

21 January 2014

€15,000,000,000 CITIFIRST PRODUCT PROGRAMME

Allegro Investment Corporation S.A.

(incorporated as a public limited liability company (société anonyme) under the laws of the Grand Duchy of Luxembourg registered with the trade and companies register under number B.82.192 having its registered office at 9B, Boulevard Prince-Henri, L-1724, Luxembourg and acting in respect of the 2013-03 Compartment)

Series 2013-03 Tranche 20 USD80,619 Limited Recourse Secured Notes due March 2023 linked to the Citi Octave USD Total Return Index (the Tranche 20 Notes) issued pursuant to the €15,000,000,000 CitiFirst Product Programme

The Tranche 20 Notes are to be consolidated and form a single series with:

- **the Series 2013-03 USD2,851,851 Limited Recourse Secured Notes due March 2023 linked to the Citi Octave USD Total Return Index that issued on 22 March 2013 (the Tranche 1 Notes)**
- **the Series 2013-03 USD1,030,262 Limited Recourse Secured Notes due March 2023 linked to the Citi Octave USD Total Return Index that issued on 2 April 2013 (the Tranche 2 Notes)**
- **the Series 2013-03 USD2,366,210 Limited Recourse Secured Notes due March 2023 linked to the Citi Octave USD Total Return Index that issued on 11 April 2013 (the Tranche 3 Notes)**
- **the Series 2013-03 USD608,494 Limited Recourse Secured Notes due March 2023 linked to the Citi Octave USD Total Return Index that issued on 15 April 2013 (the Tranche 4 Notes)**
- **the Series 2013-03 USD631,179 Limited Recourse Secured Notes due March 2023 linked to the Citi Octave USD Total Return Index that issued on 29 April 2013 (the Tranche 5 Notes)**
- **the Series 2013-03 USD158,208 Limited Recourse Secured Notes due March 2023 linked to the Citi Octave USD Total Return Index that issued on 3 May 2013 (the Tranche 6 Notes)**
- **the Series 2013-03 USD338,497 Limited Recourse Secured Notes due March 2023 linked to the Citi Octave USD Total Return Index that issued on 10 May 2013 (the Tranche 7 Notes)**
- **the Series 2013-03 USD324,834 Limited Recourse Secured Notes due March 2023 linked to the Citi Octave USD Total Return Index that issued on 21 May 2013 (the Tranche 8 Notes)**
- **the Series 2013-03 USD55,882 Limited Recourse Secured Notes due March 2023 linked to the Citi Octave USD Total Return Index that issued on 24 May 2013 (the Tranche 9 Notes)**
- **the Series 2013-03 USD211,388 Limited Recourse Secured Notes due March 2023 linked to the Citi Octave USD Total Return Index that issued on 10 June 2013 (the Tranche 10 Notes)**
- **the Series 2013-03 USD198,585 Limited Recourse Secured Notes due March 2023 linked to the Citi Octave USD Total Return Index that issued on 24 June 2013 (the Tranche 11 Notes)**
- **the Series 2013-03 USD168,432 Limited Recourse Secured Notes due March 2023 linked to the Citi Octave USD Total Return Index that issued on 1 July 2013 (the Tranche 12 Notes)**
- **the Series 2013-03 USD228,160 Limited Recourse Secured Notes due March 2023 linked to the Citi Octave USD Total Return Index that issued on 15 July 2013 (the Tranche 13 Notes)**
- **the Series 2013-03 USD59,215 Limited Recourse Secured Notes due March 2023 linked to the Citi Octave USD Total Return Index that issued on 29 July 2013 (the Tranche 14 Notes)**
- **the Series 2013-03 USD60,432 Limited Recourse Secured Notes due March 2023 linked to the Citi Octave USD Total Return Index that issued on 8 August 2013 (the Tranche 15 Notes)**

- the Series 2013-03 USD76,045 Limited Recourse Secured Notes due March 2023 linked to the Citi Octave USD Total Return Index that issued on 14 August 2013 (the Tranche 16 Notes)
- Series 2013-03 USD61,721 Limited Recourse Secured Notes due March 2023 linked to the Citi Octave USD Total Return Index that issued on 3 September 2013 (the Tranche 17 Notes)
- Series 2013-03 USD52,257 Limited Recourse Secured Notes due March 2023 linked to the Citi Octave USD Total Return Index that issued on 15 October 2013 (the Tranche 18 Notes)
- Series 2013-03 USD69,073 Limited Recourse Secured Notes due March 2023 linked to the Citi Octave USD Total Return Index that issued on 6 December 2013 (the Tranche 19 Notes)

(the Tranche 1 Notes, the Tranche 2 Notes, the Tranche 3 Notes, the Tranche 4 Notes, the Tranche 5 Notes, the Tranche 6 Notes, the Tranche 7 Notes, the Tranche 8 Notes, the Tranche 9 Notes, the Tranche 10 Notes, the Tranche 11 Notes, the Tranche 12 Notes, the Tranche 13 Notes, the Tranche 14 Notes, the Tranche 15 Notes, the Tranche 16 Notes, the Tranche 17 Notes, the Tranche 18 Notes, the Tranche 19 Notes and the Tranche 20 Notes together, the Notes) issued pursuant to the €15,000,000,000 CitiFirst Product Programme

No prospectus is required in accordance with the Prospectus Directive (as defined below) in relation to Notes which are the subject of this Final Terms.

The Base Prospectus referred to below (as completed by this Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. None of the Issuer and any Dealer has authorised, nor does any of them authorise, the making of any offer of Notes in any other circumstances. The expression **Prospectus Directive** means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measures in the Relevant Member State and the expression **2010 PD Amending Directive** means Directive 2010/73/EU.

The Notes may not be purchased or held by or transferred to a benefit plan investor or an entity using the assets of a benefit plan investor. For the purposes hereof, **benefit plan investor** shall mean (a) an employee benefit plan (as defined in Section 3(3) of ERISA), subject to ERISA, (b) a plan described in and subject to Section 4975 of the Internal Revenue Code, or (c) any entity whose underlying assets include plan assets by reason of a plan's investment in the entity under U.S. Department of Labor Regulations § 2510.3-101 (29 C.F.R. § 2510.3-101) as modified by ERISA. The Notes may be purchased and held by or on behalf of a governmental, church or non-US plan which is subject to federal, state, local or non-US laws which are similar to the prohibited transaction provisions of ERISA or Section 4975 of the Internal Revenue Code, provided that such purchase and holding would not constitute a violation of such similar law.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**) or with any securities regulatory authority of any state or other jurisdiction of the United States and the Issuer has not registered and will not register as an "investment company" under the U.S. Investment Company Act of 1940, as amended, in reliance on Section 3(c)(7) thereof. Accordingly, the Notes may not be offered, sold, resold, delivered or transferred within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Notes do not constitute, and have not been marketed as, contracts of sale of a commodity for future delivery (or options thereon) subject to the U.S. Commodity Exchange Act, as amended (the **CEA**), and trading in the Notes has not been approved by the U.S. Commodity Futures Trading Commission under the

CEA. For a description of certain restrictions on offers and sales of Notes, see "*Subscription and Sale*" in the Base Prospectus together with any Additional Selling Restrictions contained in item 52 below.

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth under the sections entitled "*Terms and Conditions of the Notes*" in the Base Prospectus and the Supplements, which together constitute a base prospectus for the purposes of the Prospectus Directive.

This document constitutes the Final Terms of the Notes described herein and must be read in conjunction with the Base Prospectus, as so supplemented. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Final Terms, the Final Terms dated 22 March 2013 in respect of the Tranche 1 Notes (the **Tranche 1 Final Terms**), the Final Terms dated 2 April 2013 in respect of the Tranche 2 Notes (the **Tranche 2 Final Terms**), the Final Terms dated 11 April 2013 in respect of the Tranche 3 Notes (the **Tranche 3 Final Terms**), the Final Terms dated 15 April 2013 in respect of the Tranche 4 Notes (the **Tranche 4 Final Terms**), the Final Terms dated 29 April 2013 in respect of the Tranche 5 Notes (the **Tranche 5 Final Terms**), the Final Terms dated 3 May 2013 in respect of the Tranche 6 Notes (the **Tranche 6 Final Terms**), the Final Terms dated 10 May 2013 in respect of the Tranche 7 Notes (the **Tranche 7 Final Terms**), the Final Terms dated 21 May 2013 in respect of the Tranche 8 Notes (the **Tranche 8 Final Terms**), the Final Terms dated 24 May 2013 in respect of the Tranche 9 Notes (the **Tranche 9 Final Terms**), the Final Terms dated 10 June 2013 in respect of the Tranche 10 Notes (the **Tranche 10 Final Terms**), the Final Terms dated 24 June 2013 in respect of the Tranche 11 Notes (the **Tranche 11 Final Terms**), the Final Terms dated 1 July 2013 in respect of the Tranche 12 Notes (the **Tranche 12 Final Terms**), the Final Terms dated 15 July 2013 in respect of the Tranche 13 Notes (the **Tranche 13 Final Terms**), the Final Terms dated 29 July 2013 in respect of the Tranche 14 Notes (the **Tranche 14 Final Terms**), the Final Terms dated 8 August 2013 in respect of the Tranche 15 Notes (the **Tranche 15 Final Terms**) and the Final Terms dated 14 August 2013 in respect of the Tranche 16 Notes (the **Tranche 16 Final Terms**), the Final Terms dated 3 September 2013 in respect of the Tranche 17 Notes (the **Tranche 17 Final Terms**), the Final Terms dated 15 October 2013 in respect of the Tranche 18 Notes (the **Tranche 18 Final Terms**) and the Final Terms dated 6 December 2013 in respect of the Tranche 19 Notes (the **Tranche 19 Final Terms**) and the Base Prospectus, as so supplemented.

The Base Prospectus and the Supplements are available for viewing at the office of each Paying Agent and on the web-site of the Luxembourg Stock Exchange (www.bourse.lu).

For the purposes hereof, **Base Prospectus** means the Base Prospectus relating to the Programme dated 27 June 2012, as supplemented by a Base Prospectus Supplement (No.1) dated 2 August 2012 (**Supplement No.1**), a Base Prospectus Supplement (No.2) dated 14 August 2012 (**Supplement No.2**), a Base Prospectus Supplement (No.3) dated 20 November 2012 (**Supplement No.3**), a Base Prospectus Supplement (No. 4) dated 19 March 2013 (**Supplement No.4**) and a Base Prospectus Supplement (No. 5) dated 30 May 2013 (**Supplement No.5**, and, together with Supplement No.1, Supplement No.2, Supplement No. 3 and Supplement No. 4, the **Supplements**).

1. (i) Issuer: Allegro Investment Corporation S.A.
- (ii) Issuer Credit Enhancer and specified office: Not Applicable
- (iii) Swap Counterparty and specified office: Citigroup Global Markets Limited at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom

- (iv) Swap Guarantor and specified office: Citigroup, Inc., 399 Park Avenue, New York, NY 10043, United States of America
 - (v) Credit Support Provider and specified office: Not Applicable
 - (vi) Trustee and specified office: Citicorp Trustee Company Limited, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB
 - (vii) Calculation Agent and specified office: Citigroup Global Markets Limited at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom acting through its Hybrid Desk (or any successor department/group)
2. (i) Series Number: 2013-03
- (ii) Class of Notes: The Notes are issued as a Series of one Class of Notes only
- (iii) Details of the Notes to which this Class of Notes relates: Series 2013-03
- (iv) Tranche Number: 20
3. Specified Currency or Currencies: United States dollars (**USD**)
4. Aggregate Principal Amount:
- (i) Class: USD9,631,344
 - (ii) Tranche:
 - Tranche 1 Notes: USD2,851,851
 - Tranche 2 Notes: USD1,030,262
 - Tranche 3 Notes: USD2,366,210
 - Tranche 4 Notes: USD608,494
 - Tranche 5 Notes: USD631,179
 - Tranche 6 Notes: USD158,208
 - Tranche 7 Notes: USD338,497
 - Tranche 8 Notes: USD324,834
 - Tranche 9 Notes: USD55,882
 - Tranche 10 Notes: USD211,388
 - Tranche 11 Notes: USD198,585
 - Tranche 12 Notes: USD168,432

Tranche 13 Notes: USD228,160

Tranche 14 Notes: USD59,215

Tranche 15 Notes: USD60,432

Tranche 16 Notes: USD76,045

Tranche 17 Notes: USD61,721

Tranche 18 Notes: USD52,257

Tranche 19 Notes: USD69,073

Tranche 20 Notes: USD80,619

(iii) Series: USD9,631,344

5. Issue Price: The Issue Price of the Tranche 20 Notes is 93.03 per cent. of the Aggregate Principal Amount of the Tranche 20 Notes

6. (i) Specified Denomination(s): USD1.00

(ii) Minimum trading size: USD50,000

7. (i) Issue Date: The Issue Date of the Tranche 20 Notes is 21 January 2014

(ii) Interest Commencement Date: Not Applicable

8. Maturity Date: 22 March 2023

9. Type of Notes: (i) Underlying Linked Notes

(ii) The Notes relate to the Underlying specified in item 38 below

(iii) The Notes are Cash Settlement Notes

10. Interest Basis: The Notes do not bear or pay any interest

11. Redemption/Payment Basis: Underlying Linked Redemption

12. Change of Interest Basis or Redemption/Payment Basis: Not Applicable

13. Put/Call Options: Investor Put as specified in item 22 below

14. (i) Status of the Notes: Senior secured

(ii) Date Board approval for issuance: The date of the Board approval in relation to the Tranche

of Notes obtained: 20 Notes is 16 January 2014

15. Method of distribution: Non-syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16. Fixed Rate Note Provisions Not Applicable

17. Floating Rate Note Provisions Not Applicable

18. Zero Coupon Note Provisions Not Applicable

19. Underlying Linked Notes Interest Provisions Not Applicable

20. Dual Currency Note Provisions Not Applicable

PROVISIONS RELATING TO REDEMPTION

21. Issuer Call: Not Applicable

22. Investor Put: Applicable - Provided That any such Investor Put may only be exercised by either a Noteholder holding all the Notes or, if there is more than one Noteholder, all the Noteholders together

(i) Optional Redemption Date(s): Each first Business Day of a calendar month which falls during the period from (and including) the Issue Date to (but excluding) the Final Valuation Date

(ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): The Optional Redemption Amount in respect of each Specified Denomination shall be an amount in USD equal to the Final Redemption Amount except that, for the purposes thereof, the Final Valuation Date shall be deemed to be the relevant Optional Redemption Valuation Date, as adjusted in accordance with Condition 7 of the General Conditions

(iii) Notice period (if other than as set out in the General Conditions): The Investor Put may only be exercised in respect of an Optional Redemption Date by a Noteholder holding all the Notes outstanding or, if there is more than one Noteholder, all the Noteholders together, by giving notice to the Issuer and the Calculation Agent in accordance with Condition 8(g) of the General Conditions prior to 11am Hong Kong time on any Business Day falling not less than three Business Days' prior to such Optional Redemption Date. The Business Day on which the Investor Put is exercised by the Noteholder, or, as the case may be, all the Noteholders shall be the **Optional Redemption Valuation Date** for the relevant Optional Redemption Date

For the avoidance of doubt, if there is more than one Noteholder and the Investor Put is exercised by the Noteholders in accordance with Condition 8(g) of the General Conditions on different days, each such notice shall be void and the Investor Put in respect of the relevant Optional Redemption Date shall not be exercised unless further notice is given by all the Noteholders on the same date and in accordance with the above

The Issuer shall notify the Noteholders in the event that any purported exercise of the Investor Put is not valid in accordance with the above, but any failure by the Issuer to notify the Noteholders shall not affect the invalidity of the purported exercise

In order to be effective, any notice of Investor Put given by the holder of any Note to the Issuer in accordance with Condition 8(g) of the General Conditions must be copied to the Calculation Agent

23.	Final Redemption Amount for each Note:	See item 24 below
24.	Underlying Linked Notes Redemption Provisions:	Applicable
	(i) Final Redemption Amount for Underlying Linked Notes:	See paragraph 1 of Schedule 1 attached hereto
	(ii) Specified Valuation Date(s):	8 March 2023. Such date shall be adjusted in accordance with Condition 7 of the General Conditions (such Valuation Date, as so adjusted, the Final Valuation Date)
	(iii) Valuation Disruption (Scheduled Trading Days):	Condition 7(c)(i) of the General Conditions applies
	(iv) Valuation Disruption (Disrupted Days):	Condition 7(d)(i) of the General Conditions applies
	(v) Valuation Roll:	Eight
25.	Investor Put for taxation reasons pursuant to Condition 8(c):	Not Applicable
26.	Mandatory Early Redemption Provisions	Not Applicable
27.	Instalment Notes:	Not Applicable
28.	Provisions applicable to Physical Settlement:	Not Applicable

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| 29. | Variation of Settlement | Not Applicable |
| 30. | Whether the Issuer is able to purchase any of the Notes pursuant to Condition 10: | Yes |
| 31. | Method of selecting the Notes, to be redeemed in the case of a partial redemption of any Class or Series of Notes: | Individually by lot, in the case of Notes represented by definitive Notes, or in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, as the case may be, in the case of Notes represented by a Global Note |

PROVISIONS RELATING TO THE SECURITY

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| 32. | Charged Assets: | Applicable |
| | (i) Details of Charged Assets: | The Charged Assets means the ISDA Counterparty Collateral

For the purpose of the Credit Support Annex, the "eligible credit support" will be USD in cash only |
| | (ii) Security over Charged Assets created in Trust Deed and/or Charging Document: | The Amended and Restated Master Trust Deed dated 27 June 2012 (as modified and supplemented as at the issue date of the Tranche 1 Notes) between, <i>inter alios</i> , the Issuer, the Trustee and the Swap Counterparty, as supplemented by Supplemental Trust Deed(s) dated 22 March 2013, 2 April 2013, 11 April 2013, 15 April 2013, 29 April 2013, 3 May 2013, 10 May 2013, 21 May 2013, 24 May 2013, 10 June 2013, 24 June 2013, 1 July 2013, 15 July 2013, 29 July 2013, 8 August 2013, 14 August 2013, 3 September 2013, 15 October 2013, 6 December 2013 and 21 January 2014 in each case between the Issuer, the Trustee and the Swap Counterparty |
| | (iii) Governing law of Charged Assets: | Not Applicable as the ISDA Counterparty Collateral is USD in cash only |
| | (iv) Swap Counterparty's account details: | Citibank, New York ABA NO 021000089
Swift: CITIUS33
Account: 30761652 |
| | (v) Charged Asset Substitution: | Not Applicable |
| | (vi) Custodian's account details: | Name: Allegro Inv Corp Series 2013-03
Account: USD Cash account: 11667785 |
| 33. | Credit Support Document: | Not Applicable |
| 34. | Charging Document: | Not Applicable |
| 35. | Charged Agreements: | Applicable |

