Schroders Global Compass Index Methodology

July 23, 2024

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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 application to the Schroders Global Compass Index. Capitalized terms used in this Methodology but not otherwise defined have the meanings set forth in Appendix I (Glossary) and Index Specification in the Schroders Global Compass Index specification.

Objectives and Key Features

The Schroders Global Compass Index aim to reflect the performance of a weighted portfolio of Index Constituents with risk control mechanisms applied.

Section 1: Calculation of the Schroders Global Compass Index

Index Value

With respect to the Index, the Index Value on the Index Base Date shall be the Index Base Value. Thereafter, the Index Value with respect to each subsequent Index Business Day, t, shall be calculated in accordance with the following formula, subject to Section 1 ("Rounding"):

$$I_t = I_{t-1} + UnitsReturn_t - \left(I_{t-1} \times Decrement \times DCFC_{t-1,t}\right) \qquad (1)$$

Where:

$t-1$ means the Index Business Day immediately preceding t;

Decrement means the Decrement Percentage;

I_t and I_{t-1} means the Index Values on Index Business Day t and on Index Business Day $t-1$ respectively;

$DCFC_{t-1,t}$ means the amount of calendar days from and including Index Business Day $t-1$ to and excluding Index Business Day t, divided by 365;

$UnitsReturn_t$ means the return on Index Business Day t, calculated in accordance with the following formula:

$$UnitsReturn_t = \sum_{i \in IndexConstituents} U_{t-1}^i \times \left(P_t^{i,FX} - P_{t-1}^{i,FX}\right) \qquad (2)$$

Where:

i means a Constituent;

U_{t-1}^i means the Units for Constituent i on Index Business Day $t-1$;

$P_t^{i,FX}$ means the FX Hedged Price of Constituent i on Index Business Day t;

$P_{t-1}^{i,FX}$ means the FX Hedged Price of Constituent i on Index Business Day $t-1$;

FX Hedged Constituent Price

With respect to each Constituent, i, the FX Hedged Constituent Price on the Constituent Base Date shall be the FX Hedged Base Value. Thereafter, the FX Hedged Constituent Price with respect to each subsequent Constituent Index Business Day, t, shall be calculated in accordance with the following formula:

$$P_t^{i,FX} = P_{t-1}^{i,FX} \times \left(1 + \left(\frac{P_t^i}{P_{t-1}^i} - 1\right) \times \frac{FX_t^i}{FX_{t-1}^i}\right) \qquad (3)$$

Where:

$t-1$ means the Constituent Index Business Day immediately preceding t;

$P_t^{i,FX}$ and $P_{t-1}^{i,FX}$ means the FX Hedged Price for Constituent i on Constituent Index Business Day t and on Constituent Index Business Day $t-1$ respectively;

P_t^i and P_{t-1}^i means the Price for Constituent i on Constituent Index Business Day t and on Constituent Index Business Day $t-1$ respectively rounded to 4 decimal places;

FX_t^i and FX_{t-1}^i means the Exchange Rate for Constituent i on Constituent Index Business Day t and on Constituent Index Business Day $t-1$ respectively;

Units

With respect to each Constituent, i, the Units for each Index Business Day, t, shall be calculated in accordance with the following formulae:

If Index Business Day t is from and including the Index Base Date to and including lag Index Business Days after the Index Base Date:

$$U_t^i = U_0^{i,Target} \tag{4}$$

Thereafter:

If Index Business Day t is also a Constituent Index Business Date:

$$U_t^i = U_{t-lag}^{i,Target} \tag{5}$$

Else:

$$U_t^i = U_{t-1}^i \tag{6}$$

Where:

lag means the Determination Lag;

$t-lag$ means the lag Index Business Day immediately preceding t;

U_t^i means the Units for Constituent i on Index Business Days t;

$U_0^{i,Target}$ means the Target Units for Constituent i on the Index Base Date;

$U_{t-lag}^{i,Target}$ means the Target Units for Constituent i, lag Index Business Days immediately preceding t;

