

# **Bloomberg Next Generation Agile 10% Index**

May 8, 2024

**Bloomberg**

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## Introduction

This document is intended to be read in conjunction with the [Bloomberg Agile Indices Methodology](#) these documents collectively constitute the index methodology for the Indices.

The Bloomberg Next Generation Agile 10% Index (the "Index") is the top level index and is determined based on the following steps:

- Determination of equity sub-index (Bloomberg Next Generation Agile Positive 10% Index) and fixed income sub-index (Bloomberg Dynamic Treasury Agile Directional 10% Index);
- Determination of fixed weight composite index (Bloomberg Next Generation Agile Index) made up of equity and fixed sub-indices;
- The Index is determined by applying a volatility targeting mechanism on the composite index.

These indices are calculated and published to the terminal per Table 1 below:

**Table 1: Index Information**

Index Ticker	Index Name	Index Commencement Date
BNEXTA10	Bloomberg Next Generation Agile 10% Index	8 <sup>th</sup> May 2024
BNEXTAG	Bloomberg Next Generation Agile Index	8 <sup>th</sup> May 2024
BNEXMD10	Bloomberg Next Generation Agile Positive 10% Index	8 <sup>th</sup> May 2024
BUSTMD10	Bloomberg Dynamic Treasury Agile Directional 10% Index	18 <sup>th</sup> April 2024

## Bloomberg Next Generation Agile Positive 10% Index

The Bloomberg Next Generation Agile Positive 10% Index aims to reflect the performance of a portfolio allocating weights to [Bloomberg Next Generation Index](#). The calculation of the index follows the methodology specified in Section 1: Calculation of the Directional Volatility Target Index of the Bloomberg Agile Indices Methodology of the Bloomberg Agile Indices Methodology. There are no minimum liquidity requirements.

### Index Specification

<b>Constituents</b>	The set of indices listed in Table 2: Constituents for Bloomberg Next Generation Agile Positive 10% Index whose currency listed under column 'Constituent Currency' is the same as the Index Currency.
<b>Exposure Direction Type</b>	Long-only
<b>Funding Cost Rate</b>	In respect of Index Business Day falling prior to Rate Switch Date (21st Dec 2021), Funding Cost Rate will be equal to USD 3 Month LIBOR in respect of such Index Business Day. Otherwise, Funding Cost Rate will be equal to US SOFR Secured Overnight Financing Rate + 0.25.
<b>High Close</b>	The value retrieved for a Constituent from the terminal field PX_HIGH after the related Market Close Time for such Constituent. For the avoidance of doubt, this value is indicative and thus not able to subsequently be restated.
<b>High Snap</b>	The maximum value of all the 1-minute tick values retrieved from the field of HIGH for a Constituent for a specific period, which is from and including the Snap Start Time to and excluding the Snap End Time. For the avoidance of doubt, the raw tick values used in the calculation of such maximum value are indicative and thus not able to subsequently be restated.
<b>Index Base Date</b>	14 April 2008
<b>Index Base Value</b>	1000.0000
<b>Index Business Days</b>	Any day that the New York Stock Exchange is open for trading.
<b>Index Currency</b>	USD
<b>Low Close</b>	The value retrieved for a Constituent from the terminal field PX_LOW after the related Market Close Time for such Constituent. For the avoidance of doubt, this value is indicative and thus not able to subsequently be restated.
<b>Low Snap</b>	The maximum value of all the 1-minute tick values retrieved from the field of LOW for a Constituent for a specific period, which is from and including the Snap Start Time to and excluding the Snap End Time. For the avoidance of doubt, the raw tick values used in the calculation of such maximum value are indicative and thus not able to subsequently be restated.
<b>Market Close Time</b>	16:00:00 (T) EST
<b>Momentum Time Difference</b>	20
<b>Rebalance Business Days</b>	Index Business Days
<b>RV Lookback Window</b>	5
<b>RV Average Window</b>	20
<b>RV Sigma Window</b>	252
<b>SignalType1</b>	Momentum
<b>SignalType2</b>	Volatility
<b>Snap Start Time</b>	09:30:00 EST
<b>Snap End Time</b>	15:30:00 EST

<b>Snap Switch Date</b>	13 March 2024
<b>Synthetic High Low Level Change Date</b>	13 March 2024
<b>Transaction Cost</b>	The relevant parameter as specified under column 'Transaction Cost' in Table 2: Constituents for Bloomberg Next Generation Agile Positive 10% Index.
<b>Rapid Risk Volatility Ceiling</b>	The relevant parameter as specified under column 'Rapid Risk Volatility Ceiling' in Table 2: Constituents for Bloomberg Next Generation Agile Positive 10% Index.
<b>Volatility Target</b>	The relevant parameter as specified under column 'Volatility Target' in Table 2: Constituents for Bloomberg Next Generation Agile Positive 10% Index.

