

Bloomberg MSCI Global Agg Credit ex Controversial & Nuclear Weapons Index

This document is intended to be read in conjunction with the [Bloomberg Global Aggregate Credit Index Methodology](#); these documents collectively constitute the index methodology for this Index.

The Bloomberg MSCI Global Agg Credit ex Controversial & Nuclear Weapons Index measures the global investment grade local currency corporate and government-related bond markets. This multi-currency benchmark includes fixed-rate bonds from both developed and emerging markets issuers. The index negatively screens issuers that are involved in business activities that are restricted because they are inconsistent with certain values-based business involvement criteria. The index was created in September 2020, with history backfilled to January 1, 2014.

The features specific to this Index are set out below.

Description of Index Constituents Global Investment Grade Credit Bonds

Index Ticker I35808US Index: Total Return USD Unhedged

Eligibility Requirements:

Currency	<ul style="list-style-type: none"> Principal and coupon must be denominated in one of the following eligible currencies: <ul style="list-style-type: none"> Americas: CAD, CLP, COP, MXN, PEN, USD EMEA: CHF, CZK, DKK, EUR, GBP, HUF, ILS, NOK, PLN, RON, RUB, SEK Asian-Pacific: AUD, CNY, HKD, IDR, JPY, KRW, MYR, NZD, SGD, THB Eligible currencies will not necessarily have debt included in the index if no securities satisfy the inclusion rules. New currency inclusion is reviewed annually through the index governance process. To be considered for inclusion, new currency candidates must be rated investment grade and sufficiently tradable, convertible and hedgeable for international investors.
Sector	Corporate (industrial, financial institutions, utility) and Government-related (foreign agencies, sovereign, supranational and local authority, including taxable municipals, local governments issuing in foreign currency)
Credit Rating	Investment Grade

Minimum Amount Outstanding	<p>Fixed minimum issue sizes are set for all local currency minimums:</p> <ul style="list-style-type: none"> • 150mn: CAD • 200mn: GBP • 300mn: USD, EUR, CHF, AUD • 500mn: NZD, SGD • 1bn: RON, PEN • 2bn: DKK, NOK, PLN, ILS, HKD, MYR • 2.5bn: SEK • 5bn: CNY • 10bn: MXN, CZK, THB • 20bn: RUB • 35bn: JPY • 100bn: CLP • 200bn: HUF • 500bn: KRW • 1trn: COP • 2trn: IDR
Maturity	At least one year until final maturity, regardless of optionality.
Minimum Liquidity Requirements	See Minimum Amount Outstanding specified above.
Rebalance Date	Monthly

Environmental, Social and Governance (ESG)

This section is not intended to be exhaustive and is being provided for information purposes only - detailed ESG disclosures set out in dedicated section below.

The index excludes issuers that MSCI define as having a percentage of revenue from, or being involved in, business activities related to:

- Controversial Weapons:
 - o Biological / Chemical Weapons Systems
 - o Biological / Chemical Weapons Components
 - o Depleted Uranium Manufacturer
 - o Cluster Munitions Manufacturer
 - o Landmines Manufacturer
- Nuclear Weapons:
 - o Systems
 - o Components
- Thermal Coal revenue $\geq 5\%$
- Power Generation Thermal Coal $\geq 25\%$
- Oil Sands revenue $> 5\%$
- Arctic Oil revenue $\geq 5\%$
- Arctic Gas revenue $\geq 5\%$

Document Version History

Date	Update
September 2023	Publication in new format

Environmental, Social and Governance (ESG) Disclosures

Where an index applies MSCI screens and a security/issuer is not included in the MSCI research coverage for that screen, unless otherwise noted, this index will include such security/issuer, provided it meets the relevant index eligibility rules. This applies to Government, securitized issuers (ABS, CMBS, and MBS), and corporate issuers not covered by MSCI ESG Business Involvement Screening Data, MSCI ESG Controversy Scores, and MSCI ESG Climate Data & Metrics, and also to Corporate issuers not covered by MSCI ESG Research.

