

Benchmark Statement

The Freedom Index

Purpose

The purpose of this disclosure is to outline the information required in Article 27 of the EU regulation on indices used as financial benchmarks (“BMR”) and the Commission Delegated Regulation (EU) 2018/1643, 2020/1816, 2020/1817, 2020/1818 and the Benchmarks (Amendment and Transitional Provision) (EU Exit) Regulations n. 657/ 2019.

This document includes clear definitions of the market or economic reality measured by the benchmarks and the circumstances in which such measurement may become unreliable, outlines rules around exercise of judgement or discretion and provides some additional information about the benchmarks.

Further Information on The Freedom Index

This benchmark statement is provided by StatPro Limited (UK) as the administrator of The Freedom Index family of indices. This disclosure references and should be read in conjunction with the following methodology and policy documents available at

<https://confluence.com/index-governance>

- [Compliance Statement](#)
- [The Freedom Index Construction Methodology](#)
- [The Freedom Index Return Calculation Methodology](#)
- [The Freedom Index Global Sectors FIGS](#)
- [The Freedom Index Schedule of Benchmarks](#)

1.0 General Disclosures

	Regulatory Reference	Detail of Requirement	Response
1.1	RTS27(1)(1)(a)	Date of publication and last update: The benchmark statement shall state the date of its publication and the date of its last update.	First Date of Publication: September 2019 Date of last revision: February 2021
1.2	BMR27(1) & RTS27(7)	Review of benchmark statement: The administrator shall review and, where necessary, update the benchmark statement for each benchmark or family of benchmarks in the event of any changes to the information to be provided under this Article and at least every two years. An update of the benchmark statement is required whenever the information it provides is no longer correct or sufficiently precise and at least where: (a) there is a change in the type of the benchmark; (b) there is a material change in the methodology for determining the benchmark or, where the benchmark statement refers to a family of benchmarks, in the methodology for determining any benchmark within the family of benchmarks.	StatPro Limited is the administrator of The Freedom Index family of indices. StatPro Limited will revise this benchmark statement if material changes are made to the information contained within it, but a review will take place at a minimum of once every two years.
1.3	RTS27(1)(1)(b)	Use of ISIN: The benchmark statement shall include, where available, the ISIN of the benchmark or, when the benchmark statement refers to a family of benchmarks, a reference to a location where the ISINs of the benchmarks within the family of benchmarks are publicly accessible free of charge.	There are presently no ISINs available or accessible for the benchmarks covered by this benchmark statement.
1.4	RTS27(1)(1)(c)	Contributions of input data: The benchmark statement shall state whether the benchmark or at least one benchmark in the family of benchmarks is determined using contributions of input data.	The Freedom Index family of indices does not use contributions of input data. Refer to 2.7 below for further details on input data.
1.5	RTS27(2)	Regulated-data benchmark disclosures: Specific disclosure requirements for regulated-data benchmarks. In addition to Article 1, for a regulated-data benchmark or a family of regulated-data benchmarks, the benchmark statement shall at least: (a) indicate the benchmark's qualification as a regulated-data benchmark; (b) state, in its description of the input data, the source of the input data used; and (c) state within which type of source of input data set out in the definition of a regulated-data benchmark in point (24) of Article 3(1) of Regulation (EU) 2016/1011 the source of input data falls.	The Freedom Index family of indices are not regulated data benchmarks.
1.6	RTS27(6)	Specific disclosure requirements for significant and non-significant benchmarks: 1. In addition to Article 1, for a significant benchmark or a family of benchmarks that includes only significant benchmarks, the benchmark statement shall at least indicate the qualification of the benchmark(s) as a significant benchmark pursuant to point 26 of Article 3(1) of Regulation (EU) 2016/1011. 2. In addition to Article 1, for a non-significant benchmark or a family of benchmarks including only non-significant benchmarks, the benchmark statement shall at least indicate the qualification of the benchmark(s) as a non-significant benchmark pursuant to point 27 of Article 3(1) of Regulation (EU) 2016/1011. 3. In addition to Article 1, for a family of benchmarks that includes both a significant and a non-significant benchmark, the benchmark statement shall at least indicate that the family of benchmarks includes both a benchmark qualified as a significant benchmark, pursuant to point 26 of Article 3(1) of Regulation (EU) 2016/1011, and a benchmark qualified as a non-significant benchmark, pursuant to point 27 of Article 3(1) of Regulation (EU) 2016/1011.	The Freedom Index family of indices includes only non-significant benchmarks according to point 27 of Article 3(1) of Regulation (EU) 2016/1011.

