Citi Pure Equity Style US Total Return Indices

Index Methodology

2 February 2016 (as amended on 9 September 2016)
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Part A: Introduction
Introduction

This document constitutes the "Index Methodology" applicable to the Citi Pure Equity Style US Total Return index family and is made available by Citigroup Global Markets Limited in its capacity as the Index Sponsor. The family of indices comprises a number of indices (each an "Index") which share a common set of core rules and principles. The rules applicable to an individual Index comprise this Index Methodology and the Index General Conditions. References in this Index Methodology and the Index General Conditions to “the Index” or “this Index” should be construed as references to the relevant Index in the family of indices.

This Index Methodology dated 2 February 2016 (as amended on 9 September 2016), the Index General Conditions dated 27 November 2015 (as amended from time to time, the “Index General Conditions”) together comprise the Index Conditions applicable to the Index and must be read together. In the case of any inconsistency between this Index Methodology and the Index General Conditions, this Index Methodology shall prevail in respect of the Index.

The Equity Metrics Module dated 27 November 2015 (the “Equity Metrics Module”) is incorporated by reference in, and forms part of, this Index Methodology. In the case of any inconsistency between this Index Methodology and the Equity Metrics Module, this Index Methodology shall prevail in respect of the Index. Copies of the Equity Metrics Module are available free of charge on request to the Index Sponsor.

Full information in respect of the Index is only available on the basis of the combination of this Index Methodology and the Index General Conditions.

Full information in respect of any Index Linked Product is only available on the basis of the combination of this Index Methodology and the Index General Conditions and the prospectus or offering document (however described) in respect of such Index Linked Product.

This Index Methodology may be amended in the circumstances described in Section E (Miscellaneous), and will be available from the Index Sponsor. See Section E (Miscellaneous) of the Index General Conditions for a description of the circumstances in which a change to this Index Methodology may be required.

Terms used in this Index Methodology but not defined in this Index Methodology shall have the meanings given to them in the Index General Conditions.
Part B: Key Information
Key Information

Index:
The Citi Pure Equity Style US Total Return index family comprises a number of indices which may be specified as any one of the following indices in respect of an Index Linked Product:

- Citi Pure Quality US Long-Short TR Index
- Citi Pure Risk US Long-Short TR Index
- Citi Pure Value US Long-Short TR Index
- Citi Pure Growth US Long-Short TR Index
- Citi Pure Estimates Momentum US Long-Short TR Index
- Citi Pure Price Momentum US Long-Short TR Index
- Citi Pure Size US Long-Short TR Index
- Citi Pure Inverse Size US Long-Short TR Index

(each an "Index").

Any reference in this Index Methodology and the Index General Conditions to “the Index” should be construed as a reference to each of the relevant Indices listed above, as appropriate, unless otherwise indicated.

Summary of strategy:
The Index uses a dynamic allocation strategy that provides long/short exposure to the performance of a number of US equities that are selected and weighted with the aim of offering the purest sensitivity to one of the following investment style factors: Quality; Risk; Value; Growth; Estimates Momentum; Price Momentum; Size and Inverse Size, (the “Style Factors”), whilst also taking into account each equity’s sensitivity to the other Style Factors and to the sector classifications.

The Index will be constituted by a number of stocks drawn from a defined eligible universe of US equities, being the stocks in the S&P 500® Total Return Index (SPTR <Index>) (the “S&P 500 Index”). On each Selection Day, certain selection filters will be applied to the defined eligible universe to exclude those stocks that do not meet certain specified requirements and limitations set out herein, in order to determine the selected universe of constituents that will form the Index.

The name given to each Index reflects the Style Factor that such Index intends to capture (for example, “Quality”, “Risk” and “Value”) and to which such Index aims to provide positive sensitivity whilst keeping its sensitivity to the other Style Factors close to zero. With the exception of the Citi Pure Inverse Size US Long-Short TR Index (the “Inverse Size Index”), each Index name represents an attempt to categorise stocks that may exhibit, or may tend to exhibit, certain characteristics or behaviours. The Inverse Size Index is intended to represent the inverse of the Citi Pure Size US Long-Short TR Index (the “Size Index”), in that the percentage weights of the Constituents of the Inverse Size Index are the inverse of those of the Size Index, meaning that the stocks comprising the long basket of the Size Index will comprise the short basket of the Inverse Size Index and the stocks comprising the short basket of the Size Index will comprise the long basket of the Inverse Size Index.
The Index is rebalanced on a monthly basis to reflect any changes in the defined eligible universe and the selected stocks.

The result of a selection and rebalancing is that new constituents may be added to and/or existing constituents may be removed from the Index and the total number of constituents included in the Index may change from time to time. In addition, the selected constituents comprising the Index will be re-weighted at each rebalancing. Any new constituents that are added into the Index, and any existing constituents that remain in the Index, are given effect in their respective weights as of the rebalancing date following a selection day.

The initial constituents of the Index as of the Index Start Date will be determined on the Initial Selection Day preceding the Index Start Date.

The percentage weight of each constituent to be included in the Index is determined on a monthly basis in accordance with the methodology set out in Part D (Calculation of the Index Level) of these Index Conditions, whereupon the Index is then rebalanced. Broadly, the percentage weight of each Constituent is generated on the basis of the sensitivity score calculated by the Index Calculation Agent in respect of a given Style Factor for that Constituent, whilst taking into account that Constituent’s sensitivity to the other Style Factors and to the sector classifications (and, in the case of the Inverse Size Index, the percentage weight of each Constituent is generated on the basis of inverting the percentage weights of the Constituents of the Size Index).

The Index Calculation Agent calculates the sensitivity score (the “Style Factor Score”) of each Constituent for each Style Factor (except the Inverse Size Style Factor) on the basis of and in accordance with the methodology set out in paragraph 3 of Part D (Calculation of the Index Level). The methodology is applied to the set of data generated by the Metrics, and seeks to filter, calibrate and adjust the data in such a way that permits direct comparison across the different Style Factors. To achieve this, firstly the data derived from the individual Metrics is subject to a series of statistical tools to generate a revised set of data which is comparable across the different Metrics and for which the outlying values, which may skew the subsequent analysis, are removed. Secondly, the Style Factor Score is calculated by combining the data for the relevant component Metrics, and again the resulting combined values are subject to statistical adjustment to allow comparison across the different Style Factors and to remove the effect of outlying values.

The Metrics listed in Table 6 (Summary of Metrics for Style Factors) of Part F (Data) in respect of each Style Factor have the meanings given to them and are calculated by the Index Calculation Agent in accordance with the Equity Metrics Module.

Index Sponsor: Citigroup Global Markets Limited
Index Calculation Agent: Solactive AG
Index Base Currency: US Dollars (USD)
Index Launch Date: 10 November 2014
Index Start Date: 8 April 2004
Index Start Level: 100
Index Fee: Not applicable.
Frequency of calculation of the Index Level: Daily, on each Index Business Day.
Frequency of rebalancing: Monthly, on each Rebalancing Date.

Index Electronic Page:

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<th>Index</th>
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<td>Citi Pure Quality US Long-Short TR Index</td>
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<td>Citi Pure Inverse Size US Long-Short TR Index</td>
<td>CIISSCUT &lt;Index&gt;</td>
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The Index was launched by the Index Sponsor as of the Index Launch Date. The past performance of the Index prior to the Index Launch Date has been derived by the Index Sponsor from a back-testing simulation by applying the Index Methodology to published historical levels of the Index constituents. Simulated past performance is provided for illustrative purposes only and should not be regarded as an indication of future performance. The back-testing simulation assumed that there were no market disruption events and no adjustment events affecting the constituents, and that there was no applicable law, regulation or policy requiring the removal of any constituent. The back-testing simulation also assumed that there was no exclusion of a constituent as a result of the constituent (i) being issued by Citi or its affiliates, (ii) being on Citi’s Restricted Trading List, or (iii) having a borrowing cost or utilisation rate (being a proxy for ease of borrowing of a constituent) above a certain threshold. Therefore, the back-testing simulation is not an indication of how the Index would actually have performed during the period covered by the back-testing simulation. A simulation based on different assumptions may produce different results. See also Part G (Specific Risks) for further risks in respect of back-testing simulation.
Part C: Overview of the Index
Overview of the Index

1. GENERAL OVERVIEW

The overview set out in this Part C is a summary only of the Index Conditions, of which this Part C is a part. The Index Conditions as a whole govern the calculation of the Index and the Index Level (as defined in Part D (Calculation of the Index Level) below), and the determinations made in connection with the maintenance of the Index. In the case of any inconsistency between this Part C and the remainder of the Index Conditions, the remainder of the Index Conditions shall prevail.

The Index is a notional rules-based proprietary index developed by the Index Sponsor.

The Index is a total return index, with notional reinvestment of any regular dividends notionally paid out by the stocks tracked by the Index and any adjustments in respect of dividends are made in respect of as defined and explained more fully below in Part E (Dividends, Stock Splits and Rights Issues). The Index is described as replicating notional positions in the Constituents because there is no actual portfolio of assets to which any person is entitled or in which any person has any ownership interest. The Index simply references certain investment positions the performance of which is used as a reference point for the purpose of calculating the Index Level.

The Index uses a dynamic allocation strategy that provides long/short exposure to the performance of a number of US equities selected and weighted with the aim of offering the purest (or greatest) sensitivity to one of the following style factors: Quality, Risk, Value, Growth, Estimates Momentum, Price Momentum, Size and Inverse Size (the “Style Factors” and each Style Factor is assigned an identifying number denoted as “N”), whilst also taking into account each equity’s sensitivity to the other Style Factors and to the sector classifications, and which meet certain requirements and limitations detailed in the selection filters set out herein.

The sensitivity of each of the relevant US equities to the Style Factors (except the Inverse Size Style Factor) is determined by the Index Calculation Agent in accordance with the methodology set out in paragraph 3 of Part D (Calculation of the Index Level), as described further in paragraph 7 (Determination of Style Factor Scores) below.

The Index will be constituted by a number of stocks selected from a defined eligible universe of US equities. The eligible universe (the “Eligible Universe”) is defined by reference to, and will be composed of, those US stocks constituting the S&P 500 Index from time to time. Certain filters will then be applied to the Eligible Universe to exclude those stocks that do not meet certain limitations in order to determine the selected universe of equities (“Selected Universe”) that will form the Index (such selected constituents being the Constituents of the Index), as described in paragraph 5 (Selection of Constituents) below. Such determination by the Index Calculation Agent will be made on each selection day.

The name given to each Index reflects the Style Factor that such Index intends to capture (for example, “Quality”, “Risk” and “Value”) and to which Style Factor such Index aims to provide positive sensitivity whilst keeping its sensitivity to the other Style Factors close to zero. With the exception of the Citi Pure Inverse Size US Long-Short TR Index (the “Inverse Size Index”), the names given to the Style Factors themselves represents an attempt to categorise stocks that may exhibit, or may tend to exhibit, certain characteristics or behaviours. The Inverse Size Index is intended to represent the inverse of the Citi Pure Size US Long-Short TR Index (the “Size Index”), meaning that the percentage weights of the Constituents of the Inverse Size Index are the inverse of those of the Size Index (and the Index Calculation Agent will determine such inverse percentage weights by multiplying the percentage weight of the Constituents of the Size Index by minus 1). Therefore the stocks that are part of the long basket of the Size Index will be part of the short basket of the Inverse Size Index and the stocks that are part of the short basket of the Size Index will be part of the long basket of the Inverse Size Index. Exposure to the stocks included in the Size Index and the Inverse Size Index will be of the same magnitude but will be directionally opposite.
The Index is rebalanced on a monthly basis on each Rebalancing Date following a Selection Day to reflect any changes in the Eligible Universe and Selected Universe.

Broadly, the Index assigns weights to its Constituents (as defined in Section D (Definitions) of the Index General Conditions) according to:

(i) the sensitivity scores (“Style Factor Scores”) attributed to each of the Constituents in respect of a relevant Style Factor (whilst also taking into account that Constituent’s sensitivity to the other Style Factors and to the sector classifications), which are determined by the Index Calculation Agent as described further in paragraph 7 (Determination of Style Factor Scores) below; and

(ii) the methodology set out in Part D (Calculation of the Index Level) of these Index Conditions (the “Index Methodology”),

and, in the case of the Inverse Size Index, the Index assigns weights to its Constituents on the basis of inverting (i.e. multiplying by minus 1) the weights of the Constituents of the Size Index.

The Index Methodology determines the Percentage Weight (as defined in Part D (Calculation of the Index Level) below) of each Constituent on a monthly basis such that the sum of the positive Percentage Weights is 1 and the sum of the negative Percentage Weights is -1.

The Index Methodology adopts a three-step process and uses the Style Factor Scores determined by the Index Calculation Agent to aim to “purify” the exposure of the relevant Index to a given Style Factor. The Index does not attempt to identify or quantify any specific risks which may be relevant to a stock, sector, industry, country or geographic region.

As outlined above, the Percentage Weight of each Constituent within the Index is determined on a monthly basis in accordance with the Index Methodology. On each Selection Day (as defined in Part F (Data) below), the Constituents to be included in the Index as of the related Rebalancing Date (as defined in Part F (Data) below) are determined or reselected by application of certain selection filters to the Eligible Universe to generate a selected universe of stocks, and the Percentage Weight of each Constituent to be included in the Index is determined in accordance with the Index Methodology. The Index is rebalanced to replicate notional positions in the Selected Constituents in their respective Percentage Weights as of the end of the Rebalancing Date following the relevant Selection Day.

If a Constituent of the Index is removed from the Selected Universe as a result of a Regulatory Event, such Constituent may be removed from the Index on the date designated by the Index Calculation Agent or the Index Sponsor, and the Index will be rebalanced in accordance with the Index Methodology and accordingly the percentage weights of the remaining Constituents will be scaled up proportionally.

If a Constituent of the Index is removed from the Eligible Universe, then such Constituent may be removed from the Index on the next following Rebalancing Date, and the Index will be rebalanced on such date as usual. The introduction of a new stock into the Eligible Universe will not result in an adjustment to the Selected Universe of the Index until the next scheduled Rebalancing Date.

The initial constituents of the Index as of the Index Start Date will be determined on the Initial Selection Day preceding the Index Start Date.

The Index Methodology is used to determine the Constituents of the Index and the weights of the Selected Constituents on a monthly basis such that the Index aims to provide exposure to a number of Constituents with increased exposure to those Constituents whose Style Factor Scores intend to attribute to them the purest (or greatest) sensitivity to certain investment style factors from time to time. The Index is subject to a variety of equity market risks. The Index Methodology on which the Index is based may not be successful and may not outperform any alternative strategy that might be employed in respect of the stocks in the Eligible Universe or the Selected Universe.
2. **INDEX SPONSOR AND INDEX CALCULATION AGENT**

The Index Sponsor is Citigroup Global Markets Limited. As at the date of this Index Methodology, the Index Sponsor has appointed Solactive AG as Index Calculation Agent to calculate and publish the Index in accordance with the Index Conditions. The Index Sponsor may, in its sole discretion and without notice, appoint an alternative Index Calculation Agent at any time.

The Index Sponsor’s determinations in respect of the Index shall be final. Please refer to Section E (Miscellaneous) of the Index General Conditions for further information.

3. **INDEX LEVEL CALCULATION**

Subject to the occurrence or existence of a Disrupted Day (as defined in Section D (Definitions) of the Index General Conditions), the Index Level is calculated by the Index Calculation Agent as of the Index Valuation Time on each Index Business Day (each as defined in Part F (Data) below). The Index Level for each Index Business Day is published on the Index Electronic Page, generally on the following Index Business Day. This should be considered the official source for the Index Level and a level obtained from any other source (electronic or otherwise) must be considered unofficial. The Index Level is the closing level of the Index for the relevant Index Business Day. The Index Calculation Agent may also, but is not obliged to, calculate the level of the Index in respect of any other valuation time on any Index Business Day or any other day with the consent of the Index Sponsor.

The detailed procedures for the calculation of the Index Level in respect of each Index Business Day are set out in Part D (Calculation of the Index Level) below.

4. **MONTHLY REBALANCING AND ADDITIONAL REBALANCING**

Subject to the occurrence or existence of a Disrupted Day or an Additional Rebalancing Date, the Index is rebalanced on a monthly basis. On each Selection Day, the Index Methodology selects the Constituents that will be included in the Index with effect from the end of the Rebalancing Date following that Selection Day. The Index Calculation Agent will perform the calculations required to determine the Percentage Weight of each Selected Constituent according to the methodology set out in Part D (Calculation of the Index Level) of these Index Conditions. These Percentage Weights will then be applied to the Index Level and the Constituent Closing Levels (determined in accordance with Section B (Valuations and Adjustments) of the Index General Conditions) of the Constituents from the end of the relevant Rebalancing Date to determine the Weights of the Selected Constituents (as defined in Part D (Calculation of the Index Level) below), so that the Index Level can then be calculated, using the new Weights, for each subsequent Index Business Day up to and including the next following Rebalancing Date. However, the Index Level calculated in respect of the Rebalancing Date itself is not affected by the new Weights.

If a Regulatory Event occurs (as defined in paragraph 4.1 of Part D (Calculation of the Index Level) below) such that the affected Constituent is removed from the Index, then the Index will be rebalanced on an Additional Rebalancing Date designated by the Index Calculation Agent or the Index Sponsor, and the percentage weight of the removed Constituent will be redistributed proportionately to the remaining Constituents, in accordance with paragraph 4.2 (Determining the Percentage Weights of the remaining Constituents) of Part D below. The occurrence of an Additional Rebalancing Date will not affect the occurrence of any scheduled Rebalancing Dates.

5. **SELECTION OF CONSTITUENTS**

On each Selection Day (from and including the Initial Selection Day prior to the Index Start Date), the Index Calculation Agent determines the Constituents of the Index in accordance with the Index Methodology, such selected Constituents being all of the stocks remaining in the Eligible Universe as of such date after the application of certain filters to that Eligible Universe by the Index Calculation Agent.
Each of the filters that will be applied to the Eligible Universe to exclude certain stocks from forming part of the Index is as follows:

(i) any stocks issued by Citi (as defined in Section D (Definitions) of the Index General Conditions), including Citigroup Inc.;

(ii) any stocks included on Citi’s Restricted Trading List (being a list of stocks which Citi and/or any of its Affiliates is not permitted to hold, buy, sell or otherwise deal in for a particular period of time due to laws, regulations or internal policies and procedures) (as determined by Citi and/or its Affiliates and notified to the Index Sponsor and in turn as notified to the Index Calculation Agent); and

(iii) any stocks with either: (A) a Utilisation Rate of more than 50% or (B) a Volume-Weighted Average Borrowing Fee (VWAF) of more than 0.75%.

Capitalised terms used but not defined in this paragraph have the meanings given to them in Table 7 of Part F (Data).

6. CHANGES IN THE ELIGIBLE UNIVERSE

If a stock ceases to be part of the Eligible Universe, then the Constituent of the Index representing such stock may be removed from the Index on the next following Rebalancing Date, and the Index will be rebalanced on such date as usual (whereby the Percentage Weights of the remaining Constituents will be determined by the Index Calculation Agent in the usual manner).

Stocks that are introduced into the Eligible Universe between Rebalancing Dates will not be included in the Index solely as a result of such introduction and will only be introduced on the next scheduled Rebalancing Date. However, stocks may be introduced into the Index between Rebalancing Dates in accordance with the Index Conditions as a result of certain corporate action events, such as mergers.

7. DETERMINATION OF STYLE FACTOR SCORES

The Index Calculation Agent calculates the Style Factor Score of each Constituent for each Style Factor (except the Inverse Size Style Factor) in accordance with the methodology set out in paragraph 3 of Part D (Calculation of the Index Level).

The set of Metric Values that is generated by the application of the Equity Metrics Module is subject to a series of rules and statistical steps to filter, calibrate and adjust the data in such a way that permits direct comparison across the different Style Factors. The process of converting Metric Values into Style Factor Scores is broadly split into four sequential steps, with the entire process being repeated for each Selection Day.

The first step is the filtering of the Metric Values in order to (a) exclude certain negative Metric Values, (b) exclude Metric Values for certain Constituents and (c) invert (i.e. multiply by -1) certain Metric Values. Where Metric Values are excluded, the Metric Weights of the remaining Metrics for the relevant Style Factor are proportionally increased.

The second step is the Winsorisation of the filtered Metric Values, which is a statistical tool which arranges the set of data for each Metric (for each Metric there is one value for each Constituent), and seeks to remove the impact of outlier values (i.e. the values at the highest and lowest ends of the scale) by setting these ‘outlier values’ equal to a pre-specified cap and floor. In this instance, the Winsorisation process is conducted by reference to the median value of the set of data, and the relative distance of each value from such median.

The third step is further split into two sub-steps: (a) the first sub-step is the normalisation of the Winsorised data. This is the process of converting the set of data into values which are directly comparable across different Metrics. In this case, the statistical measure called the Z Score is used, which
expresses each value in terms of the standard deviation of the set of data; and (b) the second sub-step is to apply a cap and floor to the Z Score values to minimise the effect of outliers.

The fourth step brings together the data for the individual Metrics that comprise each Style Factor to generate a single Style Factor Score for each Style Factor. This step is further split into three sub-steps: (a) firstly, the capped and floored Z Scores for the relevant component Metrics are grouped together by calculating the average Z Score; (b) secondly, the resulting set of averaged Z-Scores for a Style Factor (there will be one for each Constituent) is normalised and expressed in terms of standard deviation of the averaged Z Scores (using a market-capitalisation weighting factor for each Constituent, other than in respect of the Size Style Factor which uses equal weighting). This allows direct statistical analysis and comparison across the Style Factors; and (c) the final sub-step is to apply a pre-defined cap and floor to the resulting values to minimise the effect of outliers.

The Metrics listed in Table 6 (Summary of Metrics for Style Factors) of Part F (Data) in respect of each Style Factor have the meanings given to them and are calculated by the Index Calculation Agent in accordance with the methodology set out in the Equity Metrics Module, copies of which are available free of charge on request to the Index Sponsor.

8. DETERMINATION OF PERCENTAGE WEIGHTS

On each Selection Day, the Index Methodology requires the Index Calculation Agent to determine the Percentage Weights of the individual Constituents that will be included within the Index as of the related Rebalancing Date. The Percentage Weights of the Index Constituents are based on the Style Factor Score for Index Constituent. For each Index representing a Style Factor, the Percentage Weights of the Constituents are such that they aim to provide the Index with positive sensitivity to that Style Factor whilst keeping its sensitivity to the other Style Factors close to zero, and, where applicable, result in profiles for the Constituents that have a beta of 1 to the relevant Style Factor and a beta of 0 to the other Style Factors and sector classifications (i.e. sector neutrality).

