

## BENCHMARK STATEMENT

### Equities Non-Regulated Data Family

Benchmark Administrator:	Merrill Lynch International (“MLI”) 2 King Edward Street, EC1A 1HQ, London, United Kingdom
Benchmark Categorisation:	Non-significant
Benchmark Type:	Non-regulated data Benchmark
Benchmark identifiers:	No ISINs are available for the Benchmarks as of the date of this Benchmarks Statement.

Each Benchmark is a proprietary index sponsored and calculated as of the date of this Benchmark Statement by the Benchmark Administrator.

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## 1. STATUS OF THIS DOCUMENT

This document constitutes the Benchmark Statement for the Equities Non-Regulated Data Family of Benchmarks of the Benchmark Administrator (each a **Benchmark**). This document is intended to provide an overview of certain key information relating to the Benchmarks only, as required by *Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds as onshored by the Benchmarks (Amendment and Transition Provision) (EU Exit) Regulations 2019/657, as amended (the Regulation)*.

Details of the full and definitive rules for the Benchmarks are set out in the Index Rulebook for each Benchmark (the **Benchmark Rules**). The Benchmark Rules are available upon request from the Benchmark Administrator subject to, where applicable, confidentiality or other agreements between the Benchmark Administrator and the relevant party.

Nothing contained in this Benchmark Statement should be construed as an offer or solicitation of any transaction.

## 2. UPDATES AND CHANGES TO, AND CESSATION OF, A BENCHMARK

Factors, including external factors beyond the control of the Benchmark Administrator, may necessitate changes to, or the cessation of, a Benchmark. Users of the Benchmarks should note that any such changes to a Benchmark, or the cessation of a Benchmark, may have an impact on any financial instruments or financial contracts that reference that Benchmark and any investment funds in respect of which the performance is measured by reference to that Benchmark. See further section 6.3.5 below in relation to those factors that may necessitate changes to, or the cessation of, a Benchmark.

This Benchmark Statement will be reviewed and, where necessary, updated at least every two years, but may be amended, supplemented or updated more frequently in accordance with the requirements of the Regulation. All updates to this Benchmark Statement and details of any changes to or the cessation of the Benchmark will be approved by the Equities Index Forum of the Benchmark Administrator (the **Equities Index Forum**), as further described below. Unless the Equities Index Forum determines otherwise, any such updates, changes or cessation shall not be subject to public consultation. All updates to the Benchmark Statement and any notice relating to changes to, or to the cessation of, the Benchmark will be published by the Benchmark Administrator.

The Benchmark Administrator reserves the right to amend, supplement or update this Benchmark Statement and/or the Benchmark Rules from time to time and accepts no liability for any such modifications.

### **3. CONTRIBUTIONS OF INPUT DATA**

None of the Benchmarks in this family of Benchmarks is determined using contributions of input data.

### **4. THE MARKET OR ECONOMIC REALITY MEASURED BY THE BENCHMARKS, THEIR POTENTIAL LIMITATIONS AND ALL KEY TERMS**

The objective of each Benchmark is to replicate the return or provide exposure to a particular investment approach or strategy (a **Strategy**) set out in the relevant Benchmark Rules. Each Benchmark comprises a number of Benchmark constituents which are shares, depository receipts or other equity-linked instruments or indices as selected or composed as described in the relevant Benchmark Rules, including any geographical restrictions or other selection criteria. The prices or levels of such Benchmark constituents are the input data for the purposes of a Benchmark. Each Benchmark constituent will have a weighting within the Benchmark and such weightings may be subject to adjustment from time to time in a process referred to as rebalancing or recomposition of the Benchmark. Where applicable each rebalancing or recomposition will be based on the relevant investment approach or strategy. Unless otherwise stated in the Benchmark Rules, no models or methods of extrapolation are used in determining a Benchmark. The Benchmark Administrator will apply the methodology for each Benchmark at each time and on each day on which the level of a Benchmark (the **Index Level**) is required to be determined (each such day an **Index Calculation Day**) in accordance with the Benchmark Rules and by reference to the then current prices or levels of the Benchmark constituents and their weightings. Each relevant Index Level will be published on the data source(s) referred to in the relevant Benchmark Rules.

Certain deductions may be provided for in a Benchmark to reflect relevant costs or expenses which would apply to transactions replicating or providing exposure to the investment approach or strategy and also to reflect the cost of the Benchmark Administrator and its affiliates providing the Benchmark and related financial products referencing the Benchmark (**Financial Products**).

The Benchmark Administrator may appoint one or more agents or service providers to assist it in carrying out the requirements of the Benchmark Rules. Any references to actions or determinations carried out by the Benchmark Administrator in this Benchmark Statement should be understood to include, where applicable, references to such actions or determinations being carried out by any such agent or service provider.

The Benchmark Rules will also set out relevant adjustment and disruption provisions which will apply, as further described in sections 7, 8 and 9 below.

Each Benchmark is a proprietary index and within any Benchmark Rules references to relevant transactions, assets or cost assumptions are on a hypothetical basis only and do not represent actual transactions by any person or entity.

