

Bloomberg MSCI Global High Yield SRI Select Index

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

The Bloomberg MSCI Global High Yield SRI Select Index is a fixed-rate, global high yield bond benchmark that follows the rules of the [Bloomberg Global High Yield Index](#) and applies additional criteria for security eligibility. The high yield and emerging markets sub-components are mutually exclusive. 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 launched in October 2020, with history backfilled to September 2020.

The features specific to this Index are set out below.

Description of Index Constituents Global high yield bonds

Index Ticker I35896US: Total Return USD Unhedged

Eligibility Requirements:

Currency Principal and interest must be denominated in one of the following eligible currencies: USD, EUR, GBP, CHF, DKK, NOK, SEK.

Sector

- Corporate (industrial, utility and financial institutions) issuers.
- Sovereign, agency (government owned, government guaranteed and government sponsored entities), and local authority bonds from EM issuers only.

Credit Rating High Yield

Minimum Amount Outstanding Fixed minimum issue sizes are set for all local currency markets:

- US High Yield: USD 150mn
- Pan-European High Yield: EUR 100mn, GBP 50mn, CHF 100mn, DKK 500mn, NOK 500mn, SEK 1bn
- EM Hard Currency High Yield: USD 500mn, EUR 500mn, GBP 500mn

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:

- Thermal Coal Mining revenue $\geq 5\%$
- Thermal Coal Power Generation revenue $\geq 25\%$
- Unconventional Oil and Gas Extraction revenue $\geq 15\%$
- Oil Sands Extraction revenue $\geq 5\%$
- Arctic Gas Production revenue $\geq 5\%$
- Arctic Oil Production revenue $\geq 5\%$
- Any Tie to Controversial Weapons
 - Cluster Munitions
 - Landmines
 - Depleted Uranium
 - Biological/Chemical Weapons
 - Blinding Lasers
 - Non-Detectable Fragments
 - Incendiary
- Tobacco Producer revenue $\geq 5\%$
- Tobacco Distributor revenue $\geq 15\%$
- Tobacco Retailer revenue $\geq 15\%$
- Tobacco Supplier revenue $\geq 15\%$
- Predatory Lending revenue $\geq 5\%$
- United Nations Global Compact (UNGC) violations
- United Nations Guiding Principles (UNGP) for Business and Human Rights violations
- International Labour Organization's (ILO) fundamental principles violations
- International Labour Organization's (ILO) broader set of standards violations
- Civilian Firearms Producers
- Civilian Firearms Retailer revenue $\geq 5\%$
- Adult Entertainment Producer revenue $\geq 5\%$
- Adult Entertainment Retailer revenue $\geq 15\%$
- Adult Entertainment Distributor revenue $\geq 15\%$
- Gambling Operations revenue $\geq 5\%$
- Gambling Supporting Services revenue $\geq 15\%$
- Nuclear Weapons
 - Components Manufacturer
 - Delivery Platforms Manufacturer
 - Delivery Platform Components Manufacturer
 - Missiles Manufacturer
 - Supporting Services Providers

Document Version History

Date	Update
September 2023	Publication in new format
April 2024	<p>Index name change, and removal of below screens:</p> <ul style="list-style-type: none"> Controversial Weapons: <ul style="list-style-type: none"> Biological / Chemical Weapons Systems Biological / Chemical Weapons Components Depleted Uranium Manufacturer Cluster Munitions Manufacturer Landmines Manufacturer Nuclear Weapons Components or Systems Manufacturer <p>Addition of below screens:</p> <ul style="list-style-type: none"> Unconventional Oil and Gas Extraction revenue \geq 15% Tobacco Producer revenue \geq 5% Tobacco Distributor revenue \geq 15% Tobacco Retailer revenue \geq 15% Tobacco Supplier revenue \geq 15% United Nations Global Compact (UNGC) violations United Nations Guiding Principles (UNGP) for Business and Human Rights violations International Labour Organisation's (ILO) fundamental principles violations International Labour Organization's (ILO) broader set of standards violations Predatory lending revenue \geq 5% Civilian Firearms Producers Civilian Firearms Retailer revenue \geq 5% Adult Entertainment Producer revenue \geq 5% Adult Entertainment Retailer revenue \geq 15% Adult Entertainment Distributor revenue \geq 15% Gambling Operations revenue \geq 5% Gambling Supporting Services revenue \geq 15% Nuclear Weapons <ul style="list-style-type: none"> Components Manufacturer Delivery Platforms Manufacturer Delivery Platform Components Manufacturer Missiles Manufacturer Supporting Services Providers

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 High Yield SRI Select 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 Mining	Exclusion	Excludes researched companies deriving 5% or more revenue (either reported or estimated) 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.
	Thermal Coal Energy	Exclusion	Excludes researched companies deriving 25% or more revenue (either reported or estimated) that a