2.0 Key terms relating to the benchmark or family of benchmarks

	Regulatory Reference	Detail of Requirement	Response
2.1	BMR27(1)(a)	Market Reality: The benchmark statement shall clearly and unambiguously define the market or economic reality measured by the benchmark and the circumstances in which such measurement may become unreliable.	<p>Market Reality</p> <p>The Freedom Index family of indices provides free, open and independent indexes for the asset management community. The Freedom Index provides index information for the UK, US, Australian and South African markets as well as custom indices (with other markets currently under consideration to follow), initially supplying the local return, with returns in GBP and the hedged to GBP return to follow. The indexes will be based on market capitalisation and there will be no automatic removal of securities based on their liquidity or size. The Freedom Index - Index Construction Methodology document (referenced above in the section Further Information on The Freedom Index) describes the methodologies used for security selection and rebalancing periods. It also provides the methodology for calculating the index return and the value of the index.</p> <p>Circumstances in which benchmark measurement may be unreliable</p> <p>Given the straightforward and robust methodology of The Freedom Index, any limitations are most likely to arise due to external market factors. Such factors could include an inadequate availability of market.</p>
2.2	BMR27(1)(b)	Use of discretion: The benchmark statement shall lay down technical specifications that clearly and unambiguously identify the elements of the calculation of the benchmark in relation to which discretion may be exercised, the criteria applicable to the exercise of such discretion and the position of the persons that can exercise discretion, and how such discretion may be subsequently evaluated.	<p>The calculation and distribution of The Freedom Index indices as well as the selection of the stocks included in the indices is based exclusively on traded prices, as well as on an automated mechanism that excludes any human discretion or judgement. Therefore, there is no discretion or judgement in The Freedom Index family of indices.</p> <p>If there were to be exceptional circumstances that are not addressed by either The Freedom Index - Index Construction Methodology or an administrator policy. Such scenarios might include but are not limited to:</p> <ul style="list-style-type: none"> • Failure of data providers; • Significant changes to the underlying market; • Complex corporate events; • Action by governmental or regulatory bodies that causes market disruption; and • Events beyond human control. <p>Then, in the event that the administrator needs to take action or make a decision that has not been foreseen by the methodology or associated policy, senior members of the administration team will consult with The Index Governance Committee to arrive at a decision that is consistent with the objective of the index in question and that causes minimal disruption to index stakeholders. Where appropriate, and reasonably practicable, the administrator may consult with stakeholders. In any event the administrator will make all reasonable efforts to ensure stakeholders are aware that discretion or judgement has been used and how.</p>
2.3	BMR27(1)(c)	External Factors: The benchmark statement shall provide notice of the possibility that factors, including external factors beyond the control of the administrator, may necessitate changes to, or the cessation of, the benchmark.	<p>StatPro Limited hereby provides notice to users of The Freedom Index family of indices that it is possible that circumstances, including external events beyond the control of StatPro Limited, may necessitate changes to, or cessation of, a benchmark or the entire index family.</p>
2.4	BMR27(1)(d)	Changes to and cessation of benchmark: The benchmark statement shall advise users that changes to, or the cessation of, the benchmark may have an impact upon the financial contracts and financial instruments that reference the benchmark or the measurement of the performance of investment funds.	<p>Any financial contracts or other financial instruments that reference a benchmark in The Freedom Index family or investment funds which use The Freedom Index family of indices to measure their performance should be able to withstand, or otherwise address the possibility of changes to, or cessation of, a benchmark or the entire index family.</p>