Full details of each Benchmark are provided in the relevant Benchmark Rules. See section 1 above.

## **5. LIMITATIONS OF THE BENCHMARKS AND CIRCUMSTANCES IN WHICH THE MEASUREMENT OF THE MARKET OR ECONOMIC REALITY MAY BECOME UNRELIABLE**

The Benchmarks rely on the continued availability to the Benchmark Administrator of the input data as further described in section 6.3.2 below. To the extent that such input data is temporarily or permanently unavailable, the Benchmark Rules allow the Benchmark Administrator to calculate any affected Benchmark on an alternative basis, to use its own estimate of such prices in place of such input data, to make certain adjustments to the terms of any affected Benchmark, to remove or replace any affected Benchmark constituent, to replace any affected Benchmark with a successor index or to cease to determine any affected Benchmark. Where required by the Benchmark Rules, such determinations shall be made in consultation with the Equities Index Forum. If, following the exercise of the Benchmark Administrator's adjustment powers, one or more of the existing Benchmark constituents cease to be Benchmark constituents, the relevant Benchmark will no longer reflect the performance of those Benchmark constituents.

## **6. BENCHMARK METHODOLOGY**

### **6.1 Rationale for adopting the benchmark methodology**

The rationale for adopting the methodology for each Benchmark is to create a Benchmark which measures the relevant market or economic reality referred to above and which is to be used for the purposes of the relevant Financial Products to be issued by one or more of MLIs affiliates or by third parties.

### **6.2 Procedures for the review and approval of the benchmark methodology**

Each Benchmark has been approved by a unanimous vote of the appropriate voting members of the Equities Index Forum. The Equities Index Forum is a committee consisting of representatives from certain businesses and control functions of the Benchmark Administrator and/or its affiliates. The Equities Index Forum's approval is not a product or transaction approval.

Following such initial approval, the Equities Index Forum will periodically review each Benchmark and the Benchmark Administrator's actions (including any exercise of discretion) with respect to each Benchmark. The Benchmark Administrator is also required to consult with the Equities Index Forum prior to making any amendments to the Benchmark Rules or before ceasing to administer and publish any Benchmark.

Any use of a Benchmark in a product or transaction remains subject to all other approvals and processes required for the relevant product or transaction in accordance with each of MLI and its affiliates policies and procedures.

### **6.3 Criteria and procedures used to determine the benchmarks**

#### **6.3.1 Description of the Benchmark Methodology**

The criteria and procedures used to determine the Benchmark, as described in Section 4 above, are set out fully in the Benchmark Rules. In particular the relevant Benchmark Rules provide for the procedures for the rebalancing and recomposition of the Benchmark constituents from time to time.

Each benchmark from the **Equities Non-Regulated Data Family** measures input data from equity markets where shares and other equity-linked instruments (including equity options or futures or ETFs) are traded on-exchange. Input data used for this family of benchmarks is sourced from recognized market data providers (such as Bloomberg and Reuters) as specified in the relevant index rules.

### 6.3.2 Description of the input data

For benchmarks input data may comprise (in part) regulated exchange data or any of the other types of input data set out below:

- a) Regulated Exchange Data: Input data as defined in Article 3.1(24) of the Regulation. Data of this type is sourced from recognised market data providers.
- b) Readily Available Data: Input data that does not fall under the definition set out in Article 3.1(24) of the Regulation including:
  - Non-regulated Exchange Data: Input data from exchanges which are not covered by the definition in Article 3.1(24) of the Regulation. Data of this type is sourced from recognised market data providers (such as Bloomberg and Reuters).
  - EU Benchmarks: indices that fall within the definition of “benchmark” under the Regulation. Data of this type is sourced directly from the administrator or from recognised market data providers (such as Bloomberg and Reuters).
  - Other Benchmarks: other indices that do not fall within the definition of “benchmark” under the Regulation including certain other BOFASE investable indices. Data of this type is sourced directly from the administrator or from recognised market data providers (such as Bloomberg and Reuters).
  - Third Party Data: This includes, without limitation, benchmark interest rates and foreign exchange rates (such as WM/Reuters), some of which may be benchmarks under the Regulation. Data of this type is sourced from recognised market data providers (such as Bloomberg and Reuters) or other third party providers.
  - Other Readily Available Data: These include, without limitation, research reports, signals and indicators, dividend prices, corporate action data, fundamental data and industry, category, style or similar classifications for input data. Data of this type is sourced directly from the providers or from recognised financial information providers (such as Bloomberg or Reuters).

The input data for each Benchmark will be the relevant prices or levels of the Benchmark constituents in respect of the relevant Index Calculation Day.

### 6.3.3 Priority given to different types of input data

Priority is given to the relevant prices or levels of the Benchmark constituents specified in the applicable

Benchmark Rules unless a disruption occurs in which case the Benchmark Administrator may instead use its own estimates of such prices or levels (as further described in section 8 below).