Target Units

With respect to each Constituent, i, the Target Units for each Rebalance Trigger Date, t, shall be calculated in accordance with the following formulae:

$$U_t^{i,Target} = \frac{W_t^{i,FXH} \times W_t^{VT} \times FCW \times I_t}{P_t^{i,FX}} \tag{7}$$

Where:

$W_t^{i,FXH}$ means the FX Hedged Constituent Weight for the Constituent i on Index Business Day t. For the avoidance of doubt, if Index Business Day, t, is not a Constituent Index Business Day then $W_t^{i,FXH}$ is equal to the last available FX Hedged Constituent Weight on a Constituent Index Business Day;

W_t^{VT} means the Volatility Weight on Index Business Day t;

FCW means the Fixed Component Weight;

I_t means the Index Value on Index Business Day t;

$P_t^{i,FX}$ the FX Hedged Price for Constituent on i on Index Business Day t;

FX Hedged Constituent Weight

With respect to each Constituent, i, the FX Hedged Constituent Weight for each Constituent Index Business Day, t, shall be calculated in accordance with the following formulae:

If the Constituent Index Business Day, t, is the Index Base Date:

$$W_t^{i,FXH} = W_t^{i,FXH\ Target} \tag{8}$$

Thereafter:

$$W_t^{i,FXH} = \begin{cases} W_t^{i,FXH\ Target} & if\ |W_t^{i,FXH\ Target} - W_{t-1}^{i,FXH}| > FXHWBuffer^i \\ WeightCap^i & if\ W_t^{i,FXH\ Target} = WeightCap^i \\ WeightFloor^i & if\ W_t^{i,FXH\ Target} = WeightFloor^i \\ W_{t-1}^{i,FXH} & else \end{cases} \tag{9}$$

Where:

$t-1$ means the Constituent Index Business Day immediately preceding t;

$W_t^{i,FXH\ Target}$ means the FX Hedged Constituent Target Weight for the Constituent i on Constituent Index Business Day t;

$W_{t-1}^{i,FXH}$ means the FX Hedged Constituent Weight for the Constituent i on the Constituent Index Business Day immediately preceding t;

$FXHWBuffer$ means the FX Hedged Constituent Weight Buffer for the Constituent i;

$WeightCap^i$ means the Weight Cap for the Constituent i;

$WeightFloor^i$ means the Weight Floor for the Constituent i;

FX Hedged Constituent Target Weight

With respect to each Constituent, i, the FX Hedged Constituent Target Weight for each Constituent Index Business Day, t, shall be calculated in accordance with the following formulae:

$$W_t^{i,FXH\ Target} = \min\left(\max\left(\frac{VolScale^i}{FlooredVol_t^i}\right) \times CS_t^i, WeightFloor^i\right), WeightCap^i) \tag{10}$$

Where:

$WeightCap^i$ means the Weight Cap for the Constituent i;

$WeightFloor^i$ means the Weight Floor for the Constituent i;

$VolScale^i$ means the Volatility Scale for the Constituent i;

CS_t^i means the Crossover Signal for the Constituent i on Constituent Index Business Day t;

$FlooredVol_t^i$ means the Floored Volatility for the Constituent i on Constituent Index Business Day t;

Crossover Signal

With respect to each Constituent, i, the Crossover Signal for each Constituent Index Business Day, t, shall be calculated in accordance with the following formulae:

$$CS_t^i = \sqrt{DayCount} \times \sum_{j=0}^{j=NB-1} \frac{Rtn_{t-j}^i \times MomWeight_{j+1}}{EWVol_{t-j}^i} \tag{11}$$

Where:

$t - j$ means the j-th Constituent Index Business Day immediately preceding t;

NB means the Crossover Signal Observations;

$DayCount$ means the Crossover Signal Day Count;