The methodology adopts a three-step process to determine the Percentage Weights of the Constituents of each Index (except the Inverse Size Index, for which the Percentage Weights will be determined as further described below).

The first step creates a Betas matrix, which has (a) a number of rows equal to the number of Constituents in respect of the Index, and (b) a number of columns equal to the sum of: (i) the number of Style Factors, except the Inverse Size Style Factor, and (ii) the number of Sectors represented by at least two Constituents.

Each unit of row i and column j of the Betas matrix (i.e. an element in the matrix grid) is assigned the following values:

- For columns 1 to NSF (where “NSF” means the number of Style Factors, except the Inverse Size Style Factor), a Style Factor Score for each Constituent i and Style Factor N (where N corresponds to j);

- For columns NSF+1 to NS (where “NS” means NSF plus the number of Sectors which are represented by at least two Constituents), if the Constituent’s Sector is the Sector corresponding to that column, 1 and otherwise, 0; and

If there is any Constituent in a Sector that is only represented by one Constituent then one additional column is added at the end of the other Betas whose elements are all assigned a value of 1.

In the second step, the Betas matrix created in Step 1 is inverted.

In the third step, the Index methodology applies a proprietary algorithm to determine the theoretical percentage weights for each selected Constituent (based on its Style Factor Scores), and then applies a normalization calculation to normalise those Theoretical Percentage Weights so that the sum of the
positive Theoretical Percentage Weights is 1 and the sum of the negative Theoretical Percentage Weights is -1.

The result of this calculation fixes the final Percentage Weights for each of the selected Constituents, which will be applied from the end of the relevant Rebalancing Date (and is the “Percentage Weight” used in the Index Level calculations).

In the case of the Inverse Size Index, the Percentage Weight for each Constituent shall be determined as the inverse of the Percentage Weight for the corresponding Constituent of the Size Index (the inverse being calculated by the Index Calculation Agent as the Percentage Weight for the corresponding Constituent multiplied by minus 1).

For each Index, the Constituents with positive final Percentage Weights construct the Long Basket Level and the Constituents with negative final Percentage Weights construct the Short Basket Level as of the relevant Rebalancing Date.

9. DETERMINATION OF WEIGHTS

On each Selection Day in respect of each Rebalancing Date, the Index Calculation Agent determines the Weight of each Selected Constituent to be included in the Index. Any new Weights determined in respect of the rebalancing will be applied to the Constituents as of the end of the Rebalancing Date. (The Weights of existing Constituents of the Index on the Rebalancing Date (prior to the rebalancing on that date) are fixed as of the rebalancing that occurred on the preceding Rebalancing Date.)

The difference between “weight” and “percentage weight” can be understood as the difference between the notional number of stocks of a constituent in an index (the weight) and the proportion that each constituent has to the overall level of the index (the percentage weight). The weight of a constituent is determined in respect of a rebalancing date by reference to the designated percentage weight of the constituent, the level of the index and the price of the constituent in respect of such rebalancing date. The weight of each constituent remains fixed between rebalancing dates, save for any additional rebalancing and any adjustments as a result of dividends, corporate actions and extraordinary events. Unlike percentage weight, which is a snapshot of the proportion that a certain stock has within the index as a whole, weight assesses the synthetic investment value of that stock within the index. Because stock prices fluctuate, the proportion that each stock contributes to the index on any day depends on the relative performance of that stock compared with the performance of the index as a whole. As such, the percentage weight of a stock in an index can vary from day to day. On the other hand, a constituent included within an index on a certain rebalancing date, and having a certain percentage weight in respect of that day, will be represented by a weight which is fixed until the next rebalancing date.

In the Index, the Index Calculation Agent shall, as of each Selection Day following the Index Start Date, determine the Current Percentage Weight (as defined in Part D (Calculation of the Index Level) below) of each selected Constituent in the Index in respect of each Rebalancing Date. The Current Percentage Weight is the proportion that the relevant selected Constituent has in the Index as a whole prior to the rebalancing, expressed as a percentage. For the avoidance of doubt, any selected Constituent that is not an existing Constituent in the Index will have a Current Percentage Weight of zero in respect of the Rebalancing Date on which it is introduced.

The Weight of each selected Constituent will then be determined as a function of its Percentage Weight and the Index Level (i.e. the Index Level is split into that proportion attributable to the Percentage Weight of each selected Constituent), which is then divided by the price of the relevant selected Constituent.

The Weights of the Constituents will remain constant between Rebalancing Dates, save for any additional rebalancing following a Regulatory Event and any adjustments to take account of the economic effect of dividends, corporate actions and certain extraordinary events, as described in detail in Part D (Calculation of the Index Level) and Part E (Dividends, Stocks Splits and Rights Issues) of this Index Methodology, and Section B (Valuations and Adjustments) of the Index General Conditions.
Part D: Calculation of the Index Level
Calculation of the Index Level

The Index Sponsor is Citigroup Global Markets Limited. As at the date of this Index Methodology, the Index Sponsor has appointed Solactive AG as Index Calculation Agent to calculate and publish the Index in accordance with the Index Conditions. The Index Sponsor may, in its sole discretion and without notice, appoint an alternative Index Calculation Agent at any time.

The Index Calculation Agent's calculations of the Index Level shall be final in the absence of manifest error. Please refer to Section E (Miscellaneous) of the Index General Conditions for further information.

The Index Level is calculated by the Index Calculation Agent as of the Index Valuation Time on each Index Business Day (each as defined in Part F (Data) below). The Index Level for each Index Business Day is published on the Index Electronic Page, generally on the following Index Business Day. This should be considered the official source for the Index Level and a level obtained from any other source (electronic or otherwise) must be considered unofficial. The Index Level is the closing level of the Index for the relevant Index Business Day. The Index Calculation Agent may also, but is not obliged to, calculate the level of the Index in respect of any other valuation time on any Index Business Day or any other day with the consent of the Index Sponsor.

All of the calculations and determinations described in this Part D are the responsibility of the Index Calculation Agent. The calculations and determinations in this Part D are subject to the occurrence of, and adjustments made as a consequence of, Dividend Adjustment Events, Stock Split Adjustment Events and Rights Issue Adjustment Events (as described in Part E (Dividends, Stock Splits and Rights Issues) below), Disrupted Days and Adjustment Events (as described in Section B (Valuations and Adjustments) and Section F (Constituent Schedule: Share) of the Index General Conditions).

1. DAILY INDEX CALCULATION

1.1 Index Level

The "Index Level" on the Index Start Date shall be the Index Start Level.

The "Index Level" on each Index Business Day t (following the Index Start Date) shall be an amount determined by the Index Calculation Agent in accordance with the formula set out below.

\[
\text{Index Level}_t = \text{Index Level}_{t-1} \times \left[1 + \frac{\text{Long Basket Level}_t}{\text{Long Basket Level}_{t-1}} - 1 \right] - \frac{\text{Short Basket Level}_t}{\text{Short Basket Level}_{t-1}} - 1
\]

where:

- Index Level\(_t\) = Index Level on Index Business Day \(t\);
- Index Level\(_{t-1}\) = Index Level on Rebalancing Date \(r\) (or the Index Start Date, as applicable) immediately preceding Index Business Day \(t\);
- Long Basket Level\(_t\) = Long Basket Level on Index Business Day \(t\);
- Long Basket Level\(_{t-1}\) = Long Basket Level on Rebalancing Date \(r\) (or the Index Start Date, as applicable) immediately preceding Index Business Day \(t\);
- Short Basket Level\(_t\) = Short Basket Level on Index Business Day \(t\); and
Short Basket Level, \( r \) = Short Basket Level on Rebalancing Date \( r \) (or the Index Start Date, as applicable) immediately preceding Index Business Day \( t \).

Where Index Business Day \( t \) is itself a Rebalancing Date, then references to Rebalancing Date \( r \) in the above formula shall be construed as references to “Rebalancing Date \( r-1 \)” and references to Index Business Day \( t \) shall be construed as references to “Rebalancing Date \( r \).

### 1.2 Long Basket Level

On the Index Start Date the Long Basket Level is equal to 100.

The Long Basket Level on each Index Business Day \( t \) (following the Index Start Date) is calculated according to the following formula set out below. The formula aggregates the product of each Long Constituent Level and its prevailing Weight (each as defined below):

\[
\text{Long Basket Level} \_t = \sum_{i=1}^{M_{\text{long}}} \left( \text{Long Constituent Level}_{i,t} \times \text{Weight}_{i,r} \right) + \text{Div}_{ex}
\]

Where:

\( \text{Long Basket Level} \_t \) = Long Basket Level on Index Business Day \( t \);

\( \text{Long Constituent Level}_{i,t} \) = Constituent Closing Level of Long Constituent \( i \) on Index Business Day \( t \) (as determined in accordance with Section B (Valuations and Adjustments) of the Index General Conditions);

\( \text{Weight}_{i,r} \) = Weight of Long Constituent \( i \) as of the immediately preceding Rebalancing Date \( r \) (or the Index Start Date, as applicable) immediately preceding Index Business Day \( t \), as determined in accordance with paragraph 1.4 (Long Constituents Weight Computation) below;

\( M_{\text{long}} \) = Number of Long Constituents included in the Index on Index Business Day \( t \) (the Long Constituents being determined in accordance with paragraph 2.2 below);

\( \text{Div}_{ex} \) = \( \sum_{i=1}^{M_{\text{long}}} \left( \text{Net Dividend}_{i,t} \times \text{Weight}_{i,r} \right) \);

\( \text{Net Dividend}_{i,t} \) = Means, in respect of each Constituent \( i \):

(i) if Index Business Day \( t \) is an Ex-Dividend Date in respect of a Dividend (each as defined in Part E (Dividends, Stock Splits and Rights Issues) below) for such Long Constituent \( i \), an amount equal to:

\( \text{Dividend Amount}_{i,t} \times \text{Dividend Percentage}_{i} \)

(ii) otherwise, zero (0);

\( \text{Dividend Amount}_{i,t} \) = As defined in Part E (Dividends, Stock Splits and Rights Issues) below in relation to each Long Constituent \( i \); and
Dividend Percentage, \( i \) = As defined in Part E (Dividends, Stock Splits and Rights Issues) below in relation to each Long Constituent \( i \).

On Rebalancing Date \( r \), the Long Basket Level is calculated using the respective Weights (as determined on Rebalancing Date \( r-1 \)) of each Long Constituent (as selected on the Selection Day immediately preceding Rebalancing Date \( r-1 \)), subject to any subsequent adjustment of any Long Constituent’s Weight as a result of any Adjustment Event, Additional Adjustment Event, Additional Rebalancing Event, Dividend Adjustment Event, Stock Split Adjustment Event, or Rights Issue Adjustment Event. Beginning with the first Index Business Day following Rebalancing Date \( r \), up to and including Rebalancing Date \( r+1 \) (but prior to the rebalancing of the Index on such Rebalancing Date \( r+1 \)) the Long Basket Level is calculated using the Long Constituents selected on the Selection Day immediately preceding Rebalancing Date \( r \) and their respective (new) Weights (as determined in respect of Rebalancing Date \( r \)), subject to any subsequent adjustment of any Long Constituent’s Weight as a result of any Adjustment Event, Additional Adjustment Event, Additional Rebalancing Event, Dividend Adjustment Event, Stock Split Adjustment Event, or Rights Issue Adjustment Event.

1.3 Short Basket Level

On the Index Start Date the Short Basket Level is equal to 100.

The Short Basket Level on each Index Business Day \( t \) (following the Index Start Date) is calculated according to the following formula. The formula aggregates the product of each Short Constituent Level and its prevailing Weight (each as defined below):

\[
\text{ShortBasketLevel}_t = \sum_{i=1}^{M_{\text{short}}} (\text{ShortConstituentLevel}_{i,t} \times \text{Weight}_{i,r}) + \text{Div}_{\text{ex}}
\]

Where:

- \( \text{ShortBasketLevel}_t \) = Short Basket Level on Index Business Day \( t \);
- \( \text{ShortConstituentLevel}_{i,t} \) = Constituent Closing Level of Short Constituent \( i \) on Index Business Day \( t \) (as determined in accordance with Section B (Valuations and Adjustments) of the Index General Conditions);
- \( \text{Weight}_{i,r} \) = Weight of Short Constituent \( i \) as of the immediately preceding Rebalancing Date \( r \) (or the Index Start Date, as applicable) immediately preceding Index Business Day \( t \), as determined in accordance with paragraph 1.5 (Short Constituents Weight Computation) below;
- \( M_{\text{short}} \) = Number of Short Constituents included in the Index on Index Business Day \( t \) (the Short Constituents being determined in accordance with paragraph 2.2 below);
- \( \text{Div}_{\text{ex}} \) = \( \sum_{i=1}^{M_{\text{short}}} (\text{NetDividend}_{i,t} \times \text{Weight}_{i,r}) \);
- \( \text{Net Dividend}_{i,t} \) = Means, in respect of each Constituent \( i \):
  (i) if Index Business Day \( t \) is an Ex-Dividend Date in respect of a Dividend (each as defined in Part E (Dividends, Stock Splits and Rights Issues) below) for such Short Constituent \( i \), an amount...
equal to:

\[
\text{Dividend Amount}_i \times \text{Dividend Percentage}_i
\]

(ii) otherwise, zero (0);

\[
\text{Dividend Amount}_i = \text{As defined in Part E (Dividends, Stock Splits and Rights Issues) below in relation to each Short Constituent } i; \text{ and}
\]

\[
\text{Dividend Percentage}_i = \text{As defined in Part E (Dividends, Stock Splits and Rights Issues) below in relation to each Short Constituent } i.
\]

On Rebalancing Date \( r \), the Short Basket Level is calculated using the respective Weights (as determined on Rebalancing Date \( r-1 \)) of each Short Constituent (as selected on the Selection Day immediately preceding Rebalancing Date \( r-1 \)), subject to any subsequent adjustment of any Short Constituent's Weight as a result of any Adjustment Event, Additional Adjustment Event, Additional Rebalancing Event, Extraordinary Dividend Adjustment Event, Stock Split Adjustment Event, or Rights Issue Adjustment Event. Beginning with the first Index Business Day following Rebalancing Date \( r \), up to and including Rebalancing Date \( r+1 \) (but prior to the rebalancing of the Index on such Rebalancing Date \( r+1 \)) the Short Basket Level is calculated using the Short Constituents selected on the Selection Day immediately preceding Rebalancing Date \( r \) and their respective (new) Weights (as determined in respect of Rebalancing Date \( r \)), subject to any subsequent adjustment of any Short Constituent's Weight as a result of any Adjustment Event, Additional Adjustment Event, Additional Rebalancing Event, Extraordinary Dividend Adjustment Event, Stock Split Adjustment Event, or Rights Issue Adjustment Event.

### 1.4 Long Constituents Weight Computation

The Index Calculation Agent shall determine the Weight (as defined below) of each Long Constituent \( i \) on the Index Start Date, on each Rebalancing Date \( r \), and on each Additional Rebalancing Date \( r \) immediately preceding Index Business Day \( t \), and such Weights shall remain in effect until the next rebalancing at the end of the next following Rebalancing Date, subject to the occurrence of any Adjustment Event, Additional Adjustment Event, Additional Rebalancing Event, Dividend Adjustment Event, Stock Split Adjustment Event or Rights Issue Adjustment Event.

The Weight for each Long Constituent \( i \) in respect of a Rebalancing Date will be calculated by the Index Calculation Agent as the product of the Percentage Weight (as defined below) of the relevant Long Constituent \( i \) and the Index Level on such Rebalancing Date (giving the proportion of the Index attributable to that Long Constituent \( i \)), which is then divided by the Long Constituent Level of that Long Constituent \( i \) on such Rebalancing Date. The calculation formula is set out in detail below. The Index Level on the Rebalancing Date itself is not affected by the new Weights.

The "Weight" of each Long Constituent \( i \) on the Index Start Date, each Rebalancing Date and each Additional Rebalancing Date immediately preceding Index Business Day \( t \) shall be an amount determined by the Index Calculation Agent in accordance with the formula set out below. For this purpose, the Index Start Date and the Additional Rebalancing Date shall be deemed to be a Rebalancing Date.

\[
\text{Weight}_{i,r} = \text{PW}_{i,r} \times \frac{{\text{LongBasketLevel}_i}}{{\text{LongConstituentLevel}_i}}
\]

where:

\[
\text{Weight}_{i,r} = \text{Weight of Long Constituent } i \text{ on Rebalancing Date } r;
\]

\[
\text{PW}_{i,r} = \text{Percentage Weight of Long Constituent } i \text{ on Rebalancing Date}
\]
r (as determined in accordance with paragraph 2.2 below);

\[ \text{LongBasketLevel}_{t, r} = \text{Long Basket Level on Rebalancing Date } r; \text{ and} \]

\[ \text{LongConstituentLevel}_{i, r} = \text{Constituent Closing Level of Long Constituent } i \text{ on Rebalancing Date } r \text{ (as determined in accordance with Section B (Valuations and Adjustments) of the Index General Conditions).} \]

### 1.5 Short Constituents Weight Computation

The Index Calculation Agent shall determine the Weight of each Short Constituent \( i \) on the Index Start Date, on each Rebalancing Date \( r \), and on each Additional Rebalancing Date \( r_E \) immediately preceding Index Business Day \( t \), and such Weights shall remain in effect until the next rebalancing at the end of the next following Rebalancing Date, subject to the occurrence of any Adjustment Event, Additional Adjustment Event, Additional Rebalancing Event, Extraordinary Dividend Adjustment Event, Stock Split Adjustment Event or Rights Issue Adjustment Event.

The Weight for each Short Constituent \( i \) in respect of a Rebalancing Date will be calculated by the Index Calculation Agent as the product of the Percentage Weight of the relevant Short Constituent \( i \) in respect of such Rebalancing Date and the Index Level on such Rebalancing Date (giving the proportion of the Index attributable to that Short Constituent \( i \)), which is then divided by the Short Constituent Level of that Short Constituent \( i \) on such Rebalancing Date. The calculation formula is set out in detail below. The Index Level on the Rebalancing Date itself is not affected by the new Weights.

The "Weight" of each Short Constituent \( i \) on the Index Start Date, on each Rebalancing Date and on each Additional Rebalancing Date immediately preceding Index Business Day \( t \) shall be an amount determined by the Index Calculation Agent in accordance with the formula set out below. For this purpose, the Index Start Date and the Additional Rebalancing Date shall be deemed to be a Rebalancing Date.

\[ \text{Weight}_{i, r} = \text{abs}(\text{PW}_{i, r}) \times \frac{\text{ShortBasketLevel}_{t}}{\text{ShortConstituentLevel}_{i, r}} \]

where:

\[ \text{Weight}_{i, r} = \text{Weight of Short Constituent } i \text{ on Rebalancing Date } r; \]

\[ \text{abs}(\text{PW}_{i, r}) = \text{Absolute value of Percentage Weight of Short Constituent } i \text{ on Rebalancing Date } r \text{ (as determined in accordance with paragraph 2.2 below);} \]

\[ \text{ShortBasketLevel}_{t} = \text{Short Basket Level on Rebalancing Date } r; \text{ and} \]

\[ \text{ShortConstituentLevel}_{i, r} = \text{Constituent Closing Level of Short Constituent } i \text{ on Rebalancing Date } r \text{ as determined in accordance with Section B (Valuations and Adjustments) of the Index General Conditions.} \]
1.6 Current Percentage Weight

The Current Percentage Weight of a Constituent on any Index Business Day is calculated as the Weight (as determined in accordance with paragraphs 1.4 (Long Constituents Weight Computation) or 1.5 (Short Constituents Weight Computation) above, as appropriate) which such Constituent had in the Index from, but excluding, the immediately preceding Rebalancing Date r (or the Index Start Date, as the case may be), multiplied by its Constituent Closing Level on such Index Business Day, divided by the Index Level in respect of such Index Business Day.

On each Index Business Day t, the Index Calculation Agent shall calculate the “Current Percentage Weight” in respect of each Constituent i in accordance with the following formula:

\[
CPW_{i,t} = \frac{Weight_{i,r} \times \text{Constituent Closing Level}_{i,t}}{\text{Index Level}_{t}}
\]

where:

- \(CPW_{i,t}\) = Current Percentage Weight of Constituent i on Index Business Day t;
- \(Weight_{i,r}\) = Weight of Constituent i on Rebalancing Date r (or the Index Start Date, as the case may be) immediately preceding Index Business Day t;
- \(\text{Constituent Closing Level}_{i,t}\) = Constituent Closing Level of Constituent i on Index Business Day t; and
- \(\text{Index Level}_{t}\) = Index Level on Index Business Day t.

Where Index Business Day t is itself a Rebalancing Date, then references to Rebalancing Date r in the above formula shall be construed as references to “Rebalancing Date r-1” and references to Index Business Day t shall be construed as references to “Rebalancing Date r” such that \(Weight_{i,r}\) and Constituent Closing Level \(\text{Constituent Closing Level}_{i,t}\) are determined prior to the rebalancing taking place on Rebalancing Date r.

For the avoidance of doubt, any selected Constituent that is not an existing Constituent in the Index will have a Current Percentage Weight of zero in respect of the Rebalancing Date on which it is introduced.

2 CONSTITUENT SELECTION AND INDEX REBALANCING PROCESS

2.1 Selection of Constituents and Filters

On each Selection Day, the Index Calculation Agent will determine the sensitivity scores for the relevant Style Factors (“Style Factor Scores”) in respect of each stock in the S&P 500 Index (such stocks together forming the “Eligible Universe”) and each stock therein being an Eligible Constituent.

The “Style Factor Score” in respect of a Constituent i and a Style Factor, means the style factor score determined by the Index Calculation Agent in respect of that Constituent and that Style Factor as of the Selection Day using the methodology set out in paragraph 3 (Calculation of Style Factor Scores) of this Part D (Calculation of the Index Level) and the Metrics described in the Equity Metrics Module.

The Index Calculation Agent shall then determine the selected universe of stocks that will form the Index (such selected stocks together forming the “Selected Universe”), by applying certain filters to the Eligible Universe to exclude those Eligible Constituents that do not meet certain requirements.

