

# **Bloomberg Gold Spot Premium Decrement 3% Distribution Index Methodology**

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**Bloomberg**

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## Introduction

This methodology (the “Methodology”) has been made available by Bloomberg Index Services Limited (“BISL”) and sets out the rules, criteria, risk factors and other information applicable to the Bloomberg Gold Spot Premium Decrement 3% Distribution Index (the “Indices” and each, an “Index”).

The Index is designed to represent the Bloomberg Gold Spot Premium Index whilst targeting a particular distribution rate, hence the decrement feature in the Index to deduct 3% annually from the underlying index return. The deduction is applied on a daily basis.

## Section 1: Overview

Index series	Bloomberg Gold Spot Premium Decrement 3% Distribution Index
Base Date	2016-12-29
Inception Date	2024-06-28
Publication	NY-T
Decrement Indices	See Appendix II: Index tickers and names

This Methodology should be read in conjunction with [Bloomberg Decrement Index Methodology](#) for details on the decrement return calculations.

This Methodology should be read in conjunction with [Bloomberg Gold Spot Premium Index Methodology](#) for details on the underlying indices.

## Appendix I: Governance and Disclosure

### 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

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: Index Tickers and Names**

<b>Ticker</b>	<b>Name</b>	<b>Currency</b>	<b>Base Value</b>	<b>Index Type</b>	<b>Decrement</b>	<b>Underlying Ticker</b>	<b>Day Count Convention</b>
<b>GSP03</b>	Bloomberg Gold Spot Premium Decrement 3% Distribution Index	USD	1000.00	Percentage Decrement	3%	BTSICOGL	Act/365

## Appendix III: ESG Disclosure

EXPLANATION OF HOW ESG FACTORS ARE REFLECTED IN THE KEY ELEMENTS OF THE BENCHMARK METHODOLOGY	
<b>Item 1.</b> Name of the benchmark administrator.	Bloomberg Index Services Limited ("BISL")
<b>Item 2.</b> 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>	Other Benchmark
<b>Item 3.</b> Name of the benchmark or family of benchmarks.	Bloomberg Gold Spot Premium Decrement 3% Distribution Index
<b>Item 4.</b> Does the benchmark methodology for the benchmark or family of benchmarks take into account ESG factors?	No
<p><b>Item 5.</b> 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><b>Item 6.</b> 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:	
<b>Item 7.</b> 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
<b>Date on which information has been last updated and reason for the update:</b>	June 2024, launch of the index



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