookback Window l . The top K Underlying Constituents with the highest momentum signals shall be selected ("the Selected Constituents").

1.3 Constituent Weights

On each Selection Date, the Selected Constituents are weighted according to their volatilities and risk budgets values to derive the preliminary weights.

Selected Constituent Volatility Calculation

On each Selection Date, the volatility of each Selected Constituent is calculated in accordance with the following formula:

$$V_t^i = \text{Max}(V_t^{i,ST}, V_t^{i,MT}, V_t^{i,LT})$$

$$V_t^{i,N} = \sqrt{\frac{252}{N-1} \times \sum_{n=0}^{N-1} \left(\ln \left(\frac{P_{t-n}^i}{P_{t-n-1}^i} \right) - \frac{1}{N} \times \sum_{m=0}^{N-1} \ln \left(\frac{P_{t-m}^i}{P_{t-m-1}^i} \right) \right)^2}$$

Where:

N means Constituent Volatility Lookback Window;

t means Index Business Day;

$t - n$ means the Index Business Day that is n Index Business Days immediately preceding t ;

$t - n - 1$ means, with respect to Index Business Day $t - n$, the immediately preceding Index Business Day;

$t - m$ means the Index Business Day that is m Index Business Days immediately preceding t ;

$t - m - 1$ means, with respect to Index Business $t - m$, the immediately preceding Index Business Day;

P_{t-n}^i means the price of Selected Constituent i as of Index Business Day $t - n$;

P_{t-n-1}^i means the price of Selected Constituent i as of Index Business Day $t - n - 1$;

P_{t-m}^i means the price of Selected Constituent i as of Index Business Day $t - m$;

P_{t-m-1}^i means the price of Selected Constituent i as of Index Business Day $t - m - 1$;

V_t^i means the volatility of Selected Constituent i as of Index Business Day t ;

$V_t^{i,N}$ means the volatility of Selected Constituent i for the past of N Index Business Days as of Index Business Day t ;

$V_t^{i,ST}$ means the volatility of Selected Constituent i for the past of ST Index Business Days as of Index Business Day t ;

$V_t^{i,MT}$ means the volatility of Selected Constituent i for the past of MT Index Business Days as of Index Business Day t ;

$V_t^{i,LT}$ means the volatility of Selected Constituent i for the past of LT Index Business Days as of Index Business Day t ;

Preliminary Weight Calculation

On each Index Business Day starting from the First Selection Date for the corresponding Momentum Lookback Window l , the preliminary weights of Selected Constituents for such Momentum Lookback Window are determined in accordance with the following formula:

$$RE^i = \frac{RB^i}{\sum_{i=1}^I RB^i}$$

$$PW_t^{i,l} = \begin{cases} \min\left(RE^i \times \frac{PVT}{V_t^i}, PW_{Max}^i \right), & \text{if } t \text{ is a Selection Date corresponding to Momentum Lookback Window } l; \\ PW_{t-1}^{i,l}, & \text{otherwise} \end{cases}$$

On each Index Business Day starting from the immediately preceding Selection Date before Index Base Date, the Average Preliminary Weights for each Selected Constituent i are calculated in accordance with the following formula:

$$APW_t^i = \frac{1}{L} \sum_{l=1}^L PW_t^{i,l}$$

Where:

L means the number of Momentum Lookback Windows;

t means Index Business Day;

APW_t^i mean average preliminary weight of Selected Constituent i as of Index Business Day t ;

$PW_t^{i,l}$ means, with respect to Momentum Lookback Window l and Selected Constituents i , the preliminary weights as of Index Business Day t ;

PW_{Max}^i means the Preliminary Weight Cap for Selected Constituent i ;

PVT means Preliminary Volatility Target;

RB^i means Risk Budget of Selected Constituent i ;

RE^i means Risk Exposure for Selected Constituent i ;

V_t^i means the volatility of Selected Constituent i as of Index Business Day t ;