- (i) Swap Agreement: The Swap Agreement comprises a swap transaction between the Issuer and the Swap Counterparty as evidenced by an amended and restated confirmation dated 21 January 2014 (the **Confirmation**), which supplements, forms a part of and is subject to an ISDA Master Agreement dated as of 21 January 2011 between the Issuer and the Swap Counterparty including the Schedule thereto and the ISDA Credit Support Annex (English law transfer) to such ISDA Master Agreement (as amended and/or restated and/or supplemented from time to time, the **Agreement**)
- (ii) Details of the Swap Counterparty's rights to assign and/or to delegate its rights and obligations: As set out in Condition 3(c) of the General Conditions
- (iii) Swap Guarantee: Applicable. A Swap Guarantee of the Swap Guarantor dated as of 21 January 2011
- (iv) Additional Swap Termination Events: Not Applicable
- (v) Governing law of Swap Agreement and Swap Guarantee (if any): The Swap Agreement is governed by English law
36. Other relevant details relating to the Mortgaged Property:
- (i) Security Ranking Basis: Secondary Basis
- (ii) Order of priorities, prior to enforcement of the security for the Notes, for application of the proceeds of the Charged Assets and any other security forming part of the Mortgaged Property: As set out in Clause 12 of the Master Trust Deed
- (iii) Whether or not the Mortgaged Property is secured in favour of any other Class of Notes: Not Applicable
- (iv) Any other applicable security interests for the purposes of Condition 3(a)(ii)(D): Not Applicable
- (v) Other: Not Applicable
37. Principal Paying Agent's account details (being the account to which the Issuer will credit amounts payable under the Notes and to which the Swap To be notified to the Issuer (with a copy to the Custodian and the Swap Counterparty) in writing not less than five Business Days prior to the date upon which any payment in respect of the Notes is to be made

Counterparty (if any) will credit amounts payable under the Swap Agreement to the Principal Paying Agent on behalf of the Issuer):

PROVISIONS RELATING TO UNDERLYING LINKED NOTES

- 38. Underlying Linked Notes Provisions:** Applicable – the provisions in Condition 7 (*General Provisions Applicable to Underlying Linked Notes*) of the General Conditions apply (subject as provided in the relevant Underlying Schedule)
- (i) Underlying:
- (A) Description of Underlying(s): Citi Octave USD Total Return Index
- The Underlying Closing Level of the Underlying for a Scheduled Trading Day will generally be published on the next succeeding Scheduled Trading Day
- (B) Classification: The Underlying is a Proprietary Index
- For the purposes hereof, the Underlying Schedule for the purposes of the Conditions shall be Underlying Schedule 10 as set out in Schedule 2 attached hereto
- (C) Electronic Page: Bloomberg page: CIISOCUT <Index>
- (ii) Particulars in respect of each Underlying:
- Proprietary Index/Indices:
- (A) Scheduled Trading Day: A Scheduled Trading Day shall be an "Index Business Day" as defined in the Index Conditions
- (iii) Elections in respect of each type of Underlying:
- Proprietary Index/Indices:
- (A) Additional Disruption Event(s): Hedging Disruption
Increased Cost of Hedging
- (B) Additional Adjustment Event: Tax Disruption: Applicable
- (C) Component Valuation: Applicable
- (D) Component Valuation Roll: Eight
- (E) Component Disrupted Day: A Component Disrupted Day in respect of a Component shall be a "Disrupted Day" as defined for such Component in the Index Conditions

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| (F) | Component Scheduled Trading Day: | A Component Scheduled Trading Day in respect of a Component shall be a "Scheduled Trading Day" as defined for such Component in the Index Conditions |
| (G) | Proprietary Index Substitution Criteria: | As determined by the Calculation Agent |
| (H) | Trade Date: | 8 March 2013 |
| (iv) | Realisation Disruption: | Applicable |

GENERAL PROVISIONS APPLICABLE TO THE NOTES

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| 39. | Form of Notes: | Registered Notes:

Unrestricted Global Note registered in the name of a nominee for Euroclear and Clearstream, Luxembourg which is exchangeable for Definitive Registered Notes in the limited circumstances described in the Unrestricted Global Note |
| 40. | Business Centres: | London, Manila and New York City |
| 41. | Additional Financial Centre(s) or other special provisions relating to Payment Dates: | London, Manila and New York City |
| 42. | Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): | Not Applicable |
| 43. | Redenomination, renominalisation and reconventioning provisions: | Not Applicable |
| 44. | Other final terms or special conditions: | See the Schedules attached hereto |
| 45. | Determinations: | The provisions of Condition 18(c) of the General Conditions apply |

DISTRIBUTION

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| 46. | (i) If syndicated, names and addresses of Managers and details of underwriting commitments: | Not Applicable |
| | (ii) Date of Subscription Agreement: | Not Applicable |
| | (iii) Name and address of relevant Stabilising Manager (if any): | Not Applicable |

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| 47. | If non-syndicated, name and address of relevant Dealer: | Citigroup Global Markets Limited at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom |
| 48. | Notes issued to relevant Dealer(s): | As principal |
| 49. | Total commission and concession: | None |
| 50. | Exemption from registration as an "investment company" under Section 3(c)(7) of the U.S. Investment Company Act: | Not Applicable |
| 51. | Non-exempt Offer: | Not Applicable |
| 52. | Additional selling restrictions | Philippines |

The Notes may not be offered or sold directly or indirectly in the Republic of the Philippines or to any resident or citizen of the Republic of the Philippines in the manner which constitutes a public offering under the laws and regulations of the Republic of the Philippines. Neither the Base Prospectus nor this Final Terms may be distributed in the Republic of the Philippines or passed on in a manner which constitutes a public offering in the Republic of the Philippines under the laws and regulations of the Republic of the Philippines

PURPOSE OF FINAL TERMS

This Final Terms comprises the final terms required for the issue of the Notes described herein pursuant to the €15,000,000,000 CitiFirst Product Programme of Allegro Investment Corporation S.A.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Final Terms (save for the information set out herein relating to the Underlying which has been extracted and reproduced from material prepared by the Index Sponsor). The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by the Index Sponsor, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Acceptance on behalf of the
Issuer of the terms of this Final Terms

For and on behalf of

ALLEGRO INVESTMENT CORPORATION S.A.

acting in respect of the 2013-03 Compartment

By

Duly authorised



Alain KOCH
Director



Martin SINNINGHE DAMSTÉ
Director

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing: None
- (ii) Admission to trading: Not Applicable

2. UNDERLYING DISCLAIMER

Proprietary Index Disclaimer

None of the Issuer or Citigroup Global Markets Limited (the **Index Sponsor** and the **Index Calculation Agent**) for the Underlying and any of their respective directors, officers, employees, representatives, delegates or agents (each a **Relevant Person**) makes any express or implied representations or warranties as to (a) the advisability of purchasing the Notes, (b) the level(s) of the Underlying at any particular time on any particular date, (c) the results to be obtained by any investor in the Notes or any other person or entity, from the use of the Underlying or any data included therein for any purpose, (d) the merchantability or fitness for a particular purpose of the Underlying or (e) 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 Underlying. No Relevant Person shall have any liability (direct or indirect, special, punitive, consequential or otherwise) to any person even if notified of the possibility of damages. Neither the Index Sponsor nor the Index Calculation Agent is under any obligation to continue the calculation, publication and dissemination of the Underlying nor shall they have any liability for any errors, omissions, interruptions or delays relating to the Underlying. The Index Sponsor and the Index Calculation Agent shall act as principal and not as agent or fiduciary of any other person.

Past performance is not indicative of future performance. Any numbers or figures presented as past performance of the Underlying prior to its launch date (however defined in the Index Conditions) may include performances calculated from back-testing simulations. Any back-testing is illustrative only and derived from proprietary models based on certain historic data and assumptions and estimates. Such back-testing information should not be considered indicative of the actual results that might be obtained from an investment or participation in the Notes. Any scenario analysis is for illustrative purposes only and does not represent the actual performance of the Underlying nor does it purport to describe all possible performance outcomes for the Underlying.

As at the date hereof, the Underlying is described in full in the Index Conditions set out in Schedule 3 attached hereto and investors should refer to any risk factors relating to the Underlying set out therein to understand certain risks relating to the Underlying. Any decision to invest in the Notes should be based upon the information contained in the Base Prospectus and this Final Terms only.

The Underlying is proprietary and confidential to the Index Sponsor. No person may use the Underlying in any way or reproduce or disseminate the information relating to the Underlying without the prior written consent of the Index Sponsor (save in respect of the distribution of the terms of the Notes using customary clearing and settlement procedures). The Underlying is not in any way sponsored, endorsed or promoted by the issuer or sponsor, as applicable, of any of its constituents.

Bloomberg®

Certain information contained in this Final Terms consists of extracts from or summaries of information that is publicly-available from Bloomberg L.P. (**Bloomberg®**). The Issuer accepts responsibility for accurately reproducing such extracts or summaries and, as far as the Issuer is aware and is able to ascertain from such publicly-available information, no facts have been omitted which would render the reproduced information inaccurate or misleading. Bloomberg® makes no representation, warranty or undertaking, express or implied, as to the accuracy of the reproduction of such information, and accepts no responsibility for the reproduction of such information or for the merits of an investment in the Notes. Bloomberg® does not arrange, sponsor, endorse, sell or promote the issue of the Notes.

3. OPERATIONAL INFORMATION

ISIN Code:	XS0904684999
Common Code:	090468499
Any clearing system(s) other than Euroclear, Clearstream, Luxembourg or DTC and the relevant identification number(s):	Not Applicable
Delivery:	Delivery versus payment
Names and specified offices of additional Paying Agent(s) (if any):	Not Applicable
Registrar and specified office:	Citigroup Global Markets Deutschland AG, Reuterweg 16, 60323 Frankfurt, Germany
Transfer Agents and specified office:	Citibank, N.A, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB
Custodian and specified office:	Citibank International plc (Luxembourg Branch), 31, Z.A. Bourmicht, L-8070 Bertrange, Grand Duchy of Luxembourg
Agent Bank and specified office:	Not Applicable
Redemption Agent and specified office:	Citigroup Global Markets Limited, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB
Rating Agency:	Not Applicable

4. UNITED STATES TAX CONSIDERATIONS

The Issuer will treat the Notes as equity for U.S. federal income tax purposes, and by purchasing a Note each Noteholder shall be deemed to agree to such treatment. Prospective purchasers of the Notes should consult with their own tax advisors regarding U.S. federal income tax consequences of an investment in the Notes as well as the application of state, local and foreign tax laws.

5. SUPPLEMENTAL TRUST DEED

By executing this Paragraph 5 in Part B of these Final Terms, the parties hereto agree that this section is executed as a deed and constitutes a twentieth supplemental trust deed (the **Twentieth Supplemental Trust Deed**) which supplements the supplemental trust deeds entered into on 22 March 2013 (the **First Supplemental Trust Deed**), 2 April 2013 (the **Second Supplemental Trust Deed**), 11 April 2013 (the **Third Supplemental Trust Deed**), 15 April 2013 (the **Fourth Supplemental Trust Deed**), 29 April 2013 (the **Fifth Supplemental Trust Deed**), 3 May 2013 (the **Sixth Supplemental Trust Deed**), 10 May 2013 (the **Seventh Supplemental Trust Deed**), 21 May 2013 (the **Eighth Supplemental Trust Deed**), 24 May 2013 (the **Ninth Supplemental Trust Deed**), 10 June 2013 (the **Tenth Supplemental Trust Deed**), 24 June 2013 (the **Eleventh Supplemental Trust Deed**), 1 July 2013 (the **Twelfth Supplemental Trust Deed**), 15 July 2013 (the **Thirteenth Supplemental Trust Deed**), 29 July 2013 (the **Fourteenth Supplemental Trust Deed**), 8 August 2013 (the **Fifteenth Supplemental Trust Deed**) and 14 August 2013 (the **Sixteenth Supplemental Trust Deed**), 3 September 2013 (the **Seventeenth Supplemental Trust Deed**), 15 October 2013 (the **Eighteenth Supplemental Trust Deed**) and 6 December 2013 (the **Nineteenth Supplemental Trust Deed**) respectively by the parties hereto and is made pursuant to Clause 2 of, and is supplemental to, the Amended and Restated Master Trust Deed dated 27 June 2012 (the **Master Trust Deed**) between, *inter alios*, the Issuer and Citicorp Trustee Company Limited as trustee (the **Trustee**).

This Twentieth Supplemental Trust Deed supplements and should be read in conjunction with the First Supplemental Trust Deed, Second Supplemental Trust Deed, Third Supplemental Trust Deed, Fourth Supplemental Trust Deed, the Fifth Supplemental Trust Deed, the Sixth Supplemental Trust Deed, the Seventh Supplemental Trust Deed, the Eighth Supplemental Trust Deed, the Ninth Supplemental Trust Deed, the Tenth Supplemental Trust Deed, the Eleventh Supplemental Trust Deed, the Twelfth Supplemental Trust Deed, the Thirteenth Supplemental Trust Deed, the Fourteenth Supplemental Trust Deed, the Fifteenth Supplemental Trust Deed, the Sixteenth Supplemental Trust Deed, the Seventeenth Supplemental Trust Deed, the Eighteenth Supplemental Trust Deed, the Nineteenth Supplemental Trust Deed and the Master Trust Deed. The Confirmation relating to the Tranche 1 Notes dated 22 March 2013, the Confirmation relating to the Tranche 2 Notes dated 2 April 2013, the Confirmation relating to the Tranche 3 Notes dated 11 April 2013, the Confirmation relating to the Tranche 4 Notes dated 15 April 2013, the Confirmation relating to the Tranche 5 Notes dated 29 April 2013, the Confirmation relating to the Tranche 6 Notes dated 3 May 2013, the Confirmation relating to the Tranche 7 Notes dated 10 May 2013, the Confirmation relating to the Tranche 8 Notes dated 21 May 2013, the Confirmation relating to the Tranche 9 Notes dated 24 May 2013, the Confirmation relating to the Tranche 10 Notes dated 10 June 2013, the Confirmation relating to the Tranche 11 Notes dated 24 June 2013, the Confirmation relating to the Tranche 12 Notes dated 1 July 2013, the Confirmation relating to the Tranche 13 Notes dated 15 July 2013, the Confirmation relating to the Tranche 14 Notes dated 29 July 2013, the Confirmation relating to the Tranche 15 Notes dated 8 August 2013, the Confirmation relating to the Tranche 16 Notes dated 14 August 2013, the Confirmation relating to the Tranche 17 Notes dated 3 September 2013, the Confirmation relating to the Tranche 18 Notes dated 15 October 2013 and the Confirmation relating to the Tranche 19 Notes dated 6 December 2013 shall be modified to, *inter alios*, reflect the increase in the notional amount following the issue of the Tranche 20 Notes and the Trustee has agreed to the modification of such Confirmation pursuant to Condition 18 on the grounds that the modification is not materially prejudicial to the interests of the Noteholders.

The parties to this Twentieth Supplemental Trust Deed agree as follows:

1. The Notes issued pursuant to the €15,000,000,000 CitiFirst Product Programme described in the above Final Terms are constituted and secured by and in accordance with the Master Trust Deed and this Twentieth Supplemental Trust Deed. The Notes shall be subject to the Terms and Conditions of the Notes set forth in the Third Schedule to the Master Trust Deed as

supplemented and varied by the above Final Terms (except as otherwise expressed in the above Final Terms).

2. The Tranche 1 Notes, the Tranche 2 Notes, the Tranche 3 Notes, the Tranche 4 Notes, the Tranche 5 Notes, the Tranche 6 Notes, the Tranche 7 Notes, the Tranche 8 Notes, the Tranche 9 Notes, the Tranche 10 Notes, the Tranche 11 Notes, the Tranche 12 Notes, the Tranche 13 Notes, the Tranche 14 Notes, the Tranche 15 Notes, the Tranche 16 Notes, the Tranche 17 Notes, the Tranche 18 Notes, the Tranche 19 Notes and the Tranche 20 Notes will be consolidated to form a single Series with effect from 21 January 2014.
3. As and with effect from the date hereof, the First Supplemental Trust deed, the Second Supplemental Trust Deed, the Third Supplemental Trust Deed, the Fourth Supplemental Trust Deed, the Fifth Supplemental Trust Deed, the Sixth Supplemental Trust Deed, the Seventh Supplemental Trust Deed, the Eighth Supplemental Trust Deed, the Ninth Supplemental Trust Deed, the Tenth Supplemental Trust Deed, the Eleventh Supplemental Trust Deed, the Twelfth Supplemental Trust Deed, the Thirteenth Supplemental Trust Deed, the Fourteenth Supplemental Trust Deed, the Fifteenth Supplemental Trust Deed, the Sixteenth Supplemental Trust Deed, the Seventeenth Supplemental Trust Deed, the Eighteenth Supplemental Trust Deed, the Nineteenth Supplemental Trust Deed and the Twentieth Supplemental Trust Deed shall be read and construed in relation to the Tranche 1 Notes, the Tranche 2 Notes, the Tranche 3 Notes, the Tranche 4 Notes, the Tranche 5 Notes, the Tranche 6 Notes, the Tranche 7 Notes, the Tranche 8 Notes, the Tranche 9 Notes, the Tranche 10 Notes, the Tranche 11 Notes, the Tranche 12 Notes, the Tranche 13 Notes, the Tranche 14 Notes, the Tranche 15 Notes, the Tranche 16 Notes, the Tranche 17 Notes, the Tranche 18 Notes, the Tranche 19 Notes and the Tranche 20 Notes as a single deed.
4. Terms defined in the Master Trust Deed and this Final Terms shall have the same meanings when used herein unless the context requires otherwise or unless otherwise stated.
5. The Master Trust Deed shall henceforth be read and construed in conjunction with the First Supplemental Trust Deed, the Second Supplemental Trust Deed, the Third Supplemental Trust Deed, the Fourth Supplemental Trust Deed, the Fifth Supplemental Trust Deed, the Sixth Supplemental Trust Deed, the Seventh Supplemental Trust Deed, the Eighth Supplemental Trust Deed, the Ninth Supplemental Trust Deed, the Tenth Supplemental Trust Deed, the Eleventh Supplemental Trust Deed, the Twelfth Supplemental Trust Deed, the Thirteenth Supplemental Trust Deed, the Fourteenth Supplemental Trust Deed, the Fifteenth Supplemental Trust Deed, the Sixteenth Supplemental Trust Deed, the Seventeenth Supplemental Trust Deed, the Eighteenth Supplemental Trust Deed, the Nineteenth Supplemental Trust Deed and the Twentieth Supplemental Trust Deed as one document.
6. A memorandum of this Twentieth Supplemental Trust Deed shall be endorsed by the Trustee on the Master Trust Deed and by the Issuer on the duplicate thereof.
7. The Trustee hereby notifies the Swap Counterparty referred to in the above Final Terms that by this Twentieth Supplemental Trust Deed the Issuer has assigned by way of a first ranking assignment in favour of the Trustee all its rights, title and interest in and to the Swap Agreement referred to in the above Final Terms.

IN WITNESS whereof this Twentieth Supplemental Trust Deed has been executed as a deed by each of the signatories hereto and delivered on the date of the above Final Terms.

SIGNATORIES:

EXECUTED as a DEED by)
ALLEGRO INVESTMENT)
CORPORATION S.A.)
acting in respect of the)
2013-03 Compartment)
acting by)
acting under the authority of)
that company)

EXECUTED as a DEED by)
CITICORP TRUSTEE COMPANY)
LIMITED)
acting by)
acting under the authority of)
that company)
in the presence of)

Witness's Signature:)
Name:)

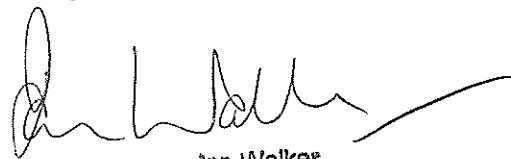
Address: Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB

EXECUTED as a DEED by)
CITIGROUP GLOBAL MARKETS LIMITED)
in its capacity as Swap Counterparty)
acting by)
acting under the authority of)
that company)
in the presence of)

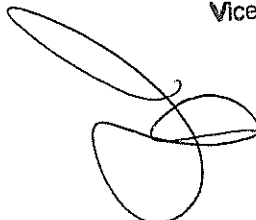
Witness's Signature:)
Name:)

Address: Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB

Signed under Power of Attorney



Ian Walker
Vice President



Jamie Dear
Assistant Vice President

IN WITNESS whereof this Twentieth Supplemental Trust Deed has been executed as a deed by each of the signatories hereto and delivered on the date of the above Final Terms.