#### **6.3.4 Minimum data needed to determine the Benchmarks**

The Benchmark Administrator will require, as a minimum, relevant prices or levels of the Benchmark constituents specified in the applicable Benchmark Rules to determine any Benchmark. Without such prices or levels, and subject to the relevant fallback provisions described in section 8 below, the Benchmark Administrator may have to modify the terms of a Benchmark or cease administration and publication of that Benchmark.

#### **6.3.5 Factors that may result in changes to, or the suspension or cessation of, a Benchmark**

Calculation of a Benchmark may be postponed, modified or terminated in the case of an Index Disruption Event (for further details see section 7 below). Subject to prior consultation with the Equities Index Forum, the Benchmark Administrator also has the power to cease administering and publishing a Benchmark at any time, for any reason and without notice. Circumstances in which a Benchmark may be terminated include, without limitation, that the relevant Benchmark is no longer able to meet its objective or if there are no investors in the Benchmark or no remaining Financial Products.

### **7. USE OF DISCRETION IN DETERMINATION OF THE BENCHMARK**

If, on any Index Calculation Day, the Benchmark Administrator determines that an Index Disruption Event occurs or has occurred in respect of any Benchmark, then the Benchmark Administrator may (i) determine the value of the affected Benchmark and/or any affected Benchmark constituents as of such Index Calculation Day in a manner which reflects the nature of the Index Disruption Event, (ii) suspend, delay or postpone calculation and/or publication of the Index Level and/or (iii) modify, replace or terminate the Benchmark.

Modifications may include adjustments to or the removal, replacement or addition of Benchmark constituents. In addition the Benchmark Administrator may modify or terminate a Benchmark, including in the case of any issue or concern that has arisen which may have a material impact on the Benchmark.

If an Index Disruption Event occurs or has occurred, the Benchmark Administrator may at its option convene the Equities Index Forum to determine what action, if any, is appropriate in accordance with the Benchmark Rules.

An **Index Disruption Event** shall be any event or circumstance of any nature which (in the determination of the Benchmark Administrator):

- f) disrupts or impairs any procedure normally used in determination of the Index Level;
- g) impairs the determination of the Index Level or of any value necessary to determine the Index Level or results in any such value being unavailable;
- h) affects the ability of the affected Benchmark to achieve its stated objective;

- i) makes it impossible, impracticable or commercially unreasonable for the affected Benchmark to be administered, maintained, calculated or published in accordance with the terms of the Benchmark Rules or otherwise requires the Benchmark Administrator to depart from the terms of the Benchmark Rules in the administration, maintenance, calculation or publication of the affected Benchmark, in each case, in order to maintain the commercial purposes of the Benchmark; or
- j) otherwise makes it necessary or desirable (including from the perspective of any party hedging any exposure to the affected Benchmark) to amend or adjust that Benchmark or the Benchmark Rules.

If, on any Index Calculation Day, the Benchmark Administrator determines that a **Market Disruption Event** occurs or has occurred in respect of any Benchmark (being any event, as further described in the Benchmark Rules, that affects the ability of the Benchmark Administrator to obtain reliable input data for any of the Benchmark Components), the Benchmark Administrator may either (i) determine the relevant input data required in respect of the affected Benchmark Component using an alternative measure selected by the Benchmark Administrator, (ii) postpone the calculation of the Index Level for the relevant Index Calculation Day or (iii) modify or terminate the Benchmark as described above. The Benchmark Administrator's procedure in the case of a Benchmark modification is that it first requests that the Equities Index Forum is convened to consider the relevant issue or concern and the Benchmark Administrator follows the determination of the Equities Index Forum. In the case of a significant change (as described in the relevant Benchmark Rules) the Benchmark Administrator and where possible shall give reasonable prior notice that the relevant change is proposed in order to allow Financial Product investors to give comments on the proposed change.

The Benchmark Administrator's procedure in the case of a Benchmark termination is that it must first consult with the Equities Index Forum and, where the Equities Index Forum considers it appropriate, the Benchmark Administrator will make available to Financial Product investors the rationale for the termination, along with the proposed timing and content of the termination. The Benchmark Administrator may in this case but is not required to consult with Financial Product investors to allow them to provide feedback on the proposal.

## **8. PROCEDURES FOR DETERMINATION OF THE BENCHMARK IN PERIODS OF STRESS OR WHERE TRANSACTION DATA SOURCES MAY BE INSUFFICIENT, INACCURATE OR UNRELIABLE**

See section 7 above in relation to the powers available to the Benchmark Administrator following the occurrence of an Index Disruption Event or a Market Disruption Event and the powers of the Benchmark Administrator in relation to any modification or termination of a Benchmark.

## **9. PROCEDURES FOR DEALING WITH ERRORS IN INPUT DATA OR IN THE DETERMINATION OF THE BENCHMARK**

Where an error in input data has occurred or where required due to technical errors, operational events or market disruptions, the Benchmark Administrator may revise any previously published Index Levels. Any such revised Index Levels will be published in accordance with the procedure set out in the relevant Benchmark Rules.