**Table 2: Constituents for Bloomberg Next Generation Agile Positive 10% Index**

Constituent Tag	Constituent Currency	Constituent	Constituent Ticker	Rapid Risk Volatility Ceiling	Volatility Target	Transaction Cost
Equity Index Component	USD	Bloomberg Next Generation Total Return Index	BNEXTT	1.5	10%	0.04%

**Note 1: Equity Index Restatement**

Please note that should the equity index be restated, the real-time ticks will not be updated accordingly. Hence, the subsequent values of the Constituent Volatility and the Weight of the Constituent will not be amended once they are being calculated.

**Note 2: Backtest assumptions**

The High Close and Low Close values for the Constituents prior to the Synthetic High Low Level Change Date are derived using the formulae outlined in Appendix III: Synthetic High/Low Levels of the Bloomberg Agile Indices Methodology where the Base Index is QQQ US Equity and the Target Index is the Constituent Ticker defined in Table 2: Constituents for Bloomberg Next Generation Agile Positive 10% Index.

## Bloomberg Dynamic Treasury Agile Directional 10% Index

The Bloomberg Dynamic Treasury Agile Directional 10% Index aims to reflect the performance of a portfolio allocating weights to fixed income components. The calculation of the index follows the methodology specified in Section 1: Calculation of the Directional Volatility Target Index of the Bloomberg Agile Indices Methodology. There are no minimum liquidity requirements.

### Index Specification

<b>Constituents</b>	The set of indices listed Table 3: Constituents for Bloomberg Dynamic Treasury Agile Directional 10% Index whose currency listed under column 'Constituent Currency' is the same as the Index Currency.
<b>Exchange</b>	Chicago Board of Trade (CBOT)
<b>Curve Lookback Window</b>	100
<b>Curve Sigma Window</b>	20
<b>Exposure Direction Type</b>	Directional
<b>Exposure Weight Ceiling</b>	The relevant parameter as specified under column 'Exposure Weight Ceiling' in Table 3: Constituents for Bloomberg Dynamic Treasury Agile Directional 10% Index.
<b>Exposure Weight Floor</b>	The relevant parameter as specified under column 'Exposure Weight Floor' in Table 3: Constituents for Bloomberg Dynamic Treasury Agile Directional 10% Index.
<b>High/Low Close</b>	The relevant parameter as specified in Table 5: Tracker High and Low Values Sources for Each Constituents of Bloomberg Dynamic Treasury Agile Directional 10% Index.
<b>High/Low Snap</b>	The relevant parameter as specified in Table 5: Tracker High and Low Values Sources for Each Constituents of Bloomberg Dynamic Treasury Agile Directional 10% Index.
<b>Index Base Date</b>	1 April 2002
<b>Index Base Value</b>	1000.0000
<b>Index Business Days</b>	A day on which the relevant Exchange is scheduled to be open for trading and on which settlement activities are performed for futures contracts on the Constituents.
<b>Index Currency</b>	The relevant currency as specified under column 'Index Currency' in Table 1.
<b>Market Close Time</b>	15:00:00 (T) EST
<b>Momentum Time Difference</b>	5
<b>Rapid Risk Volatility Ceiling</b>	The relevant parameter as specified under column 'Rapid Risk Volatility Ceiling' in Table 3: Constituents for Bloomberg Dynamic Treasury Agile Directional 10% Index.
<b>Rebalance Business Days</b>	Index Business Days
<b>SignalType1</b>	Yield Momentum
<b>SignalType2</b>	Curve Momentum
<b>Snap Start Time</b>	15:00:00 (T-1) EST
<b>Snap End Time</b>	14:30:00 (T) EST
<b>Snap Switch Date</b>	12 July 2023
<b>Transaction Cost</b>	The relevant parameter as specified under column 'Transaction Cost' in Table 3: Constituents for Bloomberg Dynamic Treasury Agile Directional 10% Index.
<b>Volatility Target</b>	The relevant parameter as specified under column 'Volatility Target' in Table 3: Constituents for Bloomberg Dynamic Treasury Agile Directional 10% Index.
<b>Yield Component</b>	The relevant component as specified under column 'Yield Components' in Table 4: Yield Components for Bloomberg Dynamic Treasury Agile Directional 10% Index.
<b>Yield Lookback Window</b>	100

## Yield Sigma Window

20

Table 3: Constituents for Bloomberg Dynamic Treasury Agile Directional 10% Index

Constituent Tag	Constituent Currency	Constituent	Constituent Ticker	Rapid Risk Volatility Ceiling	Volatility Target	Transaction Cost	Exposure Weight Ceiling	Exposure Weight Floor
Long	USD	Bloomberg 10Y UST Note Future Tracker 1DR ER Index	BTSITYIE	1.5	10%	0.015%		0
Short	USD	Bloomberg 2Y UST Note Future Tracker 1DR ER Index	BTSITUIE	3.0	10%	0.015%	0	

Table 4: Yield Components for Bloomberg Dynamic Treasury Agile Directional 10% Index

Constituent Tag	Constituent Currency	Yield Component	Yield Component Ticker
Long	USD	US Treasury Yield Curve Rate T Note Constant Maturity 10 Year	H15T10Y
Short	USD	US Treasury Yield Curve Rate T Note Constant Maturity 2 Year	H15T2Y