SIGNATORIES:

EXECUTED as a DEED by)
ALLEGRO INVESTMENT)
CORPORATION S.A.)
acting in respect of the)
2013-03 Compartment)
acting by)
acting under the authority of)
that company)

EXECUTED as a DEED by)
CITICORP TRUSTEE COMPANY)
LIMITED)
acting by)
acting under the authority of)
that company)
in the presence of)

Witness's Signature:)
Name:)

Address: Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB

EXECUTED as a DEED by)
CITIGROUP GLOBAL MARKETS LIMITED)
in its capacity as Swap Counterparty)
acting by)
acting under the authority of)
that company)
in the presence of)

Witness's Signature:)
Name:)

Address: Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB



Mia Gosden

SCHEDULE 1

1. FINAL REDEMPTION AMOUNT

For the purpose of Condition 8(a) of the General Conditions and items 23 and 24 of Part A above, the Final Redemption Amount in respect of each Specified Denomination shall be an amount in USD determined by the Calculation Agent by reference to the following formula:

$$\text{USD1} \times \text{Max} \left(\frac{\text{Secure Level}}{\text{Underlying Strike Level}}, \frac{\text{Underlying Final Level}}{\text{Underlying Strike Level}} \right)$$

Where:

Secure Level means, subject as provided below, an amount equal to 80 per cent. of the highest (or equal highest) Underlying Closing Level for any Scheduled Trading Day which is not a Disrupted Day during the period from (and including) the Strike Date to (and including) the Final Valuation Date. Each such day shall be deemed to be a Valuation Date for the purpose of the Conditions. If, pursuant to the provisions of Condition 7(k) of the General Conditions, any Underlying Closing Level used to determine the Secure Level is adjusted to take account of any Corrected Level, any correction pursuant to Condition 7(k) of the General Conditions which would otherwise operate to lower the Secure Level shall be disregarded for the purposes of determining the Secure Level only.

Strike Date means 8 March 2013. The Strike Date shall be a Valuation Date for the purpose of the Conditions.

Underlying Final Level means, in respect of the Final Valuation Date, the Underlying Closing Level of the Underlying in respect of the Final Valuation Date.

Underlying Strike Level means 1.00, being the Underlying Closing Level of the Underlying in respect of the Strike Date.

SCHEDULE 2

UNDERLYING SCHEDULE 10

PROPRIETARY INDEX CONDITIONS

This Underlying Schedule shall apply to each Underlying classified in the applicable Final Terms as a "Proprietary Index".

For the avoidance of doubt, defined terms used in this Underlying Schedule shall only apply in respect of Notes linked to Proprietary Indices.

1. DEFINITIONS

Additional Disruption Event means any of Hedging Disruption or Increased Cost of Hedging, in each case, if specified in the applicable Final Terms.

Component means, in respect of a Proprietary Index, each component index, security, commodity or other asset included in such Proprietary Index.

Index Conditions means, in respect of a Proprietary Index, the terms and conditions of the relevant Proprietary Index from time to time, as published by the relevant Index Sponsor.

Index Sponsor means, in respect of a Proprietary Index, the corporation or other entity which (a) is responsible for setting and reviewing the rules and procedures and methods of calculations and adjustments, if any, related to such Proprietary Index; and (b) announces (directly or through an agent) the level of such Proprietary Index on a regular basis.

Hedging Disruption means that any Hedging Party is unable, after using commercially reasonable efforts to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) that the Calculation Agent deems necessary to hedge the price risk of the Issuer issuing and performing its obligations under the Notes and/or any Counterparty performing its obligations under the relevant Swap Agreement; or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

Increased Cost of Hedging means that any Hedging Party would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) that the Calculation Agent deems necessary to hedge the price risk of the Issuer issuing and performing its obligations under the Notes and/or any Counterparty performing its obligations under the relevant Swap Agreement; or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s). Any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of any Hedging Party shall not be deemed an Increased Cost of Hedging.

Proprietary Index means each Underlying classified as such in the applicable Final Terms.

Scheduled Trading Day means, in respect of a Proprietary Index and unless otherwise specified in the applicable Final Terms, a day for which the level of the Proprietary Index is scheduled to be calculated, however described in the relevant Index Conditions and as determined by the Calculation Agent.

Successor Index shall have the meaning given to it in Condition 4 of the Proprietary Index Conditions.

Tax Disruption means, in respect of a Component, the imposition of, change in or removal of a Relevant Tax by any relevant government or taxing authority after the Trade Date, if the direct effect of such imposition, change or removal is to increase or decrease the level of the Proprietary Index on a day which would otherwise be a Valuation Date from what it would have been without such imposition, change or removal. For these purposes, **Relevant Tax** means, in respect of a Component or other asset relating to such Component, any excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or other similar tax on, or measured by reference to, such Component or other asset (other than a tax on, or measured by reference to, overall gross or net income).

Trade Date means the date specified as such in the applicable Final Terms or, if none is specified, the Issue Date.

2. VALUATION

(a) *Closing valuations*

Underlying Closing Level means, in respect of a Proprietary Index and a Valuation Date, the official closing level of such Proprietary Index on such Valuation Date or, where the level of such Proprietary Index is only published once in respect of any day, the level of such Proprietary Index for such Valuation Date, in each case, as displayed on the applicable Electronic Page. If so specified in the applicable Final Terms, the level of the relevant Proprietary Index for a Valuation Date may be published on a succeeding Scheduled Trading Day.

(b) *Intraday valuations*

Underlying Level means, in respect of a Proprietary Index and a Valuation Date, the level of such Proprietary Index observed continuously during such Valuation Date, as displayed on the applicable Electronic Page.

3. DISRUPTION TO VALUATION

Disrupted Day means, in respect of a Proprietary Index, any Scheduled Trading Day for such Proprietary Index for or on as, determined by the Calculation Agent which the relevant Index Sponsor fails to publish the level of such Proprietary Index.

4. ADDITIONAL ADJUSTMENT EVENTS

The following Additional Adjustment Events shall apply in respect of a Proprietary Index:

- (a) such Proprietary Index is either (i) not calculated and announced by or on behalf of the relevant Index Sponsor but instead is calculated and announced by or on behalf of a successor to such relevant Index Sponsor acceptable to the Calculation Agent; or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of such Proprietary Index (such index, the **Successor Index**, which will be deemed to be such Proprietary Index);
- (b) each Additional Disruption Event (if any) specified in the applicable Final Terms;

- (c) if "Tax Disruption" is specified as applicable in the applicable Final Terms, the Calculation Agent determines that (i) a Tax Disruption has occurred or exists; and (ii) such Tax Disruption is material.

5. ADDITIONAL EARLY REDEMPTION EVENTS

The following Additional Early Redemption Event shall apply in respect of a Proprietary Index: the Calculation Agent determines that no calculation, adjustment or substitution can reasonably be made under Condition 6(b)(A) of the Proprietary Index Conditions.

6. ADDITIONAL PROVISIONS

- (a) *Correction of published or announced prices or levels*

Correction Period means, in respect of a Proprietary Index, 30 calendar days.

For the avoidance of doubt, if pursuant to the provisions of Condition 6(d) of the Proprietary Index Conditions, the level of a Proprietary Index published for a Valuation Date is disregarded by the Calculation Agent, any correction of the level of the relevant Proprietary Index which has been disregarded shall also be disregarded.

- (b) *Modification, disruption or cancellation of a Proprietary Index and Proprietary Index Substitution*

- (A) *Proprietary Index Adjustment Events*

If, in respect of a Proprietary Index, (i) on or prior to any Valuation Date, the relevant Index Sponsor announces that it will make a material change in the formula for or the method of calculating the level of such Proprietary Index or in any other way materially modifies such Proprietary Index (other than a modification prescribed in that formula or method to maintain such Proprietary Index in the event of changes in relevant Components and other routine events) (a **Proprietary Index Modification**); or (ii) on or prior to any Valuation Date, the relevant Index Sponsor at any time permanently cancels such Proprietary Index and no Successor Index (as defined in Condition 4 of the Proprietary Index Conditions) exists (a **Proprietary Index Cancellation**); or (iii) on or prior to any Valuation Date the relevant Index Sponsor or any person or entity on its behalf fails to calculate and announce such Proprietary Index (a **Proprietary Index Disruption**, and together with a Proprietary Index Modification and a Proprietary Index Cancellation, a **Proprietary Index Adjustment Event**), then the Calculation Agent shall determine if such Proprietary Index Adjustment Event has a material effect on the Notes, and if so, shall either:

- (i) calculate the relevant level of such Proprietary Index at the relevant time on such Valuation Date using, in lieu of a published level for such Proprietary Index, the level of such Proprietary Index at the relevant time on such Valuation Date as determined by the Calculation Agent in accordance with the formula for and the method of calculating the level of such Proprietary Index last in effect prior to the occurrence of such Proprietary Index Adjustment Event but using only those Components which comprised such Proprietary Index immediately prior to the occurrence of such Proprietary Index Adjustment Event and, for which purpose, any determination of the value of any Component shall be made by reference to such source(s) as the Calculation Agent determines appropriate; or
- (ii) substitute such Proprietary Index as provided in Condition 6(b)(B) of the Proprietary Index Conditions and make such adjustments (if any) to the Conditions and/or the applicable Final Terms as it deems necessary or appropriate in relation to such substitution.

If no calculation, adjustment or substitution can reasonably be made pursuant to the above, the provisions of Condition 5 of the Proprietary Index Conditions shall apply.

(B) Proprietary Index Substitution

Any substitution made by the Calculation Agent pursuant to Condition 6(b)(A)(ii) of the Proprietary Index Conditions shall be, and any adjustment made by the Calculation Agent in response to an Adjustment Event may include, a Proprietary Index Substitution.

Proprietary Index Substitution means, in relation to a Proprietary Index Adjustment Event or an Adjustment Event, the replacement of a Proprietary Index the subject of such Proprietary Index Adjustment Event or Adjustment Event, as the case may be, with a new index selected by the Calculation Agent (which shall be a replacement index using, in the determination of the Calculation Agent, the same or a substantially similar formula and method of calculation as used in the calculation of the level of such Proprietary Index or a replacement index selected by the Calculation Agent in accordance with any other criteria specified in the applicable Final Terms). Such new index shall be deemed to be a Proprietary Index in place of the Proprietary Index the subject of the Proprietary Index Adjustment Event or the Adjustment Event, as the case may be.

(c) Determination of the Underlying Closing Level of a Proprietary Index on a Disrupted Day

Condition 7(e) of the General Conditions applies.

(d) Determination of the Underlying Closing Level of a Proprietary Index on a Component Disrupted Day

This Condition 6(d) of the Proprietary Index Conditions shall only apply where "Component Valuation" is specified as applicable in the applicable Final Terms.

Where Component Valuation is specified as applicable in the applicable Final Terms, if a Valuation Date for a Proprietary Index (i) is not a Component Scheduled Trading Day or (ii) is a Component Disrupted Day, in either case, in respect of one or more of the Components of such Proprietary Index (each such Component, an **Affected Component** and each such date an **Affected Valuation Date**), then any level of the Proprietary Index published for such Valuation Date may be disregarded by the Calculation Agent and the Underlying Closing Level for such Valuation Date may be determined by the Calculation Agent as the level of such Proprietary Index for such Valuation Date determined in accordance with the then-current methodology for calculating the level of the Proprietary Index, but using:

- (i) with respect to each Component which is not an Affected Component, the price, level or value of each such Component at the relevant time on the relevant Affected Valuation Date; and
- (ii) with respect to each Affected Component, the price, level or value for each such Affected Component at the relevant time on the earlier of (i) the first succeeding Component Scheduled Trading Day for such Affected Component immediately following the relevant Affected Valuation Date that is not a Component Disrupted Day for such Affected Component and (ii) the Component Scheduled Trading Day which is the Component Valuation Roll number of Component Scheduled Trading Days for such Component immediately following the relevant Affected Valuation Date,

PROVIDED THAT if, pursuant to the above, the relevant Valuation Date for any Component determined as provided above would otherwise fall on a day falling after the second Component Scheduled Trading Day prior to the date on which a relevant payment is scheduled to be made under the Notes (the **Component Cut-off Date**), such Valuation Date for such Affected Component shall be deemed to be the Component Cut-off Date

(notwithstanding that such is a Component Disrupted Day for such Component) and the provisions of paragraph (iii) below shall apply;

- (iii) if the Valuation Date for any Component (as determined in accordance with paragraph (ii) above) is a Component Disrupted Day for such Component or is determined to occur on the Component Cut-off Valuation Date (as provided in paragraph (b) above), then the Calculation Agent shall determine the price, level or value of the relevant Component in the manner (as specified in the relevant Index Conditions) in which the price, level or value of such disrupted Component would be determined on a date which is a Component Disrupted Day for such Component (for the avoidance of doubt, without regard to any valuation roll).

For the purposes hereof:

Component Disrupted Day means, in respect of a Component and unless otherwise specified in the applicable Final Terms, a day on which the price, level or value of such Component and/or any sub-component of such Component and/or any related futures contracts, options contracts or securities (each a **Relevant Component**) is not published (or publication is delayed) and/or cannot be determined and/or is otherwise disrupted (including, without limitation, by way of a suspension, limitation and/or disruption of trading in the Relevant Component and/or the failure to open or the early closure of any relevant exchange), however described in the relevant Index Conditions and as determined by the Calculation Agent.

Component Scheduled Trading Day means, in respect of a Component and unless otherwise specified in the applicable Final Terms, a day on which the price, level or value of such Component is scheduled to be determined, however described in the relevant Index Conditions and as determined by the Calculation Agent.

Component Valuation Roll means the number specified as such in the applicable Final Terms or, if no number is so specified, eight.

SCHEDULE 3
INFORMATION RELATING TO THE UNDERLYING
INDEX CONDITIONS

The information set out below in relation to the Underlying is included for information purposes only.

Citi Octave USD Index
Index Methodology

Citi Investment Strategies

6 March 2013

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Part A: Introduction

Introduction

This document constitutes the “**Index Methodology**” in respect of the Index (as defined below) and is made available by Citigroup Global Markets Limited in its capacity as the Index Sponsor.

This Index Methodology and the Index General Conditions dated 22 February 2012 (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.

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 confirmation, prospectus or offering document (however described) in respect of such Index Linked Product.

This Index Methodology may be amended from time to time without notice, 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

Name of Index:	Citi Octave USD Index (the “ Index ”)
Summary of strategy:	<p>The Index tracks the United States Dollar denominated return achieved by a strategy which determines and assigns a Weight to each Constituent of the Index by:</p> <p>i) applying Modern Portfolio Theory subject to certain Constraints (as defined in paragraph 4.4 of Part D (<i>Calculation of the Index Level</i>)) to identify an Eligible Strategic Allocation (as defined in paragraph 4.3(2)(<i>Graphical Illustration</i>) of Part D (<i>Calculation of the Index Level</i>) which, in theory, maximises potential return within the restrictions represented by the Constraints;</p> <p>ii) applying a Hurdle Test (as defined in paragraph 4.5 (<i>Hurdle Test</i>) of Part D (<i>Calculation of the Index Level</i>) to ensure that the Strategic Allocation identified is capable of generating potential returns which could, in theory, outperform a stipulated Risk Free Rate (also as defined in paragraph 4.5 (<i>Hurdle Test</i>) of Part D (<i>Calculation of the Index Level</i>); and</p> <p>iii) testing the Strategic Allocation on a daily basis to check if any Extraordinary Rebalancing Triggers have been activated, and if so, re-determine and rebalance the composition of the Strategic Allocation through an Extraordinary Rebalancing.</p>
Index Sponsor:	Citigroup Global Markets Limited
Index Calculation Agent:	Citigroup Global Markets Limited
Index Base Currency:	United States Dollars (USD)
Index Launch Date:	8 March 2013
Index Start Date:	8 March 2013
Index Start Level:	1
Index Fee:	As specified in section 5 (<i>Defined Terms</i>) of Part E (<i>Data</i>)
Strategic Allocation Start Date:	8 March 2013
Strategic Allocation Start Level:	1
Frequency of calculation of the Index Level:	Daily, as of each Index Business Day
Frequency of rebalancing:	<p>The first Scheduled Rebalancing Date shall fall on the Index Launch Date with:</p> <p>i) the second Scheduled Rebalancing Date falling on the third Monday following such Index Launch Date, and ii) each subsequent Scheduled Rebalancing Date falling at fixed intervals of two calendar weeks thereafter subject to the occurrence or existence of any holidays or Disrupted Days</p> <p>Subject to activation of certain Extraordinary Rebalancing Triggers (as further discussed below in paragraph 4.1(2) (<i>Extraordinary Selection Days and Extraordinary Rebalancing Dates</i>) of Part D (<i>Calculation of the Index Level</i>), one or more Extraordinary Rebalancing Dates may occur in between such Scheduled Rebalancing Dates.</p>
Index Electronic Page:	Bloomberg page CIISOCUT <Index>

The Index was launched by the Index Sponsor as of the Index Launch Date and has been calculated by the Index Calculation Agent for the period from the Index Start Date. Any back-testing or similar performance analysis undertaken by any person in respect of the Index for any reason must be considered illustrative only and may be based on assumptions or estimates not used by the Index Calculation Agent when determining the Index Level.

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 rules-based proprietary index developed by the Index Sponsor.

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 Level is calculated in United States Dollars by the Index Calculation Agent as of every Index Business Day and published on the following Index Business Day.

The Index assigns Weights to each Constituent within the Strategic Allocation on each Rebalancing Date in accordance with the Index Methodology, a proprietary asset allocation methodology developed by the Index Sponsor based on modern portfolio theory (the “**Modern Portfolio Theory**”). The performance of the Strategic Allocation as a whole can be conceived of as the aggregate of the weighted performance of each Constituent. It is the performance of the Strategic Allocation which is tracked by the Index for the purposes of producing an Index Level.

Modern Portfolio Theory suggests that a useful starting point for determining the composition of a portfolio of assets can be derived from the balance struck by an investor between: i) the potential return of the portfolio, using the realized (and therefore historic) return of the portfolio as a proxy for such potential return and ii) the statistical probability of achieving such potential return, using the realized volatility of the portfolio as a proxy for such statistical probability.

In general, the Index Methodology determines and assigns a Weight to each Constituent by:

i) applying Modern Portfolio Theory subject to certain Constraints (as defined in paragraph 4.4 of Part D (*Calculation of the Index Level*)) intended to ensure that: a) the Index tracks only notional long positions in Constituents which are sufficiently diversified to meet a specified level of diversification, b) the expected performance of the Index does not exceed a specified level of volatility and c) the Index formulaically weights exposure to its Constituents from time to time in a way which would result in the Index Level remaining above the Index Floor (as defined in paragraph 2.2(4) of Part D (*Calculation of the Index Level*)) provided certain theoretical assumptions are met.