Rtn_{t-j}^i means the return for Constituent i on Constituent Index Business Day $t - j$, calculated in accordance with the following formula:

$$Rtn_t^i = \frac{P_t^i}{P_{t-1}^i} - 1 \tag{12}$$

Where:

P_t^i and P_{t-1}^i means the Price for Constituent on i on Constituent Index Business Day t and on Constituent Index Business Day $t - 1$ respectively rounded to 4 decimal places;

$MomWeight_{NB-j}$ means the Momentum Weight evaluated at $NB - j$, calculated in accordance with the following formula:

$$MomWeight_n = \frac{BMA(n)}{NormFactor} \tag{13}$$

Where:

$$BMA(n) = DF2^n - DF1^n \tag{14}$$

$$DF1^n = e^{n \times \frac{\ln(0.5)}{ST}} \tag{15}$$

$$DF2^n = e^{n \times \frac{\ln(0.5)}{LT}} \tag{16}$$

$$NormFactor = \sqrt{\frac{DF1^2}{1 - DF1^2} + \frac{DF2^2}{1 - DF2^2} - \frac{2 \times DF1 \times DF2}{1 - DF1 \times DF2}} \tag{17}$$

ST means the Crossover Signal Short Term Factor;

LT means the Crossover Signal Long Term Factor;

$EWVol_{t-j}^i$ means the Exponentially Weighted Volatility for Constituent i on Constituent Index Business Day $t - j$, calculated in accordance with the following formula:

If Constituent Index Business Day t is the following Constituent Index Business Day after the Constituent Base Date:

$$EWVol_t^i = \sqrt{\left(Rtn_t^i\right)^2 \times DayCount} \tag{18}$$

Thereafter:

$$EWVol_t^i = \sqrt{\left(\beta \times \left(EWVol_{t-1}^i\right)^2\right) + \left((1 - \beta) \times \left(Rtn_t^i\right)^2 \times DayCount\right)} \tag{19}$$

$$\beta = e^{\frac{\ln(0.5)}{DF}} \tag{20}$$

Where:

Rtn_t^i means the return for Constituent i on Constituent Index Business Day t;

$DayCount$ means the Exponentially Weighted Volatility Day Count;

DF means the Exponentially Weighted Volatility Decay Factor;

Floored Volatility

With respect to each Constituent, i, the Floored Volatility for each Constituent Index Business Day, t, shall be calculated in accordance with the following formulae:

If the Constituent Index Business Day, t, is after the Constituent Base Date and before the Constituent Index Business Day that is Floored Volatility Lookback Window + 1 Constituent Index Business days after the Constituent Base Date:

$$FlooredVol_t^i = \max\left(EWVol_t^i, EWVolPercentile_{t0+1,t}^P\right) \tag{21}$$

Thereafter:

$$FlooredVol_t^i = \max\left(EWVol_t^i, EWVolPercentile_{t-FV\ Lookback,t}^P\right) \tag{22}$$

Where:

$EWVol_t^i$ means the Exponentially Weighted Volatility for Constituent i on Constituent Index Business Day t;

$t0$ means the Constituent Base Date;

P means the Floored Volatility Percentile;

$FV\ Lookback$ means the Floored Volatility Lookback Window;

$EWVolPercentile_{t0+1,t}^P$ means the Exponentially Weighted Volatility at the inclusive Floored Volatility Percentile for Constituent i calculated between $t0$ and Constituent Index Business Day t;

$EWVolPercentile_{t-FV\ Lookback,t}^P$ means the Exponentially Weighted Volatility at the inclusive Floored Volatility Percentile for Constituent i calculated between the $FV\ Lookback$ preceeding Constituent Index Business Day to t and Constituent Index Business Day t;

Volatility Weight

The Volatility Weight for each Index Business Day, t, shall be calculated in accordance with the following formulae:

