

Bloomberg Eurozone Titans Select Index Methodology

May 2024

Bloomberg

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Introduction

The Bloomberg Eurozone Titans Select Index is designed to represent the largest companies by float market capitalization classified in the Eurozone region that do not belong to so-called defensive sectors such as healthcare, utilities or consumer staples.

The Bloomberg Eurozone Titans Select Decrement 50 Points Index, the Bloomberg Eurozone Titans Select Decrement 50 Points Jun 2024 Index and the Bloomberg Eurozone Titans Select Decrement 5% Index are designed to represent the performance of the Bloomberg Eurozone Titans Select Index from which a predetermined fee is withdrawn on daily basis. The predetermined fee is in the form of index points or index percentage deducted from the underlying Total Return Index and Net Return Index respectively.

Section 1: Overview

Name	Bloomberg Eurozone Titans Select Indices			Bloomberg Eurozone Titans Select Decrement Indices		
Ticker	TITEUXDP Index	TITEUXDT Index	TITEUXDN Index	TITANESE Index	TITANEST Index	TITANST Index
Return Type	Price Return	Total Return	Net Return	Decrement 5%	Decrement 50 Points	Decrement 50 Points
Currency	EURO					
Inception Date	January 2024			May 2024	June 2024	
Base Date	March 30, 2015					
Publication	Weekdays					

The below table shows the parameters applied to calculate the Bloomberg Eurozone Titans Select Decrement Indices:

Decrement Index Ticker	Decrement Index Name	Decrement Type	Points / Percentage	Index Base Date	Index Base Value	Underlying Index Ticker	Underlying Index	Underlying Index Currency	Day Count Convention
TITANEST Index	Bloomberg Eurozone Titans Select Decrement 50 Points Index	Fixed Point	50	March 30, 2015	824.37	TITEUXDT Index	Bloomberg Eurozone Titans Select Total Return Index	EURO	365
TITANST Index	Bloomberg Eurozone Titans Select Decrement 50 Points Jun 2024 Index	Fixed Point	50	March 30, 2015	869.35	TITEUXDT Index	Bloomberg Eurozone Titans Select Total Return Index	EURO	365
TITANESE Index	Bloomberg Eurozone Titans Select Decrement 5% Index	Percentage	5%	March 30, 2015	1000	TITEUXDN Index	Bloomberg Eurozone Titans Select Net Return Index	EURO	365

Section 2: Index Eligibility Process

Parent Universe

The Bloomberg Eurozone 50 Index consists of the largest 50 companies ranked by company free float market capitalization classified in the Eurozone Developed Markets region.

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

Section 3: Index Construction Process

Index Selection Process

Sector Exclusion

Index members of the Bloomberg Eurozone 50 Index are excluded from the Index if they are classified in the following sectors as per the Bloomberg Industry Classification System (BICS):

- Healthcare - BICS Level 1
- Utilities - BICS Level 1
- Consumer Staples - BICS Level 1
- Telecommunications - BICS Level 2
- Cable & Satellite - BICS Level 3

Index Weighting

Index members within each index is weighted by their free float market capitalization as follows:

The initial weights, W_i , are set, as shown below, according to the issuer free float market capitalization.

$$W_i = \frac{FMC_i}{\sum_1^M FMC_i}$$

Where:

W_i	Weight of security i
M	Number of Index Members
FMC_i	Issuer Free Float Market Capitalization of security i

Weight Capping

Companies' weights are capped such that no index member can weight more than 10%.

Any excess weight from capping is distributed proportionally to all the remaining uncapped securities until all the above conditions are satisfied.

Index Rebalance and Reconstitution

The Index is reconstituted and rebalanced quarterly in March, June, September and December.

Selection Date (eligibility)

The Index Eligibility Process is applied using data as of the last Wednesday in January, April, July, and October.

Selection Date (weighting)

The Index weighting Process is applied using market prices as of the Wednesday prior to the Announcement Date.

Index Announcement Date

An Index reconstitution and rebalance announcement date shall be the last Wednesday in February, May, August, and November.

Index Effective Date

The Index reconstitutions and rebalances go effective after the close of trading on the 2nd Wednesday in March, June, September and December.

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Selection Date (Eligibility)	Last Wednesday	X			X			X			X		
Selection Date (Weighting)	Wednesday prior Announcement Date		X			X			X			X	

Announcement Date	Last Wednesday		X			X			X			X	
Effective Date	2 nd Wednesday			X			X			X			X

Section 4: Index Maintenance

Index Calculation

Refer to the [Bloomberg Global Equity Indices Methodology](#) and to [Bloomberg Decrement Index Methodology](#) for details on the index and decrement return calculations.

Deletion Policy

Index securities are not deleted outside Index Rebalance and Reconstitution window except in the case of a delisting.

Addition Policy

Index securities are not added outside of the Index reconstitution.

Replacement Policy

Index securities are not replaced outside of the Index reconstitution.

Corporate Actions

Refer to [Bloomberg Global Equity Indices Non-Market Cap Corporate Action Methodology](#) for the treatment of corporate actions.

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 II: 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>	Equity
Item 3. Name of the benchmark or family of benchmarks.	Bloomberg Eurozone Titans Select 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:	Jan 2024

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