The aim of this process is to identify an Eligible Strategic Allocation (as defined in paragraph 4.3(2)(*Graphical Illustration*) of Part D (*Calculation of the Index Level*)) which, in theory, maximises potential return within the restrictions represented by such Constraints; and

ii) applying a Hurdle Test (as defined in paragraph 4.5 (*Hurdle Test*) of Part D (*Calculation of the Index Level*)) to ensure that the Strategic Allocation identified is capable of generating potential returns which could, in theory, outperform a stipulated Risk Free Rate (also as defined in paragraph 4.5 (*Hurdle Test*) of Part D (*Calculation of the Index Level*)). If no Eligible Strategic Allocation identified in paragraph i) above can satisfy the Hurdle Test as of a Selection Day, the Index Methodology shall determine that the Strategic Allocation shall notionally comprise solely of the Cash Constituent as of the immediately following Rebalancing Date.

2. INDEX SPONSOR AND INDEX CALCULATION AGENT

As at the date of this Index Methodology, the Index Sponsor shall also act 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 (as defined in section 5 (*Defined Terms*) of Part E (*Data*) below). The Index Level as of each Index Business Day is published on the Index Electronic Page, generally on the following Index Business Day by 11:00 a.m. London time. 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 that 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.

The Index Level reflects the performance of a notional investment in: i) the Core Index (as defined in paragraph 2.4 of Part D (*Calculation of the Index Level*)) and ii) a Cash Notional Amount. The Core Index reflects, from time to time, the United States Dollar denominated performance of the Underlying Index (itself denominated in US Dollars) by taking into account the prevailing spot rate of exchange from US Dollars into United States Dollars. The Cash Notional Amount reflects a notional deposit (and notional interest earned thereon) in United States Dollars. The Underlying Index Level (as defined in paragraph 2.5 of Part D (*Calculation of the Index Level*)) reflects the US Dollar denominated performance of the Strategic Allocation Level net of any notional transaction costs.

Exposure to the Core Index (the "**Target Exposure**" as defined in paragraph 2.2(2) (*Target Exposure*)) of Part D (*Calculation of the Index Level*) below) is adjusted on a daily basis by reference to the ratio of the Index Cushion to the Underlying Index Cushion (each as defined in paragraph 2.2(3) (*Index Cushion and Underlying Index Cushion*)) of Part D (*Calculation of the Index Level*) below) determined from time to time. The Index Cushion and Underlying Index Cushion measures the distance between the prevailing Index Level and Underlying Index Level to the High Water Mark Level and the Underlying Index High Water Mark Level respectively (each defined in paragraph 2.2 of Part D (*Calculation of the Index Level*)) below).

Notional exposure is allocated between the Core Index and the Cash Notional Amount through such adjustment to the Target Exposure. The intention behind such adjustment of the Target Exposure is to achieve an allocation which preserves the value of the notional investment in the Core Index at more than 80 per cent. of the prevailing Underlying Index High Water Mark Level at all times after accounting for fluctuations in the exchange rate between the Index Base Currency and US Dollars, the currency in which the Strategic Allocation Level is denominated .

An Index Adjustment Factor and Strategic Allocation Adjustment Factor (each as defined in paragraph 2.2(7) (*Index Adjustment Factor*)) and paragraph 2.2(9) (*Strategic Allocation Adjustment Factor*)) respectively of Part D (*Calculation of the Index Level*) is incorporated into the Index Level calculations and each reflects notional transaction costs which act as a drag on such Index Level. The Index Adjustment Factor accounts for the notional costs of adjusting the Target Exposure of the Index to the Core Index and Cash Notional Amount from time to time while the Strategic Allocation Adjustment Factor accounts for the notional purchase or sale of Constituents notionally tracked by the Strategic Allocation from time to time.

4. SCHEDULED AND EXTRAORDINARY REBALANCING

4.1 Scheduled Selection Days and Scheduled Rebalancing Dates

As of each Scheduled Selection Day (as defined in section 5 (*Defined Terms*) of Part E (*Data*)), the Index Calculation Agent will determine the Percentage Weight of each Eligible Constituent pursuant to the

methodology set out in paragraph 4 (*Selection Days, Rebalancing Dates and Index Rebalancing Process*) of Part D (*Calculation of the Index Level*). The Strategic Allocation is then rebalanced as of each Scheduled Rebalancing Date (as defined in section 5 (*Defined Terms*) of Part E (*Data*)) in accordance with the Percentage Weights so determined, each such Scheduled Rebalancing Date falling on the Index Business Day immediately following each relevant Scheduled Selection Day subject to the occurrence or existence of any holidays or Disrupted Days.

As a result of such rebalancing, the Percentage Weights determined in respect of the Eligible Constituents are used to assign Weights to the Constituents (as discussed in paragraph 6 (*Determination of Weights*) below) such that the Constituents are notionally organized into a Strategic Allocation that is fixed up to, and including, the next Rebalancing Date subject to adjustments pursuant to paragraph 5 (*Additional Adjustment Events*) of Part D (*Calculation of the Index Level*). Such Strategic Allocation with new Weights shall form the basis of the calculation of the Index Level as of the Index Business Day immediately following such Scheduled Rebalancing Date.

For the avoidance of doubt, the first Scheduled Rebalancing Date shall fall on the Index Launch Date with: i) the second Scheduled Rebalancing Date falling on the second Monday following such Index Launch Date, and ii) each subsequent Scheduled Rebalancing Date falling at fixed intervals of two calendar weeks thereafter subject to the occurrence or existence of any holidays or Disrupted Days.

4.2 *Extraordinary Rebalancing*

In addition to each Scheduled Selection Day, an Extraordinary Selection Day shall and an associated Extraordinary Rebalancing Date may (each as defined under paragraph 4.1(2)(*Extraordinary Selection Days and Extraordinary Rebalancing Dates*) of Part D (*Calculation of the Index Level*)) occur if any one of the Extraordinary Rebalancing Triggers (as defined under paragraph 4.6 (*Extraordinary Rebalancing Triggers*) of Part D (*Calculation of the Index Level*)) is activated.

If any one of the Extraordinary Rebalancing Triggers is activated, an Extraordinary Selection Day (as defined under paragraph 4.1(2)(*Extraordinary Selection Days and Extraordinary Rebalancing Dates*)) shall be immediately declared as of that same Index Business Day. As of such Extraordinary Selection Day, there shall be a fresh determination of the Percentage Weights of the Eligible Constituents following the same selection methodology applicable in respect of a Scheduled Rebalancing Date as described in paragraph 4 (*Selection Days, Rebalancing Dates and Index Rebalancing Process*) of Part D (*Calculation of the Index Level*), taking into account all relevant Constituent Closing Levels and other data relevant to the Eligible Constituents as of such day. An Extraordinary Rebalancing (as defined under paragraph 4.1(2)(*Extraordinary Selection Days and Extraordinary Rebalancing Dates*)) may occur as of the Extraordinary Rebalancing Date which falls on the Index Business Day immediately following such Extraordinary Selection Day, **provided that** such Index Business Day is not a Disrupted Day. As in the case of Scheduled Rebalancing Dates, the Percentage Weights determined in respect of the Eligible Constituents on an Extraordinary Selection Day are used to assign Weights to the Constituents as of the Extraordinary Rebalancing Date, with reweighted Constituents taking effect as a new Strategic Allocation as of the immediately following Index Business Day.

4.3 *Costs of Rebalancing*

On each Rebalancing Date, the Strategic Allocation Level will also take into account certain costs in the rebalancing of the Strategic Allocation. Such costs are notionally incurred in relation to the adjustment of the exposure to the Constituents within the Strategic Allocation.

5. **CONSTITUENTS, ELIGIBLE CONSTITUENTS AND DETERMINATION OF PERCENTAGE WEIGHT**

As of each Selection Day, from and including the first Selection Day prior to the Strategic Allocation Start Date, the Index will take into account all Eligible Constituents within the Eligible Universe as of such date to determine a Percentage Weight in relation to each Eligible Constituent. Such determination shall be in accordance with a proprietary asset allocation methodology developed by the Index Sponsor based on Modern Portfolio Theory, more detail of which is set out in paragraph 4.3 (*Index Methodology - Determination of Percentage Weights and Composition of Strategic Allocation*).

The Percentage Weights so determined in respect of the Eligible Constituents are then used to assign Weights to the Constituents as of the related Rebalancing Date (as discussed in paragraph 6 (*Determination of Weights*) below). Subject to the occurrence of any Disrupted Days or adjustments pursuant to paragraph 5 (*Additional Adjustment Events*) of Part D (*Calculation of the Index Level*), such

reweighted Constituents take effect as a Strategic Allocation from, and including, the Index Business Day immediately following the Rebalancing Date and is fixed up to, and including, the next Rebalancing Date. If a Percentage Weight of zero is determined in relation to any Eligible Constituent, such Eligible Constituent shall not be considered to be a Constituent within the Strategic Allocation for the purposes of the Index Methodology.

6. DETERMINATION OF WEIGHTS

As of each Rebalancing Date following a Selection Day, the Index Calculation Agent assigns the Weight of each Constituent within the Strategic Allocation, such Weights becoming effective for the purposes of calculating the Index on the Index Business Day immediately following such Rebalancing Date up to, and including, the following Rebalancing Date.

The difference between “weight” and “percentage weight” can be understood as the difference between the notional investment in 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 level of the constituent as of the rebalancing date. The weight of each constituent remains fixed between rebalancing dates save for adjustments as a result of changes to the constituents or extraordinary events. Unlike percentage weight, which is a snapshot of the proportion that a certain constituent has within the index as a whole, weight assesses the synthetic investment value of that constituent within the index. Because constituent levels fluctuate, the proportion that each constituent contributes to the index on any day depends on the relative performance of that constituent compared with the performance of the index as a whole. As such, the percentage weight of a constituent 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 as of that day, will be represented by a weight which is fixed until the next Rebalancing Date.

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

On any Index Business Day that is not a Rebalancing Date, the Weights of the Constituents will under normal circumstances remain unchanged. Paragraph 5 (*Additional Adjustment Events*) of Part D (*Calculation of the Index Level*) below sets out certain events that may affect Constituents, and describes the adjustments that the Index Calculation Agent may make to adjust the Weights of any Constituents affected by any such events. The adjustments described normally have a dilutive or concentrative effect on the affected Constituent, which would have a corresponding impact on the Strategic Allocation Level, and ultimately, the Index Level. The Weight(s) of affected Constituents will be increased or decreased to take account of the dilutive or concentrative effect of the relevant event.

Part D: Calculation of the Index Level

Calculation of the Index Level

1. INTRODUCTION

The Index Sponsor is Citigroup Global Markets Limited. As at the date of this Index Methodology, the Index Sponsor also acts in the capacity of 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.

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 section 5 (*Defined Terms*) of Part E (*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, adjustments as set out below in this Part D, Disrupted Days and Adjustment Events as described in Section B (*Valuations and Adjustments*) and Section F (*Constituent Schedules*) of the Index General Conditions.

2. DAILY INDEX CALCULATION

2.1 Index Level

The "**Index Level**" as of the Index Start Date shall be the Index Start Level.

The "**Index Level**" as of each Index Business Day t following the Index Start Date shall be an amount determined by the Index Calculation Agent as of the Index Valuation Time on such Index Business Day t in accordance with the formula set out below:

$$IL_t = \text{Max} \left[\left(CNA_{t-1} \times \left(\frac{\text{Core Index}_t}{\text{Core Index}_{t-1}} \right) + \text{Cash NA}_{t-1} \times (1 + \text{Return}_t) \right) \times \left(1 - \text{Fee}_t \times \frac{\text{DC}(t-1, t)}{365} \right), \text{Floor}_t \right]$$

where:

IL_t	=	Index Level as of Index Business Day t
CNA_{t-1}	=	The Current Notional Amount (as defined in paragraph 2.2(1) below) as of the Index Business Day preceding Index Business Day t
Core Index_t	=	The Core Index Level (as defined in paragraph 2.4(1) below) as of Index Business Day t
Core Index_{t-1}	=	The Core Index Level (as defined in paragraph 2.4(1) below) as of the Index Business Day preceding Index Business Day t
Cash NA_{t-1}	=	The Cash Notional Amount (as defined in paragraph 2.3(1) below) as of the Index Business Day preceding Index Business Day t

Return _t	=	The Cash Return (as defined in paragraph 2.3(2) below) as of Index Business Day t
Fee _t	=	The Index Fee as specified in section 5 (<i>Defined Terms</i>) of Part E (<i>Data</i>) below
Floor _{t-1}	=	The Index Floor (as defined in paragraph 2.2(4) below) as of the Index Business Day immediately preceding Index Business Day t
DC(t-1,t)	=	The number of calendar days from, and including, the Index Business Day immediately preceding Index Business Day t to, but excluding, Index Business Day t

2.2 Current Notional Amount

(1) Current Notional Amount

The “**Current Notional Amount**” as of the Index Valuation Time on each Index Business Day t following the Index Start Date shall be an amount equal to the product of: i) the Target Exposure (as defined below) as of the Index Business Day preceding Index Business Day t and ii) the Index Level as of such Index Business Day t minus the Index Adjustment Factor as of such Index Business Day t in accordance with the following formula:

$$\text{Current Notional Amount}_t = \text{Target Exposure}_t \times \text{Index Level}_t - \text{IAF}_t$$

where:

Current Notional Amount _t	=	The Current Notional Amount as of Index Business Day t
Target Exposure _{t-1}	=	The Target Exposure (as defined below) as of the Index Business Day preceding Index Business Day t
Index Level _t	=	The Index Level prevailing as of each Index Business Day t
IAF _t	=	The Index Adjustment Factor (as defined in paragraph 2.2(8) below) as of Index Business Day t, where the Index Adjustment Factor as of the Index Start Date shall be an amount equal to zero

(2) Target Exposure

The “**Target Exposure**” as of the Index Start Date shall be 100 per cent..

The “**Target Exposure**” as of each Index Business Day t following the Index Start Date is the notional exposure the Index shall have to the Core Index, expressed as a percentage and determined by reference to the Index Cushion and the Underlying Index Cushion (each as defined below), in accordance with the following formula:

$$\text{Target Exposure}_t = \max \left(0, \min \left(\frac{\text{Index Cushion}_t}{\text{Underlying Index Cushion}}, 1 \right) \right)$$

where:

Target Exposure _t	=	The Target Exposure as of Index Business Day t
max	=	The higher of the values separated by a comma within the set of brackets immediately following the “max” symbol

min = The lower of the values separated by a comma within the set of brackets immediately following the “min” symbol

Index Cushion_t = The Index Cushion (as defined below) as of each Index Business Day t

Underlying Index Cushion_t = The Underlying Index Cushion (as defined below) as of each Index Business Day t

(3) *Index Cushion and Underlying Index Cushion*

The “**Index Cushion**” as of each Index Business Day t is the difference (if any) between the Index Floor and the Index Level as of such Index Business Day, expressed as a percentage in accordance with the following formula:

$$\text{Index Cushion}_t = 1 - \frac{\text{Index Floor}_t}{\text{Index Level}_t}$$

where:

Index Cushion_t = The Index Cushion as of Index Business Day t

Index Floor_t = The Index Floor (as defined below) as of Index Business Day t

Index Level_t = The Index Level as of Index Business Day t

The “**Underlying Index Cushion**” as of each Index Business Day t is the difference (if any) between the Underlying Index Floor and the Underlying Index Level as of such Index Business Day, expressed as a percentage in accordance with the following formula:

$$\text{Underlying Index Cushion}_t = 1 - \frac{\text{Underlying Index Floor}_t}{\text{Underlying Index Level}_t}$$

where:

Underlying Index Cushion_t = The Underlying Index Cushion as of Index Business Day t

Underlying Index Floor_t = The Underlying Index Floor (as defined below) as of Index Business Day t

Underlying Index Level_t = The Underlying Index Level (as defined in paragraph 2.5 below) as of Index Business Day t

(4) *Index Floor*

The “**Index Floor**” as of Index Business Day t shall be equal to 80% of the High Water Mark Level as of Index Business Day t, determined in accordance with the following formula:

$$\text{Index Floor}_t = 0.80 \times \text{High Water Mark Level}_t$$

where:

Index Floor_t = The Index Floor as of Index Business Day t

High Water Mark Level_t = The High Water Mark Level (as defined below) as of Index Business Day t

Day Count(t-n,t) = The number of calendar days from, and including, the Index Launch Date to, but excluding, Index Business Day t.

n = The number of calendar days elapsed since the Index Launch Date

(5) *High Water Mark*

The “**High Water Mark Level**” as of the Index Start Date shall be 1.

The “**High Water Mark Level**” as of each Index Business Day t following the Index Start Date shall be an amount equal to the highest Index Level ever achieved by the Index from and including the Index Start Date, as determined in accordance with the following formula:

$$\text{High Water Mark Level}_t = \max(\text{Index Level}_t, \text{High Water Mark Level}_{t-1})$$

where:

High Water Mark Level_t = High Water Mark Level as of Index Business Day t.

High Water Mark Level_{t-1} = High Water Mark Level as of the Index Business Day preceding Index Business Day t.

max = The higher of the values separated by a comma within the set of brackets immediately following the “max” symbol

Index Level_t = The Index Level as of Index Business Day t

H_{t-1} = High Water Mark Level as of the Index Business Day immediately preceding Index Business Day t

(6) *Underlying Index Floor*

The “**Underlying Index Floor**” as of Index Business Day t shall be equal to 80% of the Underlying Index High Water Mark Level as of Index Business Day t, determined in accordance with the following formula:

$$\text{Underlying Index Floor}_t = 0.80 \times \text{Underlying Index High Water Mark}_t$$

where:

Underlying Index Floor_t = The Underlying Index Floor as of Index Business Day t

Underlying Index High Water Mark_t = The Underlying Index High Water Mark Level (as defined below) as of Index Business Day t

(7) *Underlying Index High Water Mark*

The “**Underlying Index High Water Mark Level**” as of the Index Start Date shall be 1.

The “**Underlying Index High Water Mark Level**” as of each Index Business Day t following the Index Start Date shall be an amount equal to the highest Underlying Index Level ever achieved by the Underlying Index from and including the Index Start Date, as determined in accordance with the following formula:

$$\text{Underlying Index High Water Mark}_t = \max(\text{UIL}_t, \text{Underlying Index High Water Mark}_{t-1})$$

where:

Underlying Index High Water Mark Level_t = Underlying Index High Water Mark Level as of Index Business Day t.

- max = The higher of the values separated by a comma within the set of brackets immediately following the “max” symbol
- UIL_t = The Underlying Index Level as of the Index Business Day t
- Underlying Index High Water Mark Level_{t-1} = Underlying Index High Water Mark Level as of the Index Business Day immediately preceding Index Business Day t

(8) *Index Adjustment Factor*

The Index Adjustment Factor as of the Index Start Date shall be zero.