The Index Calculation Agent will exclude any stocks that, as at the relevant Selection Day:
(1) are issued by Citi or its Affiliates (as defined in Section D (Definitions) of the Index General Conditions), including Citigroup Inc.;

(2) are included on Citi’s Restricted Trading List (being a list of stocks which Citi and/or any of its Affiliates is not permitted to hold, buy, sell or otherwise deal in for a particular period of time due to laws, regulations or internal policies and procedures) (as determined by Citi and/or its Affiliates and notified to the Index Sponsor and in turn as notified to the Index Calculation Agent); or

(3) have either: (i) a Utilisation Rate of more than 50%; or (ii) a Volume-Weighted Average Borrowing Fee (VWAF) of more than 0.75%.

The calculation of the Index Level in respect of any day prior to the Index Launch Date (being the historical backtest data) shall not be subject to the application of the exclusions (1) to (3) above.

The stocks which remain in the list of Eligible Constituents following any such exclusions will be the “Selected Constituents” in respect of the relevant Selection Day and will become the Constituents of the Index after the rebalancing process on the Rebalancing Date immediately following such Selection Day.

Capitalised terms used but not defined in this paragraph (such as Utilisation Rate and Volume-Weighted Average Borrowing Fee) shall have the meanings given to them in Part F (Data).

Certain of the above data will be sourced from third party providers by the Index Sponsor, and the Index Sponsor in turn will provide such data to the Index Calculation Agent.

If a stock ceases to be part of the Eligible Universe, then the Constituent of the Index representing such stock may be removed from the Index on the next following Rebalancing Date, and the Index will be rebalanced on such date as usual (whereby the Percentage Weights of the remaining Constituents will be determined by the Index Calculation Agent in the usual manner).

Stocks that are introduced into the Eligible Universe between Rebalancing Dates will not be included in the Index solely as a result of such introduction and will only be introduced on the next scheduled Rebalancing Date. However, stocks may be introduced into the Index between Rebalancing Dates in accordance with the Index Conditions as a result of certain corporate action events, such as mergers.

### 2.2 Determination of Percentage Weights

Terms used but not defined in this paragraph 2.2 have the meanings given to them in Part F (Data).

The Percentage Weights of each Selected Constituent are determined by the Index Calculation Agent on each Selection Day in respect of the relevant Rebalancing Date. In order to determine the applicable Percentage Weights, the Index Calculation Agent follows a three-step process.

The first step creates a betas matrix with each row representing a unique Betas profile for each of the Selected Constituents and in the second step the betas matrix is inverted. In the third step, a proprietary algorithm is used to attribute a theoretical percentage weight to each Selected Constituent (based on its Style Factor Scores, i.e. its sensitivity to a particular Style Factor, whilst also taking into account its sensitivity to the other Style Factors and to each Sector), and then the positive/negative percentage weights are normalised. The positive percentage weights are normalised to a combined aggregate positive percentage weight of 1 and the negative percentage weights are normalised to a combined aggregate negative percentage weight of -1.

This determination process, including the relevant formulae used by the Index Calculation Agent to determine the final “Percentage Weight” of each Selected Constituent of each Index (except the Inverse Size Index, for which the Percentage Weights will be determined as further described under Step 2 below), is set out in detail below:
(1) Step 1 - Construction of Betas Matrix of the Selected Constituents

The betas matrix ("Betas Matrix") can be visualised as a grid in which all the Selected Constituents are represented in rows and the Style Factors (except the Inverse Size Style Factor) and Sectors are represented in columns. The points of intersection in this grid indicate the Style Factor (except the Inverse Size Style Factor) and Sector data for each Selected Constituent. The purpose of the Betas Matrix is to build long/short exposures to synthetic equity portfolios to provide pure style exposures.

This is achieved by using Style Factors (except the Inverse Size Style Factor) to designate weights across the Selected Universe such that, for each Style Factor (except the Inverse Size Style Factor), the sum product of: (a) the weights corresponding to such Style Factor and (b) the betas for such Style Factor are equal to 1, and the sum product of: (a) the weights corresponding to such Style Factor and (b) the betas for all other Style Factors (or the betas of the Sectors) are equal to 0, (i.e. each relevant Style Factor has a unit beta and the other Style Factors and Sectors have a beta of zero) at the point of monthly index rebalancing.

The Betas Matrix is created as follows:

- **P rows**, (where P is equal to the number of Selected Constituents);
- **Q columns**, (where Q is equal to the sum of (a) the number of Style Factors (except the Inverse Size Style Factor), and (b) the number of Sectors represented by at least two Selected Constituents.

Each component of row i and column j of the Betas Matrix (i.e. each “unit” of the matrix grid) is assigned the following values:

- For columns 1 to NSF (where “NSF” means the number of Style Factors, except the Inverse Size Style Factor):
  \[ \text{Betas}(i, j) = \text{Style Factor Score for each Selected Constituent } i \text{ for Style Factor } N \text{ (where } N \text{ corresponds to } j) \]

- For columns NSF+1 to NS (where “NS” means NSF plus the number of Sectors):
  \[ \text{Betas}(i, j) = 1, \text{ if Selected Constituent’s Sector is the Sector corresponding to this column} \]
  \[ \text{Betas}(i, j) = 0, \text{ otherwise} \]

If there is any Selected Constituent issued in a Sector that is only represented by one Constituent and therefore, it is not included in the Betas Matrix, then one additional column (entitled Small Sectors) is added - at the end of the matrix grid - whose elements are all assigned a value of 1.

(2) Step 2 – Inversion of the Betas Matrix

\[ \text{FM} = \text{Betas}^\top \times \text{Betas} \]

\[ \text{IM} = \text{FM}^{-1} \]

Where:

- **Betas** = The Betas Matrix calculated in Step 1;
- **X^\top** = The transpose of Matrix X; and
- **X^{-1}** = The inverse of Matrix X.

If the FM is non-invertible or singular then Step 1 and this Step 2 are repeated using an adjusted Betas Matrix which is the same as the Betas Matrix created in Step 1 but adjusted
by removing the columns that correspond to the Sectors with the fewest Constituents. So, if there are one or more Sectors with only 2 Constituents per Sector, the columns for these Sectors will be removed from the Betas Matrix and the process is repeated. Steps 1 to 2 are repeated until the F Matrix calculated is invertible or non-singular.

(3) Step 3 - Determination of Theoretical Percentage Weights of the Selected Constituents and normalisation

a. Computation of Theoretical Percentage Weights (TPWi)

Once the Betas Matrix has been populated in accordance with the formulae in Step 1 and Step 2, the Index Calculation Agent determines the theoretical percentage weights (“Theoretical Percentage Weights”) of the Selected Constituents and normalises them so that the sum of the positive Theoretical Percentage Weights is 1 and the sum of the negative Theoretical Percentage Weights is -1.

The weights for each Style Factor (except the Inverse Size Style Factor) are then calculated according to:

$$\text{StyleWeights} = [\text{IMatrix} \times \text{Betas}^T]$$

“StyleWeights” is a matrix and each of the first NSF columns represents the Theoretical Percentage Weight for each Style Factor N (except the Inverse Size Style Factor). Therefore, the Theoretical Percentage Weight for each Selected Constituent (TPWi) in respect of a Style Factor N (except the Inverse Size Style Factor) is determined as follows:

$$\text{TPW}_{i,N} = \text{StyleWeights}(i,N)$$

Where:

$$\text{TPW}_{i,N}$$ = Theoretical Percentage Weight of Constituent i on Rebalancing Date r for Style Factor N;

$$\text{StyleWeights}(i,N)$$ = The value contained in the matrix StyleWeights in the element corresponding to row i and column N;

NSF = The number of Style Factors (except the Inverse Size Style Factor);

Betas = The Betas Matrix calculated in Step 1;

$$X^T$$ = The transpose of Matrix X; and

$$X^{-1}$$ = The inverse of Matrix X.

b. Computation of Percentage Weights (PWi)

Although the sum of the positive Theoretical Percentage Weights calculated in Step 3(a) above should equal 1, and the sum of the negative Theoretical Percentage Weights should equal -1, such that they together equal 0, the percentage weights attributed to each Selected Constituent may mean that when they are combined the sum of the positive Theoretical Percentage Weights may deviate slightly from 1 and the sum of the negative Theoretical...
Percentage Weights may deviate slightly from -1. A further calculation is therefore made to normalise the percentage weights by calculating the quotient of each Selected Constituent’s theoretical percentage weight divided by the sum of the theoretical percentage weights for all of the Selected Constituents according to the following:

\[
P_{\text{W},i,N} = \begin{cases} 
\frac{\sum_{i=1}^{M} TPW_{i,N}}{M}, & \text{if } TPW_{i,N} > 0 \\
\frac{\sum_{i=1}^{M} TPW_{i,N}}{M}, & \text{if } TPW_{i,N} < 0 
\end{cases}
\]

Where:

- \(PW_{i,r,N}\) = Percentage Weight of Constituent \(i\) on Rebalancing Date \(r\) for Style Factor \(N\);
- \(TPW_{i,r,N}\) = Theoretical Percentage Weight of Constituent \(i\) on Rebalancing Date \(r\) for Style Factor \(N\);
- \(\sum_{i=1}^{M} TPW_{i,N} > 0\) = The sum of the positive Theoretical Percentage Weights on Rebalancing Date \(r\) for Style Factor \(N\); and
- \(\sum_{i=1}^{M} TPW_{i,N} < 0\) = The sum of the negative Theoretical Percentage Weights on Rebalancing Date \(r\) for Style Factor \(N\).

However, in respect of the Inverse Size Index, the Percentage Weight for each Constituent \(i\) shall be the opposite or inverse of the Percentage Weight determined in respect of the corresponding Constituent of the Size Index, and is calculated as follows:

\[PW_{i,r,\text{SC}} = -PW_{i,r,\text{Size}}\]

Where:

- \(PW_{i,r,\text{SC}}\) = Percentage Weight of Constituent \(i\) on Rebalancing Date \(r\) for the Inverse Size Style Factor; and
- \(PW_{i,r,\text{Size}}\) = Percentage Weight of Constituent \(i\) on Rebalancing Date \(r\) for the Size Style Factor.

The Constituents with positive final Percentage Weights construct the “Long Basket Level” and each such Constituent is a “Long Constituent”, whereas the Constituents with negative final Percentage Weights construct the “Short Basket Level” and each such Constituent is a “Short Constituent” from the end of the Rebalancing Date immediately following the relevant Selection Day.
3. CALCULATION OF STYLE FACTOR SCORES

3.1 Introduction

The Index Calculation Agent calculates the Style Factor Score of each Eligible Constituent for each Style Factor (except the Inverse Size Style Factor) in respect of each Selection Day in accordance with the methodology set out in this paragraph 3 (Calculation of Style Factor Scores). The Metrics which are applicable in respect of each Style Factor are set out in the rows relating to such Style Factor in the column headed “Metrics” in Table 6 (Summary of Metrics for Style Factors) of Part F (Data).

The set of Metric Values that is generated by the application of the Equity Metrics Module is subject to a series of rules and statistical steps to filter, calibrate and adjust the data in such a way that permits direct comparison across the different Style Factors. The process of converting Metric Values into Style Factor Scores is broadly split into four sequential steps, with the entire process repeated for each Selection Day.

The first step is the filtering of the Metric Values in order to (a) exclude certain negative Metric Values, (b) exclude Metric Values for certain Eligible Constituents and (c) invert (i.e. multiply by -1) certain Metric Values. Where Metric Values are excluded, the Metric Weights of the remaining Metrics for the relevant Style Factor are proportionally increased.

The second step is Winsorisation of the filtered values, which is a statistical tool which arranges the set of data for each Metric (for each Metric there is one value for each Eligible Constituent), and seeks to remove the impact of outlier values (i.e. the values at the highest and lowest ends of the scale) by setting these ‘outlier values’ equal to a pre-specified cap and floor. In this instance, the Winsorisation process is conducted by reference to the median value of the set of data, and the relative distance of each value from such median.

The third step is further split into two sub-steps: (a) the first sub-step is the normalisation of the Winsorised data. This is the process of converting the set of data into values which are directly comparable across different Metrics. In this case, the statistical measure called the Z Score is used, which expresses each value in terms of the standard deviation of the set of data; and (b) the second sub-step is to apply a cap and floor to the Z Score values to minimise the effect of outliers.

The fourth step brings together the data for the individual Metrics that comprise each Style Factor to generate a single Style Factor Score for each Style Factor. This step is further split into three sub-steps: (a) firstly, the capped and floored Z Scores for the relevant component Metrics are grouped together by calculating the average Z Score; (b) secondly, the resulting set of averaged Z-Scores for a Style Factor (there will be one for each Eligible Constituent) is normalised and expressed in terms of standard deviation of the averaged Z Scores (using a market-capitalisation weighting factor for each Eligible Constituent, other than in respect of the Size Style Factor which uses equal weighting). This allows direct statistical analysis and comparison across the Style Factors; and (c) the final sub-step is to apply a pre-defined cap and floor to the resulting values to minimise the effect of outliers.

Paragraphs 3.2 to 3.5 below contain further detail in respect of the process outlined above, and in the event of any inconsistency between (a) the description contained in this paragraph 3.1 or any other summary or overview description, and (b) the provisions of paragraphs 3.2 to 3.5, the provisions of 3.2 to 3.5 shall prevail.

3.2 Metric Filtering

The Metric Value in respect of a Metric, a Selection Day and an Eligible Constituent shall be subject to the following rules (the "Filtering Rules" and in respect of each Metric Value the value resulting from the application of the Filtering Rules being the "Filtered Metric Value"):
a) Negative values treatment

- if the Metric is Earnings Stability (EARN.STAB), the Filtered Metric Value for any negative Metric Value for such Metric shall be “NA”;

- if the Metric is Book to Price (BY), the Filtered Metric Value for any negative Metric Value for such Metric shall be “NA”;

- if the Metric is Sales to Price (SY), the Filtered Metric Value for any negative Metric Value for such Metric shall be “NA”;

- if the Metric is Cash Flow to Price (OCFY), the Filtered Metric Value for any negative Metric Value for such Metric shall be “NA”; and

- if the Metric is Net Debt to Equity (GEARING), the Filtered Metric Value for any negative Metric Value for such Metric shall be 10000.

b) Sector Exclusions

- if the Metric is Accruals (NOA.CHG) and the Metric Value is in respect of an Eligible Constituent for which (a) prior to the Rebalancing Date falling in October 2016, the Sector is Financials, and (b) from and including the Rebalancing Date falling in October 2016, the Sector is Financials and Real Estate, the Filtered Metric Value for such Metric Value shall be “NA”;

- if the Metric is Cash Flow to Price (OCFY) and the Metric Value is in respect of an Eligible Constituent for which (a) prior to the Rebalancing Date falling in October 2016, the Sector is Financials, and (b) from and including the Rebalancing Date falling in October 2016, the Sector is Financials and Real Estate, the Filtered Metric Value for such Metric Value shall be “NA”;

- if the Metric is Profit Margin (MARGIN) and the Metric Value is in respect of an Eligible Constituent that is (a) prior to the Rebalancing Date falling in October 2016, a GICS Real Estate Investment Trust, and (b) from and including the Rebalancing Date falling in October 2016, a GICS Equity Real Estate Investment Trust, the Filtered Metric Value for such Metric Value shall be “NA”; and

- if the Metric is Profit Margin Growth (MARGIN.GRW) and the Metric Value is in respect of an Eligible Constituent that is (a) prior to the Rebalancing Date falling in October 2016, a GICS Real Estate Investment Trust, and (b) from and including the Rebalancing Date falling in October 2016, a GICS Equity Real Estate Investment Trust, the Filtered Metric Value for such Metric Value shall be “NA”.

Where:

“GICS Real Estate Investment Trust” means an Eligible Constituent for which the Sector, prior to 1 October 2016, is Financials and the industry classification of that Eligible Constituent as defined by the Global Industry Classification Standard (GICS®), (or, if GICS® ceases to be published or is otherwise unavailable, such other sector classification system as the Index Sponsor may determine) is, prior to 1 October 2016, Real Estate Investment Trusts (REITs), as may be amended by MSCI Inc. and Standard & Poor’s Financial Services LLC from time to time; and
“GICS Equity Real Estate Investment Trust” means an Eligible Constituent for which the Sector, prior to 1 October 2016, is Real Estate and the industry classification of that Eligible Constituent as defined by the Global Industry Classification Standard (GICS®), (or, if GICS® ceases to be published or is otherwise unavailable, such other sector classification system as the Index Sponsor may determine) is, from 1 October 2016, Equity Real Estate Investment Trusts (REITs), as may be amended by MSCI Inc. and Standard & Poor’s Financial Services LLC from time to time.

c) Inversion

- if the Metric is (i) Beta to SP500 (BETA), (ii) Net Debt to Equity (GEARING), (iii) Accruals (NOA.CHG), or (iv) Net Operating Assets (NOA2TA), the Filtered Metric Value for each such Metric Value shall be the Metric Value multiplied by -1.

d) Other

- The Filtered Metric Value for any Metric Value not covered by paragraphs (a) to (c) above shall be the relevant Metric Value.

e) Metric Weights

In respect of a Style Factor and the Metrics applicable in respect of such Style Factor (the “Relevant Metrics”), where the Filtered Metric Value for one or more of the Relevant Metrics in respect of a Selection Day and an Eligible Constituent is “NA” (the “Affected Metrics”), the Metric Weight in respect of such Affected Metrics shall be 0% for such Eligible Constituent and such Selection Day, and:

(i) in respect of a Style Factor other than Risk, the Metric Weight of the Relevant Metrics that are not Affected Metrics shall be adjusted for such Eligible Constituent and such Selection Day such that they each represent an equal proportion of 100%; and

(ii) in respect of the Style Factor that is Risk, if the Affected Metric is either Net Debt to Equity (GEARING) or Earnings Stability (EARN.STAB), then the Metric Weight of the Beta to SP500 (BETA) Metric is 200%/3 and the weight of the other Metric that is not an Affected Metric is 100%/3 for such Eligible Constituent and such Selection Day. If both of the Net Debt to Equity (GEARING) and the Earnings Stability (EARN.STAB) Metrics are Affected Metrics, the Metric Weight of the Beta to SP500 (BETA) Metric is 100% for such Eligible Constituent and such Selection Day. If Beta to SP500 (BETA) is an Affected Metric, the Metric Weight of the Relevant Metrics that are not Affected Metrics shall be adjusted for such Eligible Constituent and such Selection Day such that they each represent an equal proportion of 100%.

The Metric Weight which is specified in the column headed “Metric Weight” as stated in Table 6 (Summary of Metrics for Style Factors) in Part F (Data) in respect of such Relevant Metrics shall be deemed amended for such purposes.

3.3 Winsorisation of the Filtered Metric Values

In respect of a Selection Day and a Metric, the set of Filtered Metric Values for such Metric and all Eligible Constituents will be subject to the application of a Winsorisation methodology to limit the impact of outlying values. The methodology operates to cap all values of Filtered Metric Value falling above a threshold (being 7.4 median absolute deviations above the median of the set of Filtered Metric Values) and to floor all values of Filtered Metric falling below a threshold (being 7.4 median absolute deviations below the median of the set of Filtered Metric Value). The “Winsorised Filtered Metric Value” in respect of (i) Eligible Constituent i, (ii) Metric m and (iii) a Selection Day (“W_FMV(i,m)”) shall be determined in accordance with paragraph a), b) or c) below, as applicable:
a) If \( \text{FMV}(i, m) > \text{median}(\text{FMV}(i, m)) + 7.4 \times \text{median}(\text{abs}(\text{FMV}(i, m) - \text{median}(\text{FMV}(i, m)))) \),

an amount determined in accordance with the following formula:

\[
W_{\text{FMV}}(i, m) = \text{median}(\text{FMV}(i, m)) + 7.4 \times \text{median}(\text{abs}(\text{FMV}(i, m) - \text{median}(\text{FMV}(i, m))))
\]

b) If \( \text{FMV}(i, m) < \text{median}(\text{FMV}(i, m)) - 7.4 \times \text{median}(\text{abs}(\text{FMV}(i, m) - \text{median}(\text{FMV}(i, m)))) \),

an amount determined in accordance with the following formula:

\[
W_{\text{FMV}}(i, m) = \text{median}(\text{FMV}(i, m)) - 7.4 \times \text{median}(\text{abs}(\text{FMV}(i, m) - \text{median}(\text{FMV}(i, m))))
\]

c) Otherwise, \( W_{\text{FMV}}(i, m) = \text{FMV}(i, m) \).

Where:

\[\text{abs} = \text{Where followed by brackets, the absolute value of the amount in such brackets (being the non-negative value of such amount). For example, abs(3)=3 and abs(-3)=3;}\]

\[\text{FMV}(i, m) = \text{The Filtered Metric Value in respect of such Eligible Constituent } i, \text{ Metric } m \text{ and Selection Day;}\]

\[\text{median}(X_i) = \text{The median of the set of numbers of variable } X_i \text{ (which may be a function of combination of other variables) from } X_1 \text{ to } X_n, \text{ being the numerical value separating the half of the set of numbers with the higher values from the half of the set of numbers with the lower values (or where there is an even number of values, the arithmetic mean of the two middle values). For example, if } n=3 \text{ and } X_1=2, X_2=5 \text{ and } X_3=10 \text{ then } \text{median}(X_i) = 5; \text{ and}\]

\[n = \text{The total number of Eligible Constituents of the Index in respect of such Selection Day.}\]

### 3.4 Normalisation, capping and flooring of the Winsorised Filtered Metric Values

#### 3.4.1 Normalisation

The set (or distribution) of Winsorised Filtered Metric Values for all Eligible Constituents in respect of a Metric \( m \) and a Selection Day is converted into a normalised distribution by the calculation of the Z-score for the Winsorised Filtered Metric Value in respect of each Eligible Constituent \( i \) in such distribution (the \( \text{Zscore}(i, m) \)), where the Z-score represents the number of standard deviations of such Winsorised Filtered Metric Value above or below the mean, and is calculated as follows:
Zscore(i,m) = \frac{W_{FMV}(i,m) - \overline{W_{FMV}(i,m)}}{\sigma_{W_{FMV},m}}

Where:

n = The total number of Eligible Constituents of the Index in respect of such Selection Day;

W_{FMV}(i,m) = As defined in paragraph 3.3 (Winsorisation of the Filtered Metric Values) above;

\overline{W_{FMV}(i,m)}_{(i=1,...,n)} = The arithmetic average of W_{FMV}(i,m) for Metric m and all Eligible Constituents in respect of such Selection Day; and

\sigma_{W_{FMV},m} = The standard deviation of the distribution of Winsorised Filtered Metric Values for Metric m and all Eligible Constituents in respect of such Selection Day, calculated in accordance with the following formula:

\sigma_{W_{FMV},m} = \sqrt{\frac{\sum_{i=1}^{n} \left( W_{FMV}(i,m) - \overline{W_{FMV}(i,m)}_{(i=1,...,n)} \right)^2}{n - 1}}

3.4.2 Zscore(i,m) values are subject to a cap and a floor

The set of values of Zscore(i,m) for all of the Eligible Constituents in respect of each Metric and a Selection Day is converted into a capped and floored set of values (in respect of each Eligible Constituent, a “Zscore_Cap(i,m)”) in accordance with paragraph a), b) or c) below, as applicable:

a) if Zscore(i,m) is greater than 3.2, then Zscore_Cap(i,m) = 3.2;

b) if Zscore(i,m) is less than -3.2, then Zscore_Cap(i,m) = -3.2; or

c) otherwise, Zscore_Cap(i,m) = Zscore(i,m).