Current Weights

On each Index Business Day, the weights used for the portfolio volatility are determined in accordance with the following formula:

$$CW_t^i = \begin{cases} APW_t^i, & \text{if such Index Business Day is a Selection Date} \\ \frac{P_t^i \times TU_d^i}{I_t \times TE_d}, & \text{otherwise} \end{cases}$$

Where:

d means, with respect to Index Business t , the immediately preceding Determination Day;

t means Index Business Day;

APW_t^i mean the average preliminary weight of Selected Constituent i as of Index Business Day t ;

CW_t^i means the current weight of Selected Constituent i as of Index Business Day t ;

P_t^i means the price of Selected Constituent i as of Index Business Day t ;

I_t means the Index Value as of Index Business Day t ;

TE_d means the target exposure of the Index as of Determination Day d ;

TU_d^i means the target units of Selected Constituent i as of Determination Day d ;

1.4 Volatility Control

Hypothetical Portfolio Volatility

On each Determination Date, for each of the Portfolio Volatility Lookback Windows, the annualized covariance between the Underlying Constituent x and Underlying Constituent y can be calculated in accordance with the following formula:

The Daily Hypothetical Portfolio Volatility is calculated in accordance with the following formula:

$$Cov_{x,y,t}^M = \frac{252}{M-1} \sum_{n=0}^{M-1} \left(\ln\left(\frac{P_{t-n}^x}{P_{t-n-1}^x}\right) - \frac{1}{M} \times \sum_{m=0}^{M-1} \ln\left(\frac{P_{t-m}^x}{P_{t-m-1}^x}\right) \right) \left(\ln\left(\frac{P_{t-n}^y}{P_{t-n-1}^y}\right) - \frac{1}{M} \times \sum_{m=0}^{M-1} \ln\left(\frac{P_{t-m}^y}{P_{t-m-1}^y}\right) \right)$$

The Weekly Hypothetical Portfolio Volatility is calculated in accordance with the following formula:

$$Cov_{x,y,t}^M = \frac{52}{M-1} \sum_{n=0}^{M-1} \left(\ln\left(\frac{P_{t-5n}^x}{P_{t-5(n+1)}^x}\right) - \frac{1}{M} \times \sum_{m=0}^{M-1} \ln\left(\frac{P_{t-5m}^x}{P_{t-5(m+1)}^x}\right) \right) \left(\ln\left(\frac{P_{t-5n}^y}{P_{t-5(n+1)}^y}\right) - \frac{1}{M} \times \sum_{m=0}^{M-1} \ln\left(\frac{P_{t-5m}^y}{P_{t-5(m+1)}^y}\right) \right)$$

Where:

M means Portfolio Volatility Lookback Window;

t means Index Business Day;

$t - n$ means the Index Business Day that is n Index Business Days immediately preceding t ;

$t - n - 1$ means, with respect to Index Business Day $t - n$, the immediately preceding Index Business Day;

$t - 5(n + 1)$ means, with respect to Index Business Day t , the $5(n + 1)$ immediately preceding Index Business Day;

$t - m$ means the Index Business Day that is m Index Business Days immediately preceding t ;

$t - m - 1$ means, with respect to Index Business Day $t - m$, the immediately preceding Index Business Day;

$t - 5(m + 1)$ means, with respect to Index Business Day t , the $5(m + 1)$ immediately preceding Index Business Day;

$Cov_{x,y,t}^M$ means, with respect to with the Index Business Day t and the Portfolio Volatility Lookback Windows M , the annualized covariance between Selected Constituent x and Selected Constituent y ;

P_{t-n}^i means the price of Selected Constituent i as of Index Business Day $t - n$;

P_{t-5n}^i means the price of Selected Constituent i as of Index Business Day $t - 5n$;

P_{t-n-1}^i means the price of Selected Constituent i as of Index Business Day $t - n - 1$;

$P_{t-5(n+1)}^i$ means the price of Selected Constituent i as of Index Business Day $t - 5(n + 1)$;

P_{t-m}^i means the price of Selected Constituent i as of Index Business Day $t - m$;

P_{t-5m}^i means the price of Selected Constituent i as of Index Business Day $t - 5m$;

P_{t-m-1}^i means the price of Selected Constituent i as of Index Business Day $t - m - 1$;

$P_{t-5(m+1)}^i$ means the price of Selected Constituent i as of Index Business Day $t - 5(m + 1)$;

The K by K matrix of the $Cov_{x,y}$ for all the combination of the Selected Constituents shall be created. For the avoidance of doubts, the $Cov_{x,y}$ of the pair of the same Selected Constituent is the variance of such Selected Constituent.