The Index Adjustment Factor as of any Index Business Day t after the Index Start Date shall be an amount in the Index Base Currency determined in accordance with the following formula:

$$IAF_t = \sum_{i=1}^{N-1} NTC_i \times CPW_{i,t} \left| \left(\text{Current Notional Amount}_{t-1} \times \frac{\text{Core Index}_t}{\text{Core Index}_{t-1}} - \text{Target Exposure}_t \times IL_t \right) \right|$$

where:

- IAF_t = The Index Adjustment Factor as of Index Business Day t
- $\sum_{i=1}^{N-1}$ = Means the sum of the series of values achieved by calculating the formula following such symbol for each i from 1 through to, and including, N-1, such that, for example:
 $\sum_{i=1}^{N-1} (i + y) = [(1 + y) + (2 + y) + (3 + y) + \dots + ((N-1) + y)]$
- N = The number of Eligible Constituents in the Eligible Universe
- i = Represents an arithmetic progression where the first term is 1 and there are N-1 number of terms with a common difference of 1 between the terms (i.e. i = 1, 2, 3, 4, …, N-1)
- NTC_i = Notional Transaction Cost specified for Constituent i in section 3 (*Particulars in respect of each Eligible Constituent*) of Part E (*Data*)
- CPW_{i,t} = The Current Percentage Weight of Constituent i as of Index Business Day t
- Current Notional Amount_{t-1} = The Current Notional Amount (as defined in paragraph 2.2(1) above) as of the Index Business Day preceding Index Business Day t
- Core Index_t = The Core Index Level as of Index Business Day t
- Core Index_{t-1} = The Core Index Level as of the Index Business Day preceding Index Business Day t
- Target Exposure_t = The Target Exposure (as defined in paragraph 2.2(2) above) as of Index Business Day t
- IL_t = The Index Level as of Index Business Day t
- || = The modulus, which expresses the result of the calculations set out between these lines as an absolute value

(9) *Strategic Allocation Adjustment Factor*

The Strategic Allocation Adjustment Factor as of any Index Business Day t shall be an amount in the US Dollars determined in accordance with the following formula:

$$\text{Strategic Allocation Adjustment Factor}_t = (1 - \text{TNTC}_t)$$

where:

Strategic Allocation Adjustment Factor_t = The Strategic Allocation Adjustment Factor as of Index Business Day t

TNTC_t = The Total Notional Transaction Cost as defined in paragraph 2.2(10) below

(10) *Total Notional Transaction Cost*

The “**Total Notional Transaction Cost**” in respect of any Index Business Day which is:

(a) not a Rebalancing Date shall be zero; and

(b) a Rebalancing Date, shall be determined according to the following formula:

$$\text{TNTC}_t = \sum_{i=1}^{N-1} \text{NTC}_i \times \left(\left| \text{PW}_{i,t} - \text{CPW}_{i,t} \right| \right)$$

Where:

TNTC_t = The Total Notional Transaction Cost in respect of Index Business Day t

$\sum_{i=1}^{N-1}$ = Means the sum of the series of values achieved by calculating the formula following such symbol for each i from 1 through to, and including, N-1, such that, for example:
 $\sum_{i=1}^{N-1} (i + y) = [(1 + y) + (2 + y) + (3 + y) + \dots + ((N-1) + y)]$

N = The number of Eligible Constituents in the Eligible Universe

i = Represents an arithmetic progression where the first term is 1 and there are N-1 number of terms with a common difference of 1 between the terms (i.e. i = 1, 2, 3, 4, …, N-1)

NTC_i = Notional Transaction Cost specified for Constituent i in section 3 (*Particulars in respect of each Eligible Constituent*) of Part E (*Data*)

CPW_{i,t} = The Current Percentage Weight of Constituent i as of Index Business Day t

PW_{i,t} = The Percentage Weight of Constituent i as of Index Business Day t

$\left| \text{PW}_{i,t} - \text{CPW}_{i,t} \right|$ = The absolute difference between the Percentage Weight of Constituent i as of Index Business Day t and the Current Percentage Weight of Constituent i as of Index Business Day t. For the avoidance of doubt, this is always a positive number.

2.3 Cash Notional Amount

(1) *Cash Notional Amount*

The “**Cash Notional Amount**” denominated in United States Dollars as of the Index Valuation Time on each Index Business Day t shall be a function of the Target Exposure as of the Index Business Day

preceding Index Business Day t and the Index Level as of such Index Business Day t, determined in accordance with the following formula:

$$\text{Cash Notional Amount}_t = (1 - \text{Target Exposure}_t) \times \text{IL}_t$$

where:

Cash Notional Amount_t = The Cash Notional Amount as of Index Business Day t

Target Exposure_{t-1} = The Target Exposure as of Index Business Day t

IL_t = The Index Level as of Index Business Day t

(2) Cash Return

The “**Cash Return**” as of the Index Valuation Time on each Index Business Day t represents the rate of return on a notional cash deposit denominated in United States Dollars determined in accordance with the following formula:

$$\text{Cash Return}_t = \frac{\text{Rate}_{t-1}}{100} \times \frac{\text{DayCount}(t-1, t)}{360}$$

where:

Cash Return_t = The Cash Return as of Index Business Day t

Rate_{t-1} = The USD Rate as defined in section 5 (*Defined Terms*) of Part E (*Data*) as of the Index Business Day preceding Index Business Day t

Day Count(t-1,t) = The number of calendar days from, and including, the Index Business Day immediately preceding Index Business Day t to, but excluding, Index Business Day t.

2.4 Core Index Level

The “**Core Index**” measures the United States Dollar denominated performance of the Underlying Index, which is itself denominated in US Dollars and its “**Core Index Level**” as of the Index Start Date shall be 1.

The “**Core Index Level**” as of any Index Business Day t following the Index Start Date shall be calculated with reference to the performance of: i) the Underlying Index Level and ii) the applicable Spot FX Rate for the conversion of the Strategic Allocation Level into a notional amount denominated in United States Dollars, determined in accordance with the following formula:

$$\text{Core Index}_t = \text{Core Index}_{t-1} \times \left(\frac{\text{UIL}_t}{\text{UIL}_{t-1}} \right)$$

where:

Core Index_t = The Core Index Level as of Index Business Day t.

Core Index_{t-1} = The Core Index Level as of the Index Business Day preceding Index Business Day t

UIL_t = Underlying Index Level, as defined below, as of Index Business Day t

UIL_{t-1} = Underlying Index Level, as defined below, as of the Index Business Day preceding Index Business Day t

2.5 Underlying Index Level

The “**Underlying Index Level**” as of the Index Start Date shall be 1.

The “**Underlying Index**” as of each Index Business Day following the Index Start Date shall reflect the US Dollar denominated performance of the Strategic Allocation Level net of any notional transaction costs represented by the Strategic Allocation Adjustment Factor, such that its “**Underlying Index Level**” shall always be at least equal to the Underlying Index Floor prevailing from time to time in accordance with the following formula:

$$UIL_t = UIL_{t-1} \times \left(\frac{SAL_t}{SAL_{t-1}} \right) \times SAAF_{t-1}$$

where:

UIL_t	=	Underlying Index Level as of Index Business Day t
UIL_{t-1}	=	Underlying Index Level as of the Index Business Day preceding Index Business Day t
SAL_t	=	Strategic Allocation Level, as defined below, as of Index Business Day t
SAL_{t-1}	=	Strategic Allocation Level, as defined below, as of the Index Business Day preceding Index Business Day t
$SAAF_{t-1}$	=	Strategic Allocation Adjustment Factor, as defined in paragraph 2.2(9) above, as of Index Business Day preceding Index Business Day t

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3. THE STRATEGIC ALLOCATION

3.1 Description of the Strategic Allocation

The “**Strategic Allocation**” on any Index Business Day t comprises the notional basket of Constituents in their respective Weights which have been assigned in accordance with the methodology described in paragraph 4 (*Selection Days, Rebalancing Dates and Index Rebalancing Process*) below. Subject to any adjustments pursuant to Paragraph 5 (*Additional Adjustment Events*), the specific composition of the Strategic Allocation which results from the assignment of such Weights becomes effective from, and including, the Index Business Day immediately following each Rebalancing Date and shall remain fixed up to, and including, the next Rebalancing Date.

3.2 Strategic Allocation Level

The “**Strategic Allocation Level**” as of the Strategic Allocation Start Date shall be the Strategic Allocation Start Level.

The “**Strategic Allocation Level**” as of each Index Business Day t (following the Strategic Allocation Start Date) shall be an amount determined by the Index Calculation Agent in accordance with the formula set out below. The formula aggregates the product of the Constituent Closing Level of each Constituent within the Strategic Allocation and its prevailing Weight (each as defined below).

$$SAL_t = \sum_{i=1}^N (CCL_{i,t} \times Weight_{i,r})$$

where:

SAL_t = Strategic Allocation Level as of Index Business Day t

$\sum_{i=1}^N$ = Means the sum of the series of values achieved by calculating the formula following such symbol for each i from 1 through to, and including, N, such that, for example:

$$\sum_{i=1}^N (i + y) = [(1 + y) + (2 + y) + (3 + y) \dots \dots \dots (N + y)]$$

N = The number of Eligible Constituents in the Eligible Universe

i = Represents an arithmetic progression where the first term is 1 and there are N number of terms with a common difference of 1 between the terms (i.e. i = 1, 2, 3, 4, ………, N)

$CCL_{i,t}$ = Constituent Closing Level of Constituent i (as defined in paragraph 3.6 (*Constituent Closing Level*) below)

$Weight_{i,r}$ = Weight of Constituent i as of the immediately preceding Rebalancing Date r (or the Strategic Allocation Start Date, as the case may be), as determined in accordance with paragraph 3.4 (*Weight*) below

On Rebalancing Date r, the Strategic Allocation Level is calculated using the respective Weights (previously established as of Rebalancing Date r-1) of each Constituent (selected as of the Selection Day immediately preceding Rebalancing Date r-1) subject to any subsequent adjustment of any Constituent’s Weight as a result of an Additional Adjustment Event or 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 Strategic Allocation Level is calculated using the Constituents selected as of the Selection Day immediately preceding Rebalancing Date r and their respective Weights (determined as of Rebalancing Date r).

3.3 Percentage Weight

The Percentage Weight of each Eligible Constituent is determined in accordance with the methodology set out in paragraph 4 (*Selection Days, Rebalancing Dates and Index Rebalancing Process*) below. As of each Selection Day, the Index Methodology seeks to identify a specific composition of the Strategic Allocation with a Percentage Weight for each Eligible Constituent based on the principles of Modern Portfolio Theory subject to certain Constraints (as set out below in more detail in paragraph 4 (*Constituent Selection and Index Rebalancing Process*)). For the avoidance of doubt, the Index Methodology will at all times determine a Percentage Weight for each Eligible Constituent, even if such determination results in a Percentage Weight of zero for such Eligible Constituent. Only Eligible Constituents with a Percentage Weight of more than zero as of each Rebalancing Date shall be considered a Constituent of the Strategic Allocation for the purposes of calculating the Index Level on each Index Business Day.

3.4 Weight

The Weight of each Constituent as of any Index Business Day other than a Rebalancing Date shall be the Weight of such Constituent as of the immediately preceding Index Business Day.

The Index Calculation Agent shall determine the Weight to assign to each Constituent as of the Strategic Allocation Start Date and as of each Rebalancing Date. Such Weights take effect as of the Index Business Day immediately following each Rebalancing Date shall remain in effect until the end of the following Rebalancing Date, subject to the occurrence of any Adjustment Event or any adjustments set out in this Part D below. For the avoidance of doubt, the calculation of the Index Level as of an Index Business Day which falls on a Rebalancing Date utilizes the Weights determined on the previous Rebalancing Date; the Weights determined as of the current Rebalancing Date shall only be used in the calculation of the prevailing Index Level as of the following Index Business Day.

The “**Weight**” of each Constituent as of the Strategic Allocation Start Date and each Rebalancing Date shall be an amount determined by the Index Calculation Agent in accordance with the formula below:

$$\text{Weight}_{i,r} = \frac{\text{StrategicAllocationLevel}_r}{\text{Constituent ClosingLevel}_{i,r}} \times \text{PercentageWeight}_{i,r}$$

where:

Weight_{i,r} = Weight of Constituent i as of Rebalancing Date r

Strategic Allocation Level_r = Strategic Allocation Level as of Rebalancing Date r

Constituent Closing Level_{i,r} = Constituent Closing Level (as defined in paragraph 3.6 (*Constituent Closing Level*)) of Constituent i as of Rebalancing Date r

Percentage Weight_{i,r} = Percentage Weight of Constituent i, determined pursuant to paragraph 3.3 (*Percentage Weight*) above, as of Rebalancing Date r

i = Each Constituent i in the Strategic Allocation

For the avoidance of doubt, the calculation formula set out above is also applicable for the purposes of determining the Weight of each Constituent as of the Strategic Allocation Start Date and in that context, all references to “Rebalancing Date r” in the formula shall be read as a reference to the Strategic Allocation Start Date.

3.5 Current Percentage Weight

The Current Percentage Weight of a Constituent as of any Index Business Day is calculated as the Weight which such Constituent had in the Strategic Allocation as of the immediately preceding Rebalancing Date r (or the Strategic Allocation Start Date, as the case may be), multiplied by its Constituent Closing Level on such Index Business Day, divided by the Strategic Allocation Level in respect of such Index Business Day.

As of 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:

$$CPW_{i,t} = \frac{\text{Weight}_{i,r} \times \text{Constituent Closing Level}_{i,t}}{\text{Strategic Allocation Level}_t}$$

where:

$CPW_{i,t}$	=	Current Percentage Weight of Constituent i as of Index Business Day t
$\text{Weight}_{i,r}$	=	Weight of Constituent i as of the Rebalancing Date r immediately preceding Index Business Day t (or as of the Strategic Allocation Start Date, as the case may be)
Constituent Closing Level $_{i,t}$	=	Constituent Closing Level of Constituent i as of Index Business Day t
Strategic Allocation Level $_t$	=	Strategic Allocation Level as of Index Business Day t

Where Index Business Day t is itself a Rebalancing Date, $\text{Weight}_{i,r}$ and $\text{Constituent Closing Level}_{i,t}$ are determined prior to the rebalancing taking effect.

3.6 Constituent Closing Level

Constituents

- (1) Except as specified below, the Constituent Closing Level of each Constituent on any Index Business Day t shall be as determined in accordance with Section B (*Valuations and Adjustments*) of the Index General Conditions and the Constituent Schedule applicable to such Constituent.

Cash Constituent

- (2) In respect of the Cash Constituent, the Constituent Closing Level as of any Index Business Day t shall be determined in accordance with the following formula:

$$CCL_{i,t} = CCL_{i,t-1} \times \left(1 + \text{Rate}_{t-1} \times \frac{\text{Day Count}(t-1, t)}{360} \right)$$

where:

CCL_t	=	Constituent Closing Level of the Cash Constituent as defined in section 1 (<i>Eligible Universe</i>) of Part E (<i>Data</i>) as of Index Business Day t . Where Index Business Day t is the Strategic Allocation Start Date, the Constituent Closing Level has a notional value of USD 1,000
CCL_{t-1}	=	Constituent Closing Level of the Cash Constituent as of the Index Business Day immediately preceding Index Business Day t or as of the Strategic Allocation Start Date, as the case may be

- Rate_{t-1} = The Federal Fund effective rate (representing the overnight rate at which depository institutions lend USD balances at the Federal Reserve) in respect of the Index Business Day immediately preceding Index Business Day t (as displayed on Bloomberg page FEDL01 <Index> or such other Electronic Page as the Index Calculation Agent may determine appropriate), provided that if such reference rate is unavailable for any reason, the applicable rate shall be the rate prevailing as of the preceding Index Business Day for which such reference rate is available
- Day Count(t-1,t) = The number of calendar days from, and including, the Index Business Day immediately preceding Index Business Day t to, but excluding, Index Business Day t

For the avoidance of doubt, the Cash Constituent shall be considered an Eligible Constituent within the Eligible Universe and shall also be considered a Constituent of the Strategic Allocation.

Constituents expressed to be FX Adjusted

- (3) In respect of each Constituent which is expressed in section 3 (*Particulars in respect of each Eligible Constituent*) of Part E (*Data*) to be “FX Adjusted”, references to the Constituent Closing Level of each such Constituent i as of any Index Business Day t shall be deemed (for the purposes of determining the Strategic Allocation Level and related calculations) to be references to its “**FX Adjusted Closing Level**” as determined in accordance with the following formula:

$$FxCL_{i,t} = CCL_{i,t} \times FX_t$$

where:

- FxCL_{i,t} = FX Adjusted Closing Level of Constituent i as of Index Business Day t.
- CCL_{i,t} = Constituent Closing Level of Constituent i as of Index Business Day t as determined in accordance with Section B (*Valuations and Adjustments*) of the Index General Conditions and the Constituent Schedule applicable to such Constituent
- FX_t = The relevant Spot FX Rate as defined in section 5 (*Defined Terms*) of Part E (*Data*) as of Index Business Day t

Constituents expressed to be subject to Synthetic Adjustment

- (4) In respect of each Constituent which is expressed in section 3 (*Particulars in respect of each Eligible Constituent*) of Part E (*Data*) to be subject to “Synthetic Adjustment”, references to the Constituent Closing Level of each such Constituent i as of any Index Business Day t shall be deemed (for the purposes of determining the Strategic Allocation Level and related calculations) to be references to its “**Synthetically Adjusted Closing Level**” as determined in accordance with the following formula:

$$SynCL_{i,t} = SynCL_{i,t-1} \times \left(1 + \left(\frac{CCL_{i,t}}{CCL_{i,t-1}} - 1 \right) + Dividend\ Percentage \times \left(\frac{Dividend\ Amount_t}{CCL_{i,t-1}} \right) \right)$$

where:

- SynCL_{i,t} = Synthetically Adjusted Closing Level of Constituent i as of Index Business Day t. Where Index Business Day t is the Strategic Allocation Start Date, the Synthetically Adjusted Closing Level of Constituent i shall be deemed to be 1,000
- SynCL_{i,t-1} = Synthetically Adjusted Closing Level of Constituent i as of the Index Business Day immediately preceding Index Business Day t.
- CCL_{i,t} = Constituent Closing Level of Constituent i as of Index Business Day t as determined in accordance with Section B (*Valuations and Adjustments*) of the

Index General Conditions and the Constituent Schedule applicable to such Constituent

$CCL_{i,t-1}$ = Constituent Closing Level of Constituent i as of the Index Business Day immediately preceding Index Business Day t as determined in accordance with Section B (*Valuations and Adjustments*) of the Index General Conditions and the Constituent Schedule applicable to such Constituent

Dividend Percentage = Has the meaning given to it in section 5 (*Defined Terms*) in relation to each applicable Constituent i

Dividend Amount $_t$ = The Dividend Amount as of Index Business Day t as defined in section 5 (*Defined Terms*) of Part E (*Data*)

Constituents expressed to both be FX Adjusted and subject to Synthetic Adjustment

- (5) Where any Constituent i is expressed to be **both** subject to “Synthetic Adjustment” and to be “FX Adjusted”, the Constituent Closing Level in relation to such Constituent i shall be subject: i) firstly, to the adjustment set out in paragraph 3.6(4) (*Constituents expressed to be subject to Synthetic Adjustment*) and then ii) secondly, the Synthetically Adjusted Closing Level of Constituent i thereby obtained is subject to the adjustment set out in paragraph 3.6(3) (*Constituents expressed to be FX Adjusted*) above to obtain the FX Adjusted Closing Level for such Constituent i . References to the Constituent Closing Level of each such Constituent i as of any Index Business Day t shall be deemed (for the purposes of determining the Strategic Allocation Level and related calculations) to be references to such FX Adjusted Closing Level obtained after these two adjustments.

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4. SELECTION DAYS, REBALANCING DATES AND INDEX REBALANCING PROCESS

4.1 Selection Days and Rebalancing Dates

Pursuant to the definitions set out in section 5 (*Defined Terms*) of Part E (*Data*) below, a “**Selection Day**” means either a Scheduled Selection Day or Extraordinary Selection Day, as the case may be. Similarly a “**Rebalancing Date**” means either a Scheduled Rebalancing Date or Extraordinary Rebalancing Date, as the case may be.

