

Bloomberg Transatlantic Top 100 Equal Weight Index Methodology

January 2024

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Introduction

The Bloomberg Transatlantic Top 100 Equal Weight Index is designed to represent the largest 50 companies by float market capitalization classified in the US and the developed markets in the Eurozone region. The Index is equal weighted.

The Bloomberg Transatlantic Top 100 Equal Weight Decrement 50 Point Index is designed to represent the performance of the Bloomberg Transatlantic Top 100 Equal Weight Index from which a predetermined fee is withdrawn on daily basis. The predetermined fee is in the form of index points deducted from the underlying total return Index.

Section 1: Overview

| | | | | |
|-------------|---|---|---|--|
| Name | Bloomberg Transatlantic Top 100 Equal Weight Net Return Index | Bloomberg Transatlantic Top 100 Equal Weight Price Return Index | Bloomberg Transatlantic Top 100 Equal Weight Total Return Index | Bloomberg Transatlantic Top 100 Equal Weight Decrement 50 Points Index |
| Ticker | TR100EWN Index | TR100EWP Index | TR100EWT Index | T100EWPT Index |
| Currency | EURO | | | |
| Publication | November 2022 | | | |
| Base Date | March 30, 2015 | | | |
| Publication | Weekdays | | | |

The below table shows the parameters applied to calculate the Bloomberg Transatlantic Top 100 Equal Weight Decrement 50 Point Index:

| Decrement Index Ticker | Decrement Index Name | Decrement Type | Decrement Point | Index Base Date | Index Base Value | Underlying Index Ticker | Underlying Index | Underlying Index Currency | Day Count Convention |
|------------------------|--|----------------|-----------------|-----------------|------------------|-------------------------|---|---------------------------|----------------------|
| T100EWPT Index | Bloomberg Transatlantic Top 100 Equal Weight Decrement 50 Points Index | Fixed Point | 50 | 30-Mar15 | 863.47 | TR100EWT Index | Bloomberg Transatlantic Top 100 Equal Weight Total Return Index (EUR) | EURO | 365 |

Section 2: Eligibility

The eligible securities for the Indices will be based upon the eligibility criteria of a Parent Index derived from the Bloomberg Global Equity Indices Methodology, which provides the investable universe for a given Index.

Parent Index

In order to be eligible for the Bloomberg Transatlantic Top 100 Equal Weight Index, a security must be a member of the Bloomberg Eurozone Developed Market Large & Mid Cap Index or the Bloomberg United States Large & Mid Cap Index.

Section 3: Selection

In order for a security to be included in the Index, it must be among the largest 50 companies sorted by their company free float market capitalization in either of the eligible regions stated above.

The top 100 companies¹ are then selected to represent the basket.

Section 4: Weighting

Each Index Members are all assigned an equal weight at Company level. The equal weight is determined as follows:

$$\text{Equal Weight \%} = \frac{100\%}{n_t}$$

Where:

n Number of Company Index Member at t

For this specific Index, the equal weight is equal to 1%.

NOTE: If a Company has multiple securities, the Company's equal weight is split among its securities proportionally to their respective free-float market capitalization.

The Index Member's weights are reset at each quarterly rebalancing. The free-float market capitalization of each Company will be adjusted by a Tilt factor calculated as blow to assign an equal weight to each Company in the Index.

$$\text{Tilt Factor}_{\text{company } i,t} = \frac{(\sum \text{Index member float market Capitalization}_{i,t} * Fx_{i,t}) * \text{Target Weight}_{\text{company } i,t}}{\sum_{j=1..n} (\text{Index Float Shares}_{\text{security } j,t} * Fx_{j,t} * \text{Closing Price}_{\text{security } j,t})}$$

Where:

$$\text{Tilt Factor}_{\text{security } j=1..n,t} = \text{Tilt Factor}_{\text{company } i,t}$$

$$\text{Security}_{j=1..n,t} = \text{All Securites with the same ID_BB_COMPANY as Company}_{i,t}$$

Section 5: Maintenance

Index calculation

This Methodology should be read in conjunction with the [Bloomberg Decrement Index Calculation Methodology](#) for details on index calculation, input data and exercise of discretion.

Index review

The Index Member are updated at each Index Rebalance on the 2nd Wednesday in March, June, September, and December (Effective Date) using free float percentage and shares outstanding as of any business day of the last week of January, April, July, and October, respectively (Selection Date).

Pro-forma changes will be announced with 10 full business day advance notification.

Selection Date

On the last week of January, April, July and October.

Effective Date

At the close of the second Wednesday of March, June, September and December.