3.5 Calculation of the Style Factor Scores

3.5.1 Intermediate Factor Betas

In respect of a Style Factor N, an Eligible Constituent and a Selection Day, the “Intermediate Factor Beta” or “IFB(i,N)” is calculated as the weighted sum of the values of Zscore_Cap(i,m) for such Eligible Constituent and the Metrics corresponding to such Style Factor N. The value of Zscore_Cap(i,m) is weighted according to the Metric Weight for the relevant Metric m. The Intermediate Factor Beta is calculated as of each Selection Day in respect of Eligible Constituent i and a Style Factor N as follows:

IFB(i, N) = \sum_{m=1}^{M} \text{WeightedZscore}_\text{Cap}(i,m)

Provided that:
(a) If, in respect of such Eligible Constituent i, the Metric Weight is “NA” for all Metrics in respect of such Style Factor N, the Intermediate Factor Beta shall be the corresponding Sector Median Intermediate Factor Beta; and

(b) If, in respect of such Eligible Constituent, the Metric Weight is “NA” for all Metrics of all Eligible Constituents in the same Sector as the Sector of such Eligible Constituent, the Intermediate Factor Beta shall be zero.

Where:

- \( M = \) In respect of a Style Factor N and a Selection Day, the total number of Metrics for which the Metric Weight is not “NA”;
- \( \text{Median} = \) The median of the specified set of values, being the numerical value separating the half of the set of numbers with the higher values from half of the set of numbers with the lower values (or where there is an even number of values, the arithmetic mean of the two middle values). For example, the Median of the three values 2, 5 and 10 is 5;
- \( \text{Sector Median Intermediate Factor Beta} = \) In respect of a Style Factor N, Eligible Constituent i and a Selection Day, the Median of the set of values of Intermediate Factor Beta for each Eligible Constituent in the same Sector as the Sector of Eligible Constituent i for such Style Factor and Selection Day; and
- \( \text{Weighted Zscore_Cap}(i,m) = \) In respect of Metric m, Eligible Constituent i and a Selection Day, the product of (i) the Metric Weight for such Metric m and such Eligible Constituent i as of such Selection Day, multiplied by (ii) the Zscore_Cap(i,m) for such Metric m and such Eligible Constituent i as of such Selection Day.

### 3.5.2 Normalisation of Intermediate Factor Betas

The values of Intermediate Factor Beta for a Style Factor, a Selection Day and in respect of all Eligible Constituents are normalised (each a “Normalised Intermediate Factor Beta” or “NIFB(i,N)”), which shall be calculated for each Style Factor (other than the Size Style Factor) in accordance with the following formula, which takes into account the market-capitalisation of the Eligible Constituents:

\[
\text{NIFB}(i, N) = \frac{\text{IFB}(i, N) - \overline{\text{IFB}}(i, N)}{\sigma_N}
\]

The Normalised Intermediate Factor Beta in respect of the Size Style Factor, a Selection Day and an Eligible Constituent, are normalised in accordance with the following formula:

\[
\text{NIFB}(i, N) = \frac{\text{IFB}(i, N) - \overline{\text{IFB}}(i, N)}{\sigma_N}
\]
Where:

\[ IFB(i, N) = \text{As defined in paragraph 3.5.1 (Intermediate Factor Betas) above;} \]

\[ \overline{IFB(i, N)} = \text{The arithmetic average of } IFB(i, N) \text{ for the Size Style Factor and all Eligible Constituents in respect of such Selection Day, calculated in accordance with the following formula:} \]

\[ \overline{IFB(i, N)} = \frac{1}{n} \sum_{i=1}^{n} IFB(i, N) \]

\[ \overline{IFB(i, N)} = \text{The market-capitalisation weighted arithmetic average of } IFB(i, N) \text{ for the relevant Style Factor and all Eligible Constituents in respect of such Selection Day, calculated in accordance with the following formula:} \]

\[ \overline{IFB(i, N)} = \frac{\sum_{i=1}^{n} \text{Mcap}(i) 	imes IFB(i, N)}{\sum_{i=1}^{n} \text{Mcap}(i)} \]

\[ \text{Mcap}(i) = \text{In respect of an Eligible Constituent and a Selection Day, the free float market capitalisation for the issuer of such Eligible Constituent as determined by Standard and Poor’s as of the Metric Observation Date corresponding to the Rebalancing Date immediately following such Selection Day.} \]

If the relevant item, page, field or classification is permanently cancelled and no successor item, page, field or classification is designated by Standard and Poor’s, or if any such item, page, field or classification is materially modified so that it does not provide substantially the same information as it does on the date of this Index Methodology, then the Index Calculation Agent may designate one or more alternative item, page, field, classification or other data source of financial information to be the source of the market capitalisation, provided that such alternative item, page, field, classification or data source is widely recognised and provides, as closely as possible, the same information as the original item, page, field or classification. If an alternative item, page, field, classification or data source is not available, the Calculation Agent shall determine the market capitalisation using the relevant data as of the most recent date falling prior to the relevant Metric Observation Date;

\[ n = \text{The total number of Eligible Constituents of the Index in respect of such Selection Day (as defined in the definition of “Eligible Constituent”); and} \]

\[ \sigma_N = \text{In respect of a Style Factor and a Selection Day, an amount determined in accordance with the following formula:} \]

\[ \sigma_N = \sqrt{\frac{\sum_{i=1}^{n} (IFB(i, N) - \overline{IFB(i, N)})^2}{n - 1}} \]
3.5.3 **Style Factor Scores**

The set of values of Normalised Intermediate Factor Beta for the Eligible Constituents in respect of each Style Factor and a Selection Day is converted into a set of capped and floored values (in respect of each Eligible Constituent, a “Style Factor Score”) in accordance with paragraph a), b) or c) below, as applicable:

a) if Normalised Intermediate Factor Beta is greater than 3.2, then Style Factor Score = 3.2;

b) if Normalised Intermediate Factor Beta is less than -3.2, then Style Factor Score = -3.2; or

c) otherwise, Style Factor Score = Normalised Intermediate Factor Beta.

4. **ADDITIONAL REBALANCING EVENTS**

4.1 **REGULATORY EVENTS**

If the Index Sponsor or the Index Calculation Agent determines that either:

(a) the Index Sponsor or any of its Affiliates is required (or there is a reasonable likelihood that, within the next 30 Index Business Days, it will be required) by any applicable law or regulation to dispose of any Hedge Position, or it is not permitted (or there is a reasonable likelihood that, within the next 30 Index Business Days, it will not be permitted) to hold, acquire, increase, decrease or dispose of any Hedge Position; and/or

(b) due to any applicable law or regulation, the Index Sponsor or the Index Calculation Agent is not permitted (or there is a reasonable likelihood that, within the next 30 Index Business Days, it will not be permitted) to continue to sponsor or calculate, as applicable, an index comprising an asset which is an Eligible Constituent of the Index,

(each, a “Regulatory Event”, and an “Additional Rebalancing Event”), then such Constituent (a “Removed Constituent”) may be removed from the Index on the date designated by the Index Calculation Agent or the Index Sponsor (in which case the Index Sponsor will notify the relevant date to the Index Calculation Agent), (such date being an “Additional Rebalancing Date”). The Index will be rebalanced at the end of day on such Additional Rebalancing Date, and in relation to such rebalancing the Percentage Weights of the remaining Constituents will be determined by the Index Calculation Agent in accordance with paragraph 4.2 (Determining the Percentage Weights of the remaining Constituents) below.

“Hedge Position” means, in respect of Eligible Constituents, any one or more of: (i) positions or contracts in, or relating to, securities, options, futures, other derivative contracts or foreign exchange, or (ii) other instruments, contracts, transactions or arrangements (howsoever described) that would be appropriate to hedge, individually or on a portfolio basis, any Index Linked Product.

For the avoidance of doubt, the occurrence of an Additional Rebalancing Date has no effect on the occurrence of any Selection Days or Rebalancing Dates set out in accordance with the Index Methodology herein.

4.2 **Determining the Percentage Weights of the remaining Constituents**

Upon the removal of one or more Removed Constituents from the Index on an Additional Rebalancing Date, the Percentage Weights of the remaining Constituents are scaled up such that the Percentage Weight of the Removed Constituent(s) is proportionally redistributed to the remaining Constituents in accordance with the following formula:
\[ PW_{i,E} = \frac{\sum_{j=1}^{n} CPW_{i,PW}}{\sum_{i=1}^{n} CPW_{i,E}} \]

where:

- \( PW_{i,E} \) = The Percentage Weight of remaining Constituent \( i \) which is applied upon the removal of the relevant Removed Constituent(s) on Additional Rebalancing Date \( rE \);
- \( CPW_{i,PW} \) = The Current Percentage Weight of remaining Constituent \( i \) in the Index on Additional Rebalancing Date \( rE \) prior to the removal of the Removed Constituent(s); and
- \( n \) = The number of Constituents remaining in the Index after the removal of the relevant Removed Constituent(s).

5. ADDITIONAL ADJUSTMENT EVENTS

5.1 Equilend Filter Events

5.1.1 Equilend data temporarily not calculated or published, or not available or accessible

If, on any Index Business Day, the Utilisation Rate and/or the Volume-Weighted Average Borrowing Fee in respect of an Eligible Constituent is either: (1) not calculated or published by Equilend, or (2) temporarily unavailable or inaccessible by the Index Sponsor (and therefore cannot be provided to the Index Calculation Agent by the Index Sponsor), the Index Calculation Agent may:

(a) suspend the calculation, publication and dissemination of the Index and the Index Level until the first succeeding Index Business Day on which such event does not occur or continue to occur, and no new Index Level will be published for such day(s) but will instead be deemed to be the same as that of the immediately preceding Index Business Day; and/or

(b) identify and select from a replacement information source a replacement utilisation rate in respect of the Utilisation Rate and/or a replacement volume-weighted average borrowing fee in respect of the Volume-Weighted Average Borrowing Fee in respect of an Eligible Constituent as it determines appropriate, having regard to the manner in which such Equilend data was used in the calculation of the Index, and the Index Calculation Agent will (i) determine the effective date of such replacement information source, and (ii) make such adjustment(s) to the Index Conditions as it determines appropriate to account for the effect on the Index of such replacement.

5.1.2 Successors to Equilend

If, on any Index Business Day, the Utilisation Rate and/or the Volume-Weighted Average Borrowing Fee in respect of an Eligible Constituent is (i) not calculated and announced by Equilend but is calculated and announced by a successor entity acceptable to the Index Calculation Agent, or (ii) replaced by a successor entity using, in the determination of the Index Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the Utilisation Rate and the Volume-Weighted Average, as applicable,
then in each case that entity (the “Successor Entity”) will be deemed to be the relevant source for the Utilisation Rate and/or the Volume-Weighted Average Borrowing Fee in respect of the Eligible Constituents of the Index with effect from the date determined by the Index Calculation Agent who may make such adjustment(s) to the Index Conditions as it determines appropriate to account for such change.

5.1.3 Equilend modifies data calculation or ceases to exist or ceases to publish required data or announces same

If Equilend either: (1) makes or announces that it will make a material change in the formula for or method of calculating the Utilisation Rate and/or the Volume-Weighted Average Borrowing Fee in respect of an Eligible Constituent (a "Data Modification"), or (2) ceases to exist or announces that it will cease to exist or permanently ceases or announces that it will permanently cease calculation or publication of the Utilisation Rate and/or the Volume-Weighted Average Borrowing Fee in respect of an Eligible Constituent and no Successor Entity (as defined in paragraph 5.1.2 above) exists (a “Data Cancellation”), then:

(a) the Index Calculation Agent may suspend the calculation, publication and dissemination of the Index and the Index Level until the first succeeding Index Business Day on which such event does not occur or continue to occur, and no new Index Level will be published for such day(s) but will instead be deemed to be the same as that of the immediately preceding Index Business Day; and/or

(b) the Index Calculation Agent may identify and select from a replacement information source a replacement utilisation rate in respect of the Utilisation Rate and/or a replacement volume-weighted average borrowing fee in respect of the Volume-Weighted Average Borrowing Fee in respect of an Eligible Constituent as it determines appropriate, having regard to the manner in which such Equilend data was used in the calculation of the Index, and the Index Calculation Agent will (i) determine the effective date of such replacement information source, and (ii) make such adjustment(s) to the Index Conditions as it determines appropriate to account for the effect on the Index of such replacement; and/or

(c) the Index Sponsor may discontinue and cancel the Index.

5.1.4 Equilend publishes correction

If, at any time, the Utilisation Rate and/or the Volume-Weighted Average Borrowing Fee in respect of an Eligible Constituent for any time on any day, which is calculated or published by Equilend or its Successor Entity, is subsequently corrected, and such correction (the “Corrected Value”) is published by or on behalf of such person or entity within two Index Business Days (the “Correction Period”) after the original publication, then such Corrected Value shall be deemed to be the rate or fee (as applicable) for such Utilisation Rate and/or the Volume-Weighted Average Borrowing Fee, as applicable, for the relevant time on the relevant day.

If the Correction Period does not include a Rebalancing Date, the Index Calculation Agent shall revise the Index Level for such relevant day. If the Correction Period includes a Rebalancing Date, the Index Calculation Agent may, but shall not be obliged to, revise the Index Level for such relevant day and, in exercising such discretion, the Index Calculation Agent will act in good faith and in a commercially reasonable manner that is consistent with the primary objective of the Index.

Corrections published after the Correction Period after the original publication shall be disregarded.
5.2 Metrics

5.2.1 Inability to calculate Metric Values

As specified in, and subject to, the Equity Metrics Module, if any page, field or classification referenced in the Metric (or, if applicable, the relevant successor or relevant alternative page, field or classification) is disrupted, not published, missing, unavailable or not applicable in respect of an Eligible Constituent as of a Metric Observation Date such that any data required for the determination of a Metric Value as of such Metric Observation Date is not available from such page, field or classification, the Index Calculation Agent shall designate the relevant Metric Value for such Metric Observation Date as “NA”.

5.2.2 Cancellation of Index

If the Index Sponsor determines that a significant portion of the Metric Values are “NA” in respect of a Selection Day such that the Index ceases to represent the commercial intention of the Index Methodology, and if the Index Sponsor anticipates this to be a long-term effect, then the Index Sponsor may discontinue and cancel the Index.

6. REFERENCE INDEX MODIFICATION, CANCELLATION, LICENSING, ETC.

If the Reference Index (as defined in Part F (Data)) is, in the determination of the Index Calculation Agent:

(a) materially modified (or the Reference Index Sponsor announced that it will be so modified);

(b) permanently cancelled and no successor index exists; or

(c) the Index Sponsor’s license to use such Reference Index in connection with the Index is terminated or its right to use such Index is otherwise disputed, impaired or ceases for any reason,

then the Index Calculation Agent may select a replacement Reference Index that has substantially similar characteristics to the Reference Index that is being replaced, having regard to the manner in which such Reference Index is used in the calculation of the Index, in which case the Index Calculation Agent will (a) determine the effective date of such replacement, and (b) make such adjustment(s) as it determines appropriate to account for the effect on the Index of such replacement.
Part E:  Dividends, Stock Splits and Rights Issues
Dividends, Stock Splits and Rights Issues

Upon the occurrence of an Dividend Adjustment Event, a Stock Split Adjustment Event or a Rights Issue Adjustment Event (each as defined below), the Index Calculation Agent will make the appropriate adjustments to the composition of the Index including, in particular, the Weights of the Constituents, in accordance with the methodology set out in this Part E.

For the avoidance of doubt, Dividend Adjustment Events, Stock Split Adjustment Events and Rights Issue Adjustment Events shall not constitute Adjustment Events (as described in Section B (Valuations and Adjustments) and Section F (Constituent Schedule: Share) of the Index General Conditions) for the purpose of the Index Conditions.

References to “Weight” in this Part E mean the relevant Weight calculated in accordance with paragraph 1.4 (Long Constituents Weight Computation) of Part D or in accordance with paragraph 1.5 (Short Constituents Weight Computation) of Part D, as the case may be, depending on whether the relevant Constituent forms part of the Long Basket Level or the Short Basket Level.

1. **DIVIDEND ADJUSTMENTS (REGULAR DIVIDENDS: CASH AND/OR STOCK DIVIDENDS)**

   Following the declaration by the issuer of any Constituent of a Dividend (as defined below) (a “Dividend Adjustment Event”), the Index Calculation Agent shall adjust the Weight of such Constituent on the Index Business Day following the Ex-Dividend Date (as defined below) in relation to such Dividend in accordance with the formula set out below.

   The Weight of the relevant Constituent shall be adjusted such that:

   \[
   \text{Weight}_{i, \text{ex}+1} = \text{Weight}_{i, \text{ex}} \times \left(1 + \frac{\text{Dividend Percentage}_i \times \text{Dividend Amount}_i}{\text{Constituent Closing Level}_{i, \text{ex}-1} - \text{Dividend Amount}_i}\right)
   \]

   where:

   - \(\text{Weight}_{i, \text{ex}+1}\) = Weight of Constituent \(i\) on the Index Business Day immediately following the applicable Ex-Dividend Date.
   - \(\text{Weight}_{i, \text{ex}}\) = Weight of Constituent \(i\) on the applicable Ex-Dividend Date (or, if such day is not an Index Business Day, on the immediately preceding Index Business Day).
   - \(\text{Dividend Percentage}_i\) = The applicable Dividend Percentage (as defined below).
   - \(\text{Dividend Amount}_i\) = The applicable Dividend Amount (as defined below).
   - \(\text{Constituent Closing Level}_{i, \text{ex}-1}\) = Constituent Closing Level of Constituent \(i\) on the Index Business Day immediately preceding the applicable Ex-Dividend Date.

   “Dividend” means, in respect of a Constituent, any regular dividend (in the form of a cash dividend and/or a scrip (stock) dividend) declared by the issuer of such Constituent for which the Ex-Dividend Date falls on any day after the Index Start Date (excluding any Extraordinary Dividend).
“Dividend Amount” means, in respect of a Dividend:

(1) if such Dividend is a cash dividend, 100% of the gross cash dividend per one stock as declared by the issuer of the relevant Constituent, before the withholding or deduction of taxes at source by or on behalf of any applicable authority having power to tax in respect of such a dividend (an “Applicable Authority”), and shall exclude (a) any imputation or other credits, refunds or deductions granted by an Applicable Authority (together, the “Credits”), and (b) any taxes, credits, refunds or benefits imposed, withheld, assessed or levied on the Credits referred to in (a) above (converted, if necessary, at the applicable FX Rate for the conversion of the currency in which the relevant Dividend Amount is denominated into the currency in which the Constituent Closing Level of the relevant Constituent is published).

(2) if such Dividend is a non-cash dividend, an amount per one stock equal to the cash value declared by the issuer of the relevant Constituent (whether or not such non-cash dividend includes stock that are the Constituent) or, if no cash value is declared by the issuer of the relevant Constituent, the cash value of such non-cash dividend as determined by the Index Calculation Agent, calculated by reference, where available, to the closing price of any stocks or the Constituent Closing Level (as the case may be) comprising such non-cash dividend on the last trading day immediately preceding the relevant Ex-Dividend Date, taking into account (where such non-cash dividend consists of the stock of the Constituent) any diluting effect on the theoretical value of the Constituent stock resulting from such non-cash dividend. The cash value of a non-cash dividend shall be converted, if necessary, at the applicable FX Rate for the conversion of the currency in which the relevant Dividend Amount is denominated into the currency in which the Constituent Closing Level of the relevant Constituent is published.

“Dividend Percentage” means, in respect of a Dividend Amount specified in relation to:

(i) any Short Constituent, 100%; and

(ii) any Long Constituent, the Dividend Percentage specified by the Index Sponsor from time to time in respect of the country or jurisdiction (“Tax Country”) in which the issuer of the relevant Constituent is domiciled for tax purposes. As of the date of this Index Methodology, the Dividend Percentage in respect of each relevant Tax Country is set out in the table below. The Index Sponsor shall notify the Index Calculation Agent of any change in the Dividend Percentage applicable to any Tax Country, in which case the current Dividend Percentage will be published by the Index Calculation Agent on the Index Electronic Page and available from the Index Sponsor.

<table>
<thead>
<tr>
<th>Tax Country</th>
<th>Dividend Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>100%</td>
</tr>
</tbody>
</table>

“Ex-Dividend Date” means, in respect of a stock and a dividend payment which has been announced by the issuer of such stock, the first day on which a purchaser of such stock will not be entitled to receive the relevant dividend payment, as fixed by the issuer of such stock and/or the primary exchange on which such stock is traded.

2. DIVIDEND ADJUSTMENTS (EXTRAORDINARY DIVIDENDS, BONUS SHARES)

Following the declaration by the issuer of any Constituent of an Extraordinary Dividend (as defined below) (an “Extraordinary Dividend Adjustment Event”), the Index Calculation Agent shall adjust the Weight of such Constituent on the Ex-Dividend Date (as defined below) in relation to such Extraordinary Dividend in accordance with the formula set out below. If such Ex-Dividend
Date is not an Index Business Day, the adjustment shall be made on the next following Index Business Day.