Table 5: Tracker High and Low Values Sources for Each Constituents of Bloomberg Dynamic Treasury Agile Directional 10% Index

Values Tag	Index Ticker	Index Name	Value Start Date	Related Constituent
High Close	BSCHTUIE	Bloomberg 2Y UST Note Future Tracker 1DR ER Index - Close High	1 <sup>st</sup> January 2014	Bloomberg 2Y UST Note Future Tracker 1DR ER Index
Low Close	BSCLTUIE	Bloomberg 2Y UST Note Future Tracker 1DR ER Index - Close Low	1 <sup>st</sup> January 2014	Bloomberg 2Y UST Note Future Tracker 1DR ER Index
High Snap*	BS2HTUIE	Bloomberg 2Y UST Note Future Tracker 1DR ER Index - 1430 EST Snap High	12 <sup>th</sup> July 2023	Bloomberg 2Y UST Note Future Tracker 1DR ER Index
Low Snap*	BS2LTUIE	Bloomberg 2Y UST Note Future Tracker 1DR ER Index - 1430 EST Snap Low	12 <sup>th</sup> July 2023	Bloomberg 2Y UST Note Future Tracker 1DR ER Index
High Close	BSCHTYIE	Bloomberg 10Y UST Note Future Tracker 1DR ER Index - Close High	1 <sup>st</sup> January 2014	Bloomberg 10Y UST Note Future Tracker 1DR ER Index

Low Close	BSCLTY1E	Bloomberg 10Y UST Note Future Tracker 1DR ER Index - Close Low	1 <sup>st</sup> January 2014	Bloomberg 10Y UST Note Future Tracker 1DR ER Index
High Snap*	BS2HTY1E	Bloomberg 10Y UST Note Future Tracker 1DR ER Index - 1430 EST Snap High	12 <sup>th</sup> July 2023	Bloomberg 10Y UST Note Future Tracker 1DR ER Index
Low Snap*	BS2LTY1E	Bloomberg 10Y UST Note Future Tracker 1DR ER Index - 1430 EST Snap Low	12 <sup>th</sup> July 2023	Bloomberg 10Y UST Note Future Tracker 1DR ER Index

\* Before Value Start Date, the High Close and Low Close values were applied as the proxies for the High Snap and Low Snap respectively in the backtest.



## Bloomberg Next Generation Agile Index

The Bloomberg Next Generation Agile Index aim to reflect the performance of a 70/30 blend index of Bloomberg Next Generation Agile Positive 10% Index and Bloomberg Dynamic Treasury Agile Directional 10% Index. The calculation of the index follows the methodology specified in Section 2: Calculation of the Agile Index of the Bloomberg Agile Indices Methodology. There are no minimum liquidity requirements.

### Index Specification

<b>Basket Rebalance Days</b>	The last Index Business Day of each month.
<b>Constituents</b>	The set of indices listed in Table 6: Constituents for Bloomberg Next Generation Agile Index whose currency listed under column 'Constituent Currency' is the same as the Index Currency.
<b>Index Base Date</b>	14 April 2008
<b>Index Base Value</b>	1000.0000
<b>Index Business Days</b>	Any day that the New York Stock Exchange and CBOT Financial Contracts Exchange are open for trading.
<b>Index Currency</b>	USD
<b>Transaction Cost Rate</b>	The relevant rate for each Constituent as specified under column 'Transaction Cost Rate' in Table 6: Constituents for Bloomberg Next Generation Agile Index.

**Table 6: Constituents for Bloomberg Next Generation Agile Index**

Constituent Tag	Constituent Currency	Constituent	Constituent Ticker	Basket Weight	Transaction Cost Rate
Equity	USD	Bloomberg Next Generation Agile Positive 10% Index	BNEXMD10	70%	0.04%
Rates	USD	Bloomberg Dynamic Treasury Agile Directional 10% Index	BUSTMD10	30%	0.015%

## Bloomberg Next Generation Agile 10% Index

The Bloomberg Next Generation Agile 10% Index aims to reflect the performance of a 10% volatility target index of Bloomberg Next Generation Agile Index. The calculation of the index follows the methodology specified in Section 3: Calculation of the Agile Volatility Target Index of the Bloomberg Agile Indices Methodology. There are no minimum liquidity requirements.

### Index Specification

<b>Agile Volatility Target</b>	10%
<b>Agile Weight Ceiling</b>	1.5
<b>Constituents</b>	Bloomberg Next Generation Agile Index
<b>Index Base Date</b>	14 April 2008
<b>Index Base Value</b>	1000.0000
<b>Index Business Days</b>	Any day that the New York Stock Exchange and CBOT Financial Contracts is open for trading.
<b>Index Currency</b>	USD
<b>Short Term Volatility Constant</b>	0.94
<b>Long Term Volatility Constant</b>	0.97
<b>Management Fee Rate</b>	0.5%

**Document Version History**

<b>Date</b>	<b>Update</b>
8 <sup>th</sup> May 2024	First Publication

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