On each Determination Date, the hypothetical portfolio volatility using Current Weights for each Portfolio Volatility Lookback Windows is calculated in accordance with the following formula:

$$HPV_t^M = \sqrt{CWMatrix_{K \times 1, t}^T \times CovMatrix_{K \times K, t}^M \times CWMatrix_{K \times 1, t}}$$

Where:

HPV_t^M means, with respect to Portfolio Volatility Lookback Window M , the estimated portfolio volatility using current weights as of Index Business Day t ;

$CovMatrix_{K \times K, t}^M$ mean, with respect to with the Index Business Day t , the Portfolio Volatility Lookback Windows M and the K Selected Constituents, the K by K matrix of the $Cov_{x,y}$ for all the combination Selected Constituents including the combination of the pair of the same Selected Constituent. For the avoidance of doubts, the $Cov_{x,y}$ of the pair of the same Selected Constituents is the variance of itself;

$CWMatrix_{K \times 1, t}$ mean, with respect to with the Portfolio Volatility Lookback Windows M and K Selected Constituents, the K by 1 matrix of the Current Weights of the Selected Constituents;

$CWMatrix_{K \times 1, t}^T$ mean, with respect to Index Business Day t , the Portfolio Volatility Lookback Windows M and the K Selected Constituents, the transposed version of $CWMatrix_{K \times 1, t}$;

On each Determination Date, the portfolio volatility with current weights is the max of the estimated portfolio volatility for all different Portfolio Volatility Lookback Window in accordance with the following formula:

$$HPV_t = \text{Max}(HPV_t^{ST}, HPV_t^{MT}, HPV_t^{LT})$$

Where:

HPV_t means the estimated portfolio volatility using Current Weights as of Index Business Day t ;

HPV_t^{ST} means the volatility for the past of ST Index Business Days as of Index Business Day t ;

HPV_t^{MT} means the volatility for the past of MT Index Business Days as of Index Business Day t ;

HPV_t^{LT} means the volatility for the past of LT Index Business Days as of Index Business Day t ;

Exposure Calculation

On each Determination Date, the leverage factor is determined in accordance with the following formula:

$$TE_t = \min\left(TE_{MAX}, \frac{VT}{HPV_t}\right)$$

Where:

HPV_t means the estimated portfolio volatility using current weights as of Index Business Day t ;

TE_t means the target exposure as of Index Business Day t ;

TE_{MAX} means the Maximum Target Exposure;

VT means the Volatility Target of the Index;

Final Weights

On each Determination Date, the final weight for each Selected Constituent is calculated in accordance with the following formula:

$$W_t^i = TE_t \times CW_t^i$$

$$Scale_t = \min\left(\frac{OverallExposure_{max}}{\sum_{i=1}^K W_t^i}, 1\right)$$

$$FW_t^i = \min(W_t^i \times Scale_t, W_{max}^i)$$

Where:

CW_t^i means the current weight of Selected Constituent i as of Index Business Day t ;

FW_t^i means the final weight of Selected Constituent i as of Index Business Day t ;

$OverallExposure_{max}$ means the Overall Exposure Cap;

$Scale_t^i$ means the scale for the target exposure TE_t ;

TE_t means the target exposure of the Index as of Index Business Day t ;

W_t^i means the pre-cap weight of Selected Constituent i as of Index Business Day t ;

W_{max}^i means the Final Weight Cap for the Selection Constituent i ;

Target Units

On each Determination Date, the target units for the Select Constituents are calculated in accordance with the below formula:

$$TU_t^i = \frac{FW_t^i \times I_t}{P_t^i}$$

Where:

I_t means the Index Value as of Index Business Day t ; on First Determination Date, the value used for calculation is Index Base Value;

