

Bloomberg World High Dividend Yield Large & Mid Cap Index Methodology

May 2024

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Introduction

The Bloomberg World High Dividend Yield Large & Mid Cap Index is constructed to track the performance of top companies in the Bloomberg World Large Mid Index that are deemed to having the largest indicated dividend yield. The reconstitutes semi-annually, rebalances quarterly and is free float market cap weighted.

Section 1: Overview

Name	Bloomberg World High Dividend Yield Large & Mid Cap Index
Base date	2003-09-29
Inception Date	2024-05-31
Rebalance	Quarterly
Publication	Weekdays
Currency	USD
Tickers	WORLDDP (Price Return) WORLDDT (Total Return) WORLDN (Net Return)

Section 2: Index Eligibility Process

Parent Universe

To be selected for the Bloomberg World High Dividend Yield Large & Mid Cap Index, a security must be a member of the Bloomberg World Large Mid Universe. Please refer to the Bloomberg Global Equity Index methodology through the link below for additional details.

[Bloomberg Global Equity Indices Methodology](#)

Sector Eligibility

A security must not belong to Real Estate (15), according to Bloomberg Industry Classification Standard (BICS) level 1 sectors.

Section 3: Index Construction Process

Index Selection Process

All securities that satisfy the Index Eligibility Process in Section 2 are eligible for inclusion in the Index.

Investability Screening

A security must satisfy the following conditions:

1. Must have Dividend Indicated Yield data available as of the Selection Date, t .
2. Must have Dividend Indicated Yield data greater than 0 as of the Selection Date, t .

Ranking Eligible Universe

1. All eligible securities are sorted in descending order by *Dividend Indicated Yield*
2. The cumulative free-float market capitalization is calculated for each security.

Dividend Indicated Yield is sourced from the Bloomberg L.P. field DV179, DIVIDEND_INDICATED_YIELD, It provides the most recently announced dividend amount, annualized based on the Dividend Frequency (DV016, DVD_FREQ), then divided by the current market price. For companies that announce a dividend without an amount (TBA) e.g., Korea and Japan, the next most recent announced dividend with a value is used for the calculation, if available.

Selection

Securities in the top 50th percentile of the Eligible Universe, as defined by the cumulative free-float market capitalization ranking, are selected for inclusion in the Index.

Index Selection Process Exception Rules

None

Index Weighting

The Index is free float market capitalization weighted.

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

Where:

FMC_i Security Free Float Market Capitalization of security i

W_i Initial weight of security i

M Number of Index members

Index Rebalance and Reconstitution

The Index is reconstituted semi-annually in March and September and rebalanced quarterly in March, June, September, and December following the schedule of the Bloomberg Global Equity Index Methodology.

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 Maintenance, Oversight and Governance

Benchmark governance, audit and review structure

Please refer to the BISL Benchmark Procedures Handbook available [here](#) further information.

Index and methodology changes

Please refer to the BISL Benchmark Procedures Handbook available [here](#) further information.

Expert judgement and Discretion

Please refer to the BISL Benchmark Procedures Handbook available [here](#) further information.

Conflicts of interest

Please refer to the BISL Benchmark Procedures Handbook available [here](#) further information.

Restatement policy

Please refer to the BISL Benchmark Procedures Handbook available [here](#) further information.

Market Disruption Events

Please refer to the BISL Benchmark Procedures Handbook available [here](#) further information.

Cessation Policy

Please refer to the BISL Benchmark Procedures Handbook available [here](#) further information.

Appendix A: 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 World High Dividend Yield Large & Mid Cap 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:	May 2024

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