

## **BUZZ SOCIAL MEDIA INSIGHTS INDEX™ – INDEX METHODOLOGY UPDATE**

August 2016

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BUZZ Indexes is pleased to announce changes to the index construction methodology of the Buzz Social Media Insights Index, effective as of the August 18th rebalance date. BUZZ Indexes believes that the Index changes lead to better portfolio diversification and better represent the social (sentiment) momentum goal of the strategy. An updated Index Guideline can be found on the BUZZ Indexes [website](#).

Key highlights of the Index changes include:

**1. Dynamic Index Universe**

- Continued increase in online discussion allows for a greater number of stocks for potential inclusion in the Index – all stocks that satisfy a minimum number of mentions are now included in the Index Universe.

**2. Increased number of stocks held by the Index**

- 75 stocks with the highest positive insight scores are included in the Index each month.

**3. Decreased maximum weight for stocks**

- Stocks are weighted based on their Insight Score and subject to a 3% maximum weight.

***BUZZ Indexes believes that the index changes will significantly improve the quality of the index offering.***

The revised index methodology includes changes to the eligibility criteria for inclusion, the number of stocks held by the Index, and the maximum weight for an individual stock. All other factors for selecting Index constituents remain unchanged, including restrictions regarding minimum market capitalization, liquidity and rebalance frequency. Stocks with the highest positive insight scores continue to be selected for inclusion in the Index and weights of the constituent stocks within the Index continue to be based on a proprietary scoring model.

Following the launch of the BUZZ Social Media Insights Index (“the Index”) in April, 2016, BUZZ Indexes, in coordination with its licensor partners, engaged in a market consultation process in order to obtain feedback regarding the construction methodology of the Index. BUZZ Indexes received a number of practical suggestions regarding the index construction methodology and has incorporated many of these into the implemented updated methodology.

"Online discussion relating to stocks and investments continues to grow. We are thrilled that the BUZZ Social Media Insights Index is able to deliver exposure to social momentum insights across a wider range of securities," Jamie Wise, Founder of BUZZ Indexes explains. "The enhanced index methodology represents a more diverse and streamlined index offering, better responding to the portfolio management requirements of our stakeholders within the investment community."

The changes were presented to the BUZZ Index Committee at the August 2016 meeting, and the Committee approved the changes to the index construction methodology effective as of the scheduled August 18<sup>th</sup> 2016 rebalance date.

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