The Weight of the relevant Constituent shall be adjusted such that:

\[
\text{Weight}_{i, \text{ex}} = \text{Weight}_{i, \text{ex-1}} \times \left( 1 + \frac{\text{Dividend Percentage}_i \times \text{Extra Dividend Amount}_i}{\text{Constituent Closing Level}_{i, \text{ex-1}} - \text{Extra Dividend Amount}_i} \right)
\]

where:

\[
\begin{align*}
\text{Weight}_{i, \text{ex}} & = & \text{Weight of Constituent } i \text{ on the applicable Ex-Dividend Date (or, if such day is not an Index Business Day, on the immediately following Index Business Day).} \\
\text{Weight}_{i, \text{ex-1}} & = & \text{Weight of Constituent } i \text{ on the Index Business Day immediately preceding the applicable Ex-Dividend Date.} \\
\text{Dividend Percentage}_i & = & \text{The applicable Dividend Percentage (as defined below).} \\
\text{Extra Dividend Amount}_i & = & \text{The applicable Extraordinary Dividend Amount (as defined below).} \\
\text{Constituent Closing Level}_{i, \text{ex-1}} & = & \text{Constituent Closing Level of Constituent } i \text{ on the Index Business Day immediately preceding the applicable Ex-Dividend Date.}
\end{align*}
\]

“Extraordinary Dividend” means, in respect of a Constituent, (i) an “Extraordinary Dividend”, as such term is defined in the Index General Conditions and will generally include any dividend (in the form of a cash dividend and/or a scrip (stock) dividend) which is described as “special”, “extra”, “irregular” or a “return of capital”; or (ii) a free distribution or dividend of stock of such Constituent to existing holders by way of bonus, capitalization or similar issue, for which in each case the applicable Ex-Dividend Date falls on any day after the Index Start Date.

“Extraordinary Dividend Amount” means, in respect of an Extraordinary Dividend:

1. if such Dividend is a cash dividend, 100% of the gross cash dividend per one stock as declared by the issuer of the relevant Constituent, before the withholding or deduction of taxes at source by or on behalf of any applicable authority having power to tax in respect of such a dividend (an “Applicable Authority”), and shall exclude (a) any imputation or other credits, refunds or deductions granted by an Applicable Authority (together, the “Credits”), and (b) any taxes, credits, refunds or benefits imposed, withheld, assessed or levied on the Credits referred to in (a) above (converted, if necessary, at the applicable FX Rate for the conversion of the currency in which the relevant Extraordinary Dividend Amount is denominated into the currency in which the Constituent Closing Level of the relevant Constituent is published).

2. if such Extraordinary Dividend is a non-cash dividend, an amount per one stock equal to the cash value declared by the issuer of the relevant Constituent (whether or not such non-cash dividend includes stock that are the Constituent) or, if no cash value is declared
by the issuer of the relevant Constituent, the cash value of such non-cash dividend as determined by the Index Calculation Agent, calculated by reference, where available, to the closing price of any stocks or the Constituent Closing Level (as the case may be) comprising such non-cash dividend on the last trading day immediately preceding the relevant Ex-Dividend Date, taking into account (where such non-cash dividend consists of the stock of the Constituent) any diluting effect on the theoretical value of the Constituent stock resulting from such non-cash dividend. The cash value of a non-cash dividend shall be converted, if necessary, at the applicable FX Rate for the conversion of the currency in which the relevant Extraordinary Dividend Amount is denominated into the currency in which the Constituent Closing Level of the relevant Constituent is published.

“Dividend Percentage” means, in respect of an Extraordinary Dividend Amount, the Dividend Percentage specified by the Index Sponsor from time to time in respect of the country or jurisdiction (“Tax Country”) in which the issuer of the relevant Constituent is domiciled for tax purposes. As of the date of this Index Methodology, the Dividend Percentage in respect of each relevant Tax Country is 100%. The Index Sponsor shall notify the Index Calculation Agent of any change in the Dividend Percentage applicable to any Tax Country, in which case the current Dividend Percentage will be published by the Index Calculation Agent on the Index Electronic Page and available from the Index Sponsor.

“Ex-Dividend Date” means, in respect of a stock and an Extraordinary Dividend, the first day on which a purchaser of such stock will not be entitled to receive the relevant Extraordinary Dividend Amount, as fixed by the issuer of such stock and/or the primary exchange on which such stock is traded.

“FX Rate” means, in respect of the notional exchange of one currency to another currency, the applicable WM/Reuters “Closing Spot Rate” as published by The World Markets Company plc in conjunction with Reuters at approximately 4.00 p.m. (London time) on the relevant Index Business Day or, as the case may be, the relevant Ex-Dividend Date or, if such rate is discontinued or unavailable on the relevant day for any reason, such other exchange rate for the relevant currency conversion as the Index Calculation Agent shall determine appropriate by reference to an alternative widely-used and publicly available foreign exchange rate service.

3. DIVIDEND RECOVERY

If, in respect of a Dividend or an Extraordinary Dividend, (a) the gross cash or non-cash dividend declared or estimated by the issuer of the relevant Constituent (a “Declared Dividend”) to holders of record of the stock in the Constituent is not equal to the gross amount deemed to be paid by the issuer of such Constituent (notwithstanding that such payment is made to either any relevant taxing authority or holders of record) in respect of such Dividend (a “Dividend Mismatch Event”) or (b) the issuer of the relevant Constituent fails to make any payment or delivery in respect of that Declared Dividend by the third Index Business Day following the relevant due date, then in either case the Index Calculation Agent may (but shall not be obliged to) determine:

(i) any appropriate adjustment to be made to the Index, including the Weight of any Constituent, to account for that Dividend Mismatch Event or non-payment or non-delivery, as the case may be; and

(ii) the effective date of any such adjustment.

In the event that an issuer of a Constituent makes a payment or delivery in respect of a Dividend or an Extraordinary Dividend that has already been the subject of an adjustment in accordance with this paragraph 3, the Index Calculation Agent shall determine any appropriate adjustment(s) to be made in respect of the Index in order to account for the economic effect of such subsequent payment or delivery.
4. STOCK SPLIT ADJUSTMENTS

Following the declaration by the issuer of a Constituent of a Stock Split (as defined below) (a “Stock Split Adjustment Event”), the Index Calculation Agent shall adjust the Weight of such Constituent on the Ex-Date (as defined below) in relation to such Stock Split in accordance with the formula set out below. If such Ex-Date is not an Index Business Day, the adjustment shall be made on the next following Index Business Day.

The Weight of the relevant Constituent shall be adjusted such that:

\[ \text{Weight}_{i,\text{ex}} = \text{Weight}_{i,\text{ex-1}} \times \text{Split Ratio}_i \]

where:

\[ \text{Weight}_{i,\text{ex}} = \text{Weight of Constituent } i \text{ on the applicable Ex-Date (or, if such day is not an Index Business Day, on the immediately following Index Business Day).} \]

\[ \text{Weight}_{i,\text{ex-1}} = \text{Weight of Constituent } i \text{ on the Index Business Day immediately preceding the applicable Ex-Date.} \]

\[ \text{Split Ratio}_i = \text{In respect of the applicable Stock Split, the ratio of the new total number of shares (B) for the old total number of shares (A) (e.g., split ratio=B/A) in respect of the Constituent } i. \]

“Ex-Date” means, in respect of a Stock Split in respect of a Constituent, the effective date of such Stock Split, as fixed by the issuer of such Constituent and/or the primary exchange on which such Constituent is traded.

“Stock Split” means, in respect of a Constituent, a stock split, subdivision, reverse stock split, consolidation or similar reclassification of the stock of such Constituent, for which the Ex-Date falls on any day after the Index Start Date.

5. RIGHTS ISSUE ADJUSTMENTS

Following the declaration by the issuer of a Constituent of a Rights Issue (as defined below) (a “Rights Issue Adjustment Event”), the Index Calculation Agent shall adjust the Weight of such Constituent on the Ex-Rights Date (as defined below) in relation to such Rights Issue in accordance with the formula set out below. If such Ex-Rights Date is not an Index Business Day, the adjustment shall be made on the following Index Business Day.

The Weight of the relevant Constituent shall be adjusted such that:

\[ \text{Weight}_{i,\text{ex}} = \text{Weight}_{i,\text{ex-1}} \times \frac{1 + N_i}{1 + \left( \frac{S_i}{\text{Constituent Closing Level}_{i,\text{ex-1}}} \right) \times N_i} \]

where:

\[ \text{Weight}_{i,\text{ex}} = \text{Weight of Constituent } i \text{ on the applicable Ex-Rights Date (or, if such day is not an Index Business Day, on the} \]
Weight\(_{i,\text{ex-1}}\) = Weight of Constituent \(i\) on the Index Business Day immediately preceding the applicable Ex-Rights Date.

\(N_i\) = In respect of the applicable Rights Issue, the rights ratio in respect of such Rights Issue of Constituent \(i\), \(N = \frac{B}{A}\) where \(A\) is the number of existing stocks and \(B\) is the number of new stocks entitlement.

\(S_i\) = In respect of the applicable Rights Issue, the subscription price per stock in Constituent \(i\).

Constituent Closing Level\(_{i,\text{ex-1}}\) = Constituent Closing Level of Constituent \(i\) on the Index Business Day for Constituent \(i\) immediately preceding the Ex-Rights Date.

“Ex-Rights Date” means, in respect of a Rights Issue in respect of a Constituent, the first day on which a purchaser of such stock would not be entitled to participate in such Rights Issue, as fixed by the issuer of such Constituent and/or the primary exchange on which such Constituent is traded.

“Rights Issue” means, in respect of a Constituent, a distribution to existing holders of stock in such Constituent of any securities, rights, warrants or other assets, in any case for payment (whether in cash or otherwise) at less than their prevailing market price or any other substantially similar event as determined by the Index Calculation Agent and for which the Ex-Rights Date falls on any day after the Index Start Date.
Part F: Data
Data

The Index shall operate with reference to an Eligible Universe. This Part F sets out the classification and particulars of each Eligible Constituent.

1. Eligible Universe

<table>
<thead>
<tr>
<th>Eligible Universe</th>
<th>Classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Each Eligible Constituent of the Eligible Universe from time to time as determined</td>
<td>Share</td>
</tr>
<tr>
<td>in accordance with Paragraph 1 of Part C (Overview of the Index)</td>
<td></td>
</tr>
</tbody>
</table>

2. Selected Universe

<table>
<thead>
<tr>
<th>Selected Universe</th>
<th>Classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Each Selected Constituent of the Selected Universe from time to time (following</td>
<td>Share</td>
</tr>
<tr>
<td>the application of certain filters in accordance with paragraph 2.1 (Selection</td>
<td></td>
</tr>
<tr>
<td>of Constituents and Filters) in Part D (Calculation of the Index Level) above)</td>
<td></td>
</tr>
</tbody>
</table>

3. Particulars in respect of each Selected Constituent

<table>
<thead>
<tr>
<th>Exchange(s)</th>
<th>Related Exchange(s)</th>
<th>Constituent Schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td>As defined in Section F (Constituent Schedule: Share) of the Index General</td>
<td>All Exchanges</td>
<td>Share</td>
</tr>
<tr>
<td>Conditions</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4. Additional Data

<table>
<thead>
<tr>
<th>Maximum Percentage Weight (as at each Selection Day)</th>
<th>Notional Replication Cost</th>
<th>Notional Spread</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td>Not Applicable</td>
<td>Not Applicable</td>
</tr>
</tbody>
</table>
5. Adjustment Elections

<table>
<thead>
<tr>
<th></th>
<th>Scheduled Valuation Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rebalancing Date</td>
</tr>
<tr>
<td>Adjustments (Scheduled Trading Days: “holidays”):</td>
<td>Move In Block</td>
</tr>
<tr>
<td>Adjustments (Disrupted Days):</td>
<td>Value What You Can</td>
</tr>
<tr>
<td>Valuation Roll (Disrupted Days):</td>
<td>5</td>
</tr>
</tbody>
</table>

In cases where a scheduled Rebalancing Date is postponed due to the occurrence or existence of a Disrupted Day, an Index Level for the day which was originally scheduled to be the Rebalancing Date will be determined in accordance with the methodology set out in the column headed “Other”.

6. Summary of Metrics for Style Factors

<table>
<thead>
<tr>
<th>mnemonic</th>
<th>N</th>
<th>Style Factor</th>
<th>m</th>
<th>Metric</th>
<th>Metric Weight*</th>
</tr>
</thead>
<tbody>
<tr>
<td>EM</td>
<td>1</td>
<td>Estimates Momentum</td>
<td>1</td>
<td>1M Change in 12M Forward EPS (EPSCHG.1M)</td>
<td>100%/4</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2</td>
<td>Earnings Revision Ratio (EPSREV.RATIO)</td>
<td>100%/4</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>3</td>
<td>Cash-Flow Revision Ratio (CFREV.RATIO)</td>
<td>100%/4</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>4</td>
<td>Revenue Revision Ratio (SALREV.RATIO)</td>
<td>100%/4</td>
</tr>
<tr>
<td>PM</td>
<td>2</td>
<td>Price Momentum</td>
<td>5</td>
<td>T-stat on 260D Log Price (TSTAT.260D)</td>
<td>100%/3</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>6</td>
<td>T-stat on 65D Log Price (TSTAT.65D)</td>
<td>100%/3</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>7</td>
<td>T-stat on 11M Log Price (TSTAT.11M)</td>
<td>100%/3</td>
</tr>
<tr>
<td>QU</td>
<td>3</td>
<td>Quality</td>
<td>8</td>
<td>Earnings Certainty (EARN.CERTAINTY)</td>
<td>100%/6</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>9</td>
<td>Profit Margin (MARGIN)</td>
<td>100%/6</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>10</td>
<td>Forecast Return on Equity (ROE)</td>
<td>100%/6</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>11</td>
<td>Accruals (NOA.CHG)</td>
<td>100%/6</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>12</td>
<td>Net Operating Assets (NOA2TA)</td>
<td>100%/6</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>13</td>
<td>Profit Margin Growth (MARGIN.GRW)</td>
<td>100%/6</td>
</tr>
<tr>
<td>SZ</td>
<td>4</td>
<td>Size</td>
<td>14</td>
<td>Company Size (SIZE)</td>
<td>100%</td>
</tr>
<tr>
<td>VA</td>
<td>5</td>
<td>Value</td>
<td>15</td>
<td>12M Forward Earnings Yield (EYFWD12)</td>
<td>100%/8</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>16</td>
<td>12M Trailing Earnings Yield (EYTR12)</td>
<td>100%/8</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>17</td>
<td>Book to Price (BY)</td>
<td>100%/8</td>
</tr>
</tbody>
</table>
Certain data used in the determination of the Metrics will be sourced from third party providers by the Index Sponsor as set out in the Equity Metrics Module, and the Index Sponsor in turn will provide such data to the Index Calculation Agent.

*Metric Weight is subject to adjustment in respect of a Selection Day. See paragraph 3.2(e) of Part D (Calculation of the Index Level).

### 7. Defined Terms

<table>
<thead>
<tr>
<th>Equilend:</th>
<th>Equilend Europe Limited, a company incorporated in England with company number 04608698, which operates a financial intermediation business including a securities lending trading platform and a data service (<a href="http://www.equilend.com">http://www.equilend.com</a>), and any or affiliate entity thereof and any Successor Entity thereto (as defined in paragraph 4.1.2 of Part D (Calculation of the Index Level)).</th>
</tr>
</thead>
<tbody>
<tr>
<td>Index Business Day:</td>
<td>Each day which is a day on which the New York Stock Exchange is scheduled to be open for its regular trading sessions, subject to adjustment in accordance with Table 5 (Adjustment Elections) above.</td>
</tr>
<tr>
<td>Index Valuation Time:</td>
<td>In respect of an Index Business Day, 11.00 p.m. (London time) on such Index Business Day.</td>
</tr>
<tr>
<td>Initial Selection Day:</td>
<td>5 April 2004 (prior to the Index Start Date).</td>
</tr>
<tr>
<td>Long Constituent:</td>
<td>In respect of a Selection Day and a Rebalancing Date, the Constituents with positive final Percentage Weights that construct the Long Basket Level, as described in paragraph 2.2 of Part D (Calculation of the Index Level).</td>
</tr>
</tbody>
</table>
| Market Capitalisation: | In respect of a Constituent and an Index Business Day, the total market value of all outstanding share capital of the same type as that Constituent in respect of the issuer of that stock (as displayed on the applicable Electronic Page in

<table>
<thead>
<tr>
<th><strong>GR</strong></th>
<th>6</th>
<th><strong>Growth</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>18</td>
<td>Dividend Yield (DY)</td>
<td>100%/8</td>
</tr>
<tr>
<td>19</td>
<td>Cash Flow to Price (OCFY)</td>
<td>100%/8</td>
</tr>
<tr>
<td>20</td>
<td>Sales to Price (SY)</td>
<td>100%/8</td>
</tr>
<tr>
<td>21</td>
<td>EBITDA to EV (EBITDA.EV)</td>
<td>100%/8</td>
</tr>
<tr>
<td>22</td>
<td>Revenue to EV (REVENUE.EV)</td>
<td>100%/8</td>
</tr>
<tr>
<td>23</td>
<td>Trend Growth (TREND.GRW)</td>
<td>100%/6</td>
</tr>
<tr>
<td>24</td>
<td>Score Spread of S&amp;P Growth and Value (SPGV.SPRD)</td>
<td>100%/6</td>
</tr>
<tr>
<td>25</td>
<td>12M Forward EPS Growth (CYCLICAL.GRW)</td>
<td>100%/6</td>
</tr>
<tr>
<td>26</td>
<td>One Year Dividend Growth (DPS.GRW)</td>
<td>100%/6</td>
</tr>
<tr>
<td>27</td>
<td>One Year EPS Growth (EPS.GRW)</td>
<td>100%/6</td>
</tr>
<tr>
<td>28</td>
<td>One Year Revenue Growth (REV.GRW)</td>
<td>100%/6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>RI</strong></th>
<th>7</th>
<th><strong>Risk</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>29</td>
<td>Beta to SP500 (BETA)</td>
<td>100%/2</td>
</tr>
<tr>
<td>30</td>
<td>Net Debt to Equity (GEARING)</td>
<td>100%/4</td>
</tr>
<tr>
<td>31</td>
<td>Earnings Stability (EARN.STAB)</td>
<td>100%/4</td>
</tr>
<tr>
<td>Metric:</td>
<td>Each item listed in Table 6 (Summary of Metrics for Style Factors) above in the column headed “Metric”, which in each case corresponds to a Metric as set out in the Equity Metrics Module (which is incorporated by reference into this Index Methodology and is available free of charge on request to the Index Sponsor). Where a Metric is stated to be in respect of a Style Factor, such Metric shall refer to the Style Factor appearing in the same row in which such Metric appears in Table 6 (Summary of Metrics for Style Factors) above.</td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td>Metric m:</td>
<td>In respect of a value of m between 1 and 31, the Metric listed in the row with such value of m in the column headed “m” in Table 6 (Summary of Metrics for Style Factors).</td>
<td></td>
</tr>
<tr>
<td>Metric Value:</td>
<td>In respect of (i) a Metric, (ii) a Constituent or an Eligible Constituent and (iii) a Selection Day, the Metric Value (as defined in the Equity Metrics Module) determined by the Index Calculation Agent in accordance with the Equity Metrics Module in respect of such Metric for such Constituent or Eligible Constituent, as applicable, as of the Metric Observation Date (as defined in the Equity Metrics Module) corresponding to the Rebalancing Date immediately following such Selection Day.</td>
<td></td>
</tr>
<tr>
<td>Metric Weight:</td>
<td>In respect of each Metric, the percentage specified in the column headed “Metric Weight” in the same row as such Metric in Table 6 (Summary of Metrics for Style Factors), subject to adjustment in respect of a Selection Day in accordance with paragraph 3.2(e) of Part D (Calculation of the Index Level).</td>
<td></td>
</tr>
<tr>
<td>Rebalancing Date:</td>
<td>Each of: (i) the Index Start Date; (ii) the third Index Business Day following each Selection Day; and (iii) the Additional Rebalancing Dates, subject to adjustment in accordance with Table 5 (Adjustment Elections) above.</td>
<td></td>
</tr>
<tr>
<td>Reference Index:</td>
<td>S&amp;P 500® Total Return Index (Bloomberg &lt;SPTR &lt;Index&gt;&gt;) or any successor index thereto, and subject to the provisions of Paragraph 6 (Reference Index Modification, Cancellation, Licensing, etc) of Part D (Calculation of the Index Level).</td>
<td></td>
</tr>
<tr>
<td>Reference Index Sponsor:</td>
<td>In respect of the Reference Index, the corporation or other entity which (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to that Reference Index and (b) announces (directly or through an agent) the level of such Reference Index.</td>
<td></td>
</tr>
<tr>
<td>Scheduled Valuation Date:</td>
<td>Each Index Business Day.</td>
<td></td>
</tr>
</tbody>
</table>
Sector: In respect of a Constituent, the level 1 industry classification of that Constituent as defined by the Global Industry Classification Standard (GICS®), (or, if GICS® ceases to be published or is otherwise unavailable, such other sector classification system as the Index Sponsor may determine) and is one of the following, as published and may be amended by MSCI Inc. and Standard & Poor’s Financial Services LLC from time to time:

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<tr>
<td>Utilities</td>
</tr>
<tr>
<td>Real Estate</td>
</tr>
</tbody>
</table>

Selection Day: Each of:

(i) the Initial Selection Day; and

(ii) thereafter, the fifth calendar day of each month,

and if such day is not an Index Business Day the next Index Business Day, subject to adjustment in accordance with Table 5 (Adjustment Elections) above.

Short Constituent: In respect of a Selection Day and a Rebalancing Date, the Constituents with negative final Percentage Weights that construct the Short Basket Level, as described in paragraph 2.2 of Part D (Calculation of the Index Level).

\[
\sum_{i=1}^{M} (i + y) = [(1 + y) + (2 + y) + (3 + y) + (4 + y)]
\]

Utilisation Rate: In respect of a Constituent and an Index Business Day, the total value of 'stock on loan' in respect of that Constituent divided by the available inventory of that Constituent, expressed as a percentage, as quoted by Equilend.

Volume-Weighted Average Borrowing Fee (VWAF): In respect of a Constituent and an Index Business Day, the average fee for all open non-cash securities lending contracts in respect of that Constituent weighted by the volume of the securities lending contracts in respect of that Constituent, expressed as a percentage, as quoted by Equilend.
Part G: Specific Risks
Specific Risks

This Part G does not describe all of the risks arising in respect of the Index. Please refer to Section C (General Risks) of the Index General Conditions for a discussion of further risks arising in respect of the Index.

STRATEGY RISK AND WEIGHTING METHODOLOGY

The Index Methodology used by the Index employs a dynamic allocation strategy that provides a long/short exposure to a notional basket of US equities selected and weighted with the aim of offering the purest (or greatest) sensitivity to one of a number of investment Style Factors whilst also taking into account each equity’s sensitivity to the other Style Factors and each Sector (based on a number of Style Factor Scores in respect of each equity determined by the Index Calculation Agent in accordance with the methodology set out in paragraph 3 of Part C (Calculation of the Index Level)).

Style Factors are inherently subjective

There is no market-standard or commonly agreed set of style factors to represent economic behaviour. Nor is there a single agreed definition or methodology to calculate and represent a particular style factor. Accordingly, the set of Style Factors referenced in this Index Methodology may not accurately track the true market phenomena that are intended to be captured, and there may be other style factors that can be identified and considered to play an important part in the financial markets.