	Regulatory Reference	Detail of Requirement	Response
2.5	BMR27(2)(a) &, RTS27(1)(2)	<p>Definitions of key terms: A benchmark statement shall contain at least the definitions for all key terms relating to the benchmark.</p> <p>For the purpose of defining the key terms relating to the benchmark or family of benchmark, and, in particular, the market or economic reality measured by the benchmark or family of benchmark, the benchmark statement shall contain at least the following information:</p> <p>(a) a general description of the measured market or economic reality;</p> <p>(b) the geographical boundaries of the measured market or economic reality, where applicable;</p> <p>(c) any other relevant information the administrator considers beneficial for a benchmark user to understand the relevant features of the market or economic reality. Subject to the available of reliable data, the administrator shall consider including, inter alia:</p> <p>(1) information on actual or potential participants in the market;</p> <p>(2) barriers to market access;</p> <p>(3) an indication of the size of the market or economic reality.</p>	<p>Definitions of Key Terms Please see Table 4 below.</p> <p>(a) Description of market/economic reality Refer to 2.1.</p> <p>(b) Geographical boundaries The geographical boundaries of the market measured by The Freedom Index family of indices are determined by the eligibility criteria for the indexes within each series as set out in The Freedom Index - Index Construction Methodology document (referenced above in the section Further Information on The Freedom Index).</p> <p>(c) Any other relevant information Not applicable to this index series family (non-significant benchmark).</p>
2.6	BMR27(2)(b) &, RTS27(1)(5)	<p>Benchmark Methodology: A benchmark statement shall contain at least the rationale for adopting the benchmark methodology and procedures for the review and approval of the methodology.</p> <p>Changes to methodology and cessation of benchmark: For the purpose of providing information on the review of the methodology and of advising users in relation to changes to, or the cessation of, the benchmark or family of benchmark, a benchmark statement shall at least:</p> <p>(a) refer to its procedures for public consultation on any material changes to its methodology;</p> <p>(b) to the extent known, indicate possible impacts of changes to, or the cessation of the benchmarks upon the financial contracts, financial instruments that reference the benchmark or the measurement of the performance of investment funds.</p>	<p>The Freedom Index - Index Construction Methodology document (referenced above in the section Further Information on The Freedom Index), reflect the economic reality The Freedom Index family of indices was intended to measure as set out in response 2.1 above.</p> <p>The Freedom Index construction methodology is subject to periodic review to ensure that it remains representative of the relevant market it was created to evaluate and continues to meet the current and future requirements of index stakeholders. Such a review will take place at a frequency determined by a number of factors, but will be undertaken at least annually. The final approval of an index methodology revision is made by The Index Governance Committee. Following the approval of a revision to the methodology, index users and other stakeholders are notified through the publication of a notice.</p> <p>(a) Revisions to The Freedom Index Construction Methodology may originate as a result of recommendations from internal review, modifications to the regulatory regime, feedback from clients or in response to changes in the financial markets structure. In the case of material alterations, for example, those with the potential to change the composition of an index, such as index eligibility criteria, frequency of index reconstitution or index construction rules, a wider consultation with relevant stakeholders may also be undertaken.</p> <p>(b) StatPro Limited has identified financial instruments based on benchmarks within The Freedom Index family of indices; in addition, financial contracts and bilateral over-the-counter agreements such as swaps may exist. Possible impacts on financial contracts or financial instruments of changes to, or the cessation of, the benchmark include requirements for the contracts or instruments to be renegotiated or cancelled. If a benchmark within The Freedom Index family of indices that is used for the measurement of the performance of an investment fund is terminated, or changed such that it is no longer suited to that purpose, firms using the benchmark will need to identify and use an alternative, either from StatPro Limited or from another benchmark administrator. A change in benchmark will likely incur portfolio turnover, and hence additional transaction costs for an investment fund. A change in the fund's registration documentation might also be required.</p>