P_t^i means the price of Selected Constituent i as of Index Business Day t ;

TU_t^i means the target units of Selected Constituent i as of Index Business Day t ;

W_t^i means the weight of Selected Constituent i as of Index Business Day t ;

1.5 Index Calculation

The Index Value on the Index Base Date shall be the Index Base Value. The Index Value with respect to each subsequent Index Business Day shall be calculated in accordance with the following formula, subject to Section ("Rounding"):

$$I_t = I_{t-1} + \sum_{i=1}^K U_{t-1}^i \times (P_t^i - P_{t-1}^i)$$

With respect to each Selected Constituent i , if Index Business Day t is a Constituent Rebalance Date for such Selected Constituent:

$$U_t^i = TU_d^i$$

Else:

$$U_t^i = U_{t-1}^i$$

Where:

d means, with respect to Index Business t , the immediately preceding Determination Day;

$t - 1$ means, with respect to Index Business t , the immediately preceding Index Business Day;

I_t means the Index Value as of Index Business Day t ;

I_{t-1} means the Index Value as of Index Business Day $t - 1$;

K means the Number of Selections;

P_t^i means the price of Selected Constituent i as of Index Business Day t ;
 P_{t-1}^i means the price of Selected Constituent i as of Index Business Day $t - 1$;
 TU_d^i means the target units of Selected Constituent i as of Determination Day d ;
 U_t^i means the units of Selected Constituent i as of Index Business Day t ;
 U_{t-1}^i means the units of Selected Constituent i as of Index Business Day $t - 1$.

1.6 Rounding

The Index Values shall be calculated without rounding and published to 7 significant figures.

Section 2: Limitations

Limitations of the index

Though the Indices are designed to be representative of the markets they measure or otherwise align with their stated objective, they may not be representative in every case or achieve their stated objective in all instances. They are designed and calculated strictly to follow the rules of this Methodology, and any Index level or other output is limited in its usefulness to such design and calculation.

Markets can be volatile, including those market interests which the Indices intend measure or upon which the Indices are dependent in order to achieve their stated objective. For example, illiquidity can have an impact on the quality or amount of data available to the Index Administrator for calculation and may cause the Indices to produce unpredictable or unanticipated results.

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

In particular, the Indices measure the performance of a momentum signal driven asset allocation strategy on the global multi-asset markets. As with all investing, the Indices are exposed to market risk. The prices of any asset of equity, fixed income or commodity or in any region 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 return will underperform the Indices 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, the Indices aim to target a certain level of volatility, but there are several factors that can impact their ability to achieve that target. For example, if the volatility of the underlying index changes dramatically from day to day, it can be difficult to maintain the desired level of volatility of the Indices. The market disruption events can also prevent the index calculation and rebalance, or index value publication.

Section 3: Benchmark oversight and governance

Benchmark governance, audit, and review structure

BISL uses three primary committees to provide overall governance and effective oversight of its benchmark administration activities:

- The Product, Risk & Operations Committee ("**PROC**") is responsible for the first line of control over the creation, design, production and dissemination of benchmark indices, strategy indices and fixings administered by the BISL.
- The oversight function is provided by Bloomberg's Benchmark Oversight Committee ("**BOC**"). The BOC is independent of the PROC and is responsible for the review and challenge of the Board and the PROC regarding relevant aspects of the provision of Benchmarks by BISL, as set out in the UK BMR.
- The Risk Committee ("**RiskCo**") advises the Board, the PROC and the BOC on the Company's overall risk appetite, tolerance and strategy and oversees the Company's risk exposure and risk strategy.

On a quarterly basis, the PROC reports to the BOC on governance matters, including but not limited to client complaints, the launch of new benchmarks, operational incidents (including errors & restatements), major announcements and material changes concerning the benchmarks, the results of any reviews of the benchmarks (internal or external) and material stakeholder engagements.

Index and data reviews

The Index Administrator will review the Indices (both the rules of construction and data inputs) on a periodic basis, not less frequently than annually, to determine whether they continue to reasonably measure the intended underlying market interest, the economic reality or otherwise align with their stated objective. More frequent reviews may result from extreme market events and/or material changes to the applicable underlying market interests.