If the Index Business Day, t, is the Index Base Date:

$$W_t^{VT} = W_t^{VT\ Target} \tag{23}$$

Thereafter:

$$W_t^{VT} = \begin{cases} W_t^{VT\ Target} & if\ \left|W_t^{VT\ Target} - W_{t-1}^{VT}\right| > VWBuffer \\ MaxAlloc & if\ W_t^{VT\ Target} = MaxAlloc \\ W_{t-1}^{VT} & else \end{cases} \tag{24}$$

Where:

$t-1$ means the Index Business Day immediately preceding t;

$W_t^{VT\ Target}$ means the Volatility Target Weight for the Constituent i on Index Business Day t;

W_{t-1}^{VT} means the Volatility Weight for the Constituent i on the Index Business Day immediately preceding t;

$VWBuffer$ means the Volatility Weight Buffer for the Constituent i;

$MaxAlloc$ means the Maximum Allocation;

Volatility Target Weight

The Volatility Target Weight for each Index Business Day, t, shall be calculated in accordance with the following formulae:

$$W_t^{VT\ Target} = \min(\min(STAlloc_t, LTAlloc_t), \frac{MaxAlloc}{\max(100\%, SumFXWeight_t)}) \tag{25}$$

Where:

$MaxAlloc$ means the Maximum Allocation;

$SumFXWeight_t$ means the weighted sum over each FX Hedged Constituent Weight on Index Business Day t, calculated in accordance with the following formula:

$$SumFXWeight_t = \sum_{i=1}^{m} W_t^{i,FXH} \times FCW \tag{26}$$

Where:

$W_t^{i,FXH}$ means the FX Hedged Constituent Weight for the Constituent i on Index Business Day t. For the avoidance of doubt, if Index Business Day, t, is not a Constituent Index Business Day then $W_t^{i,FXH}$ is equal to the last available FX Hedged Constituent Weight on a Constituent Index Business Day;

FCW means the Fixed Component Weight;

m means the Index Constituents;

$STAlloc_t, LTAlloc_t$ means the Short Term Allocation, Long Term Allocation on Index Business Day t respectively, calculated in accordance with the following formula:

$$STAlloc_t = \min(MaxAlloc, \frac{VT}{STDailyVol_t}) \tag{27}$$

$$LTAlloc_t = \min(MaxAlloc, \frac{VT}{LTWeeklyVol_t}) \tag{28}$$

Where:

VT means the Volatility Target:

$STDailyVol_t, LTWeeklyVol_t$ means the Short Term Daily Volatility, Long Term Weekly Volatility on Index Business Day t respectively;

Short Term Daily Volatility, Long Term Weekly Volatility

The Short Term Daily Volatility for each Index Business Day, t, shall be calculated in accordance with the following formulae:

$$STDailyVol_t = \sqrt{DayCount} \times \text{RMS}(STPtfRtn_t^{0 \le j \le VWO-1,}) \tag{29}$$

Where:

$Daycount$ means the Day Count;

VWO means the Volatility Weight Observations;

$STPtfRtn_t^{0 \le j < VMO-1}$ means the set of Short Term Portfolio Returns calculated from and including $j = 1$ to and including $j = VMO - 1$ on Index Business Day t;

$\text{RMS}(STPtfRtn_t^{0 \le j < VMO-1})$ means the root mean squared of the set of Short Term Portfolio Returns, calculated in accordance with the following formula:

$$RMS(x_t^{0 \le i \le N}) = \sqrt{\frac{\sum_{i=0}^{N}(x_{t-i})^2}{N+1}} \tag{30}$$

The Long Term Weekly Volatility for each Index Business Day, t, shall be calculated in accordance with the following formulae:

$$STWeeklyVol_t = \sqrt{WeekCount} \times \text{RMS}\,(LTPtfRtn_t^{0 \leq j \leq VWO-1}) \tag{31}$$

Where:

$WeekCount$ means the Week Count;

VWO means the Volatility Weight Observations;

$LTPtfRtn_t^{0 \leq j < VMO-1}$ means the set of Long Term Portfolio Returns calculated from and including $j = 1$ to and including $j = VMO - 1$ on Index Business Day t;

