

# Bloomberg GSAM Commodity Trend Index

The Bloomberg GSAM Commodity Trend Index provides an equal risk weighted exposure to a portfolio containing Metals, Energy and Ags/Softs Sector Trend strategies (Commodity Sector Trend Strategies). Each Commodity Sector Trend Strategy provides exposure to the trend factor in the relevant commodities sector. Individual commodity futures are represented by commodity futures trackers. These constituent trackers are volatility-targeted with the aim being to have all commodity futures provide equal risk contributions to the relevant Commodity Sector Trend Strategy. For each commodity futures tracker, a trend signal establishes the direction and strength of trend in returns.

## INDEX PERFORMANCE



## KEY FEATURES

- Equal risk weighted exposure to 3 sector based trend strategies in metals, energy and ags/softs
- Portfolio is rebalanced quarterly
- Exposure to the trend factor in the commodity market using futures
- Sector trend strategies are rebalanced weekly
- Signal incorporates both direction and strength
- Index returns do not include trading costs
- Rules-based index methodology

## SELECTION & REBALANCE

On a quarterly basis, the volatilities of the Commodity Sector Trend Strategies are calculated using trailing realized returns. The volatilities are used to rebalance the Bloomberg GSAM Commodity Trend index portfolio such that each strategy has the same risk weighting.

Since commodities have differing levels of returns volatility, all constituent commodity futures trackers are levered up or down to target 10% annualized volatility. The aim is to have each commodity future contribute equal risk (as proxied by volatility) to the relevant Commodity Sector Trend Strategy.

For each of the Commodity Sector Trend Strategies, on a weekly basis, the leverage factor for each commodity futures tracker is determined from its trailing realized volatility, subject to a floor. A trend signal determines the direction and strength of trend of the commodity future tracker's returns. The leverage factor and trend signal jointly determine the relevant Commodity Trend Strategy's exposure to each commodity futures tracker.

## SIGNAL DESCRIPTION

The trend signal for each commodity futures tracker is the average value of twelve binary directional signals (-1 or 1) that correspond to the sign of a commodity futures tracker's excess return over twelve look-back windows from each of the previous twelve months to date. Thus, the trend signal can range from -1 to +1.

## GOVERNANCE

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- The Product, Risk & Operations Committee ("PROC") provides direct governance and is responsible for the first line of controls over the creation, design, production and dissemination of benchmark indices, strategy indices and fixings administered by BISL, including the Indices.
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## QUICK FACTS

<b>Index</b>	Bloomberg GSAM Commodity Trend Index
<b>Currency</b>	USD
<b>Universe</b>	<b>Metals Commodity Sector Trend strategy</b> Commodity future trackers for nearby futures contracts on: Gold Aluminum Nickel Zinc Silver Lead Copper  <b>Energy Commodity Sector Trend strategy</b> Commodity future trackers for nearby futures contracts on: WTI Crude Oil Heating Oil Natural Gas RBOB Gasoline  <b>Ags/Softs Commodity Sector Trend strategy</b>



## ACCESSING INDEX DATA

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Bloomberg Terminal ®	<p>Bloomberg benchmarks are the global standard for capital markets investors.</p> <ul style="list-style-type: none"><li>• IN &lt;GO&gt; – 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.</li><li>• INP &lt;GO&gt; – The Bloomberg Index Insights and Publications provides access to publications related to Bloomberg's multi-asset class index families, including the Bloomberg Barclays Indices. Available publications include index announcements, fact sheets, guides, and methodology documents.</li></ul>
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Index Licensing	<p>Bloomberg requires an index data license for services and products linked to the indices. Examples include:</p> <ul style="list-style-type: none"><li>• Index or Constituent-Level Redistribution</li><li>• Custom Index Solutions</li><li>• Exchange Traded Notes (ETNs)</li><li>• Exchange Traded Funds</li><li>• OTC Derivative Products</li><li>• Mutual Funds</li><li>• Index-Linked Insurance Products</li><li>• Benchmarking</li></ul>
Index Ticker	BGSCMT      Bloomberg GSAM Commodity Trend Index

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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](mailto:indexhelp@bloomberg.net)

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