(1) *Scheduled Selection Days and Scheduled Rebalancing Dates*

Scheduled Selection Days

The first Scheduled Selection Day in respect of the Index is such Index Business Day immediately prior to the Index Launch Date with the second Scheduled Selection Day falling on the second Friday following such Index Launch Date. Each subsequent Scheduled Selection Day will fall on dates separated by intervals of two calendar weeks thereafter, subject to the occurrence or existence of holidays or Disrupted Days. As of each Scheduled Selection Day, the Index Calculation Agent will determine the Percentage Weight of each Eligible Constituent pursuant to the methodology set out in paragraph 4 (*Selection Days, Rebalancing Dates and Index Rebalancing Process*) of Part D (*Calculation of the Index Level*).

Scheduled Rebalancing Dates

The Strategic Allocation is then rebalanced as of each Scheduled Rebalancing Date (as defined in section 5 (*Defined Terms*) of Part E (*Data*)) in accordance with the Percentage Weights so determined, each such Scheduled Rebalancing Date falling on the Index Business Day after each relevant Scheduled Selection Day subject to the occurrence or existence of any holidays or Disrupted Days.

As a result of such rebalancing, the Percentage Weights determined in respect of the Eligible Constituents are used to assign Weights to the Constituents as of such Scheduled Rebalancing Date (subject to the occurrence of holidays or Disrupted Days) such that the Constituents are notionally organized into a Strategic Allocation that is fixed up to, and including, the next Rebalancing Date save for adjustments pursuant to paragraph 5 (*Additional Adjustment Events*). Such Strategic Allocation with new Weights shall form the basis of the calculation of the Index Level as of the Index Business Day immediately following such Scheduled Rebalancing Date.

For the avoidance of doubt, the first Scheduled Rebalancing Date shall fall on the Index Launch Date with: i) the second Scheduled Rebalancing Date falling on the second Monday following such Index Launch Date, and ii) each subsequent Scheduled Rebalancing Dates falling at fixed intervals of two calendar weeks thereafter subject to the occurrence or existence of any holidays or Disrupted Days.

(2) *Extraordinary Selection Days and Extraordinary Rebalancing Dates*

Extraordinary Selection Days

In addition to each Scheduled Selection Day, an Extraordinary Selection Day shall, and an associated Extraordinary Rebalancing Date may, occur if any one of the Extraordinary Rebalancing Triggers (as defined under paragraph 4.6 (*Extraordinary Rebalancing Triggers*) of Part D (*Calculation of the Index Level*)) is activated.

Each Extraordinary Rebalancing Trigger is tested as of the Index Valuation Time on each Index Business Day. If any one of the Extraordinary Rebalancing Triggers is deemed activated, an Extraordinary Selection Day shall be immediately declared as of that same Index Business Day.

As of such Extraordinary Selection Day, there shall be a fresh determination of the Percentage Weights of the Eligible Constituents following the same selection methodology applicable in respect of a Scheduled Rebalancing Date as described in paragraph 4 (*Selection Days, Rebalancing Dates and Index Rebalancing Process*) of Part D (*Calculation of the Index Level*), taking into account all relevant Constituent Closing Levels and other data relevant to the Eligible Constituents as of such day.

Extraordinary Rebalancing and Extraordinary Rebalancing Dates

Provided it is not a Disrupted Day, the Index Business Day immediately following such Extraordinary Selection Day shall be an Extraordinary Rebalancing Date, when an extraordinary rebalancing of the Strategic Allocation (an “**Extraordinary Rebalancing**”) shall be deemed have occurred.

As in the case of Scheduled Rebalancing Dates, the Percentage Weights determined in respect of the Eligible Constituents on an Extraordinary Selection Day are used to assign Weights to the Constituents as of the Extraordinary Rebalancing Date, with such reweighted Constituents taking effect as a new Strategic Allocation tracked by the Index on the immediately following Index Business Day.

For the avoidance of doubt:

- (a) the occurrence of any Extraordinary Rebalancing has no effect on the timing of future Scheduled Selection Days and Scheduled Rebalancing Dates which shall remain fixed in time, subject to any adjustments (as set out in section 4 (*Adjustment Elections*) of Part E (*Data*)) due to the occurrence or existence of any holidays or Disrupted Days;
- (b) an Extraordinary Selection Day could be declared on the same Index Business Day as a Rebalancing Date with the consequence that two Rebalancing Dates occur consecutively;
- (c) two or more Extraordinary Selection Days could be declared consecutively, with the consequence that two or more Extraordinary Rebalancing Dates could occur consecutively;
- (d) if an Extraordinary Selection Day is declared on the same day as a Scheduled Selection Day, the Percentage Weights of the Strategic Allocation shall only be determined once and the Strategic Allocation will immediately form the basis of the calculation of the Index Level as of the following Rebalancing Date; and
- (e) different consequences follow from the occurrence of a Disrupted Day on a Scheduled Rebalancing Date and the occurrence of the same on an Extraordinary Rebalancing Date. The occurrence of a Disrupted Day on a Scheduled Rebalancing Date shall cause such Scheduled Rebalancing Date to be postponed in accordance with Section 4 (*Adjustment Elections*) of Part E (*Data*). The occurrence of a Disrupted Day on an Extraordinary Rebalancing Date shall cause the Extraordinary Rebalancing to be cancelled such that the composition of the Strategic Allocation remains unchanged from the previous Index Business Day.

4.2 Distinction between Constituents and Eligible Constituents

The Index Methodology will at all times determine a Percentage Weight for each Eligible Constituent on each Selection Day, even if such determination results in a Percentage Weight of zero for such Eligible Constituent. Only Eligible Constituents determined to have a Percentage Weight of more than zero as of each Selection Day shall be deemed a Constituent of the Index and assigned a Weight within the Strategic Allocation.

4.3 Index Methodology – Determination of Percentage Weights and Composition of Strategic Allocation

The Index Methodology assigns a notional Weight to each Constituent within the Strategic Allocation on each Rebalancing Date in accordance with the Percentage Weight determined as of the relevant Selection Day in relation to each Eligible Constituent. The Percentage Weight in relation to each Eligible Constituent is determined in accordance with the Index Methodology, a proprietary asset allocation methodology developed by the Index Sponsor based on modern portfolio theory (“**Modern Portfolio Theory**”). The performance of the Strategic Allocation as a whole can be conceived of as the aggregate weighted performance of each Constituent.

The Index Methodology is comprised of two main elements as follows:

- (i) a modified version of Modern Portfolio Theory, which includes the application of certain Constraints (as defined in paragraph 4.4 (*Index Methodology – Constraints on the Composition of*

the Strategic Allocation) of Part D (*Calculation of the Index Level*)), for the purposes of identifying the Percentage Weights to be assigned to the Eligible Constituents.

Modern Portfolio Theory, discussed in more detail below, suggests that a useful starting point for determining the composition of a portfolio of assets can be derived from the balance struck by an investor between: i) the potential return of the portfolio, using the realized (and therefore historic) return of the portfolio as a proxy for such potential return and ii) the statistical probability of achieving such potential return, using the realized volatility of the portfolio as a proxy for such statistical probability.

This element of the Index Methodology seeks to identify the Percentage Weight for each Eligible Constituent which results in an Eligible Strategic Allocation that maximises Eligible Strategic Allocation Realized Return (as defined in paragraph 4.3(2) (*Graphical Illustration*) below) within the restrictions represented by the Constraints; and

- (ii) application of a Hurdle Test (as defined in paragraph 4.5 (*Hurdle Test*) of Part D (*Calculation of the Index Level*)) to ensure that the Eligible Strategic Allocation notionally comprised of Eligible Constituents in the Percentage Weights thus identified is capable of generating potential returns which could, in theory, outperform a stipulated Risk Free Rate (as defined in paragraph 4.5 (*Hurdle Test*) of Part D (*Calculation of the Index Level*)).

If no Eligible Strategic Allocation identified in paragraph (i) above can satisfy the Hurdle Test as of a Selection Day, the Strategic Allocation shall be **fully** rebalanced into the Cash Constituent as of the immediately following Rebalancing Date.

- (1) *Modern Portfolio Theory*

Modern Portfolio Theory is founded upon two central concepts:

- a) firstly, the performance of an investment portfolio should not be merely conceived as the aggregate performance of individual assets within such a portfolio. As such, the composition of an investment portfolio should not result from the selection of *individual* assets on a case-by-case basis. Instead, the theory considers the performance of the investment portfolio *as a whole*; and
- b) secondly, the prices of assets in an investment portfolio move together and their performance is correlated (i.e. related to each other). Assets could be positively correlated if they react to market events in a similar way and tend to move in the same direction. Conversely, assets could be negatively correlated if their performance tends to move in opposite directions and if they react to market events differently. By ascertaining such correlation between individual assets, it is possible to assign weights to each asset to determine the potential return of the investment portfolio *as a whole* for a given level of realized volatility determined in relation to the investment portfolio.

Modern Portfolio Theory critically assumes that a rational investor should always prefer a portfolio with lower realized volatility for a given realized return in preference to a portfolio with a higher realized volatility for the same realized return. This is because while it is possible that a portfolio with a high historical volatility (or variability of return) surpasses expectations, an investor will want to avoid the risk that such a portfolio significantly underperforms in the future. Therefore, where more than one possible combination of assets in a portfolio has the same realized return, an investor will rationally prefer the portfolio composition which has historically displayed the lowest realized volatility.

It follows from the series of propositions above that an investor will only accept a higher risk of portfolio underperformance if compensated by higher potential returns. Conversely, it also follows that an investor who demands higher potential returns must accept that there is a higher risk that the actual performance of the portfolio might *significantly* underperform. This is commonly known as the risk-return trade off that is typically considered when determining the composition of investment portfolios.

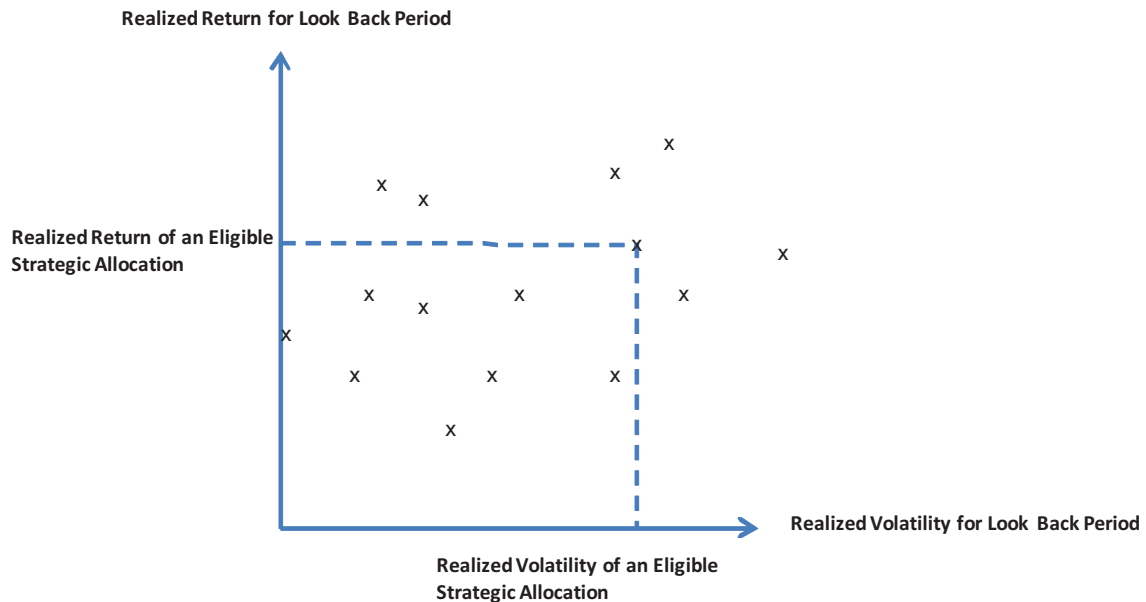
Working within the framework of this risk-return trade off, Modern Portfolio Theory suggests a process which identifies a specific portfolio composition that maximises the realized return achieved at a certain level of realized volatility for that portfolio. This process is iterative. An investor may either seek to minimize the realized volatility of a portfolio for a specified realized return or, alternatively, seek to maximize the realized return of a portfolio for a specified level of realized volatility.

The Index applies a modified version of Modern Portfolio Theory by using it to determine the Percentage Weights of an Eligible Strategic Allocation. The Index Methodology makes such a determination within a mathematical framework by seeking to identify the specific combination of Percentage Weights for Eligible Constituents which results in an Eligible Strategic Allocation which has the highest Eligible Strategic Allocation Realized Return while satisfying all of the Constraints.

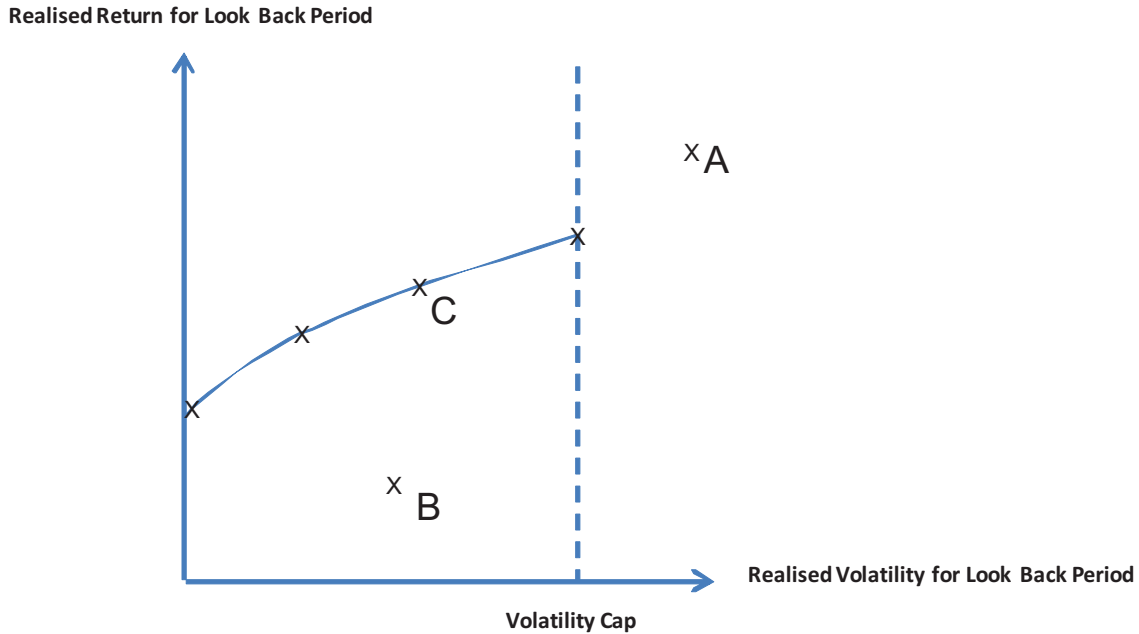
(2) *Graphical Illustration*

The manner in which the Index Methodology adapts Modern Portfolio Theory can be best understood by visualising a graph which plots the realized return for the Look Back Period (the “**Eligible Strategic Allocation Realized Return**”) on the y-axis and the realized volatility for the same Look Back Period (the “**Eligible Strategic Allocation Realized Volatility**”) on the x-axis for each possible, hypothetical combination of the Eligible Constituents (each, an “**Eligible Strategic Allocation**”).

Graph 1 is an illustrative example of such a graph. Each point plotted on the graph illustrates an Eligible Strategic Allocation which implies certain Percentage Weights for each Eligible Constituents which makes up such Eligible Strategic Allocation. As indicated by the graph, each such Eligible Strategic Allocation will have an Eligible Strategic Allocation Realized Return which in turn, is associated with a specified level of Eligible Strategic Allocation Realized Volatility.



Graph 1



Graph 2

a) *The Efficient Frontier*

As of each Selection Day, the Index Methodology will determine the Percentage Weights of the Strategic Allocation by first: i) designating a series of points on the graph which identify the **maximum** Eligible Strategic Allocation Realized Return at different levels of Eligible Strategic Allocation Realized Volatility for a series of Eligible Strategic Allocations which satisfy all of the Constraints, and then ii) identifying the exact point on the graph within such series with the greatest Eligible Strategic Allocation Realized Return. Subject to the satisfaction of the Hurdle Test, this point represents the composition of the Strategic Allocation that the Index will rebalance to on the relevant Rebalancing Date.

This series of points is referred to as the “**Efficient Frontier**” and will, in many (but not all) cases, take the shape of the curve illustrated in Graph 2 above for purely explanatory reasons. Because one such Eligible Strategic Allocation of the series of all the possible, hypothetical Eligible Strategic Allocations could be fully allocated to a notional risk-free asset, the Efficient Frontier will always start from a point which sits on the y-axis of the graph where the Eligible Strategic Allocation Realized Volatility is assumed to be zero. This point represents an Eligible Strategic Allocation which consists only of the Cash Constituent and no other Constituent.

- (i) The mathematical function which describes the Efficient Frontier can be expressed in the following formula:

$$f(\alpha) = (\text{RealizedReturn}_{ESA,t} - \lambda \cdot QTC_{ESA,t})$$

where:

$f(\alpha)$ = The function, with Eligible Strategic Allocation Realized Volatility (α), as defined in paragraph 4.4(2)(a) below) as its sole mathematical argument, representing the series of points in the graph which identifies an Eligible Strategic Allocation Realized Return for each specified level of Eligible Strategic Allocation Realized Volatility

$\text{RealizedReturn}_{ESA,t}$ = The Eligible Strategic Allocation Realized Return (as defined in paragraph 4.3(2)(a)(ii) below) as of Index Business Day t, calculating the historical return (on an annualized basis) achieved by such Eligible Strategic Allocation over the duration of a Look Back Period which ends on, and including, such Index Business Day t and is graphically

represented by a specific point on the graph

$QTC_{ESA,t}$ = The Quadratic Transaction Cost (as defined in paragraph (iii) below) in respect of Index Business Day t (determined on an annualized basis) of an Eligible Strategic Allocation represented by a specific point on the graph

λ = A factor as specified in section 2 (*Calculation Parameters*) of Part E (*Data*) that scales down the Total Notional Transaction Cost by a pre-determined value.