$\text{RMS}\,(LTPtfRtn_t^{0 \leq j < VMO-1})$ means the root mean squared of the set of Long Term Portfolio Returns;

Short and Long Term Portfolio Returns

The Short Term Portfolio Return for each Index Business Day, t, shall be calculated in accordance with the following formulae:

$$STPtfRtn_t^j = \sum_{i \in IndexConstituents} W_t^{i,FXH} \times FCW \times Rtn_{t-j}^{i,FX} \times \text{STNF}(j+1) \tag{32}$$

Where:

i means a Constituent;

$j + 1$ means an offset where j can take a minimum value of 0 and a maximum value of VWO;

$W_t^{i,FXH}$ means the FX Hedged Constituent Weight for the Constituent i on Index Business Day t. For the avoidance of doubt, if Index Business Day, t, is not a Constituent Index Business Day then $W_t^{i,FXH}$ is equal to the last available FX Hedged Constituent Weight on a Constituent Index Business Day;

FCW means the Fixed Component Weight;

$Rtn_{t-j}^{i,FX}$ means the FX Hedged Return for Constituent i on Index Business Day $t - j$, calculated in accordance with the following formula:

$$Rtn_t^{i,FX} = \frac{P_{t-j}^{i,FX}}{P_{t-j-1}^{i,FX}} - 1 \tag{33}$$

Where:

$P_{t-j}^{i,FX}$ and $P_{t-j-1}^{i,FX}$ means the FX Hedged Price for Constituent i on Index Business Day $t - j$ and on Index Business Day $t - j - 1$ respectively. For the avoidance of doubt, if Index Business Day, $t - j$, is not a Constituent Index Business Day then $P_{t-j}^{i,FX}$ is equal to the last available FX Hedged Price on a Constituent Index Business Day, this also follows respectively for $P_{t-j-1}^{i,FX}$;

$\text{STNF}(j+1)$ means the Short Term Normalisation Factor evaluated at $j + 1$;

The Long Term Portfolio Return for each Index Business Day, t, shall be calculated in accordance with the following formulae:

$$LTPtfRtn_t^j = \sum_{i \in IndexConstituents} W_t^{i,FXH} \times FCW \times WeeklyRtn_{t-j}^{i,FX} \times \text{LTNF}(j+1) \tag{34}$$

Where:
i means a Constituent;

$j + 1$ means an offset where j can take a minimum value of 0 and a maximum value of VWO;

$W_t^{i,FXH}$ means the FX Hedged Constituent Weight for the Constituent i on Index Business Day t;

FCW means the Fixed Component Weight;

$WeeklyRtn_{t-j}^{i,FX}$ means the Weekly FX Return for Constituent i on Constituent Index Business Day $t - j$, calculated in accordance with the following formula:

$$WeeklyRtn_t^{i,FX} = \frac{P_{t-j}^{i,FX}}{P_{t-j-5}^{i,FX}} - 1 \tag{35}$$

Where:

$P_{t-j}^{i,FX}$ and $P_{t-j-5}^{i,FX}$ means the FX Hedged Price for Constituent i on Index Business Day $t - j$ and on Index Business Day $t - j - 5$ respectively. For the avoidance of doubt, if Index Business Day, t, is not a Constituent Index Business Day then $P_{t-j}^{i,FX}$ is equal to the last available FX Hedged Price on a Constituent Index Business Day, this also follows respectively for $P_{t-j-5}^{i,FX}$;

LTNF(j + 1) means the Long Term Normalisation Factor evaluated at $j + 1$;

Short and Long Term Normalisation Factors

The Short Term Normalisation Factor for each offset, j, shall be calculated in accordance with the following formulae:

$$STNF(j) = \sqrt{\frac{ST(j)}{SumST} \times VWO} \tag{36}$$

Where:

VWO means the Volatility Weight Observations;