The name given to each Index reflects the Style Factor that such Index is intended to capture (for example, “Quality”, “Risk” and “Value”) and to which such Index aims to provide positive sensitivity whilst keeping its sensitivity to the other Style Factors close to zero. With the exception of the Inverse Size Index, which is intended to represent the inverse of the Size Index, the names given to the Style Factors represent an attempt to categorise stocks that may exhibit, or may tend to exhibit, certain characteristics or behaviours. The Index may not perform in a manner that reflects the name given to it and may not perform in a manner similar to other indices or products bearing the same label. The Style Factor terms “Quality”, “Risk”, “Value”, “Growth”, “Estimates Momentum”, “Price Momentum”, “Size” and “Inverse Size” as used in these Index Conditions, merely reflect a broad category into which the Index may be ascribed. These terms do not (and should not be understood or construed to) signify or ascribe to the Index any actual expectation (or past experience) of performance, returns, volatility, correlation, or any particular risk profile. These terms, as used in these Index Conditions, are not a measure or indication of the investment risk of any exposure to the Index.

Style Factors are represented by a subjective combination of Metrics

The Style Factors described in this Index Methodology are represented by multiple Metrics, the values of which are averaged to determine the Style Factor Score. There can be no assurance that the economic phenomenon described by the Style Factor is accurately represented by the Metrics specified as applicable, or by the respective weighting ascribed to each Metric. It should also be noted that whilst the Metrics are calculated according to principles of equity analysis commonly used by equity research analysts, it is possible that such Metrics would result in more representative and meaningful results if they were calculated differently.

Determination of Style Factor Scores

The strategy used by the Index relies on the relevant Style Factor Scores determined in respect of the Constituents to “purify” the exposure of the Index to a specific Style Factor. However, there is no assurance that the methodology employed to determine the Style Factor Scores will produce Style Factor Scores, or, as a consequence, weightings for the Constituents in the Index, that accurately reflect the actual sensitivity of any particular Constituent to a specific Style Factor.
The data calculated from the Metrics is filtered, calibrated and adjusted. Whilst this is an attempt to reduce ‘noise’ in the data and make it more meaningful and representative of the true economic effect being isolated, it is possible that the effect is the reverse and that the results are less accurate.

It should be noted that no Style Factor Scores in respect of the Inverse Size Style Factor will be determined by the Index Calculation Agent in respect of any Constituent and the Percentage Weights of each Constituent of the Inverse Size Index will be determined as the inverse of the Percentage Weights of the corresponding Constituent of the Size Index. Therefore the stocks that are part of the long basket of the Size Index will be part of the short basket of the Inverse Size Index and the stocks that are part of the short basket of the Size Index will be part of the long basket of the Inverse Size Index. Exposure to the stocks included in the Size Index and the Inverse Size Index will be of the same magnitude but will be directionally opposite.

*The Index Methodology is designed to track a Style Factor and not to outperform any benchmark*

The Index is not designed to outperform a benchmark and, indeed, it is possible that alternative methods of portfolio construction may outperform the Index using the same set of Eligible Constituents. Investors in Index Linked Products should be aware of this limitation in considering their investment decision.

The Index provides a long/short exposure to the performance of a number of US equities in an attempt to isolate a specific Style Factor. However, the long and short positions may not offset each other such that the Index may decline as a result of a loss on a short position in certain stocks (i.e. the stock price increases) and/or a loss on a long position in other stocks (i.e. the stock price decreases). Furthermore, if the relevant Style Factor is expected to decrease, the Index would be expected to decline. This may be the case even during periods when US equities generally exhibit positive performance.

There can be no assurance that the weighting methodology – broadly based on Style Factor Scores – will achieve superior returns as compared to more traditional weighting methodologies based on market capitalisation or an equally-weighted scheme. Accordingly, it is possible that a Constituent that is heavily weighted in respect of a given Style Factor does not perform positively in terms of price, or another Constituent performs positively in terms of price but is only lightly weighted in respect of a given Style Factor. No assurance can be given as to the future performance of any Constituent.

**SELECTION CRITERIA**

The Constituents of the Index from time to time are selected, according to the selection process described in paragraph 2.1 (Selection of Constituents and Filters) in Part D (Calculation of the Index Level), from the Eligible Universe of stocks, and therefore the number of Constituents of the Index may vary from time to time. In addition, the Eligible Universe may change from time to time in the same manner as stocks of the Reference Index are added or removed.

The manner in which Constituents are selected for the Index may operate in such a way as to dilute the purpose of the Style Factor that such Index aims to represent. For instance, the operation of the filters in the selection process may result in the exclusion of a stock from being a Constituent of the Index even if that stock would otherwise have been an ideal candidate as a Constituent when considered in the context of the Style Factor for that Index. Certain Constituents that form part of the Index may be heavily weighted in respect of a given Style Factor and may be performing positively in terms of price but may be excluded from the Index on a rebalancing if, on the related Selection Day, they do not meet the criteria set out in the limitations and filters set out in paragraph 2.1 (Selection of Constituents and Filters) in Part D (Calculation of the Index Level), which include, amongst others, an exclusion where the cost of borrowing a Constituent (for the purpose of establishing a short position in the Constituent) is deemed to be too high. The exclusion of a Constituent may cause the Index Level to be lower than would otherwise be the case.

**INDEX METHODOLOGY LIMITATIONS**

The performance of the Index is dependent on the pre-defined rules-based methodology set out in the Index Conditions. In common with other algorithmic strategies, the manner in which the Selected Universe
is determined and the Index is calculated uses a rules-based methodology which contains fixed parameters. The Index methodology assumes that these fixed parameters are reasonable in the context of the Index. There is no assurance that other methodologies and alternative parameters would not result in better performance than the Index methodology.

CONCENTRATION RISK

The number of stocks included as Constituents of the Index at any time is dependent on the number of stocks in the S&P 500 Index that remain following the application of the various selection filters. No assurance can be given as to which stocks will be Constituents of the Index from time to time. All Constituents of the Index from time to time will represent a single asset type, being US stocks rather than global stocks.

However, there is no maximum or minimum limit on the number of stocks which may be included as Constituents of the Index. Consequently, the Index may be more or less concentrated than other equity indices or investment products linked to equity market performance generally. Furthermore, the Constituent selection methodology used by the Index does not seek to diversify the Selected Constituents by industry sector or by country and, as a consequence, the Index may be more or less concentrated than any benchmark equity index and therefore may experience greater volatility. The benefits of the Index strategy may only become apparent over a long period.

PERFORMANCE RISK

The Index may underperform other equity indices, including those with the same constituents, where those other indices employ a different selection process or weighting scheme, and may underperform an actual investment in the equities themselves, for a variety of reasons relating to, without limitation, the selection process and the weighting methodology. The Index Methodology uses a selection and weighting methodology with the aim of providing exposure to a particular investment style. It does not seek to outperform other indices with the same constituents or any other equity benchmark in absolute terms.

REBALANCING FREQUENCY LIMITATIONS

Subject to the occurrence of a Disrupted Day or an Additional Rebalancing Event, the frequency of rebalancing of the Index is monthly. The Index Methodology only evaluates the Constituents on the monthly Selection Day preceding each Rebalancing Date, which means that the composition of the Index is determined on the Selection Day and effected at the end of the relevant Rebalancing Date, at which point the Index and the Weights attributable to the Selected Constituents are fixed for a month until the next Rebalancing Date, subject to any adjustments pursuant to an additional rebalancing and any corporate actions, such as mergers or issue of extraordinary dividends. New weights are only determined as of the next Selection Day in respect of the next following Rebalancing Date.

A short gap in time exists between each Selection Day and its corresponding Rebalancing Date. In certain circumstances, this gap might not allow any changes which may be desirable to optimise the Percentage Weight of the Eligible Constituents from the end of the Rebalancing Date if sudden changes in the performance of the Eligible Constituents occur between a Selection Day and the relevant Rebalancing Date or indeed, shortly after each Rebalancing Date.

LIMITED OPERATING HISTORY; BACKTESTED PERFORMANCE

The Index was launched by the Index Sponsor as of the specified Index Launch Date. Accordingly, the Index has a limited performance history, and this limited history may not reflect the way in which the Index would perform in a variety of market conditions, including market conditions that may arise during the term of any Index Linked Products.
Any back-tested or similar performance analysis performed by any person in respect of the Index must be considered illustrative only and may be based on estimates or assumptions not used by the Index Calculation Agent when determining the Index Level. In particular, it should be noted that the back-tested performance of the Index for the period from the Index Start Date to the Index Launch Date has been calculated by the Index Calculation Agent based on the assumption that there were no Disrupted Days, no Adjustment Events, no Regulatory Events and no exclusions or restrictions in respect of the Constituents as specified in section 2.1 of Part D (Calculation of the Index Level) (meaning no exclusions as a result of the Eligible Constituent (i) being issued by Citi or its Affiliates, (ii) being included on Citi’s Restricted Trading List, or (iii) having a Volume-Weighted Borrowing Fee or Utilisation Rate (being a proxy for ease of borrowing of a stock) above a specified threshold) during the back-tested period. If Disrupted Days, Adjustment Events and exclusions or restrictions in respect of Constituents had been taken into account for such purpose, the back-tested performance of the Index may have been adversely affected in the manner described in Section B (Valuations and Adjustments) of the Index General Conditions as completed by section 5 of Part F (Data), and section 2.1 of Part D (Calculation of the Index Level).

Back-tested performance is provided for illustrative purposes only and should not be regarded as an indication of future performance. The Index is a new index, and any back-tested performance prior to the Index Launch Date is hypothetical. The back-testing simulation is based on criteria applied retroactively with the benefit of hindsight and knowledge of factors that may have positively affected the Index’s performance, and cannot account for all financial risk that may affect the actual performance of the Index. Accordingly, the actual performance of the Index may differ significantly from the back-testing simulation. In addition, any transaction or instrument linked to the Index would bear additional fees which would reduce overall returns as compared to the past performance of the Index.

Past performance should not be considered indicative of future performance.

CITI’S RESTRICTED TRADING LIST

From time to time Citi and/or any of its Affiliates may be prohibited from purchasing Constituents on any Selection Day or Rebalancing Date due to laws, regulations and/or Citi’s internal policies and procedures (including as a result of any prohibitions or restrictions arising from or relating to Citi’s Restricted Trading List (the “RTL”)). Accordingly, the effect of this limitation in the Index Methodology (as described in section 2.1 of Part D (Calculation of the Index Level)) is that, from time to time, the Index may not include certain Constituents that would otherwise have been included in accordance with the Index selection and weighting algorithm or that other strategies would have included.

The RTL is intended to impose various restrictions on trading that businesses must comply with pursuant to Citi’s policy and under the applicable laws of the jurisdictions in which Citi conducts business.

Citi’s activities and determinations affecting application of the RTL may result in a conflict of interest between Citi and persons having exposure to the Index. Citi will not take into account the interests of persons having exposure to the Index when engaging in such activities or making such determinations.

POTENTIAL CONFLICTS OF INTEREST

Citi entities perform various roles in connection with the Index and Index Linked Products, and conflicts of interest may arise for any such entity as a consequence of the roles it performs in relation to the Index or an Index Linked Product, or more generally.

The Index Sponsor and its Affiliates may enter into, promote, offer or sell securities or contracts (whether or not structured) linked to the Index and/or the Constituents and/or the component stocks of the Constituents and/or futures or options on the Constituents in the ordinary course of business, for their own accounts and for the accounts of their customers. Such trading activities could potentially affect the value of the Constituents and/or the stock components of the Constituents and/or the level of the Index. The Index Sponsor or its Affiliates may act as issuer, agent or underwriter for issuances of securities, or enter into other transactions, with returns linked or related to changes in the level of the Index or the components underlying the Index and in connection therewith may enter into hedging transactions. Such
transactions may affect the level of the Index and may generate a profit for the Index Sponsor or its Affiliates, even in the case of a decline in the level of the Index.

MODEL PRECISION

The Index Methodology is a complex calculation model which is sensitive to the precision of both the original inputs (including data, assumptions and estimates) and the interim calculations. Each of these are in turn dependent on the rounding conventions used in the financial market for the primary data and the rounding conventions determined appropriate by the Index Calculation Agent at each stage of the calculation process. Different models or models using different data, assumptions, estimates and rounding conventions might result in materially different hypothetical performance.

This list of risk factors is not intended to be exhaustive. All persons should seek such advice as they consider necessary from their professional advisors, investment, legal, tax or otherwise, without reliance on the Index Sponsor, the Index Calculation Agent, any of their respective Affiliates or any of their respective directors, officers, employees, representatives, delegates and agents.
Part H: Index Specific Disclaimers
Index Specific Disclaimers

Index Calculation Agent Disclaimer

The Index is not sponsored, promoted, sold or supported in any other manner by Solactive AG nor does Solactive AG offer any express or implicit guarantee or assurance either with regard to the results of using the Index and/or Index trade mark or the Index Price at any time or in any other respect. The Index is calculated and published by Solactive AG. Solactive AG uses its best efforts to ensure that the Index is calculated correctly. Irrespective of its obligations towards the Issuer, Solactive AG has no obligation to point out errors in the Index to third parties including but not limited to investors and/or financial intermediaries of the financial instrument. Neither publication of the Index by Solactive AG nor the licensing of the Index or Index trade mark for the purpose of use in connection with any financial instrument constitutes a recommendation by Solactive AG to invest capital in said financial instrument nor does it in any way represent an assurance or opinion of Solactive AG with regard to any investment in any financial instrument.

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GICS disclaimer

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Index General Conditions

27 November 2015
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Section A: Introduction
Introduction

This document constitutes the Index General Conditions applicable to each index (each, an “Index”) for which the applicable Index Methodology states that these Index General Conditions are to be applicable to it.

These Index General Conditions are made available by Citigroup Global Markets Limited in its capacity as the Index Sponsor.

These Index General Conditions may be amended in the circumstances described in Section E (Miscellaneous), and will be available from the Index Sponsor. See Section E (Miscellaneous) for a description of the circumstances in which a change to these Index General Conditions may be required.

RISKS

Any investment exposure to an Index created by an Index Linked Product gives rise to a number of risks. Please refer to Section C (General Risks) and to the applicable Index Methodology for a discussion of some of the risks to which such an investment exposure to the Index gives rise. The Index Conditions in respect of such Index do not describe all of the risks to which an investment in such Index Linked Product gives rise; please refer to the associated prospectus or offering document (however described) in respect of such Index Linked Product for a discussion of these risks.

PUBLICATION

The Index and the Index Level shall be announced and published as specified in the Index Methodology.

BASIC SCHEME OF THE INDEX CONDITIONS OF AN INDEX

The Index Conditions of an Index comprise these Index General Conditions and the applicable Index Methodology, which must be read together. Full information in respect of an Index is only available on the basis of the combination of these Index General Conditions and the applicable Index Methodology (each as amended from time to time).

In the case of any inconsistency between the applicable Index Methodology and these Index General Conditions, such applicable Index Methodology shall prevail.

The following paragraphs of this Section A are provided for information only, and in the case of any discrepancy between any such paragraph and any other provision of the Index Conditions, such other provision shall prevail.

The Index is a notional rules-based proprietary index which is made up of two or more Constituents. These Constituents are specified in the applicable Index Methodology. The Constituents comprising the Index from time to time may also be selected from an Eligible Universe, if an Eligible Universe is specified for the Index, in accordance with the rules set out in the applicable Index Methodology. The classification of each Constituent is also specified in the applicable Index Methodology, together with any other data necessary to calculate the Index Level of the Index from time to time.

The Index Level of the Index from time to time is calculated by the Index Calculation Agent with reference to the formulae and rules set out in the applicable Index Methodology. The applicable Index Methodology also contains a description of the strategy to which the Index is intended to give effect. The Index Level of the Index is calculated with reference to either the closing levels, prices, rates or values (as applicable) of each Constituent (i.e. Constituent Closing Levels), or intraday levels, prices, rates or values (as applicable) of each Constituent (i.e. Constituent Levels).
Standard detailed rules govern “valuation”, that is, how the Constituent Closing Level and the Constituent Level of each classification of Constituent are determined, broadly with reference to the levels, prices, rates or values (as applicable) in the relevant markets for that Constituent or for futures contracts and options contracts relating to such Constituent (such markets together, the “relevant markets”). Other standard rules apply to Constituents which are themselves indices. These standard rules are set out in the various Constituent Schedules which are included in these Index General Conditions as necessary.

Although the Index Level of the Index on a particular day for which a valuation is required (i.e. a Scheduled Valuation Date) should reflect the Constituent Closing Level or the Constituent Level (as applicable) on that day of each Constituent contained in the Index, the relevant markets on that day may not be open or may be disrupted (or other difficulties may arise in respect of Constituents which are themselves indices, affecting the publication of the levels of these indices). The Constituent Schedule applicable to a Constituent defines the circumstances when the relevant markets for that Constituent are closed or disrupted.

Therefore it may not be possible to determine the Index Level of the Index on a Scheduled Valuation Date using Constituent Closing Levels or Constituent Levels (as applicable) for that day. Section B (Valuations and Adjustments) contains detailed rules which govern which particular Constituent Closing Levels or Constituent Levels (as applicable) are instead used, whether those for a preceding day or a succeeding day. Different rules require either looking back to the Constituent Closing Level or Constituent Level (as applicable) of a previous day, or postponing valuation to a day when the relevant markets are open or not disrupted. The applicable Index Methodology specifies which particular rules apply to the Index.

Certain events and circumstances may affect a Constituent, resulting in a change in that Constituent or the disappearance of that Constituent (i.e. Adjustment Events). The Constituent Schedule applicable to a Constituent defines these events and circumstances. Section B (Valuations and Adjustments) contains detailed rules which govern the adjustment of the Index to account for the effect on the Index of the occurrence of an Adjustment Event, or (if such an adjustment would not produce a commercially reasonable result) the replacement of the affected Constituent in the Index. Although any such adjustment or replacement is intended to account for the effect on the Index of the occurrence of the relevant Adjustment Event, any such adjustment or replacement may have an unforeseen effect on the Index and may have an adverse effect on the value of an Index Linked Product. Please see Section C (General Risks) for a discussion of the effect of these rules.

The terms and conditions of any Index Linked Product may contain provisions as to the consequences of certain events and circumstances. These events and circumstances may include any adjustment made to the Index or any replacement effected of any Constituent. These consequences may include the early termination of such Index Linked Product and the payment of an amount to reflect the valuation of such Index Linked Product at the time of such early termination. Depending on the terms and conditions of such Index Linked Product, an investor may receive back on such early termination less than the amount of the original investment. The Index Conditions do not include any such terms and conditions of such Index Linked Product. Please refer to the terms and conditions of such Index Linked Product.
Section B: Valuations and Adjustments
Valuations and Adjustments

1. CONSTITUENT CLOSING LEVEL OR CONSTITUENT LEVEL

The Constituent Closing Level or the Constituent Level (as applicable) of a Constituent on a Valuation Date shall be determined as specified in the Constituent Schedule applicable to such Constituent.

2. ADJUSTMENTS TO VALUATION DATES (SCHEDULED TRADING DAYS: “HOLIDAYS”)

   (a) “Look Back”

   If “Look Back” is specified in the applicable Index Methodology and a Scheduled Valuation Date is not a Scheduled Trading Day for any Constituent, then:

   (i) the Valuation Date for each Constituent for which such Scheduled Valuation Date is a Scheduled Trading Day shall be such Scheduled Valuation Date; and

   (ii) the Valuation Date for each Constituent for which such Scheduled Valuation Date is not a Scheduled Trading Day shall be the first day immediately preceding such Scheduled Valuation Date which is a Scheduled Trading Day for such Constituent.

   (b) “Move In Block”

   If “Move In Block” is specified in the applicable Index Methodology and a Scheduled Valuation Date is not a Scheduled Trading Day for any Constituent, then such Valuation Date shall be the first day immediately following such Scheduled Valuation Date which is a Scheduled Trading Day for all Constituents.

   (c) “Value What You Can”

   If “Value What You Can” is specified in the applicable Index Methodology and a Scheduled Valuation Date is not a Scheduled Trading Day for any Constituent, then:

   (i) the Valuation Date for each Constituent for which such Scheduled Valuation Date is a Scheduled Trading Day shall be such Scheduled Valuation Date; and

   (ii) the Valuation Date for each Constituent for which such Scheduled Valuation Date is not a Scheduled Trading Day shall be the first day immediately following such Scheduled Valuation Date which is a Scheduled Trading Day for such Constituent.

   (d) Not postponing to a Disrupted Day

   If any day to which a Scheduled Valuation Date is postponed under paragraph 2(b) or 2(c) above is a Disrupted Day for the relevant Constituent, then paragraph 3 below shall apply.

3. ADJUSTMENTS TO VALUATION DATES (DISRUPTED DAYS)

   (a) “Look Back”

   If “Look Back” is specified in the applicable Index Methodology and a Scheduled Valuation Date is a Disrupted Day for any Constituent, then:
(i) the Valuation Date for each Constituent for which such Scheduled Valuation Date is not a Disrupted Day shall be such Scheduled Valuation Date; and

(ii) the Valuation Date for each Constituent for which such Scheduled Valuation Date is a Disrupted Day shall be the first day immediately preceding such Scheduled Valuation Date which is a Scheduled Trading Day and not a Disrupted Day for such Constituent.

(b) “Move In Block”

If “Move In Block” is specified in the applicable Index Methodology and a Scheduled Valuation Date is a Disrupted Day for any Constituent, then such Valuation Date shall be the earlier of (A) the first day immediately following such Scheduled Valuation Date which is a Scheduled Trading Day for all Constituents and not a Disrupted Day for any Constituent; and (B) the Scheduled Trading Day for all Constituents which is the Valuation Roll number of Scheduled Trading Days for all Constituents immediately following such Scheduled Valuation Date.

(c) “Value What You Can”

If “Value What You Can” is specified in the applicable Index Methodology and a Scheduled Valuation Date is a Disrupted Day for any Constituent, then:

(i) the Valuation Date for each Constituent for which such Scheduled Valuation Date is not a Disrupted Day shall be such Scheduled Valuation Date; and

(ii) the Valuation Date for each Constituent for which such Scheduled Valuation Date is a Disrupted Day shall be the earlier of (A) the first day immediately following such Scheduled Valuation Date which is a Scheduled Trading Day and not a Disrupted Day for such Constituent; and (B) the Scheduled Trading Day for such Constituent which is the Valuation Roll number of Scheduled Trading Days for such Constituent immediately following such Scheduled Valuation Date.