The below annex is an exhaustive list of the ESG factors taken into account in this benchmark methodology, including where applicable those ESG factors listed in Annex II of Delegated Regulation (EU) 2020/1816 for the underlying asset class.

EXPLANATION OF HOW ENVIRONMENTAL, SOCIAL AND GOVERNANCE (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		Fixed Income	
3. Name of the benchmark or family benchmarks.		Bloomberg MSCI Global Agg Credit ex Controversial & Nuclear Weapons Index	
4. Does the benchmark methodology for the benchmark or family of benchmarks take into account ESG factors?		Yes	
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 combined ESG factors considered		As below.	
b) List of environmental factors considered:		As below.	
c) List of social factors considered:		As below.	
d) List of governance factors considered:		As below.	
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:	Thermal Coal	Exclusion	This factor identifies the maximum percentage of revenue (either reported or estimated) greater than 0% that a company derives from the mining of thermal coal (including lignite, bituminous, anthracite and steam coal) and its sale to external parties. It excludes: revenue from metallurgical coal; coal mined for internal power generation (e.g. in the case of vertically integrated power producers); intra-company sales of mined thermal coal; and revenue from coal trading.

			Exclusion applies to researched companies that derive at least $\geq 5\%$ in revenue from this factor.
	Oil Sands	Exclusion	<ul style="list-style-type: none"> This factor identifies the maximum percentage of revenue (either reported or estimated) greater than 0% that a company derives from oil sands extraction for a set of companies that own oil sands reserves and disclose evidence of deriving revenue from oil sands extraction. This factor does not include revenue from non-extraction activities (e.g. exploration, surveying, processing, refining); ownership of oil sands reserves with no associated extraction revenues; revenue from intra-company sales. <p>Exclusion applies to researched companies that have $\geq 5\%$ of revenue from this factor.</p>
	Generation Thermal Coal	Exclusion	<ul style="list-style-type: none"> This factor identifies the maximum percentage of revenue (either reported or estimated) that a company derives from the thermal coal based power generation. <p>Exclusion applies to researched companies that have $\geq 25\%$ of revenue from this factor.</p>
	Arctic Oil	Exclusion	<ul style="list-style-type: none"> This factor identifies the maximum percentage of revenue (either reported or estimated) greater than 0% that a company derives from Arctic Oil production. The definition of Arctic is geographical and includes production activities north of the 66.5 latitude. This factor includes offshore or onshore oil production. <p>Exclusion applies to researched companies that have $\geq 5\%$ of revenue from this factor.</p>
	Arctic Gas	Exclusion	<ul style="list-style-type: none"> This factor identifies the maximum percentage of revenue (either reported or estimated) greater than 0% that a company derives from Arctic Gas production. The definition of Arctic is geographical and includes production activities north of the 66.5 latitude. This factor includes offshore or onshore gas production. <p>Exclusion applies to researched companies that have $\geq 5\%$ of revenue from this factor.</p>
b) List of social factors considered:	Controversial Weapons	Exclusion	<p>Excludes researched companies that manufacture or are involved in:</p> <ul style="list-style-type: none"> key biological and chemical weapons components biological and chemical weapons, including weapons that use pathogens such as viruses, bacteria, and disease-causing biological agents, toxins, or chemical substances that have toxic properties to kill, injure, or incapacitate cluster munitions whole weapons systems, components, or delivery platforms landmines whole systems or components involved in the production of depleted uranium (DU) weapons, ammunition, and armor, including companies that manufacture armor piercing, fin stabilized, discarding sabot tracing rounds (APFSDS-