$SumST$ means the summed ST value, calculated in accordance with the following formula:

$$SumST = \sum_{i=1}^{VMO} ST(i) \tag{37}$$

$ST(n)$ means ST value evaluated at n, calculated in accordance with the following formula:

$$ST(n) = \begin{cases} 1 - ST1 & if\ n = 1 \\ ST(n-1) \times ST1 & else \end{cases} \tag{38}$$

$$ST1 = e^{\frac{\ln(0.5)}{STF}} \tag{39}$$

Where:

STF means the Short Term Normalisation Constant;

The Long Term Normalisation Factor for each offset, j, shall be calculated in accordance with the following formulae:

$$LTNF(j) = \sqrt{\frac{LT(j)}{SumLT} \times VWO} \tag{40}$$

Where:

VWO means the Volatility Weight Observations;

$SumLT$ means the summed LT value, calculated in accordance with the following formula:

$$SumLT = \sum_{i=1}^{VMO} LT(i) \tag{41}$$

$LT(n)$ means LT value evaluated at n, calculated in accordance with the following formula:

$$LT(n) = \begin{cases} 1 - LT1 & if\ n = 1 \\ LT(n-1) \times LT1 & else \end{cases} \tag{42}$$

$$LT1 = e^{\frac{\ln(0.5)}{LTF}} \tag{43}$$

Where:

LTF means the Long Term Normalisation Constant;

Rounding

The Index Values shall be calculated without rounding and published to 4 decimal places.

Section 4: Backtest assumptions

The rules outlined above are applied historically, however the following assumptions have been made:

Unless otherwise specified, the calendars and pricing used at the time of calculating the backtest are assumed to reflect those available at the time. Also, where a price is not available on a historic Index Business Day, the price from the immediately preceding Index Business Day is used.

Section 5: Stakeholder engagement, risk, and limitations

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 particular, the Index measures the performance of a weighted portfolio of instruments. The Indices are therefore subject to the effectiveness of such investment strategy.

Section 6: Benchmark oversight and governance

Benchmark governance, audit, and review structure

Please refer to the BISL Benchmark Procedures Handbook available here.

Index and Methodology Changes

Please refer to the BISL Benchmark Procedures Handbook available here.

Expert judgement 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 I: Glossary

Constituent	As defined in the Index Specification.
Constituent Base Date	The first date on which a constituent time series is calculated.
Constituent Index Business Day	The days on which the Constituent is trading based upon the Constituent Index Business Day Calendar.
Constituent Index Business Day Calendar	The relevant trading calendar with respect to the Constituent's given exchange.
Crossover Signal Day Count	The day count to consider with respect to the Crossover Signal.
Crossover Signal Long Term Factor	The decay factor to scale the long term factor in the Crossover Signal.
Crossover Signal Observations	The number of observations to consider in the Crossover Signal lookback.
Crossover Signal Short Term Factor	The decay factor to scale the short term factor in the Crossover Signal.
Day Count	The number of business days considered in a calendar year.
Decrement Percentage	The percentage decrement applied to the Index Value.
Determination Lag	The offset between the determination of the target units and actual units/
Exchange Rate	If the date is before the BGN BFIX Switch Date then the given mid price for the Constituent Currency (as defined in the Schroders Global Compass Index specification) cross rate with the Index Currency sourced from BGN. Thereafter, the given mid price for the Constituent Currency cross rate with the Index Currency sourced from BFIX at a fixing of 16:00 London. For the avoidance of doubt, if the Constituent Currency is equal to the Index Currency then the Exchange Rate is equal to 1, if not then the respective market convention Exchange Rate is obtained and used.
Exponentially Weighted Volatility Day Count	The day count to consider with respect to the Exponentially Weighted Volatility calculation.
Exponentially Weighted Volatility Decay Factor	The decay factor in the Exponentially Weighted Volatility.
Fixed Component Weight	Means 1 divided by the number of Index Constituents.
Floored Volatility Lookback Window	The number of observations to consider in the Floored Volatility calculation.
Floored Volatility Percentile	The percentile to evaluate the Exponentially Weighted Volatility series in the Floored Volatility calculation.
FX Hedged Base Value	The value of an Index on and prior to the Constituent Base Date.
FX Hedged Constituent Weight Buffer	The minimum change in absolute weight threshold needed to make the Target FX Hedge Weight the FX Hedge Weight.
FX Hedged Price	The value of such Constituent as determined by applying the formula stated in 'FX Hedged Constituent Price'.
Index	Has the meaning set forth in the Introduction.
Index Base Date	The first date on which an Index publishes a value.
Index Base Value	The value of an Index on and prior to the Index Base Date.
Index Business Day	The days on which the Index is calculated.
Index Commencement Date	The date on which an index is first published.
Index Constituents	The set of Constituents within the Index.
Index Currency	The currency in which an index is published.
Index Value	The index level produced by Section 1: Calculation of the Global Compass Index.
Long Term Normalisation Constant	The long term decay factor.
Maximum Allocation	The maximum allocation an index is capped at.
Price	The excess return of the Constituent.
Rebalance Trigger Date	Means, with respect to a Constituent and an Index Business Day, such Index Business Day shall be a Rebalance Trigger Date for the Constituent if either the FX Hedged Constituent Weight for such Constituent on such Index Business Day is different from the FX Hedged Constituent Weight for such Constituent on the Index Business Day immediately preceding such Index Business Day or if the Volatility Target Weight on such Index Business Day is different from the Volatility Target Weight on the Index Business Day immediately preceding such Index Business Day.
Short Term Normalisation Constant	The short term decay factor.
Units	The number of units of each Constituent held on an Index Business Day.
Volatility Scale	The value of such Constituent's volatility scale.

