

Bloomberg US Selection Fixed Index Methodology

February 2024

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Introduction

The Bloomberg US Selection Fixe Index represents an equal weighted fixed basket of 10 large cap companies classified in the United States as of February 2024 that were selected by Valoria Capital.

The Bloomberg US Selection Fixe Index Decrement 50 Points Index is designed to represent the performance of the Bloomberg US Selection Fixe Index from which a predetermined fee is withdrawn on daily basis.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 US Selection Fixe Indices			Bloomberg US Selection Fixe Decrement Indices
Ticker	US1OSP Index	US1OST Index	US1OSN Index	US1OSPT Index
Return Type	Price Return	Total Return	Net Return	Decrement 50 Points
Currency	EUR			
Inception Date	February 2024			
Base Date	March 30, 2015			
Publication	Weekdays			

The below table shows the parameters applied to calculate the Bloomberg US Selection Fixe Decrement 50 Points 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
US1OSPT Index	Bloomberg US Selection Fixe Decrement 50 Points Index	Fixed Point	50	March 30, 2015	584.05	US1OST Index	Bloomberg US Selection Fixe Total Return Index	EURO	365

Section 2: Eligibility

Equity Universe

In order to be eligible for the Bloomberg US Selection Fixe Indices, a security must be a member of the Bloomberg United States Large Cap Index as of February 2024.

Please refer to the [Bloomberg Global Equity Index methodology](#) through the link for additional details.

Section 3: Selection

Based on the eligible universe above, Valoria Capital selected the following 10 Index members:

Company Name	Ticker
APPLE INC	AAPL UW Equity
CISCO SYSTEMS INC	CSCO UW Equity
HOME DEPOT INC	HD UN Equity
JOHNSON & JOHNSON	JNJ UN Equity
LYONDELLBASELL INDUSTRIES NV	LYB UN Equity
MICROSOFT CORP	MSFT UW Equity
MORGAN STANLEY	MS UN Equity
PEPSICO INC	PEP UW Equity
PFIZER INC	PFE UN Equity
VERIZON COMMUNICATIONS INC	VZ UN Equity

Section 4: 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.

Section 5: Weighting

The Index is equal weighted.

Index Members are all assigned an equal weight at Company level. The weights are reset quarterly and are determined as follows:

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

Where:

n Number of Company Index Member at t

Section 6: Maintenance

As this Index is based on a fixed selection, its members will not change as part of the regularly scheduled Index Reconstitutions. However, the index members' weights will be rebalanced periodically and maintained on a daily basis for corporate actions.

Index members and weights can be found using **<ticker> Index MEMB <GO>**

Index Review

The indices are rebalanced quarterly in line with the Bloomberg Global Equity Index Review schedule in the months of March, June, September and December.

Each Index Rebalancing follows a weekday calendar. Should an Index Rebalancing fall on a NYSE exchange holiday, it will be postponed to the next business day.

Quarterly Index Rebalancing

Index Shares, and Tilt factor are updated on a quarterly basis on the 2nd Wednesday of March, June, September and December (Effective Date), using data as of one day of the last week of January, April, July and October (Selection Date).

Changes are announced with 10 full business day advance notification (Announcement Date).

Weights are tilted using closing market prices as of one week prior to the Announcement Date.

	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

Refer to the [Bloomberg Global Equity Non-Market Cap Weighted Indices - Corporate Action Methodology](#) for the general treatment of corporate actions, unless stated otherwise in the sections below.

Past and upcoming corporate actions at security level can be found using **<ticker> CACS <GO>** and **<ticker> DVD <GO>** functions on the Bloomberg Terminal.

Spin-off

Child being spun-off from an Index member is added on the ex-date and is removed from the Index on the pay-date +1.

IPO

Newly listed Securities are not eligible for fast-track addition to the Index.

Replacement Policy

An Index member being acquired by a non-Index member is not replace at the time of the event or at a future Index Reconstitution.

Appendix I: 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 and Discretion

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](#).

Cessation Policy

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

Appendix 1:

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>	Equity
Item 3. Name of the benchmark or family of benchmarks.	Bloomberg US Selection Fixe Index
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:	As above
(b) List of social factors considered:	As above
(c) List of governance factors considered:	As above
Item 7. Data and standards used	
(a) Data input. <i>(i) Describe whether the data are reported, modelled or sourced internally or externally.</i> <i>(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>	N/A
Date on which information has been last updated and reason for the update:	February 2024, initial publication

Methodology Book Changes

Date	Update
February 2024	Index creation

Take the next step.

For additional information, press the <HELP> key twice on the Bloomberg Terminal™.

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