			T); Kinetic Energy Missiles made with DU penetrators; and DU-enhanced armor, including composite tank armor
	Nuclear Weapons	Exclusion	Excludes researched companies that manufacture: <ul style="list-style-type: none"> • nuclear weapons, including nuclear warheads, intercontinental ballistic missiles, and ballistic missile submarines, which are capable of the delivery of nuclear warheads. • key nuclear weapons components.
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.			<p>All ESG data for the benchmarks is sourced externally from:</p> <p>MSCI Research esgclientservice@msci.com https://www.msci.com/research-and-insights</p> <p>MSCI ESG Research relies on a proprietary methodology informed by a range of data sources.</p> <ul style="list-style-type: none"> • Reported data <ul style="list-style-type: none"> ○ Corporate documents: annual reports, proxy filings, environmental and social reports, securities filings, websites and Carbon Disclosure Project responses. ○ Externally sourced data ○ Government data: central bank data, U.S. Toxic Release Inventory, Comprehensive Environmental Response and Liability Information System (CERCLIS), RCRA Hazardous Waste Data Management System, etc. We continue to assess the value of other, similar information sources, particularly for European companies. ○ Popular, trade, and academic journals: accessed through websites, subscriptions and searches of online databases. ○ News media: major news publications globally, including local-language sources across a range of markets. ○ Relevant organizations and professionals: reports from and interviews with trade groups, industry experts and nongovernmental organizations familiar with the companies' operations and any related controversies • Modelled data <ul style="list-style-type: none"> ○ For climate-related metrics, when data is not disclosed by companies, MSCI ESG Research uses a proprietary GHG emission estimation model. ○ When companies do not report exact revenue figures for a covered business activity, MSCI ESG Research provides an estimate of the extent of companies' involvement in the subject activity. <p>For top level scores (ESG Ratings, Environmental, Social and Governance pillars), MSCI ESG Research estimates macro-level risk exposure for companies' based on the type and location of operations, distribution of products. Data sources used in the exposure calculations include, but not limited to:</p>

	<ul style="list-style-type: none"> • Comprehensive Environmental Data Archive (CEDA) • US Department of Energy; International Council on Clean Transportation • Lamont-Doherty Earth Observatory, Columbia University • Organization of Economic Co-Operation and Development (OECD) • Canadian Industrial Water Survey • Hoekstra, A.Y. and Mekonnen, M.M. (2011) • Ecorisk • World Development Indicators (WDI) • Annual Change of Forest Resources _ Food and Agriculture Organization (FAO) • World Wildlife Fund (WWF) • US EPA's Toxics Release Inventory (TRI) • Risk-Screening Environmental Indicators (RSEI) • US Bureau of Labor Statistics (BLS) • International Labour Organization (ILO) • US Occupational Health & Safety Administration (OSHA) • UK Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) • International Chemical Secretariat (ChemSec) Substitute It Now (SIN) List • International Monetary Fund (IMF) • World Health Organization (WHO) • UN Principles for Responsible Investments (UN PRI) • World Resource Institute (WRI) • Consultative Group to Assist the Poor (CGAP) • US Census Bureau Current Population Survey Supplement • World Bank Governance Indicators (WGI) • Transparency International (TI) • World Bank (WB) • SNL Financial • Thomson Financial <p>Refer to the MSCI ESG & Climate Methodologies page for further details on the data sources for the relevant ESG factors.</p>
<p>b) Verification of data and guaranteeing the quality of those data. <i>Describe how data are verified and how the quality of those data is ensured.</i></p>	<p>MSCI Business Involvement Screens</p> <p>Initial company research and analysis is followed by a rigorous quality review process. Data accuracy and company profiles are peer-reviewed, then sent to content leads for final approval. In specific cases in which a company's business activity is not clearly defined by MSCI ESG Research's methodology and there is no precedent, the case is escalated to the Head of Screening Research. Cases that require further interpretation or an update to the methodology are brought to the MSCI ESG Impact and Screening Methodology Committee for resolution</p> <p>Please see the MSCI Business Involvement Methodology Overview for further detail.</p>

c) Reference standards <i>Describe the international standards used in the benchmark methodology.</i>	MSCI Business Involvement Screens The MSCI ESG Research team utilised a combination of industry classifications, business descriptions and keyword searches in company filings to identify potential involvement in each of the screening topics.
Date on which information has been last updated and reason for the update:	September 2023, first publication in new format

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