In addition to material changes, BISL may from time to time terminate one or more Indices (“Discontinued Indices”), whether due to changes in market structure, a lack of requisite data, insufficient usage, or for other regulatory or practical concerns. The process for terminating such Discontinued Indices is as follows:

The PROC will review proposed terminations, taking into account the reasons for termination, the impact on users (if any), the availability of alternative products and other such factors. If termination is approved, users will be provided as much prior notice as is reasonable under the circumstances, typically 90 days. In the event there is little or no known usage identified, the Discontinued Indices may be terminated with less (or no) notice, as applicable. In the event the Discontinued Indices are licensed for use as the basis of an ETF or other widely-available financial product or is otherwise determined by BISL to be an important benchmark without reasonable substitutes, the notice period may be extended, as warranted. Any advance notice period is subject to BISL being reasonably able to continue administering and calculating such benchmark during such period (for example, BISL has access to requisite data on commercially reasonable terms, is not subject to any litigation or other claims, has adequate internal resources and capabilities, etc.). Terminations and associated user engagement decisions made by the PROC are subject to review by BISL’s oversight function, the BOC.

Criteria for data inputs include reliable delivery and active underlying markets. Whether an applicable market is active depends on whether there are sufficient numbers of transactions (or other indications of price, such as indicative quotes) in the applicable constituents (or similar underlying constituent elements) that a price (or other value, as applicable) may be supplied for such constituent(s). Where the constituents of the Indices are themselves other index levels or values, as in this Methodology, whether or not the underlying market is active is determined solely by reference to whether an official level or value is published in accordance with such underlying index’s methodology.

Other than as set forth in this Methodology, there are no minimum liquidity requirements for Index constituents and/or minimum requirements or standards for the quantity or quality of the input data.

The review will be conducted by product managers of the Indices in connection with the periodic rebalancing of the Indices or as otherwise appropriate.

Any resulting change to the Methodology deemed to be material (discussed below) will be subject to the review of the PROC under the oversight of the BOC, each of which committees shall be provided all relevant information and materials it requests relating to the change. Details regarding the PROC and BOC are described above. Material changes will be reflected and tracked in updated versions of this Methodology.

Material changes related to the Indices will be made available in advance to affected stakeholders whose input will be solicited. The stakeholder engagement will set forth the rationale for any proposed changes as well as the timeframe and process for responses. The Index Administrator will endeavor to provide at least two weeks for review prior to any material change going into effect. In the event of exigent market circumstances, this period may be shorter. Subject to requests for confidentiality, stakeholder feedback and the Index Administrator’s responses will be made accessible upon request. Because the Indices are strategy indices and not widely-available benchmark indices, this stakeholder engagement will be conducted on a bespoke basis rather than a more open and public consultation that might be more appropriate for benchmark indices.

In determining whether a change to an Index is material, the following factors shall be taken into account:

- The economic and financial impact of the change;
- Whether the change affects the original purpose of the Index; and/or
- Whether the change is consistent with the overall objective of the Index and the underlying market interest it seeks to measure

Expert judgement

The Indices are rules-based, and their construction is designed to consistently produce values without the exercise of expert judgment or discretion. Nevertheless, BISL may use expert judgment or discretion with regards to the following:

- Index restatements
- Extraordinary circumstances during a market emergency
- Data interruptions, issues, and closures

When expert judgment or discretion is required, BISL undertakes to be consistent in its application, with recourse to written procedures outlined in the methodology of the Indices and internal procedures manuals. In certain circumstances exercises of expert judgment or discretion are reviewed by senior members of BISL management and Bloomberg Compliance teams, and are reported to the Product, Risk & Operations Committee (PROC), BISL's governance committee, which operates under the supervision of BISL's oversight function, the Benchmark Oversight Committee (BOC). BISL also maintains and enforces a code of ethics to prevent conflicts of interest from inappropriately influencing index construction, production, and distribution, including the use of expert judgment or discretion.