Volatility Target	The intended target volatility for the index.
Volatility Weight Buffer	The minimum change in absolute weight threshold needed to make the Target Volatility Weight the Volatility Weight.
Volatility Weight Observations	The number of observations to consider in the Volatility Target lookback.
Week Count	The number of weeks considered in a calendar year.
Weight Cap	The value of such Constituent's weight cap.
Weight Floor	The value of such Constituent's weight floor.

Appendix II: Market Disruptions

Please refer to the BISL Benchmark Procedures Handbook available here.

Appendix III: ESG Disclosures

EXPLANATION OF HOW ESG FACTORS ARE REFLECTED IN THE KEY ELEMENTS OF THE BENCHMARK METHODOLOGY	
1. Name of the benchmark administrator.	Bloomberg Index Services Limited ("BISL")
2. Type of benchmark	Other Benchmark
3. Name of the benchmark or family of benchmarks.	Schroders Global Compass Indices
4. Does the benchmark methodology for the benchmark or family of benchmarks take into account ESG factors?	No

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.

Please explain how those ESG factors are used for the selection, weighting or exclusion of underlying assets.

The ESG factors shall be disclosed at an aggregated weighted average value at the level of the family of benchmarks.

a) List of environmental factors considered:	Selection, weighting or exclusion: N/A
b) List of social factors considered:	Selection, weighting or exclusion: N/A
c) List of governance factors considered:	Selection, weighting or exclusion: N/A

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.

Please explain how those ESG factors are used for the selection, weighting or exclusion of underlying assets.

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.

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

a) List of environmental factors considered:	Selection, weighting or exclusion: N/A
b) List of social factors considered:	Selection, weighting or exclusion: N/A
c) List of governance factors considered:	Selection, weighting or exclusion: N/A

7. Data and standards used.	
a) Data input. *(i) Describe whether the data are reported, modelled or, sourced internally or externally.* *(ii) Where the data are reported, modelled or sourced externally, please name the third party data provider.*	N/A
b) Verification of data and guaranteeing the quality of those data. *Describe how data are verified and how the quality of those data is ensured.*	N/A
c) Reference standards *Describe the international standards used in the benchmark methodology.*	N/A
Date on which information has been last updated and reason for the update:	18 June 2024 First Publication

Disclaimer