

Bloomberg Indonesia Energy & Metal Sector Index Methodology

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Introduction

The Bloomberg Indonesia Energy & Metal Sector Index is constructed to track the performance of select energy and metal sector companies from Bloomberg Indonesia Large Mid & Small Cap Total Return Index. Selected companies are free float market capitalization weighted subject to a 45% weight cap.

Section 1: Overview

Name	Bloomberg Indonesia Energy & Metal Sector Index
Base date	2015-03-30
Inception Date	2022-09-30
Reconstitution	Semi-annual
Share Rebalance	Quarterly
Publication	Weekdays
Currency	USD
Tickers	BIEMSP (Price Return) BIEMST (Total Return) BIEMSN (Net Return)

Section 2: Index Eligibility Process

Universe

To be selected for the Bloomberg Indonesia Energy & Metal Sector Index, a company must be a member of the Bloomberg Indonesia Large Mid & Small Cap Total Return Index. Please refer to the Bloomberg Global Equity Index methodology through the link below for additional details.

[Bloomberg Global Equity Indices Methodology](#)

Sector Eligibility

A company must be classified according to the following Bloomberg Industry Classification (BICS) codes.

BICS Code	BICS Level	BICS Level Name
131010	3	Oil & Gas Supply Chain
131110	3	Renewable Energy
181015	3	Metals & Mining

A company should not belong to the following Bloomberg Industry Classification (BICS) codes.

BICS Code	BICS Level	BICS Level Name
18101514	4	Coal Mining

Liquidity Eligibility

A security must have a minimum 90-Day Average Daily Value Traded of \$1 million following standard calculation methodology.

Section 3: Index Construction Process

Index Selection Process

All securities qualifying the eligibility are selected for the index.

Index Weighting

Companies within the index are float market capitalization weighted subject to a 45% weight cap. If a company has multiple securities, the weight of the company is prorated between its securities based on their respective free float market capitalization.

Index Rebalance and Reconstitution

The Index is reconstituted semiannually in March and September. It is also rebalanced for share changes quarterly in March, June, September, and December.

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Selection Date	Last Wednesday	X						X					
Shares Determination Date	Second Last Wednesday		X			X			X			X	
Announcement Date	Last Wednesday		X			X			X			X	
Effective Date*	Second Wednesday			X			X			X			X

*The Index reconstitutions and rebalances go effective after the close of trading.

Section 4: Index Maintenance

Index Calculation

Refer to the [Bloomberg Global Equity Indices Methodology](#) for index calculation details.

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.

Section 5: Risks and Limitations

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.

Limitations of the index

Though the Index is designed to be representative of the markets it measures or otherwise aligns with its stated objective, it may not be representative in every case or achieve its stated objective in all instances. It is designed and calculated strictly to follow the rules of this Methodology, and any Index level 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 Index measures global equity markets. As with all equity investing, the Index is exposed to market risk. The value of equities fluctuate with the changes in economic forecasts, interest rate policies established by central banks and perceived geopolitical risk. The Index does 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 Index is designed to measure those markets, it 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 Index such as specific styles, size, and sector. Some of these sub-indices have very few qualifying constituents and may have none for a period of time. During such period, the sub-index will continue to be published at its last value, effectively reporting a 0% return, until new constituents qualify. If no constituents 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.

Section 6: Benchmark Oversight and Governance

Benchmark Governance Structure

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 judgement

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

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