Data providers and data extrapolation

The Index is rules-based, and its construction is designed to consistently produce Index levels without the exercise of discretion. Interpolation (or extrapolation) is used in the determination of Forward Rates.

In addition, BISL seeks to avoid contributions of input data that may be subject to the discretion of the source of such data and instead seeks to use input data that is readily available and/or distributed for a number of non-index or benchmark creation purposes. Accordingly, the Indices require no 'contributors' to produce and no codes of conduct with any such sources are required.

Conflicts of interest

The Index confers on BISL discretion in making certain determinations, calculations and corrections from time to time. In making those determinations, calculations and corrections, BISL has no obligation to take the needs of any product investor or any other party into consideration. BISL is committed to avoiding and, where necessary, managing actual or potential conflicts of interest in the BISL decision-making process and has established a Conflicts of Interest Policy to minimize or resolve actual or potential conflicts of interest. BISL does not create, trade or market products.

Restatement policy

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BISL considers the following factors to determine whether to restate. Not all conditions need to be present to warrant a restatement, and certain factors may be more determinative than others depending on the circumstances of the given error.

- The relative importance of the data field impacted by the error;
- 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.

Appendix I: Glossary

Business Day Calendar	Relevant exchange holiday calendar.
Constituent Volatility Lookback Window	The number of Index Business Days to determine the volatility of the Selected Constituent.
Contract Price	The official settlement price of a futures contract.
Current Contract	On the Underlying Index Business Day that is the Underlying Index Base Date or falls during a Roll Period, then the futures contract (delivery month) designated under the calendar month of such Underlying Index Business Day; otherwise, the Current Contract on the immediately preceding Underlying Index Business Day.
Determination Date	If Vol Control Frequency is "Daily": every Index Business Day. If Vol Control Frequency is "On Selection Day": every Selection Day.
Final Weight Cap	The max weight of a Selection Constituent.
Frist Selection Date	The date when the first selection shall be done for a Momentum Lookback Window.
First Determination Date	The Determination Date that is immediately preceding to Index Base Date.
Futures Business Day	A day on which the relevant exchange is scheduled to be open for a full trading session and on which settlement activities are performed for the underlying futures contract.
First Notice Date	The first day on which a notice of intent to deliver can be made, as sourced from the Bloomberg Professional Service Data Field (FDLI) "FUT_NOTICE_FIRST" for such futures contract.
Index Base Date	The first date on which an Index has a value.
Index Base Value	The initial value of an Index.
Index Business Day	A day that is a business day according to Index Business Day Calendar.
Index Commencement Date	The date an Index is first made available on the relevant Bloomberg Page.
Index Currency	The currency an Index is represented in.
Index Value	The value of the Index calculated in accordance with the methodology.
Last Trade Date	The last day on which such contract is eligible to be traded, as sourced from the Bloomberg Professional Service Data Field (FDLI) "LAST_TRADEABLE_DT" for such futures contract.
Maximum Target Exposure	The max value of target exposures.
Momentum Lookback Window	The number of Index Business Days to determine the momentum signals. Each Momentum Lookback Window corresponds to a Selection Date every four weeks starting on the related Frist Selection Date.
Number of Selections ("K")	The number of Underlying Constituents selected for a Momentum Lookback Window.
Portfolio Volatility Lookback Window	The number of Index Business Days to determine the portfolio volatility with current weights.
Preliminary Volatility Target	The volatility target used to calculate preliminary weights.
Preliminary Weight Cap	The max value of preliminary weights.
Constituent Business Day	An Index Business Day that is a business day according to Constituent Business Day Calendar.
Constituent Rebalance Date	The next Constituent Business Day of a Determination Date.
Vol Control Frequency	The frequency of the volatility control of Index is performed.
Overall Exposure Cap	The maximum value of the sum of exposures of all Selected Constituents.
Risk Budget	The value assigned to a Selected Constituent as an input for the preliminary weight calculation.
Roll Contract	The futures contract scheduled to expire immediately following the Current Contract.