	Regulatory Reference	Detail of Requirement	Response
2.7	BMR27(2)(c)	Input data: A benchmark statement shall contain at least the criteria and procedures used to determine the benchmark, including a description of the input data, the priority given to different types of input data, the minimum data needed to determine a benchmark, the use of any models or methods of extrapolation and any procedure for rebalancing the constituents of a benchmark's index.	Input data for The Freedom Index family of indices consists of official closing prices sourced via market data vendors from eligible stock exchanges. StatPro Limited considers this to be readily available data. The criteria and procedures used to determine and rebalance the benchmarks within The Freedom Index can be found in The Freedom Index – Index Construction Methodology document. Supplementary information can be found in the documents referenced above in the section Further Information on The Freedom Index to this benchmark statement.
2.8	BMR27(2)(d) &, RTS27(1)(4)	<p>Controls over exercise of judgement and discretion: A benchmark statement shall contain at least the controls and rules that govern any exercise of judgement or discretion by the administrator or any contributors, to ensure consistency in the use of such judgement or discretion.</p> <p>For the purpose of providing information on the controls and rules that govern any exercise of judgment or discretion in the calculation of the benchmark or of the family of benchmarks, the benchmark statement shall at least:</p> <p>(a) indicate the position of each function or body who may exercise discretion;</p> <p>(b) outline each step of the ex-post evaluation process for the use of discretion.</p>	The circumstances in which judgement and/or discretion may be exercised are set out in response 2.2 above.
2.9	BMR27(2)(e)	Determination of the benchmark in stress periods: A benchmark statement shall contain at least the procedures which govern the determination of the benchmark in periods of stress or periods where transaction data sources may be insufficient, inaccurate or unreliable and the potential limitations of the benchmark in such periods.	Given the straightforward and robust methodology of The Freedom Index, any limitations are most likely to arise due to external factors. Such factors could include an inadequate availability of market transaction and pricing data, poor quality data or an insufficient number of eligible constituents available for inclusion in the index. In the unlikely event that such periods of stress were prolonged, then it is probable that The Index Governance Committee would consider decommissioning the index or index series. This would be essential if the index was unable to continue to adequately measure the market or economic reality it was intended to evaluate.
2.10	BMR(27)(2)(f)	Errors in the input data: A benchmark statement shall contain at least the procedures for dealing with errors in input data or in the determination of the benchmark, including when a re-determination of the benchmark is required.	Benchmarks in The Freedom Index are recalculated whenever errors or distortions occur that are deemed to be significant. Stakeholder of The Freedom Index family of indices are notified of any decisions to recalculate and/or restate an index through appropriate media.
2.11	BMR(27)(2)(g) &, RTS27(1)(3)	<p>Potential Limitations of the benchmark: A benchmark statement shall contain at least the identification of potential limitations of the benchmark, including its operation in illiquid or fragmented markets and the possible concentration of inputs.</p> <p>For the purpose of defining the potential limitations of the benchmark or family of benchmarks and, in particular, the circumstances in which the measurement of the relevant market or economic reality may become unreliable, the benchmark statement shall contain at least the following elements, giving consideration to the methodology used for the specific benchmark or family of benchmarks:</p> <p>(a) the circumstances in which the administrator would lack sufficient input data to determine the benchmark according to the methodology;</p> <p>(b) where relevant, circumstances in which the degree of liquidity of the underlying market becomes insufficient to ensure the integrity and reliability of the benchmark determination according to the methodology;</p> <p>(c) any other relevant information the administrator considers beneficial for a benchmark user to understand the circumstances in which the measurement of the relevant market or economic reality may become unreliable, including exceptional market events.</p>	<p>Given the straightforward and robust methodology of The Freedom Index, any limitations are most likely to arise due to external factors.</p> <p>(a) Such factors could include an inadequate availability of market data, poor quality data or an insufficient number of eligible constituents available for inclusion in the index.</p> <p>(b) Not relevant as there are no securities removed from The Freedom Index due to liquidity factors.</p> <p>(c) In the unlikely event that such periods of stress were prolonged, then it is probable that The Index Governance Committee would consider decommissioning the index or index series. This would be essential if the index was unable to continue to adequately measure the market or economic reality it was intended to evaluate.</p>

3.0 Additional Disclosures

	Regulatory Reference	Detail of Requirement	Response
3.1	RTS27(3)	<p>Interest rate benchmarks disclosure: Specific disclosure requirements for interest rate benchmarks.</p> <p>In addition to Article 1, for an interest rate benchmark or a family of interest rate benchmarks, the benchmark statement shall at least:</p> <ul style="list-style-type: none"> (a) indicate the benchmark's qualification as an interest rate benchmark; (b) refer to the additional regulatory regime applicable to interest rate benchmarks under Annex I of Regulation (EU) 2016/1011 and state which arrangements have been put in place to comply with it. 	Not applicable to The Freedom Index family of indices.
3.2	RTS27(4)	<p>Commodity benchmarks disclosure: Specific disclosure requirements for commodity benchmarks.</p> <p>In addition to Article 1, for a commodity benchmark or a family of commodity benchmarks, the benchmark statement shall at least:</p> <ul style="list-style-type: none"> (a) indicate the benchmark's qualification as a commodity benchmark and the applicable regime, as set out in Article 19 of Regulation (EU) 2016/1011; (b) include an explanation as to why the benchmark or the family of benchmarks falls either under the regime of Title II or of Annex II of Regulation (EU) 2016/1011; (c) include in the definitions of key terms a concise description of the criteria that define the relevant underlying physical commodity; (d) with respect to the explanations that the administrator has to publish for each benchmark calculation according to points (a) and (b) of paragraph 7 of Annex II of Regulation (EU) 2016/1011, indicate where such explanations are published. 	Not applicable to The Freedom Index family of indices.
3.3	RTS27(5)	<p>Critical benchmark disclosure: Specific disclosure requirements for critical benchmarks. In addition to Article 1, for a critical benchmark, the benchmark statement shall at least:</p> <ul style="list-style-type: none"> (a) indicate the benchmark's qualification as a critical benchmark pursuant to point 25 of Article 3(1) of Regulation (EU) 2016/1011, with reference to either point (a), (b) or (c) of Article 20(1) of Regulation (EU) 2016/1011, as applicable; (b) refer to the enhanced regulatory regime applicable to critical benchmarks under Regulation (EU) 2016/1011 and specify which enhanced oversight mechanisms apply to the benchmark; (c) contain information, to the extent available, on the most used types of financial instruments, financial contracts and investment funds that reference the critical benchmark; (d) state how users will be informed of any delay in the publication of the benchmark or of a re-determination of the benchmark, indicating any time limits that apply to these procedures. 	
3.4	EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks A19a A19b	Specific disclosure requirements for EU Climate Transition Benchmarks and EU Paris aligned Benchmarks.	Not applicable to this index series family.
3.5	ESG factors disclosure A13 (1)(d) A27 (2a)	Specific disclosure requirements for ESG factors.	Not applicable to this index series family.
3.6	Significant equity and bond benchmarks and EU Climate Transition and EU Paris-aligned Benchmarks A27 (2a)	Specific disclosure requirements for Significant equity and bond benchmarks and EU Climate Transition and EU Paris-aligned Benchmarks	Not applicable to this index series family.