(d) Postponing to a Disrupted Day

If any day to which a Scheduled Valuation Date is postponed under paragraph 3(b) or 3(c) above is a Disrupted Day for the relevant Constituent, then (unless otherwise specified in the Constituent Schedule applicable to such Constituent) the Index Calculation Agent shall determine the Constituent Closing Level of such Constituent on such Valuation Date using its good faith estimate of the Constituent Closing Level of such Constituent at the Valuation Time (where relevant) on or for such day.

4. CORRECTIONS OF PUBLISHED OR ANNOUNCED LEVELS, PRICES, RATES OR VALUES

If a Correction Period is specified in respect of a Constituent, and in the event that the level, price, rate or value (as applicable) of such Constituent for any time on any day which is announced by or on behalf of the person or entity responsible for such publication or announcement and which is used for any calculation or determination in respect of the Index is subsequently corrected, and such correction (the “Corrected Level”) is published by or on behalf of such person or entity within such Correction Period for such Constituent after the original publication, then such Corrected Level shall be deemed to be the level, price, rate or value (as applicable) for such Constituent for the relevant time on the relevant day. If the Correction Period does not include a Rebalancing Date, the Index Calculation Agent shall revise the Index Level for such relevant day.

If the Correction Period includes a Rebalancing Date, the Index Calculation Agent may, but shall not be obliged to, revise the Index Level for such relevant day and, in exercising such discretion,
the Index Calculation Agent will act in good faith and in a commercially reasonable manner that is consistent with the primary objective of the Index.

Corrections published after the Correction Period after the original publication shall be disregarded.

For the avoidance of doubt, if a Correction Period is not specified in respect of a Constituent, then the preceding two paragraphs shall not apply in respect of such Constituent.

5. ADJUSTMENT EVENTS

Subject as provided in the applicable Index Methodology, if an Adjustment Event occurs in respect of any Constituent (the “Affected Constituent”), then the consequences of such Adjustment Event shall be as follows.

(a) The Index Calculation Agent will effect as soon as reasonably practicable a Reweighting in respect of such Affected Constituent.

(b) If the Index Calculation Agent determines that no such Reweighting it can make will produce a commercially reasonable result, then the Index Calculation Agent will effect as soon as reasonably practicable a Replacement of such Affected Constituent.

“Replacement” shall mean that the Index Calculation Agent will remove the Affected Constituent from the Index and either:

(a) (if the Index is specified in the applicable Index Methodology to operate with reference to an Eligible Universe) replace the Affected Constituent with an Eligible Constituent that has substantially similar characteristics to the Affected Constituent and selected in accordance with the relevant rules set out in the applicable Index Methodology; or

(b) (if the Index is not specified in the applicable Index Methodology to operate with reference to an Eligible Universe) replace the Affected Constituent with a replacement Constituent that has substantially similar characteristics to the Affected Constituent and selected in accordance with the Replacement Criteria specified in respect of such Constituent in the Constituent Schedule applicable to the Affected Constituent; or

(c) (if either (i) the Index is not specified in the applicable Index Methodology to operate with reference to an Eligible Universe; or (ii) no Replacement Criteria are specified; or (iii) no such replacement can be made under sub-paragraph (a) or sub-paragraph (b) above; or (iv) the Index Calculation Agent determines that no such replacement it can make will produce a commercially reasonable result) replace the Affected Constituent with either (1) a notional exposure in accordance with the relevant rules specified in the applicable Index Methodology; or (2) (if no such rules are so specified) a replacement constituent (which shall be deemed to be a Constituent) which shall confer no investment exposure.

“Reweighting” shall mean that the Index Calculation Agent will revise the Weight attributed to the Affected Constituent to account for the economic effect on the Index of the relevant Adjustment Event. For the avoidance of doubt, the Weight attributed to the Affected Constituent may be zero.

In the case of either a Replacement or a Reweighting, the Index Calculation Agent will, in a manner that is consistent with the primary objective of the Index, (a) make such adjustment to the calculation of the Index and the Index Level as it determines appropriate to account for the effect on the Index of any such Replacement or Reweighting (as applicable) that is made (including without limitation rebalancing the Index); and (b) determine the effective date of any such Replacement or Reweighting that is made.
6. SUSPENSION AND CANCELLATION

(a) If any Index Business Day is a Disrupted Day for any Constituent, the Index Calculation Agent may suspend the calculation, publication and dissemination of the Index and the Index Level until the first succeeding Index Business Day which is not a Disrupted Day for any Constituent.

(b) The Index Sponsor may discontinue and cancel the Index at any time and is under no obligation to continue, or procure the continuation of, the calculation, publication and dissemination of the Index Level.
Section C: General Risks
General Risks

1. INTRODUCTION

The Index Level may go down as well as up, depending on the performance of the Constituents and their effect on the strategy that the Index has been developed to reflect. There can be no assurance as to the future performance of the Index, and the Index Level on any day may not reflect either its past performance or its future performance. The strategy that the Index has been developed to reflect may not be successful, and other strategies using the Constituents or the Eligible Universe (as relevant) may perform better than the Index.

The Index represents the weighted value of its Constituents. The Index has been developed to be “investable”, but the methodology set out in the Index Conditions is quantitative, which means that the Index Level is determined according to the rules and the processes set out in the Index Conditions on a purely notional basis, without reference to any actual investment in the Index or any of its Constituents. The result of any such actual investment may be different to the performance of the Index. In particular, any notional fees or costs deducted in the calculation of the Index Level, and any proportionate amount included in the Index Level of any dividend, distribution or payment in respect of any Constituent, may be different from those arising in respect of any actual investment in any Constituent or any combination of Constituents.

Prospective investors in any Index Linked Product should be familiar with investments in the global financial and commodity markets, financial instruments and indices generally.

2. RISKS IN RESPECT OF THE CONSTITUENTS (INCLUDING MARKET RISK)

The performance of the Index is dependent on the performance of all of the Constituents contained in the Index.

Fluctuations in the level, price, rate or value (as applicable) of the Constituents contained in the Index from time to time will directly affect the Index Level. The extent to which fluctuations in the Constituent Closing Level or Constituent Level (as applicable) of a particular Constituent will affect the Index Level will, amongst other things, depend on the Weight attributed to that Constituent at the relevant time. Please refer to the applicable Index Methodology for a discussion of the strategy that the Index has been developed to reflect.

Please refer to the following paragraphs for a discussion of the particular general market risks arising in respect of each classification of Constituent.

Certain events and circumstances may affect a Constituent, resulting in a change in that Constituent or the disappearance of that Constituent (i.e. Adjustment Events). The Constituent Schedule applicable to a Constituent sets out the Adjustment Events which apply to such Constituent.

Please refer to Section 2(j) below for a discussion of the process that is followed following the occurrence of an Adjustment Event.

(a) Commodity

Prospective investors in an Index Linked Product linked to an Index containing a Commodity should be familiar with commodities generally. Movements in the price of a Commodity (which may consist of a commodity futures contract or a commodity option contract) may be subject to significant fluctuations which may not correlate with changes in interest rates, currencies or other indices.
Commodity markets (both spot and future) are highly volatile. Commodity markets are influenced by, among other things, (i) changing supply and demand; (ii) weather; (iii) governmental, agricultural, commercial and trade programs and policies introduced to influence commodity prices; (iv) global political and economic events; and (v) changes in interest rates. Moreover, investments in futures contracts and option contracts involve additional risks including, without limitation, leverage (margin is usually a percentage of the face value of the contract and exposure can be nearly unlimited).

A holder of a commodity futures contract may find the position becomes illiquid because certain commodity exchanges limit fluctuations in the price of certain commodity futures contracts during a single day by regulations referred to as “daily price fluctuation limits” or “daily limits”. Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a commodity futures contract has increased or decreased by an amount equal to the daily limit, positions can be neither taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent the holder from promptly liquidating unfavorable positions and subject the holder to substantial losses. The prices of various commodity futures contracts have occasionally exceeded the daily limit for several consecutive days with little or no trading. Similar occurrences could affect the Index Level of an Index containing a Commodity.

The trend in the Index Level of an Index containing a Commodity may not perfectly correlate with the trend in the price of the Commodity, as the use of futures contracts generally involves a rolling mechanism. This means that commodity futures contracts approaching delivery at a particular time are replaced with other commodity futures contracts which have a later delivery date, and the Index Level may not therefore fully reflect any rise or fall in the price of the Commodity.

In addition, commodity futures markets may exhibit a trend which differs significantly from that of the underlying commodity spot markets. The trend in the price of a commodity futures contract relative to the trend in the price of the underlying commodity is closely linked to the present and future level of production of the commodity or to the level of estimated natural reserves, particularly in the case of energy commodities. Moreover, the price of a commodity futures contract should not be considered an accurate prediction of a market price, since it also includes the so-called “carrying costs” (which are the costs of, for example, warehousing, insurance, transportation, etc.), which also contribute toward the determination of the price of commodity futures contracts. These factors, which directly influence commodity prices, substantially explain the imperfect correlation between commodity futures markets and underlying commodity spot markets.

(b) Commodity Index

Prospective investors in an Index Linked Product linked to an Index containing a Commodity Index should be familiar with commodity indices generally. The level of a Commodity Index is generally based on the value of commodities and/or other securities contained in the Commodity Index, and therefore the risks discussed under the heading “Commodity” above are also relevant. Global, financial and political developments, among other things, may have a material effect on the value and performance of the commodities and/or commodity futures contracts contained in a Commodity Index.

(c) Depositary Receipt

Prospective investors in an Index Linked Product linked to an Index containing a Depositary Receipt should be familiar with depositary receipts generally. The value and price volatility of the Depositary Receipts contained in an Index and of the stocks underlying such Depositary Receipts must be considered. The value of the Depositary Receipts and the underlying stocks may go down as well as up, and the value of the Depositary Receipts and the underlying stocks on any date may not, respectively, reflect their performance in any prior period. There can be no assurance as to the future value of
the Depositary Receipts or the underlying stocks, or as to the continued existence of the Depositary Receipts, the underlying stocks, the issuer of the Depositary Receipts or the issuer of the underlying stocks.

(d) **ETF Share (exchange-traded fund)**

Prospective investors in an Index Linked Product linked to an Index containing an ETF Share should be familiar with exchange traded funds generally. The value and price volatility of ETF Shares contained in an Index must be considered. The value of ETF Shares may go down as well as up, and the value of the ETF Shares on any date may not reflect their performance in any prior period. There can be no assurance as to the future value of the ETF Shares, or as to the continued existence of the ETF Shares.

Although ETF Shares are traded on an exchange and are therefore valued in a similar manner as a stock traded on an exchange, the Adjustment Events defined with respect to an ETF Share include certain events and circumstances which would be applicable to a fund.

(e) **FX Rate**

Prospective investors in an Index Linked Product linked to an Index containing an FX Rate should be familiar with currency exchange markets generally.

Movements in currency exchange rates may be subject to significant fluctuations which may not correlate with changes in interest rates or other indices.

Emerging market currencies may exhibit greater volatility and less certainty as to future levels than other currencies. Emerging market currencies are highly exposed to the risk of a currency crisis.

Currency exchange markets may be affected by complex economic and political factors, including government action to fix or support the value of a currency, or to impose exchange controls. These economic and political factors are independent of other market forces of supply and demand.

(f) **Inflation Index**

Prospective investors in an Index Linked Product linked to an Index containing an Inflation Index should be familiar with inflation indices generally.

Many economic and market factors may influence an Inflation Index (and therefore the Index Level of an Index containing an Inflation Index), including: (i) general economic, financial, political or regulatory conditions and/or events; (ii) fluctuations in the prices of various assets, goods, services and energy resources (including in response to the supply of any of them and the demand for any of them); and (iii) the level of inflation in the economy of the relevant country and expectations of inflation.

In particular, the level of an Inflation Index may be affected by factors unconnected with the financial markets.

(g) **Mutual Fund Interest**

Prospective investors in an Index Linked Product linked to an Index containing a Mutual Fund Interest should be familiar with mutual funds generally. The value and price volatility of a Mutual Fund Interest contained in an Index must be considered. The value of a Mutual Fund Interest may go down as well as up, and the value of a Mutual Fund Interest on any date may not reflect its performance in any prior period.
A mutual fund may trade and invest in a broad range of investments such as debt and equity securities, commodities and foreign exchange, and may enter into derivative transactions, including without limitation futures contracts and options contracts. The trading strategies of a mutual fund can be opaque. The trend in the Index Level of an Index containing a Mutual Fund Interest may not correlate with the trend in any market to which the relevant mutual fund creates an investment exposure.

The value of a Mutual Fund Interest may be affected by the performance of persons providing services to the relevant mutual fund, including the investment manager or the investment adviser to the mutual fund.

(h) **Share**

Prospective investors in an Index Linked Product linked to an Index containing a Share should be familiar with stocks generally. The value and price volatility of the Shares contained in an Index must be considered. The value of the Shares may go down as well as up, and the value of the Shares on any date may not reflect their performance in any prior period. There can be no assurance as to the future value of the Shares, or as to the continued existence of the Shares or the issuer of the Shares.

(i) **Share Index**

Prospective investors in an Index Linked Product linked to an Index containing a Share Index should be familiar with stock indices generally. The level of a Share Index is based on the value of the shares contained in that Share Index, although prospective investors should note that the level of a Share Index at any time may not reflect the reinvestment yield on the shares included in that Share Index. Global economic, financial and political developments, among other things, may have a material effect on the value of the shares included in a Share Index and/or the performance of the Share Index.

Market volatility reflects the degree of instability and expected instability of the performance of a Share Index and the shares contained in that Share Index. The level of market volatility is largely determined by the prices for financial instruments supposed to protect investors against such market volatility. The prices of these financial instruments are determined by forces of supply and demand in the futures contracts, option contracts and derivative markets generally. These forces of supply and demand are themselves affected by factors such as actual market volatility, expected volatility, economic factors and speculation.

(j) **Process following the occurrence of an Adjustment Event**

Following the occurrence of an Adjustment Event in respect of a Constituent, the Index Calculation Agent will attempt to revise the Weight in the Index of the affected Constituent as it determines appropriate to account for the economic effect on the Index of such Adjustment Event.

If the Index Calculation Agent determines that no reweighting it can make under the preceding paragraph will produce a commercially reasonable result, then it will attempt to replace the affected Constituent with a suitable replacement which satisfies the relevant criteria (if any) specified in the applicable Constituent Schedule. If the Index is specified in the applicable Index Methodology to operate with reference to an Eligible Universe, then the replacement Constituent will be selected from the Constituents contained in such Eligible Universe. A commercially reasonable result will only be obtained if a reweighting preserves the ability of the Index to reflect the strategy that it is intended to reflect.

If either no replacement can be made under the preceding paragraph or if the Index Calculation Agent determines that no replacement it can make under the preceding paragraph will produce a commercially reasonable result, then the Index Calculation
Agent will remove the affected Constituent from the Index and replace the affected Constituent with either a notional exposure in accordance with the relevant rules (if any) specified in the applicable Index Methodology or (if no such rules are specified) a Constituent which confers no investment exposure. A commercially reasonable result will only be obtained if a replacement preserves the ability of the Index to reflect the strategy that it is intended to reflect.

At any time, either a reweighting or a replacement, as discussed in the preceding paragraphs, may have an unforeseen effect on the Index. Assumptions as to the inclusion in the Index of a particular Constituent will no longer be valid if that Constituent is removed from the Index, whether temporarily or permanently.

The terms and conditions of any Index Linked Product may contain provisions as to the consequences of any such replacement or reweighting of a Constituent or discontinuation of the Index.

Any such reweighting, replacement or discontinuation of the Index may have an adverse effect on the value of such Index Linked Product.

Any such reweighting, replacement or discontinuation of the Index may (depending on the terms and conditions of such Index Linked Product) result in the early termination of such Index Linked Product and the payment of an amount to reflect the valuation of such Index Linked Product at the time of such early termination. Depending on the terms and conditions of such Index Linked Product, an investor may receive back on such early termination less than the amount of the original investment.

Please refer to the terms and conditions of such Index Linked Product. In the case of a prospectus or offering document which contains provisions under the heading “Risk Factors”, “Investment Considerations” or the equivalent, please refer to these provisions for a discussion of these consequences.

3. NOTIONAL EXPOSURE

The Index creates a notional exposure to the Constituents and such notional exposure will only exist in the books and records of the Index Sponsor and the Index Calculation Agent.

(a) No rights

Investors in Index Linked Products (a) have no legal or beneficial ownership interest in any Constituent and therefore have no recourse to any Constituent; (b) have no right to take delivery of any Constituent; (c) have no voting rights with respect to any Constituent; (d) have no right to receive dividends, distributions or other payments with respect to any Constituent.

(b) No offer

Nothing in these Index General Conditions constitutes an offer to buy or to sell any Constituent or any other asset, commodity, contract or security (including without limitation any asset, contract, commodity or security included in any Constituent).

(c) Reinvestment

Whether or not the Index is a “total return index” and includes the notional reinvestment of amounts calculated by reference to any dividend, distribution or payment that would be received by a holder of a Constituent is specified in the applicable Index Methodology. If the Index is not a “total return index”, it will not include any such notional reinvestment.
4. **NO INVOLVEMENT OF PERSONS CONNECTED WITH ANY CONSTITUENT**

The Index does not create any obligation of any person connected with any Constituent (each such person, for the purposes of this paragraph, a "Relevant Person"), including without limitation the issuer of any Constituent which is a security, the sponsor or calculation agent of any Constituent which is itself an index, and the provider of any service (such as an investment adviser or an investment manager) to any Constituent which is a fund.

No Relevant Person has participated in the preparation of the Index Conditions or in the arrangement and offer of any Index Linked Product.

5. **NO INVESTIGATION**

Neither the Index Sponsor nor the Index Calculation Agent has made or will make any investigation or enquiry with respect to any Constituent, including with respect to any publicly-available information that is disclosed in the applicable Index Methodology with respect to any Constituent. Consequently there can be no assurance that all events have been disclosed which would affect the performance of the Index or the value of any Index Linked Product.

6. **EFFECT OF FEES**

The Index Level may include a deduction of notional fees, as described in the applicable Index Methodology. Any such deduction of notional fees will result in the Index underperforming a hypothetical investment portfolio from which no such deduction is made.

7. **EFFECT OF NOTIONAL COSTS**

The Index Level may include a deduction of notional costs (which may be referred to as a notional cost, charge, spread or similar term), as described in the applicable Index Methodology. Any such deduction of notional costs will result in the Index underperforming a hypothetical investment portfolio from which no such deduction is made.

8. **DISRUPTION TO THE INDEX**

Certain events may affect the calculation of the Index and the Index Level. These events, which are described elsewhere in the Index Conditions, may have consequences including:

(a) the Index Calculation Agent following the relevant process described in Section B (Valuations and Adjustments);

(b) the Index Calculation Agent exercising certain discretions conferred by the Index Conditions;

(c) the Index Calculation Agent suspending the calculation, publication and dissemination of the Index and the Index Level;

(d) the Index Sponsor making a modification or change to the Index Conditions; and

(e) the Index Sponsor discontinuing and cancelling the Index.

Unless otherwise stated, the Index Sponsor has no obligation to inform any person of the result of any action taken on the occurrence of such events.

The occurrence or existence of Disrupted Days may also result in the calculation, publication and dissemination of the Index being postponed to a later time than as provided in the Index Conditions or as is customary of the Index.
9. INDEX SPONSOR AND INDEX CALCULATION AGENT

These Index General Conditions confer on the Index Sponsor and the Index Calculation Agent a degree of discretion in making certain determinations and calculations, for example in connection with the occurrence of disruptions and adjustments. Although each of the Index Sponsor and the Index Calculation Agent will act in good faith and in a commercially reasonable manner, the exercise of any such discretion may have an adverse effect on the Index Level and therefore may have an adverse effect on the value of any Index Linked Product.
Section D: Definitions
Definitions

References to the “applicable Index Methodology” are references to the Index Methodology relating to the relevant Index which together with these Index General Conditions completes the Index Conditions for such Index.

References to a “Section” shall be references to a section of these Index General Conditions.

References to a “Part” shall be references to a part of the applicable Index Methodology.

“Adjustment Event” shall, in respect of a Constituent, have the meaning given to it in the Constituent Schedule applicable to such Constituent.

“Affected Constituent” shall have the meaning given to it in Section B (Valuations and Adjustments).

“Affiliate” shall mean, in respect of a person, any entity controlled (directly or indirectly) by such person, any entity which controls (directly or indirectly) such person or any entity (directly or indirectly) under common control with such person. For this purpose, “control” of any person or entity shall mean the ownership or a majority of the voting power of such person or entity.

“Amount” shall have the meaning given to it in Section E (Miscellaneous).

“Calculations” shall have the meaning given to it in Section E (Miscellaneous).

“Citi” shall mean Citigroup Inc. and its Affiliates.

“Classification” shall mean, in respect of a Constituent, the classification assigned to it in the applicable Index Methodology.

“Constituent” shall mean each Constituent of the Index specified as such in, or determined in accordance with, the applicable Index Methodology and the Index General Conditions. Each Constituent is assigned an identifying number denoted as “i”, unless specified otherwise.

“Constituent Closing Level” shall, in respect of a Constituent, have the meaning given to it in the Constituent Schedule applicable to such Constituent.

“Constituent Inclusion Date” shall mean, in respect of a Constituent, the date with effect from which such Constituent is included in the Index.

“Constituent Level” shall, in respect of a Constituent, have the meaning given to it in the Constituent Schedule applicable to such Constituent.

“Constituent Schedule” shall mean, in respect of a Constituent, the schedule that is specified to be applicable to such Constituent as a result of the classification of such Constituent in the applicable Index Methodology.

“Corrected Level” shall have the meaning given to it in Section B (Valuations and Adjustments).

“Correction Period” shall mean, in respect of a Constituent, the period specified as such in the Constituent Schedule applicable to such Constituent.

“Disrupted Day” shall, in respect of a Constituent, have the meaning given to it in the Constituent Schedule applicable to such Constituent.
“Electronic Page” shall mean, in respect of a Constituent, (1) the electronic page or source specified for such Constituent in the applicable Index Methodology, or (2) if no such electronic page or source is so specified for such Constituent, such Bloomberg or Reuters page or other widely recognised source of financial data as the Index Calculation Agent may determine appropriate, or (3) in any such case, any successor electronic page or source that has been designated by either (a) the sponsor of the original electronic page or source; or (b) the relevant information vendor or provider of the original electronic page or source; or (4) any alternative electronic page or source of financial data that may be designated by the Index Calculation Agent, provided that such page or source is widely recognised by participants in the relevant market.