¹ More than 100 securities may be represented in the Index

| | 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 | | | 2 nd Wed | | | 2 nd Wed | | | 2 nd Wed | | | 2 nd Wed |

Corporate actions

The following table outlines specific treatment for intra-rebalance corporate action handling. Please refer to the [Bloomberg Non-Market Cap Corporate Action Methodology](#) for more detail on how BISL treats specific corporate actions. The Methodology aims to maintain alignment to a Parent Index with the following specific exceptions.

| Event type | Handling |
|---------------------------------|---|
| Initial Public Offering ("IPO") | IPO securities are not eligible for inclusion. |
| Spin-off | A child security created from an Index constituent will be added to the Index on the ex-date and removed at T+5. |
| M&A | <p>Proceeds from cash deals will be reinvested across the Index.</p> <p>If an Index constituent makes an acquisition involving shares for another Index constituent there will be an increase in shares proportional to the deal terms.</p> <p>If an Index constituent is acquired by a non-Index constituent in an acquisition involving shares, the target will be removed, but the acquirer shares will not be added to the Index.</p> |

Section 6: Risks and limitations

Risks

The following is a summary of certain risks associated with the Index but is not meant to be an exhaustive list of all risks associated with the Index. Although the Index is designed to be representative of the markets it is measuring, it may not be representative of every use case. There is also inherent, though transparent, judgment in its construction, as outlined in this Methodology. The Index is designed for general applicability and not to address the individual circumstances and needs of users. BISL does not advise about the usefulness of the Index to a particular circumstance; users are therefore encouraged to seek their own counsel for such matters. This Methodology is subject to change, which may impact its usefulness to users. Although efforts will be made to alert users of any change, every individual user may not be aware of them. Such changes may also significantly impact the usefulness of the Index. BISL may also decide to cease publication of this Index. BISL maintains internal policies regarding user transitions, but no guarantee is given that an adequate alternative is available generally or for a particular use case. Markets for stocks, as with all markets, can be volatile. As the Index is designed to measure this market, it could be materially impacted by market movements, thus significantly affecting the use or usefulness of the Index for some or all users. Also, certain equity markets are less liquid than others – even the most liquid markets may suffer periods of illiquidity. Illiquidity can have an impact on the quality or amount of data available to BISL for calculation and may cause the Index to produce unpredictable results.

The decrement feature reduces the Index value. Such decrement represents a predetermined reduction relative to the return of the Underlying Index.

Limitations of the index

Though the Index is designed to be representative of the markets it measures or otherwise aligns with its stated objective, it may not be representative in every case or achieve its stated objective in all instances. It is 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 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 Index measures global equity markets. As with all equity investing, the Index is 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 Index does 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 Index is designed to measure those markets, it 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 Index such as specific styles, size, and sector. Some of these sub-indices have very few qualifying constituents and may have none for a period of time. During such period, the sub-index will continue to be published at its last value, effectively reporting a 0% return, until new constituents qualify. If no constituents 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.

Section 7: Benchmark oversight and governance

Benchmark governance, audit and review structure

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

Index and data reviews

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

Internal and external reviews

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

Expert judgement

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](#).

Restatement policy

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

Appendix I: ESG Disclosure

| 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> | Bloomberg Transatlantic Top 100 Equal Weight Index |
| Item 3. Name of the benchmark or family of benchmarks. | Bloomberg Decrement Indices |
| Item 4. Does the benchmark methodology for the benchmark or family of benchmarks take into account ESG factors? | No |
| <p>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.</p> <p>Please explain how those ESG factors are used for the selection, weighting or exclusion of underlying assets.</p> <p>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: | Not applicable |
| (b) List of social factors considered: | Not applicable |
| (c) List of governance factors considered: | Not applicable |
| <p>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.</p> <p>Please explain how those ESG factors are used for the selection, weighting or exclusion of underlying assets.</p> <p>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>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: | 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. | Not applicable |
| (i) Describe whether the data are reported, modelled or sourced internally or externally. | |

| | |
|--|----------------|
| (ii) <i>Where the data are reported, modelled or sourced externally, please name the third party data provider.</i> | |
| (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: | Jan 2024 |

Methodology Book Changes

| Date | Update |
|---------------|---------------------|
| November 2022 | Index creation |
| January 2024 | IPO handling change |

Accessing the Data

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- IN <GO> - The Bloomberg Index Browser displays the latest performance results and statistics for the indices as well as history. IN presents the indices that make up Bloomberg's global, multi-asset class Index families into a hierarchical view, facilitating navigation and comparisons. The "My Indices" tab allows a user to focus on a set of favorite indices.
- PORT <GO> - Bloomberg's Portfolio & Risk Analytics solution includes tools to analyze the risk, return, and current structure of indices. PORT includes tools to analyze performance of a portfolio versus a benchmark as well as models for performance attribution, tracking error analysis, value-at-risk, scenario analysis, and optimization.
- DES <GO> - The Index description page provides transparency into the current and projected Index universe including membership information, aggregated characteristics and returns, and historical data.

Bloomberg Indices Website

[bloomberg.com/bloombergindices](https://www.bloomberg.com/bloombergindices)

The index website makes available limited Index information including:

- Index methodology and factsheets
- Current performance numbers for select indices

Index Licensing

Bloomberg requires an index data license for services and products linked to the indices. Examples include:

- Exchange-traded index products
 - OTC products
 - Index or constituent-level redistribution
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-

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New York

+1-212-318-2000

London

+44-20-7330-7500

Singapore

+65-6212-1000

Hong Kong

+852-2977-6000

Tokyo

+81-3-3201-8900

Sydney

+61-2-9777-8600

indexhelp@bloomberg.net

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