(ii) The Eligible Strategic Allocation Realized Return as of Index Business Day t calculates, on an annualized basis, the historical return achieved by an Eligible Strategic Allocation over the duration of a Look Back Period which ends on, and including, such Index Business Day t. In addition to being graphically represented by a specific point on the graph discussed above, this point can also be mathematically expressed as:

$$R_{ESA,t} = \sum_{i=1}^N PW_{i,ESA} \times \bar{r}_{i,t} \times 252$$

where:

$R_{ESA,t}$ = Eligible Strategic Allocation Realized Return as of Index Business Day t on an annualized basis achieved by an Eligible Strategic Allocation over the duration of a Look Back Period which ends on, and including, such Index Business Day t

$\sum_{i=1}^N$ = Means the sum of the series of values achieved by calculating the formula following such symbol for each i from 1 through to, and including, N, such that, for example:
 $\sum_{i=1}^N (i + y) = [(1 + y) + (2 + y) + (3 + y) + \dots + (N + y)]$

N = The number of Eligible Constituents in the Eligible Universe

i = Represents an arithmetic progression where the first term is 1 and there are N number of terms with a common difference of 1 between the terms (i.e. i = 1, 2, 3, 4,, N)

$PW_{i,ESA}$ = The Percentage Weight of Constituent i as of Index Business Day t

$\bar{r}_{i,t}$ = The Average Daily Realized Return of an Eligible Constituent i as of Index Business Day t as defined in paragraph 4.4(2)(d) below

(iii) The “**Quadratic Transaction Cost**” in respect of any Index Business Day shall be determined on an annualized basis according to the following formula:

if such Index Business Day t is a Rebalancing Date, then:

$$QTC_{ESA,t} = \sum_{i=1}^N NTC_i \times (PW_{i,t} - PW_{i,t-1})^2 \times 252$$

otherwise, as of any other Index Business Day t:

$$QTC_{ESA,t} = \sum_{i=1}^N NTC_i \times (PW_{i,t} - CPW_{i,t})^2 \times 252$$

where:

$QTC_{ESA,t}$	=	The Quadratic Transaction Cost in respect of Index Business Day t
$\sum_{i=1}^N$	=	Means the sum of the series of values achieved by calculating the formula following such symbol for each i from 1 through to, and including, N, such that, for example: $\sum_{i=1}^N (i + y) = [(1 + y) + (2 + y) + (3 + y) + \dots + (N + y)]$
N	=	The number of Eligible Constituents in the Eligible Universe
i	=	Represents an arithmetic progression where the first term is 1 and there are N number of terms with a common difference of 1 between the terms (i.e. i = 1, 2, 3, 4,, N)
NTC_i	=	Notional Transaction Cost specified for Constituent i in section 3 (<i>Particulars in respect of each Eligible Constituent</i>) of Part E (<i>Data</i>)
$PW_{i,t-1}$	=	The Percentage Weight of Constituent i as of the Index Business Day immediately preceding Index Business Day t
$PW_{i,t}$	=	The Percentage Weight of Constituent i as of Index Business Day t
$(PW_{i,t} - PW_{i,t-1})$	=	The difference between the Percentage Weight of Constituent i as of Index Business Day t and the Percentage Weight of Constituent i as of the Index Business Day immediately preceding Index Business Day t
$CPW_{i,t}$	=	Current Percentage Weight of Constituent i as of Index Business Day t
$(PW_{i,t} - CPW_{i,t})$	=	The difference between the Percentage Weight of Constituent i as of Index Business Day t and the Current Percentage Weight of Constituent i as of Index Business Day t

- (b) The Efficient Frontier is drawn by joining up points which represent the maximum value attained by the function above for each specified level of Eligible Strategic Allocation Realized Volatility which satisfies all of the Constraints. Such points represent multiple possible Eligible Strategic Allocations, each with its own unique set of Percentage Weights which also satisfies all the Constraints. The determination of these points can be mathematically expressed as:

$$PW_{opt} = \arg \max f(\alpha)$$

where:

PW_{opt}	=	A set of Percentage Weights for a particular Eligible Strategic Allocation
$f(\alpha)$	=	The mathematical function as set out in paragraph (i) above
$\arg \max$	=	A mathematical expression which means the "argument of the maximum", describing the value of the mathematical argument (which is, in this case, the Eligible Strategic Allocation Realized Volatility) for which

the given function (which, in this case, identifies the Eligible Strategic Allocation Realized Return) attains its maximum value

b) *Determination of the Strategic Allocation*

The Strategic Allocation that is tracked by the Index must lie on the Efficient Frontier because:

- (i) the Efficient Frontier represents the **maximum** Eligible Strategic Allocation Realized Return for a specified level of Eligible Strategic Allocation Realized Volatility which, by definition, **also** satisfies all of the Constraints. Any points above the Efficient Frontier (for instance, Point A in Graph 2 above) represent an Eligible Strategic Allocation with a Eligible Strategic Allocation Realized Return which does not satisfy the necessary Constraints. Applying the Index Methodology, it is impossible to achieve the Eligible Strategic Allocation Realized Return implied at higher levels of Eligible Strategic Allocation Realized Volatility; Point C thus represents the maximum Eligible Strategic Allocation Realized Return at a level of Eligible Strategic Allocation Realized Volatility which is equal to the Volatility Cap.
- (ii) any points below the Efficient Frontier (for instance, Point B in Graph 2) above) represents an Eligible Strategic Allocation with an Eligible Strategic Allocation Realized Return which can be increased still further for no theoretical increase in the level of Eligible Strategic Allocation Realized Volatility at Point C in Graph 2. The Index Methodology rejects any points below the Efficient Frontier because other points which sit on the Efficient Frontier itself represent more effective assignments of Percentage Weights that maximise the Eligible Strategic Allocation Realized Return at the same level of Eligible Strategic Allocation Realized Volatility.

The Index Methodology will then determine an exact point on the Efficient Frontier which represents the Strategic Allocation that the Index will track, provided that the Percentage Weights implied by that point also satisfies the Hurdle Test. This may be any point on the Efficient Frontier up to and including the point on the curve intersected by the line represented by the Volatility Cap.

4.4 Index Methodology – Constraints on the Composition of the Strategic Allocation

The following constraints (each, a “**Constraint**”) set out below are combined together with the basic principles of Modern Portfolio Theory in order to determine the shape of the Efficient Frontier, whereby points of the graph which lie outside the path of the Efficient Frontier represents Eligible Strategic Allocations which either do not satisfy all of the Constraints or do not maximise the Eligible Strategic Allocation Realized Return for a given level of Eligible Strategic Allocation Realized Volatility.

Having determined a point on the Efficient Frontier which represents the Strategic Allocation that the Index will track following the process in paragraph 4.3 (*Index Methodology –Determination of Percentage Weights and Composition of Strategic Allocation*), that point implies a set of Percentage Weights for an Eligible Strategic Allocation which maximises the Eligible Strategic Allocation Realized Return for a given level of Eligible Strategic Allocation Realized Volatility and which satisfies all the Constraints. Subject to the Hurdle Test, the Percentage Weights implied by such an Eligible Strategic Allocation will be used by the Index Calculation Agent on each Rebalancing Date to assign the Weights of the Constituents within the Strategic Allocation in accordance with the formula set out in paragraph 3.4 (*Weight*) above.

(1) *Long-only Constraint*

The “**Long-only Constraint**” is satisfied where the sum of the Percentage Weight of all Eligible Constituents within an Eligible Strategic Allocation is an amount equal to 100% and the Percentage Weight of each Eligible Constituent *i* is greater than or equal to zero as expressed according to the following formula:

$$\sum_{i=1}^N PW_{i,ESA} = 100\% \quad \text{and} \quad PW_{i,ESA} \geq 0$$

where:

$\sum_{i=1}^N$ = Means the sum of the series of values achieved by calculating the formula following such symbol for each i from 1 through to, and including, N, such that, for example:

$$\sum_{i=1}^N (i + y) = [(1 + y) + (2 + y) + (3 + y) \dots \dots \dots (N + y)]$$

N = The number of Eligible Constituents in the Eligible Universe

$PW_{i,ESA}$ = Percentage Weight of Eligible Constituent i within the relevant Eligible Strategic Allocation

i = Represents an arithmetic progression where the first term is 1 and there are N number of terms with a common difference of 1 between the terms (i.e. i = 1, 2, 3, 4,, N)

(2) *Volatility Constraint*

The “**Volatility Constraint**” is satisfied where the Eligible Strategic Allocation Realized Volatility (as defined in paragraph 4.4(2)(a) below) of an Eligible Strategic Allocation is less than or equal to the Volatility Cap as defined in section 2 (*Calculation Parameters*) of Part E (*Data*). This can be mathematically expressed as:

$$Vol_{ESA,t} \leq VolatilityCap$$

where:

$Vol_{ESA,t}$ = The Eligible Strategic Allocation Realized Volatility (as defined in paragraph 4.4(2)(a) below) of the Strategic Allocation as of Index Business Day t

Volatility Cap = The Volatility Cap as defined in section 2 (*Calculation Parameters*) of Part E (*Data*)

(a) The “**Eligible Strategic Allocation Realized Volatility**” of an Eligible Strategic Allocation is determined as of any Index Business Day t on an annualised basis according to the following formula:

$$Vol_{ESA,t} = \sqrt{\left(\sum_{j=1}^N PW_{j,ESA} \times \sum_{i=1}^N Cov_{ij,t} \times PW_{i,ESA} \right)}$$

where:

N = The number of Eligible Constituents in the Eligible Universe

$\sum_{i=1}^N$ = Means the sum of the series of values achieved by calculating the formula following such symbol for each i from 1 through to, and including, N, such that, for example:

$$\sum_{i=1}^N (i + y) = [(1 + y) + (2 + y) + (3 + y) \dots \dots \dots (N + y)]$$

i = Represents an arithmetic progression where the first term is 1 and there are N number of terms with a common difference of 1 between the terms (i.e. i = 1, 2, 3, 4,, N)

j = Represents an arithmetic progression where the first term is 1 and there are N number of terms with a common difference of 1 between the terms (i.e. j = 1, 2, 3, 4,, N)

- $Vol_{ESA,t}$ = The Eligible Strategic Allocation Realized Volatility as of any Index Business Day t
- $Cov_{ij,t}$ = The Realized Covariance between Eligible Constituent i and Eligible Constituent j within the relevant Eligible Strategic Allocation as of any Index Business Day t as defined in paragraph 4.4(2)(b) below
- $PW_{i,ESA}$ = Percentage Weight of Eligible Constituent i within the relevant Eligible Strategic Allocation
- $PW_{j,ESA}$ = Percentage Weight of Eligible Constituent j within the relevant Eligible Strategic Allocation

(b) The “**Realized Covariance**” between any Eligible Constituent i and Eligible Constituent j within an Eligible Strategic Allocation is an annualised measure of the extent to which the direction and magnitude of performance of such Eligible Constituent i and Eligible Constituent j have historically correlated (i.e. related to each other) over the duration of the Look Back Period which ends on, and including, such Index Business Day t.

By way of illustration, a pair of Eligible Constituents that show a strong historical correlation will have a Realized Covariance that will be close to 1 and any Eligible Constituents which are perfect correlated will have a Realized Covariance of 1. Conversely, a pair of Eligible Constituents that show a weak historical correlation will have a Realized Covariance that will be close to 0 and any Eligible Constituents which are completely uncorrelated would have a Realized Covariance of 0.

The Realized Covariance between any Eligible Constituent i (excluding the Cash Constituent) and Eligible Constituent j (excluding the Cash Constituent) within an Eligible Strategic Allocation is determined in accordance with the following formula:

$$Cov_{ij,t} = \frac{252}{n-1} \times \sum_{k=0}^{n-1} (r_{i,t-k} - \bar{r}_{i,t}) \times (r_{j,t-k} - \bar{r}_{j,t})$$

where:

$Cov_{ij,t}$ = The Realized Covariance between Eligible Constituent i and Eligible Constituent j within the relevant Eligible Strategic Allocation as of Index Business Day t

$\sum_{k=0}^{n-1}$ = Means the sum of the series of values achieved by calculating the formula following such symbol for each k from 0 through to, and including, n-1, such that, for example:

$$\sum_{k=0}^{n-1} (k + y) = [y + (1 + y) + (2 + y) + (3 + y) \dots \dots \dots ((n-1) + y)]$$

n = The number equal to the number of Index Business Days specified in relation to the Look Back Period, as defined in section 2 (*Calculation Parameters*) of Part E (*Data*)

k = Represents an arithmetic progression where the first term is 0 and there are n -1 number of terms with a common difference of 1 between the terms (i.e. k = 0, 1, 2, 3,, n - 1)

N = The number of Eligible Constituents in the Eligible Universe

i = Represents an arithmetic progression where the first term is 1 and there are N number of terms with a common difference of 1 between the terms (i.e. i = 1, 2, 3, 4,, N)

j = Represents an arithmetic progression where the first term is 1 and there are N number of terms with a common difference of 1 between the terms (i.e. j = 1, 2, 3, 4,, N)

- $r_{i,t-k}$ = The Daily Realized Return (as defined in paragraph 4.4(2)(c) below) of Eligible Constituent i for each Index Business Day over the duration of the Look Back Period which ends on, and including, such Index Business Day t
- $\bar{r}_{i,t}$ = The Average Daily Realized Return of Eligible Constituent i as of Index Business Day t as defined in paragraph 4.4(2)(d) below
- $r_{j,t-k}$ = The Daily Realized Return (as defined in paragraph 4.4(2)(c) below) of Eligible Constituent j for each Index Business Day over the duration of the Look Back Period which ends on, and including, such Index Business Day t
- $\bar{r}_{j,t}$ = The Average Daily Realized Return of Eligible Constituent j as of Index Business Day t as defined in paragraph 4.4(2)(d) below

- (c) The “**Daily Realized Return**” of an Eligible Constituent i as of any Index Business Day t is determined according to the following formula:

$$r_{i,t} = \ln\left(\frac{CCL_{i,t}}{CCL_{i,t-1}}\right)$$

where:

- $r_{i,t}$ = The Daily Realized Return of Eligible Constituent i as of Index Business Day t
- $CCL_{i,t}$ = Constituent Closing Level of Eligible Constituent i as of Index Business Day t
- $CCL_{i,t-1}$ = Constituent Closing Level of Eligible Constituent i as of the Index Business Day immediately preceding Index Business Day t (or as of the Strategic Allocation Start Date, as the case may be).
- \ln = The natural logarithmic function

- (d) The “**Average Daily Realized Return**” of an Eligible Constituent i as of Index Business Day t averages the Daily Realized Return of Eligible Constituent i for each Index Business Day over the duration of the Look Back Period which ends on, and including, such Index Business Day t. Such Average Daily Realized Return is determined according to the following formula:

$$\bar{r}_{i,t} = \frac{1}{n} \sum_{k=0}^{n-1} r_{i,t-k}$$

where:

- $\bar{r}_{i,t}$ = The Average Daily Realized Return of an Eligible Constituent i as of Index Business Day t, taking into account the Daily Realized Return of Eligible Constituent i for each Index Business Day in the Look Back Period ending on, and including Index Business Day t.
- $r_{i,t-k}$ = The Daily Realized Return of Eligible Constituent i for each Index Business Day over the duration of the Look Back Period which ends on, and including, such Index Business Day t.
- $\sum_{k=0}^{n-1}$ = Means the sum of the series of values achieved by calculating the formula following such symbol for each k from 0 through to, and including, n -1, such that, for example:
 $\sum_{k=0}^{n-1} (k + y) = [y + (1 + y) + (2 + y) + (3 + y) \dots \dots \dots ((n - 1) + y)]$

- n = The number equal to the number of Index Business Days specified in relation to the Look Back Period, as defined in section 2 (*Calculation Parameters*) of Part E (*Data*)
- k = Represents an arithmetic progression where the first term is 0 and there are n – 1 number of terms with a common difference of 1 between the terms (i.e. k = 0, 1, 2, 3, …, n)

(3) *Gap Constraint*

The “**Gap Constraint**” describes the relationship between the Gap (as defined below) and the Underlying Index Cushion (as defined in paragraph 4.4(3)(e) below) of an Eligible Strategic Allocation (each as defined below). An Eligible Strategic Allocation satisfies the Gap Constraint when the Gap is smaller than the Cushion, as expressed by the following formula:

$$\text{Gap}_{\text{ESA},t} < \text{Underlying Index Cushion}_t$$

- (a) The Gap of an Eligible Strategic Allocation represents an assumption of the loss in notional value such Eligible Strategic Allocation would suffer in a hypothetical market downturn as of Index Business Day t. The “**Gap**” is determined according to the following formula which aggregates the percentage loss assumed in relation to each Eligible Constituent (except the Cash Constituent) within the Eligible Strategic Allocation during a hypothetical market downturn, weighted according to the Percentage Weight of each such Eligible Constituent:

$$\text{Gap}_{\text{ESA},t} = \sum_{i=1}^{N-1} PW_{i,\text{ESA}} \times \text{Shock}_{i,t}$$

where:

- $\text{Gap}_{\text{ESA},t}$ = The Gap of an Eligible Strategic Allocation as of Index Business Day t
- $\sum_{i=1}^{N-1}$ = Means the sum of the series of values achieved by calculating the formula following such symbol for each i from 1 through to, and including, N-1, such that, for example:
 $\sum_{i=1}^{N-1} (i + y) = [(1 + y) + (2 + y) + (3 + y) \dots \dots \dots ((N-1) + y)]$
- N = The number of Eligible Constituents in the Eligible Universe
- i = Represents an arithmetic progression where the first term is 1 and there are N-1 number of terms with a common difference of 1 between the terms (i.e. i = 1, 2, 3, 4, …, N-1)
- $PW_{i,\text{ESA}}$ = Percentage Weight of each Eligible Constituent i (except the Cash Constituent) within such Eligible Strategic Allocation
- $\text{Shock}_{i,t}$ = An assumption of the percentage loss in value that each Eligible Constituent i (except the Cash Constituent) would suffer during a hypothetical market downturn over the course of an Index Business Day as determined according to the formula set out below in paragraph 4.4(3)(b).

- (b) The assumption of the percentage loss in value that each Eligible Constituent i (except the Cash Constituent) would suffer during a hypothetical market downturn over the course of an Index Business Day t (the “**Shock_{i,t}**”) is determined according to the following formula:

$$\text{Shock}_{i,t} = \text{PShock} \times \min \left(\max \left(\frac{\sigma_{i,t}}{\bar{\sigma}_t}, 1.0 \right), 1.1 \right)$$

where:

$\text{Shock}_{i,t}$ = The assumption of the percentage loss in value that an Eligible Constituent i (except the Cash Constituent) would suffer during a hypothetical market downturn over the course of an Index Business Day t.

Pshock = Portfolio Shock as defined in section 2 (*Calculation Parameters*) of Part E (*Data*).

$\sigma_{i,t}$ = The Realized Volatility of Eligible Constituent i as of Index Business Day t, as defined in paragraph 4.4(3)(c) below.

$\bar{\sigma}_t$ = The arithmetic average of the Realized Volatility of all Eligible Constituents (except the Cash Constituent) as of Index Business Day t, as defined in paragraph 4.4(3)(d) below.

Min = The lower of the values separated by a comma within the set of brackets immediately following the “min” symbol

max = The higher of the values separated by a comma within the set of brackets immediately following the “max” symbol

(c) The “**Realized Volatility**” of any Eligible Constituent i represents the historical volatility of such Eligible Constituent i as of Index Business t measured over the duration of the Look Back Period which ends on, and includes, such Index Business Day t:

$$\sigma_{i,t} = \sqrt{\left(\frac{1}{n} \sum_{k=0}^{n-1} r_{i,t-k}^2 \right)}$$

where:

$\sigma_{i,t}$ = The Realized Volatility of Eligible Constituent i.

$\sum_{k=0}^{n-1}$ = Means the sum of the series of values achieved by calculating the formula following such symbol for each k from 0 through to, and including, n -1, such that, for example:

$$\sum_{k=0}^{n-1} (k + y) = [y + (1 + y) + (2 + y) + (3 + y) \dots \dots \dots ((n - 1) + y)]$$

n = The number equal to the number of Index Business Days specified in relation to the Look Back Period, as defined in section 2 (*Calculation Parameters*) of Part E (*Data*)

k = Represents an arithmetic progression where the first term is 0 and there are n – 1 number of terms with a common difference of 1 between the terms (i.e. k = 0, 1, 2, 3, ………, n – 1)

$r_{i,t-k}$ = The Daily Realized Return of any Eligible Constituent i as of each Index Business Day in the Look Back Period which ends on, and including, Index Business Day t.