			company derives from the thermal coal-based power generation.
	Unconventional Oil & Gas Extraction	Exclusion	Excludes researched companies deriving 15% or more revenue (either reported or estimated) from unconventional oil and gas. It includes revenues from oil sands, oil shale (kerogen-rich deposits), shale gas, shale oil, coal seam gas, and coal bed methane. It excludes all types of conventional oil and gas production including Arctic onshore/offshore, deepwater, shallow water and other onshore/offshore.
	Oil Sands Extraction	Exclusion	Excludes researched companies deriving 5% or more revenue (either reported or estimated) 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.
	Arctic Oil Production	Exclusion	Excludes researched companies deriving 5% or more revenue (either reported or estimated) 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.
	Arctic Gas Production	Exclusion	Excludes researched companies deriving 5% or more revenue (either reported or estimated) 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.
b) List of social factors considered:	International treaties and conventions, United Nations principles or, where applicable, national law used in order to determine what constitutes a controversial weapon	Exclusion	The list of treaties and conventions related to the "Controversial Weapons %" metric is provided below: <ul style="list-style-type: none"> • The Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction. • The Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on their Destruction. • Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction. • Convention on Prohibitions or Restrictions on the Use of Certain Conventional Weapons Which May Be Deemed to Be Excessively Injurious or to Have Indiscriminate Effects. • The Convention on Cluster Munitions.
	Controversial Weapons	Exclusion	Excludes researched companies that have any ties to cluster munitions, landmines, biological / chemical weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragments.

	Tobacco	Exclusion	<ul style="list-style-type: none"> Excludes researched companies deriving 5% or more revenue (either reported or estimated) from the manufacture of tobacco products. Excludes researched companies deriving 15% or more revenue (either reported or estimated) from retail sales of tobacco products. Excludes researched companies deriving 15% or more revenue (either reported or estimated) from supplying products essential to the tobacco industry. Excludes researched companies deriving 15% or more revenue (either reported or estimated) from the distribution of tobacco products.
	Number of benchmark constituents subject to social violations (absolute number and relative divided by all benchmark constituents), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	Exclusion	<ul style="list-style-type: none"> Excludes researched companies with violations of the United Nations Global Compact principles based on MSCI's ESG Research methodology. Excludes researched companies with violations of the United Nations Guiding Principles (UNGPs) for Business and Human Rights based on MSCI's ESG Research methodology. Excludes researched companies with violations of the International Labour Organization's (ILO) fundamental principles based on MSCI's ESG Research methodology. Excludes researched companies with violations of the International Labour Organization's (ILO) broader set of labor standards based on MSCI's ESG Research methodology.
	Civilian Firearms	Exclusion	<ul style="list-style-type: none"> Excludes researched companies that manufacture firearms and small arms ammunitions for civilian markets. The research does not cover companies that cater to the military, government, and law enforcement markets. Excludes researched companies deriving 5% or more revenue (either reported or estimated) from the distribution (wholesale or retail) of firearms or small arms ammunition intended for civilian use.
	Adult Entertainment		<ul style="list-style-type: none"> Excludes researched companies deriving 5% or more revenue (either reported or estimated) from producing, directing, or publishing adult entertainment materials that fall into the following categories: Producer of X-rated films, Producer of Pay-per-view programming or channels, Producer of sexually explicit video games, Producer of books or magazines with adult content, Live entertainment of an adult nature, Producer of adults-only material on the internet. Excludes researched companies deriving 15% or more revenue (either reported or estimated) from

			<p>the retail sale of adult entertainment products through specialty stores or online sites.</p> <ul style="list-style-type: none"> Excludes researched companies deriving 15% or more revenue (either reported or estimated) from distributing sexually explicit products and services, including X-rated movies and videos, printed materials, television programs, and online products.
	Gambling	Exclusion	<ul style="list-style-type: none"> Excludes researched companies deriving 5% or more revenue (either reported or estimated) from ownership or operation gambling facilities such as casinos, racetracks, bingo parlors, or other betting establishments, including: horse, dog, or other racing events that permit wagering; lottery operations; online gambling; pari-mutuel wagering facilities; bingo; pachislot and pachinko parlors; slot machines; Jai-alai; mobile gambling; and sporting events that permit wagering. Excludes researched companies deriving 15% or more revenue (either reported or estimated) from providing key products or services fundamental to gambling operations, including: slot machines, roulette wheels, or lottery terminals; gambling technology and support such as IT maintenance, software design, security or surveillance systems, and lottery ticket printing; and, gambling-related services such as credit lines, and casino management and consultation.
	Nuclear Weapons	Exclusion	<p>Excludes researched companies that:</p> <ul style="list-style-type: none"> manufacture nuclear warheads and/or whole nuclear missiles, manufacture components that were developed or are significantly modified for exclusive use in nuclear weapons. manufacture components that were not developed or not significantly modified for exclusive use in nuclear weapons (warheads and missiles). I.e., these components can be used in both nuclear and conventional weapons. manufacture or assemble delivery platforms that were developed or significantly modified for the exclusive delivery of nuclear weapons manufacture components for nuclear-exclusive delivery platforms. manufacture or assemble delivery platforms that were not developed or not significantly modified for the exclusive delivery of nuclear weapons. i.e., these platforms are capable of delivering conventional weapons. provide auxiliary services related to nuclear weapons, such as repairing and maintaining nuclear weapons, providing overhaul and upgrade services (including engineering),

			stockpiling and stewardship, R&D work, testing and simulations.
	Predatory lending	Exclusion	Excludes researched companies deriving 5% or more revenue (either reported or estimated) a company has derived from predatory lending activities.
c) List of governance factors considered:	N/A	N/A	The family of benchmarks does not apply this factor in the pursuit of its ESG objectives.
7. Data and standards used.			
a) Data input. (i) <i>Describe whether the data are reported, modelled or, sourced internally or externally.</i> (ii) <i>Where the data are reported, modelled or sourced externally, please name the third party data provider.</i>		<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>

	Please see the MSCI Business Involvement Methodology Overview for further detail.
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:	April 2024, change to screening methodology.

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