“Eligible Constituent” shall mean (if the Index is specified in the applicable Index Methodology to operate with reference to an Eligible Universe) each constituent eligible for inclusion as a Constituent in the Index (and the total number of Eligible Constituents in respect of each Selection Day shall be denoted as “n”), specified as such and classified in the applicable Index Methodology.

“Eligible Universe” shall mean (if the Index is specified in the applicable Index Methodology to operate with reference to an Eligible Universe) all of the Eligible Constituents. The rules for adding Eligible Constituents to the Index as Constituents and for removing Constituents from the Index are set out in the applicable Index Methodology.

“Index Base Currency” shall mean the currency specified as such in the applicable Index Methodology.

“Index Business Day” shall have the meaning given to it in the applicable Index Methodology.

“Index Calculation Agent” shall mean the person specified as such in the applicable Index Methodology and appointed by the Index Sponsor, any successor to such person, or any alternative calculation agent appointed by the Index Sponsor.

“Index Conditions” shall mean, in respect of the Index, these Index General Conditions together with the applicable Index Methodology.

“Index Electronic Page” shall mean (1) the electronic page or source specified as such in Part B (Key Information) of the applicable Index Methodology, or (2) any successor electronic page or source that has been designated by either (a) the sponsor of the original electronic page or source; or (b) the relevant information vendor or provider of the original electronic page or source; or (3) any alternative electronic page or source designated by the Index Sponsor.

“Index Launch Date” shall mean the date specified as such in the applicable Index Methodology.

“Index Level” shall mean, in respect of an Index Business Day, the closing level of the Index as of the Index Valuation Time on such Index Business Day.

“Index Linked Product” shall mean any security, contract or other financial product the return on which is linked to the performance of the Index.

“Index Sponsor” shall mean the person specified as such in the applicable Index Methodology or any successor to or assignee of such person.

“Index Start Date” shall mean the date specified as such in the applicable Index Methodology.

“Index Start Level” shall mean the Index Level on the Index Start Date, as specified in the applicable Index Methodology.

“Index Valuation Time” shall have the meaning given to it in the applicable Index Methodology.

“Information” shall have the meaning given to it in Section E (Miscellaneous).
“Rebalancing Date” shall mean each date specified as such in, or determined in accordance with, the applicable Index Methodology.

“Replacement” shall have the meaning given to it in Section B (Valuations and Adjustments).

“Replacement Criteria” shall, in respect of a Constituent, have the meaning given to it in the Constituent Schedule applicable to such Constituent.

“Reweighting” shall have the meaning given to it in Section B (Valuations and Adjustments).

“Scheduled Valuation Date” shall mean each date specified as such in the applicable Index Methodology.

“Selection Day” shall mean each date specified as such in the applicable Index Methodology.

“Valuation Date” shall mean each Scheduled Valuation Date as adjusted in accordance with Section B (Valuations and Adjustments).

“Valuation Roll” shall mean the number specified as such in the applicable Index Methodology.

“Weight” shall have the meaning given to it in the applicable Index Methodology.
Section E: Miscellaneous
1. CALCULATIONS AND DETERMINATIONS

(a) General

The Index Calculation Agent will perform all calculations, determinations, rebalancings and adjustments (together, “Calculations”) in respect of the Index. Neither the Index Calculation Agent nor the Index Sponsor will have any responsibility for errors made in good faith or omissions in Calculations or other actions as provided in the Index Conditions.

The Calculations of the Index Calculation Agent shall be performed by it in accordance with the Index Conditions, acting in its sole, absolute and unfettered discretion, but in good faith and in a commercially reasonable manner (having regard in each case to the criteria stipulated in the Index Conditions and, where relevant, on the basis of information provided to or obtained by employees or officers of the Index Calculation Agent responsible for making relevant Calculations). All Calculations shall, in the absence of manifest error, be final, conclusive and binding on any user of the Index, including any holder of, or counterparty to, an Index Linked Product.

Although the Index Conditions are intended to be comprehensive, it is possible that ambiguities, errors and omissions may arise in certain circumstances. The Index Sponsor will resolve, acting in good faith and in a commercially reasonable manner, any such ambiguity, error or omission, and may amend the Index Conditions to reflect the resolution of such ambiguity, error or omission in a manner which is consistent with the commercial objective of the Index.

(b) Rounding

Subject as provided in the applicable Index Methodology, any amount, currency amount, level, percentage, price, rate or value (“Amount”) calculated by the Index Calculation Agent shall be rounded to such number of decimal points and in such manner as the Index Calculation Agent determines is appropriate, acting in a commercially reasonable manner.

(c) Use of estimates

The Index Calculation Agent will perform the Calculations described in the Index Conditions using the information, data sources or factors specified in these Index Conditions and any Amount (together, “Information”) and may perform any Calculation and any action required in respect of the Index Conditions in any sequence. However, in the event that the Index Calculation Agent is not able to obtain or use any necessary Information, then (after using reasonable endeavors and after applying any fallback provision specified in the Index Conditions in respect of the relevant Calculation) the Index Calculation Agent may, but shall not be obliged to, use its estimate (made in good faith and in a commercially reasonable manner) of the relevant Information in performing such Calculation, should the Index Calculation Agent determine that such estimate is reasonably necessary in order to give effect to any provision or to perform any Calculation necessary under the Index Conditions.

(d) No verification of Information

Although the Index Calculation Agent will obtain Information for inclusion in the Index or for use in performing any Calculation under the Index Conditions from sources that the
Index Calculation Agent considers reliable (including databases maintained by the Index Calculation Agent or its Affiliates, and public sources such as Bloomberg and Reuters), the Index Calculation Agent will not publish or independently verify such Information.

(e) **Corrections**

Subject as provided in the applicable Index Methodology and any Correction Period specified, if the Index Calculation Agent becomes aware that any Information used by it in connection with any Calculation under the Index Conditions has subsequently been corrected or adjusted, then the Index Calculation Agent shall, if the Correction Period does not include a Rebalancing Date, use such corrected or adjusted Information and as a consequence make any further Calculation that it determines necessary or desirable in order to give effect to or to reflect such corrected or adjusted Information, including without limitation any redenomination, exchange or conversion of any currency into a successor currency. If the Correction Period includes a Rebalancing Date, the Index Calculation Agent may, but shall not be obliged to, use such corrected or adjusted Information and, in exercising such discretion, the Index Calculation Agent will act in good faith and in a commercially reasonable manner that is consistent with the primary objective of the Index.

(f) **Reliance**

In performing any Calculation under the Index Conditions, the Index Calculation Agent may rely upon the opinion of any person who appears to it as being competent to value any asset or instrument of any class, or to perform any other calculation or determination, by reason of any appropriate relevant professional qualification or experience.

(g) **Not acting as fiduciary or agent**

In performing any Calculation or other action in connection with the Index Conditions, each of the Index Calculation Agent and the Index Sponsor will act as principal and not as agent of any other person. Neither the Index Calculation Agent nor the Index Sponsor owes any duty of care or any fiduciary duty to any investor in any Index Linked Product or to any other person. Each Calculation and other action performed in connection with the Index Conditions by the Index Calculation Agent or the Index Sponsor is performed in reliance on this provision and is subject to this provision.

If through performing any such Calculation or other action the Index Calculation Agent or the Index Sponsor is rendered an agent or fiduciary of another person under applicable law, then (at the option of the Index Calculation Agent or the Index Sponsor, as relevant) the rights and obligations of the Index Calculation Agent or the Index Sponsor to perform such Calculation or other action may be suspended (or, if already performed, the application of such Calculation or other action may be suspended) until such time when such Calculation or other action can be performed either by the Index Calculation Agent or the Index Sponsor as principal and not as an agent or fiduciary or by an appropriate third party who is both willing and able to perform such Calculation or other action.

(h) **Dates and times of calculations**

Notwithstanding that certain Calculations under the Index Conditions may be expressed to be “on” or “as at” a certain date or time, the Index Calculation Agent may in its discretion perform such Calculation in respect of such date or time after such date or time.

2. **CONFLICTS OF INTEREST**

Citi entities perform various roles in connection with the Index and Index Linked Products, and conflicts of interest may arise for any such entity as a consequence of any role it performs in
connection with the Index or any Index Linked Product or as a consequence of its activities more generally.

During the normal course of their business, the Index Sponsor, the Index Calculation Agent, any of their respective Affiliates, directors, officers, employees, representatives, delegates and agents (each, for the purposes of this Section E, a “Relevant Person”) may enter into, promote, offer or sell securities or contracts (whether or not structured) linked to the Index and/or any Constituent. Any Relevant Person may at any time (a) have long or short principal positions or actively trade (whether or not through making markets to its clients) positions in or relating to the Index or any Constituent; (b) invest in or engage in transactions with or on behalf of other persons relating to the Index and/or any Constituent; (c) undertake hedging transactions (for the purposes of any security or contract) which may adversely affect the level, price or rate or other factor underlying the Index and/or any Constituent; (d) have an investment banking or commercial relationship with the issuer of any Constituent and have access to information from any such issuer; or (e) publish research in respect of any Constituent or the issuer of any Constituent. Such activity may or may not affect the Index Level, but potential investors and counterparties should be aware that a conflict of interest may arise when a person acts in more than one capacity, and such conflict of interest may affect (whether in a positive manner or a negative manner) the Index Level.

3. DISCLAIMER

No Relevant Person makes any express or implied representation or warranty as to (a) the advisability of purchasing or entering into any Index Linked Product; (b) the levels of the Index at any particular date or time; (c) the results to be obtained from the use of the Index or any datum included in the Index Conditions for any purpose; or (d) any other matter. Each Relevant Person hereby expressly disclaims, to the fullest extent permitted by applicable law, all warranties of accuracy, completeness, merchantability or fitness for a particular purpose with respect to the Index and any information contained in the Index Conditions. No Relevant Person will have any liability (direct or indirect, special, punitive, consequential or otherwise) to any person even if notified of the possibility of damages.

The Index Conditions have been prepared solely for the purposes of information and nothing in the Index Conditions constitutes (a) an offer to buy or to sell any security or contract, to participate in any transaction or to adopt any investment strategy; or (b) legal, tax, regulatory, financial or accounting advice. Any decision to purchase any Index Linked Product should be based on the information contained in the associated prospectus or offering document (however described). In the case of a prospectus or offering document which contains provisions under the heading “Risk Factors”, “Investment Considerations” or the equivalent, please refer to these provisions for a discussion of the factors that must be considered in connection with an investment in the security or contract described therein.

Neither the Index Calculation Agent nor the Index Sponsor is under any obligation to continue to calculate, publish or disseminate the Index or the Index Level.

4. INTELLECTUAL PROPERTY

The Index and the Index Conditions (including for the avoidance of doubt these Index General Conditions) are the Index Sponsor’s proprietary and confidential material. No person may reproduce or disseminate the information contained in the Index Conditions, the Index or the Index Level without the prior written consent of the Index Sponsor. These Index General Conditions and each Index Methodology are not intended for distribution to or use by any person in a jurisdiction where such distribution is prohibited by applicable law or regulation.

The Index is not in any way sponsored or promoted by any sponsor or issuer, as relevant, of any Constituent.

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Section F: Constituent Schedule
Constituent Schedule

SHARE

This Constituent Schedule shall apply to each Constituent classified in the applicable Index Methodology as a “Share”.

For the avoidance of doubt, defined terms used in this Constituent Schedule shall only apply in respect of an Index containing one or more Shares.

References to a “Paragraph” shall be references to a paragraph of this Constituent Schedule and references to a “Sub-paragraph” shall be references to a sub-paragraph of this Constituent Schedule.

1. VALUATION

   (a) Closing valuations

   “Constituent Closing Level” shall mean, in respect of a Share and a Valuation Date for such Share and unless otherwise specified in the applicable Index Methodology, the official closing price of such Share on such Valuation Date, as displayed on the applicable Electronic Page.

   “Valuation Time” shall mean, in respect of a Share and a Scheduled Trading Day for such Share, the Scheduled Closing Time on the relevant Exchange on such Scheduled Trading Day.

   (b) Intraday valuations

   “Constituent Level” shall mean, in respect of a Share and a Valuation Time on a Valuation Date for such Share, the price of such Share at such Valuation Time on such Valuation Date, as displayed on the applicable Electronic Page.

   “Valuation Time” shall mean, in respect of a Share and a Scheduled Trading Day for such Share, the time when the price of such Share is being determined during such Scheduled Trading Day.

2. DISRUPTION TO VALUATION

   “Disrupted Day” shall mean, in respect of a Share, any Scheduled Trading Day for such Share on which any of the events set out below occurs:

   (a) any relevant Exchange or any relevant Related Exchange fails to open for trading during its regular trading session; or

   (b) the occurrence or existence at any time during the one hour period which ends at the relevant Valuation Time of any suspension of or limitation imposed (whether by reason of movements in price exceeding permitted limits or otherwise) on the trading on (i) any relevant Exchange of such Share; or (ii) any relevant Related Exchange of futures contracts or options contracts relating to such Share; or

   (c) the occurrence or existence at any time during the one hour period which ends at the relevant Valuation Time of any other event (other than an event described in Sub-paragraph (d) or Sub-paragraph (e) of this definition) which disrupts or impairs the ability
of market participants in general (i) (on any relevant Exchange) to effect transactions in or to obtain market values for such Share; or (ii) (on any relevant Related Exchange) to effect transactions in or to obtain market values for any futures contracts or options contracts relating to such Share; or

(d) the closure on any Exchange Business Day of any relevant Exchange prior to its Scheduled Closing Time (unless such earlier closing time is announced by such Exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange on such Exchange Business Day; and (ii) the deadline for the submission of orders to be entered into such Exchange system for execution at the relevant Valuation Time on such Exchange Business Day); or

(e) the closure on any Exchange Business Day of any relevant Related Exchange in respect of futures contracts or options contracts relating to such Share prior to its Scheduled Closing Time (unless such earlier closing time is announced by such Related Exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Related Exchange on such Exchange Business Day; and (ii) the deadline for the submission of orders to be entered into such Related Exchange system for execution at the Valuation Time on such Exchange Business Day).

3. **ADJUSTMENT EVENTS**

"Adjustment Event" shall mean, in respect of a Share, the occurrence of any of the events set out below:

(a) a Corporate Action; or

(b) a Delisting; or

(c) an Insolvency; or

(d) a Merger Event; or

(e) a Nationalization; or

(f) a Tender Offer.

(a) **Corporate Action**

"Corporate Action" shall mean, in respect of relevant Shares, any of the following events (provided that, in each case, the relevant event has a diluting or concentrative effect on the theoretical value of the relevant Shares) and is not adjusted for as provided in Part D (Calculation of the Index Level) of the Index Methodology:

(i) a subdivision, consolidation or reclassification of such Shares, unless resulting in a Merger Event; or

(ii) a free distribution or dividend of such Shares to existing holders by way of bonus, capitalization or similar issue; or

(iii) a distribution, issue or dividend to existing holders of such Shares of (A) an additional amount of such Shares; or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of the liquidation of the relevant Share Company equally or proportionately with such payments to holders of its Shares; or (C) share capital or other securities of another issuer acquired or owned (directly or indirectly) by such Share Company as a result of a spin-off or other similar transaction; or (D) any other type of securities, rights or
warrants or other assets, in any case for payment (whether in cash or otherwise) at less than their prevailing market price; or

(iv) an Extraordinary Dividend; or

(v) a call by the relevant Share Company in respect of such Shares which are not fully paid; or

(vi) a repurchase by the relevant Share Company or any of its subsidiaries of such Shares, whether out of profits or capital, and whether the consideration for such repurchase is cash, securities or otherwise; or

(vii) in respect of the relevant Share Company, an event which results in any shareholder rights being diluted or becoming separated from shares of common stock or other shares of the capital stock of such Share Company, pursuant to a shareholder rights plan or arrangement directed against hostile takeovers which provides (upon the occurrence of certain events) for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value (PROVIDED THAT any adjustment effected as a result of such an event may be readjusted upon any redemption of such rights); or

(viii) any other event which may have a similarly diluting or concentrative effect on the theoretical value of such Shares.

(b) \textbf{Delisting}

"Delisting" shall mean, in respect of relevant Shares, that any relevant Exchange announces that pursuant to the rules of such Exchange such Shares cease (or will cease) to be listed, traded or publicly quoted on such Exchange for any reason (other than a Merger Event or a Tender Offer) and are not (or will not be) immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as such Exchange (or, where such Exchange is located within the European Union, in any member state of the European Union) or another exchange or quotation system (that is acceptable to the Index Calculation Agent) located in another country (that is acceptable to the Index Calculation Agent). In addition, it will also constitute a Delisting if the relevant Exchange is located in the United States and the relevant Shares are not immediately re-listed, re-traded or re-quoted on any of the New York Stock Exchange, the American Stock Exchange or the NASDAQ National Market System (or their respective successors).

(c) \textbf{Insolvency}

"Insolvency" shall mean, in respect of a Share Company, that either (i) by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding up of (or any analogous proceeding) affecting such Share Company (A) all the Shares of such Share Company are required to be transferred to an Insolvency Officer; or (B) holders of such Shares become legally prohibited from transferring or redeeming such Shares; or (ii) an Insolvency Event occurs in respect of such Share Company.

"Insolvency Officer" shall mean an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official.

"Insolvency Event" shall mean, in respect of an entity, that such entity (i) is dissolved or has a resolution passed for its dissolution, winding-up or official liquidation (other than pursuant to a consolidation, amalgamation or merger); (ii) makes a general assignment or arrangement with or for the benefit of its creditors; (iii) either (A) institutes, or has instituted against it by a Competent Official, a proceeding seeking an Insolvency Judgment, or a petition is presented for its winding-up or liquidation by it or by such Competent Official; or (B) has instituted against it a proceeding seeking an Insolvency
Judgment, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person not described in (A) above and either (1) results in an Insolvency Judgment or the entry of an order for relief or the making of an order for its winding up or liquidation; or (2) is not dismissed, discharged, stayed or restrained, in each case within 15 days of the institution or presentation thereof; or (iv) seeks or becomes subject to the appointment of an Insolvency Officer of all or substantially all of its assets; or (v) has a secured party take possession of all or substantially all of its assets (and such secured party maintains possession for not less than 15 days thereafter); or (vi) has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets (and such process is not dismissed, discharged, stayed or restrained within 15 days thereafter); or (vii) the holders of securities issued by such entity become legally prohibited from transferring such securities; or (viii) causes or is subject to any event which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in (iv) to (vi) above. For these purposes, “Competent Official” shall mean, in respect of such entity, a regulator, supervisor or other similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organization or in the jurisdiction of its head office or home office; “Insolvency Law” shall mean any bankruptcy law, insolvency law or other similar law affecting creditors’ rights; and “Insolvency Judgment” shall mean any judgment of insolvency or bankruptcy or any other relief under any Insolvency Law.

(d) Merger Event

“Merger Event” shall mean, in respect of relevant Shares, any:

(i) reclassification or change of such Shares which results in a transfer of or an irrevocable commitment to transfer all such Shares outstanding to another entity or person; or

(ii) consolidation, amalgamation, merger or binding share exchange of the relevant Share Company with or into another entity (other than a consolidation, amalgamation, merger or binding share exchange in which it is the continuing entity and which does not result in a reclassification of all such Shares outstanding); or

(iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares for the relevant Share Company, which results in a transfer of or an irrevocable commitment to transfer all such Shares (other than those owned or controlled by such entity or person); or

(iv) consolidation, amalgamation, merger or binding share exchange of the relevant Share Company or its subsidiaries with or into another entity in which such Share Company is the continuing entity and which does not result in the reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than those owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event.

(e) Nationalization

“Nationalization” shall mean, in respect of a Share Company, that all the Shares or all the assets or substantially all the assets of such Share Company are nationalized, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.
(f) **Tender Offer**

“Tender Offer” shall mean, in respect of a Share Company, a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of such Share Company, as assessed with reference to the filings made with governmental or self-regulatory agencies or such other reasonably relevant information.

4. **CORRECTIONS**

“Correction Period” shall mean, in respect of a Share, two Index Business Days.

5. **REPLACEMENT CRITERIA**

“Replacement Criteria” shall mean, in respect of a Share, the criteria (if any) specified as such in the applicable Index Methodology.

6. **DEFINITIONS**

“Exchange” shall mean, in respect of a Share and unless otherwise specified in the applicable Index Methodology, the primary exchange, trading system or quotation system in respect of such Share or any successor to such exchange, trading system or quotation system, or any substitute exchange, trading system or quotation system to which trading in such Share has temporarily relocated (PROVIDED THAT, in the determination of the Index Calculation Agent, there is comparable liquidity relative to such Share on such temporary substitute exchange, trading system or quotation system as on the original exchange, trading system or quotation system).

“Exchange Business Day” shall mean, in respect of a Share, any Scheduled Trading Day for such Share on which each relevant Exchange and each relevant Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or any such Related Exchange closing prior to its Scheduled Closing Time.

“Extraordinary Dividend” shall mean, in respect of a Share, a dividend or a distribution or portion thereof which is determined by the Index Calculation Agent to be an extraordinary dividend relating to such Share having regard to general market consensus.

“Related Exchange” shall mean, in respect of a Share and unless otherwise specified in the applicable Index Methodology, each exchange, trading system or quotation system in respect of futures contracts or options contracts relating to such Share or any successor to such exchange, trading system or quotation system, or any substitute exchange, trading system or quotation system to which trading in such futures contracts or options contracts has temporarily relocated (PROVIDED THAT, in the determination of the Index Calculation Agent, there is comparable liquidity relative to such futures contracts or options contracts on such temporary substitute exchange, trading system or quotation system as on the original exchange, trading system or quotation system). Where “All Exchanges” is specified in the applicable Index Methodology as the applicable Related Exchange in respect of a Share, then “Related Exchange” shall mean each exchange, trading system or quotation system where trading has a material effect on the overall market for futures contracts or options contracts relating to such Share.

“Scheduled Closing Time” shall mean, in respect of a Share, a Scheduled Trading Day and an Exchange or a Related Exchange (as relevant) for such Share, the scheduled weekday closing time on such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after-hours trading or any other trading outside the hours of the regular trading session on such Exchange or Related Exchange.
“Scheduled Trading Day” shall mean, in respect of a Share, any day on which each relevant Exchange and each relevant Related Exchange is scheduled to be open for trading for its regular trading session.

“Share” shall mean each Constituent classified as such in the applicable Index Methodology.

“Share Company” shall mean, in respect of a Share, the issuer of such Share.