4.0 Definition of Key Terms used in the benchmark statement

Key Term	Definition
Administrator	A natural or legal person that has control over the provision of a benchmark, for The Freedom Index this is StatPro Limited.
Benchmark	Any index by reference to which the amount payable under a financial instrument or a financial contract, or the value of a financial instrument, is determined, or an index that is used to measure the performance of an investment fund with the purpose of tracking the return of such index or of defining the asset allocation of a portfolio or of computing the performance fees.
BMR	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 and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014. The Benchmark Regulations - the Commission Delegated Regulation (EU) 2018/1643, and the supplementary regulatory technical standards.
Discretion/exercise judgement	The exercise of discretion by an administrator with respect to the use of data in determining a benchmark, including adjusting values for factors that might influence the quality of data such as market events or impairment of a buyer or seller's credit quality, and manually altering constituent weightings.
Family of Indices	A group of benchmarks provided by the same administrator and determined from input data of the same nature which provides specific measures of the same or similar market or economic reality.
Financial Contract	Is: (a) any credit agreement as defined in point (c) of Article 3 of Directive 2008/48/EC; (b) any credit agreement as defined in point (3) of Article 4 of Directive 2014/17/EU
Financial Instrument	Means any of the instruments listed in Section C of Annex I to Directive 2014/65/EU for which a request for admission to trading on a trading venue, as defined in point (24) of Article 4(1) of Directive 2014/65/EU, has been made or which is traded on a trading venue as defined in point (24) of Article 4(1) of Directive 2014/65/EU or via a systematic internaliser as defined in point (20) of Article 4(1) of that Directive.
Input Data	The data in respect of the value of one or more underlying assets, or prices, including estimated prices, quotes, committed quotes or other values, used by StatPro Limited as an administrator to determine a benchmark.
Investment Fund	Is an AIF as defined in point (a) of Article 4(1) of Directive 2011/61/EU, or a UCITS as defined in Article 1(2) of Directive 2009/65/EC.
ISIN	The International Securities Identification Number (ISIN) is a code that uniquely identifies a specific securities issue.
Non-Significant Benchmark	Is a benchmark which is not considered a 'critical benchmark' or 'significant benchmark' according to point 27 of Article 3(1) of Regulation (EU) 2016/1011.
Stakeholder	A natural or legal person that uses a benchmark for: (a) issuance of a financial instrument which references an index or a combination of indices; (b) determination of the amount payable under a financial instrument or a financial contract by referencing an index or a combination of indices; (c) being a party to a financial contract which references an index or a combination of indices; (d) providing a borrowing rate as defined in point (j) of Article 3 of Directive 2008/48/EC calculated as a spread or mark-up over an index or a combination of indices and that is solely used as a reference in a financial contract to which the creditor is a party; (e) measuring the performance of an investment fund through an index or a combination of indices for the purpose of tracking the return of such index or combination of indices, of defining the asset allocation of a portfolio, or of computing the performance fees.
StatPro Limited (UK)	The benchmark administrator of The Freedom Index family of indices.
The Freedom Index family of indices	Is the list of benchmarks documented and updated from time to time in The Freedom Index Schedule of Benchmarks available here.
The Index Governance Committee	The group of individuals appointed at the administrator to provide supervision of The Freedom Index family of indices.
Transaction Data	Means observable prices, rates, indices or values representing transactions between unaffiliated counter parties in an active market subject to competitive supply and demand forces.