Roll Date	Each Futures Business Day that is within a Roll Period.
Roll Date Start	(a) an Index with asset type of 'Equity' and a Current Contract, the day that is five (5) Futures Business Days prior to the Last Trade Date of such Current Contract; (b) an Index with asset type of 'Bond' and a Current Contract, the day that is five (5) Futures Business Days prior to the First Notice Date of such Current Contract.
Roll Period	The period of three consecutive Futures Business Days starting from and including such Roll Date Start, during which the Index rolls out of the relevant Current Contract and into the relevant Roll Contract.
Selection Date	The Index Business Days when the Index selects the Underlying Constituents via momentum signals of the corresponding Momentum Lookback Window.
Selected Constituent	The Underlying Constituent selected based on momentum signals.
Underlying Constituent	The version of an Underlying Index in Index Currency.
Underlying Index	A candidate index for selections.
Underlying Index Base Date	The first date on which an Underlying Index has a value.
Underlying Index Base Value	The initial value of an Underlying Index.
Underlying Index Business Day	A business day that the Underlying Index is calculated.
Underlying Index Currency	The currency an Underlying Index is represented in.
Underlying Index Value	The value of the Underlying Index calculated in accordance with the methodology.
Universe	The group of all the Underlying Index.
Volatility Target	The percentage target of volatilities of an Index.

Appendix II: ESG Disclosures

EXPLANATION OF HOW ESG FACTORS ARE REFLECTED IN THE KEY ELEMENTS OF THE BENCHMARK METHODOLOGY	
1. Name of the benchmark administrator.	Bloomberg Index Services Limited ("BISL")
2. Type of benchmark	Other Benchmark
3. Name of the benchmark or family of benchmarks.	Bloomberg Global Momentum Diversified Leaders Volatility Target Indices
4. Does the benchmark methodology for the benchmark or family of benchmarks take into account ESG factors?	No
<p>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.</p> <p style="text-align: center;">Please explain how those ESG factors are used for the selection, weighting or exclusion of underlying assets.</p> <p style="text-align: center;">The ESG factors shall be disclosed at an aggregated weighted average value at the level of the family of benchmarks.</p>	
a) List of environmental factors considered:	Selection, weighting or exclusion: N/A
b) List of social factors considered:	Selection, weighting or exclusion: N/A
c) List of governance factors considered:	Selection, weighting or exclusion: N/A
<p>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.</p> <p style="text-align: center;">Please explain how those ESG factors are used for the selection, weighting or exclusion of underlying assets.</p> <p style="text-align: center;">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.</p> <p style="text-align: center;">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</p>	
a) List of environmental factors considered:	Selection, weighting or exclusion: N/A
b) List of social factors considered:	Selection, weighting or exclusion: N/A
c) List of governance factors considered:	Selection, weighting or exclusion: N/A
7. Data and standards used.	

<p>a) Data input.</p> <p><i>(i) Describe whether the data are reported, modelled or, sourced internally or externally.</i></p> <p><i>(ii) Where the data are reported, modelled or sourced externally, please name the third party data provider.</i></p>	<p>N/A</p>
<p>b) Verification of data and guaranteeing the quality of those data.</p> <p><i>Describe how data are verified and how the quality of those data is ensured.</i></p>	<p>N/A</p>
<p>c) Reference standards</p> <p><i>Describe the international standards used in the benchmark methodology.</i></p>	<p>N/A</p>
<p>Date on which information has been last updated and reason for the update:</p>	<p>14 August 2023, initial launch.</p>

Appendix III: Index Specifications

The index specifications for the construction of Indices, please refer to the [Bloomberg Global Momentum Diversified Leaders Indices Specification](#).

Take the next [step](#).
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Version Control

Version	Review Date	Comments
1	24-March-2022	First Launch
2	14-July-2023	Revised Section 1.5 to incorporate exchange holidays for the Selected Constituents during unit rebalancing. If an Index Business Day is a holiday for a constituent, its units will remain unchanged for that day, while the units of other non-holiday constituents will continue to rebalance as scheduled. This change aims to enhance the replicability of the Index.
3	14-August-2023	Renamed the Index by removing the word of "Volatility Target".

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