(d) The arithmetic average of the Realized Volatility of all Eligible Constituents (except the Cash Constituent) as of Index Business Day t shall be determined according to the following formula:

$$\bar{\sigma}_t = \frac{1}{N-1} \sum_{i=1}^{N-1} \sigma_{i,t}$$

where:

$\sum_{i=1}^{N-1}$ = Means the sum of the series of values achieved by calculating the formula following such symbol for each i from 1 through to, and including, N-1, such that, for example:
 $\sum_{i=1}^{N-1} (i + y) = [(1 + y) + (2 + y) + (3 + y) \dots \dots \dots ((N-1) + y)]$

N = The number of Eligible Constituents in the Eligible Universe

i = Represents an arithmetic progression where the first term is 1 and there are N-1 number of terms with a common difference of 1 between the terms (i.e. i = 1, 2, 3, 4, \dots \dots, N-1)

(e) The “**Underlying Index Cushion**” in respect of an Index Business Day t is a measure of the ratio between the Underlying Index Level and the Underlying Index Floor as of such Index Business Day t as determined in accordance with the following formula:

$$\text{Underlying Index Cushion}_t = 1 - \frac{\text{Underlying Index Floor}_t}{\text{UIL}_t}$$

where:

Underlying Index Cushion_t = The Underlying Index Cushion as of Index Business Day t

Underlying Index Floor_t = The Underlying Index Floor as of Index Business Day t

UIL_t = Underlying Index Level as of Index Business Day t

(4) *Diversification Constraint and Exposure Constraint*

There are two separate constraints on the Percentage Weight of each Eligible Constituent i as follows:

(a) In relation to each Eligible Constituent i (except the Cash Constituent), the “**Diversification Constraint**” is satisfied when the Percentage Weight of such Eligible Constituent i, expressed as a decimal, is less than or equal to the Diversification Limit (as defined below).

$$PW_{i,t} \leq DL_{i,t}$$

where:

DL_{i,t} = The Diversification Limit of each Eligible Constituent i as of Index Business Day t

(i) The “**Diversification Limit**” relevant to each Eligible Constituent i as of Index Business Day t shall be determined according to the following formula:

$$DL_{i,t} = \text{MaxEEExp}_{\text{ESA},t} \times \text{DF}$$

where:

- $DL_{i,t}$ = The Diversification Limit for Eligible Constituent i as of Index Business Day t
- $MaxEEExp_{ESA,t}$ = The Maximum Equity Exposure of an Eligible Strategic Allocation as of Index Business Day t as defined in paragraph 4.4(4)(ii) below.
- DF = The Diversification Factor as defined in section 2 (*Calculation Parameters*) of Part E (*Data*).

- (ii) The “**Maximum Equity Exposure**” of an Eligible Strategic Allocation as of Index Business Day t shall be determined according to the following formula:

$$MaxEEExp_{ESA,t} = \frac{Cushion_t}{PShock}$$

where:

- $MaxEEExp_t$ = The Maximum Equity Exposure of an Eligible Strategic Allocation as of Index Business Day t .
- Underlying Index Cushion $_t$ = The Underlying Index Cushion as of Index Business Day t as defined in paragraph 4.4(3)(e) above
- $Pshock$ = The Portfolio Shock as defined in section 2 (*Calculation Parameters*) of Part E (*Data*)

- (b) The “**Exposure Constraint**” is satisfied when the Percentage Weight of each Eligible Constituent i within an Eligible Strategic Allocation (except the Cash Constituent) is less than or equal to ratio of the Underlying Index Cushion as of Index Business Day t to the “Reference Shock” specified in relation to such Eligible Constituent in section 3 (*Particulars in respect of each Eligible Constituent*) of Part E (*Data*). The Exposure Constraint is expressed as the following formula:

$$PW_{i,ESA} \leq \frac{Cushion_t}{RShock_i}$$

where:

- $PW_{i,ESA}$ = Percentage Weight of each Eligible Constituent i within an Eligible Strategic Allocation
- Underlying Index Cushion $_t$ = The Underlying Index Cushion as of Index Business Day t as defined in paragraph 4.4(3)(e) above
- $RShock_i$ = Means the Reference Shock as specified in section 3 (*Particulars in respect of each Eligible Constituent*) of Part E (*Data*) in relation to each Eligible Constituent i (except the Cash Constituent)

4.5 Index Methodology – Hurdle Test

The “**Hurdle Test**” is satisfied by any Eligible Strategic Allocation which has an Eligible Strategic Allocation Realized Log-Return higher than or equal to the Risk Free Return (each as defined below). Because the Risk Free Return has, in theory, zero volatility, the Eligible Strategic Allocation Realized Log-Return must be adjusted to exclude the effect of any realized volatility so that the comparison is not biased. Such an adjustment is achieved by the part of the formula captured within the parenthesis.

The Hurdle Test is determined in accordance with the following formula:

$$R_{ESA,t} - \left(\frac{1}{2} \times (\text{Vol}_{ESA,t})^2 \right) \geq \bar{R}f_t$$

where:

$R_{ESA,t}$ = The Eligible Strategic Allocation Realized Log-Return as of Index Business Day t as defined in paragraph 4.5(a) below.

$\bar{R}f_t$ = The Risk Free Return as of Index Business Day t as defined in paragraph 4.5(b) below.

$\text{Vol}_{ESA,t}$ = The Eligible Strategic Allocation Realized Volatility as of Index Business Day t as defined in paragraph 4.4(2)(a) above.

- (a) The “**Eligible Strategic Allocation Realized Log-Return**” in respect of an Eligible Strategic Allocation as of Index Business Day t is the aggregate of the Average Daily Realized Return of each Eligible Constituent i weighted according to its Percentage Weight on such Index Business Day determined on an annualised basis in accordance with the following formula:

$$R_{ESA,t} = \sum_{i=1}^N PW_{i,t} \times \bar{r}_{i,t} \times 252$$

where:

$R_{ESA,t}$ = The Eligible Strategic Allocation Realized Log-Return as of Index Business Day t

$PW_{i,t}$ = The Percentage Weight of Eligible Constituent i within an Eligible Strategic Allocation as of Index Business Day t identified in accordance with the methodology set out in paragraph 4.3 (*Index Methodology –Determination of Percentage Weights and Composition of Strategic Allocation*) of Part D (*Calculation of the Index Level*).

$\bar{r}_{i,t}$ = The Average Daily Realized Return of Eligible Constituent i within an Eligible Strategic Allocation as of Index Business Day t as defined in paragraph 4.4(2)(d) above.

$\sum_{i=1}^N$ = Means the sum of the series of values achieved by calculating the formula following such symbol for each i from 1 through to, and including, N, such that, for example:
 $\sum_{i=1}^N (i + y) = [(1 + y) + (2 + y) + (3 + y)..... (N + y)]$

N = The number of Eligible Constituents in the Eligible Universe

i = Represents an arithmetic progression where the first term is 1 and there are N number of terms with a common difference of 1 between the terms (i.e. i = 1, 2, 3, 4,, N)

- (b) The “**Risk Free Return**” is the average notional return of the Cash Constituent as of Index Business Day t over the duration of the Look Back Period which ends on, and includes, such Index Business Day t, as determined on an annualised basis according to the formula set out below:

$$\bar{R}f = \frac{1}{n} \sum_{k=0}^{n-1} \ln \left(\frac{CCL_{10,t-k}}{CCL_{10,t-k-1}} \right) \times 252$$

where:

$\bar{R}f$	=	The Risk Free Return as of Index Business Day t.
$\sum_{k=0}^{n-1}$	=	Means the sum of the series of values achieved by calculating the formula following such symbol for each k from 0 through to, and including, n -1, such that, for example: $\sum_{k=0}^{n-1} (k + y) = [y + (1 + y) + (2 + y) + (3 + y) \dots \dots \dots ((n - 1) + y)]$
n	=	The number equal to the number of Index Business Days specified in relation to the Look Back Period, as defined in section 2 (<i>Calculation Parameters</i>) of Part E (<i>Data</i>).
K	=	Represents an arithmetic progression where the first term is 0 and there are n-1 number of terms with a common difference of 1 between the terms (i.e. k = 0, 1, 2, 3,, n -1)
$\ln \left(\frac{CCL_{10,t-k}}{CCL_{10,t-k-1}} \right)$	=	The realized return of the Cash Constituent as of Index Business Day t over the duration of the Look Back Period which ends on, and includes, such Index Business Day t, calculated using the formula to determine the level of the Cash Constituent set out in paragraph 3.6(2) (<i>Cash Constituent</i>) above.

For the avoidance of doubt, if no Eligible Strategic Allocation identified in accordance with the methodology set out in paragraph 4.3 (*Index Methodology – Determination of Percentage Weights and Composition of Strategic Allocation*) can satisfy the Hurdle Test as of a Selection Day, the Strategic Allocation will be **fully** rebalanced into the Cash Constituent as of the immediately following Rebalancing Date until the specific composition of the Strategic Allocation is determined again on the next Selection Day.

4.6 Extraordinary Rebalancing Triggers

As of the Index Valuation Time on each Index Business Day, each Extraordinary Rebalancing Trigger as set out below is tested using the Current Percentage Weight of each Constituent as of such Index Business Day to calculate the Gap, the Cushion and the Strategic Allocation Realized Volatility (as defined in paragraph 4.6(2)(*Volatility Rebalancing Trigger*) below) . If any one of the Extraordinary Rebalancing Triggers is deemed to be activated, an Extraordinary Selection Day shall be immediately declared to have occurred on that same Index Business Day.

As a consequence of the occurrence of such Extraordinary Selection Day, there shall be a fresh determination of the Percentage Weights of the Eligible Constituents following the same selection methodology applicable in respect of a Scheduled Selection Date, taking into account all relevant Constituent Closing Levels of the Eligible Constituents as of such day.

Subject to the occurrence or existence of any holidays or Disrupted Days, the Index Business Day immediately following such Extraordinary Selection Day shall be an Extraordinary Rebalancing Date, when an Extraordinary Rebalancing shall be deemed to occur.

(1) Gap Rebalancing Trigger

The “**Gap Rebalancing Trigger**” in relation to the Strategic Allocation as of any Index Business Day t tests whether, on such Index Business Day, the Gap is greater than the product of the Underlying Index Cushion and the Risk Threshold (as defined in section 2 (*Calculation Parameters*) of Part E (*Data*)). If this is the case, then an Extraordinary Rebalancing Trigger is deemed to be activated.

For the purposes of determining whether the Gap Rebalancing Trigger is activated as of such Index Business Day t, Gap shall be calculated using the following formula:

if such Index Business Day t is a Rebalancing Date, then:

$$\text{Gap}_{\text{SAL},t} = \sum_{i=1}^{N-1} PW_{i,t-1} \times \text{Shock}_{i,t}$$

otherwise, as of any other Index Business Day t:

$$\text{Gap}_{\text{SAL},t} = \sum_{i=1}^{N-1} CPW_{i,t} \times \text{Shock}_{i,t}$$

where:

$\text{Gap}_{\text{SAL},t}$ = The Gap of a Strategic Allocation as of Index Business Day t

$\sum_{i=1}^{N-1}$ = Means the sum of the series of values achieved by calculating the formula following such symbol for each i from 1 through to, and including, N-1, such that, for example:
 $\sum_{i=1}^{N-1} (i + y) = [(1 + y) + (2 + y) + (3 + y) \dots \dots \dots ((N-1) + y)]$

N = The number of Eligible Constituents in the Eligible Universe

i = Represents an arithmetic progression where the first term is 1 and there are N-1 number of terms with a common difference of 1 between the terms (i.e. i = 1, 2, 3, 4,, N-1)

$PW_{i,t-1}$ = The Percentage Weight of Constituent i as of the Index Business Day immediately preceding Index Business Day t-1

$\text{Shock}_{i,t}$ = An assumption of the percentage loss in value that each Eligible Constituent i (except the Cash Constituent) would suffer during a hypothetical market downturn over the course of an Index Business Day as determined according to the formula set out above in paragraph 4.4(3)(b).

$CPW_{i,t}$ = Current Percentage Weight of Constituent i as of Index Business Day t

Applying the above, this relationship between the Gap, Underlying Index Cushion and Risk Threshold which constitutes the Gap Rebalancing Trigger is expressed in the following formula:

$$\text{Gap}_{\text{SAL},t} > \text{Risk Threshold} \times \text{Underlying Index Cushion}_t$$

(2) *Volatility Rebalancing Trigger*

The “**Volatility Rebalancing Trigger**” in relation to the Strategic Allocation as of any Index Business Day t tests whether, on such Index Business Day, the ratio of the Strategic Allocation Realized Volatility to the Volatility Cap is greater than the Risk Threshold (as defined in section 2 (*Calculation Parameters*) of Part E (*Data*)). If this is the case, then an Extraordinary Rebalancing Trigger is deemed to be activated.

For the purposes of determining this ratio as of such Index Business Day t, the “**Strategic Allocation Realized Volatility**” shall be calculated using the following formula:

if Index Business Day t is a Rebalancing Date, then:

$$\text{Vol}_{\text{SAL},t} = \sqrt{\left(\sum_{j=1}^N PW_{j,t-1} \times \sum_{i=1}^N \text{Cov}_{ij,t} \times PW_{i,t-1} \right)}$$

otherwise, as of any other Index Business Day t:

$$Vol_{SAL,t} = \sqrt{\left(\sum_{j=1}^N CPW_{j,t} \times \sum_{i=1}^N Cov_{ij,t} \times CPW_{i,t} \right)}$$

where:

- N = The number of Eligible Constituents in the Eligible Universe
- $\sum_{i=1}^N$ = Means the sum of the series of values achieved by calculating the formula following such symbol for each i from 1 through to, and including, N, such that, for example:
 $\sum_{i=1}^N (i + y) = [(1 + y) + (2 + y) + (3 + y) \dots \dots \dots (N + y)]$
- i = Represents an arithmetic progression where the first term is 1 and there are N number of terms with a common difference of 1 between the terms (i.e. i = 1, 2, 3, 4, \dots \dots \dots, N)
- j = Represents an arithmetic progression where the first term is 1 and there are N number of terms with a common difference of 1 between the terms (i.e. j = 1, 2, 3, 4, \dots \dots \dots, N)
- Vol_{SAL,t} = The Strategic Allocation Realized Volatility as of any Index Business Day t
- Cov_{ij,t} = The Realized Covariance between Eligible Constituent i and Eligible Constituent j within the relevant Strategic Allocation as of any Index Business Day t as defined in paragraph 4.4(2)(b) above
- CPW_{i,t} = Current Percentage Weight of Constituent i as of Index Business Day t
- CPW_{j,t} = Current Percentage Weight of Constituent j as of Index Business Day t
- PW_{i,t-1} = The Percentage Weight of Constituent i as of the Index Business Day immediately preceding Index Business Day t
- PW_{j,t-1} = The Percentage Weight of Constituent j as of the Index Business Day immediately preceding Index Business Day t

Applying the above, this relationship between the Strategic Allocation Realized Volatility, the Volatility Cap and Risk Threshold which constitutes the Volatility Rebalancing Trigger is expressed in the following formula:

$$\frac{Vol_{SAL,t}}{VolatilityCap} > RiskThreshold$$

(3) *Reference Shock Rebalancing Trigger*

The “**Reference Shock Rebalancing Trigger**” in relation to each Constituent i as of any Index Business Day t tests whether, on such Index Business Day, the product of the Reference Shock of each Constituent i and its Percentage Weight as of the Index Business Day immediately preceding Index Business Day t (or Current Percentage Weight as of such Index Business Day t, as the case may be) is greater than the product of the Underlying Index Cushion and the Risk Threshold (as defined in section 2 (*Calculation Parameters*) of Part E (*Data*)). If this is the case in relation to **any** Constituent i, then an Extraordinary Rebalancing Trigger is deemed to be activated.

This relationship between the Reference Shock, Underlying Index Cushion and Risk Threshold is expressed in the following formula:

if Index Business Day t is a Rebalancing Date, then

$$PW_{i,t-1} \times RShock_i > Risk\ Threshold \times Underlying\ Index\ Cushion_t$$

otherwise, as of any other Index Business Day t :

$$CPW_{i,t} \times RShock_i > Risk\ Threshold \times Underlying\ Index\ Cushion_t$$

where:

$PW_{i,t-1}$ = The Percentage Weight of Constituent i as of the Index Business Day immediately preceding Index Business Day t

$CPW_{i,t}$ = Current Percentage Weight of Constituent i as of Index Business Day t

$RShock_i$ = The Reference Shock specified in relation to Constituent i in section 3 (*Particulars in respect of each Eligible Constituent*) of Part E (*Data*).

5. ADDITIONAL ADJUSTMENT EVENTS

(1) *General*

Certain Constituent Schedules are expressed to be applicable to this Index Methodology as indicated in section 1 (*Eligible Universe*) of Part E (*Data*) and should be read and construed in conjunction with this Index Methodology. Without derogating from the provisions of Section B of the Index General Conditions (*Valuations and Adjustments*), the Index Calculation Agent shall apply, where necessary, the adjustments contained therein upon the occurrence of certain Adjustment Events as described in the applicable Constituent Schedules.

(2) *Adjustments in relation to the Spot FX Rate*

If, in respect of the Spot FX Rate, such rate is neither published at the specified time nor published on such other page as may replace the page (or such other page as may be nominated by the information vendor) for the purpose of displaying rates or prices comparable to that rate, the Spot FX Rate shall be the rate determined by the Index Calculation Agent taking into account all information that in good faith it deems relevant.

(3) *Eligible Universe Removals*

If an Eligible Constituent is removed from the Eligible Universe (an “**Eligible Universe Removal Event**”) for any reason, then such Eligible Constituent (a “**Removed Constituent**”) will be removed from the Index on the same day (an “**Additional Rebalancing Date**”), such day and removal to be designated by the Index Calculation Agent or the Index Sponsor.

(4) *Regulatory Events*

If 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 or policy 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 or policy, 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 a single commodity index which is a Constituent of the Index,

then, in each case, a regulatory event (each, a “**Regulatory Event**”) will be deemed to have occurred.

“**Hedge Position**” means 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.

(5) *Constituent Licensing Event*

If, in respect of any Eligible Constituent, a license granted (if required) to the Index Sponsor and/or the Index Calculation Agent and/or any of their respective Affiliates, to use such Eligible Constituent in connection with the Index is terminated, or any such entity’s right to use such Eligible Constituent in connection with calculating the Index is otherwise disputed, impaired or ceases for any reason, then in each case, a constituent licensing event (each, a “**Constituent Licensing Event**”) will be deemed to have occurred.

(6) *Consequences of an Additional Rebalancing Date*

Either an Eligible Universe Removal Event, a Constituent Licensing Event or Regulatory Event, will cause an Eligible Constituent to be deemed as a Removed Constituent by the Index Calculation Agent or the Index Sponsor and such Removed Constituent shall be removed from the Index on the Additional Rebalancing Date designated by the Index Calculation Agent or the Index Sponsor.

Upon such designation of an Additional Rebalancing Date, the Percentage Weights of the remaining Constituents will be re-determined by the Index Calculation Agent in accordance with the methodology set out above from paragraphs 4.3 to 4.5.

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.

In addition to the above, regardless of: a) whether any Eligible Constituent has, at that time, any Weight in the Index and b) how the Percentage Weights of the remaining Eligible Constituents may be determined in accordance with the methodology set out above from paragraphs 4.3 to 4.5, upon the designation of an Additional Rebalancing Date:

- (i) 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/or
- (ii) the Index Calculation Agent may select a replacement Eligible Constituent that has substantially similar characteristics to the Removed Constituent, having regard to the manner in which such Eligible Constituent 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) to the Index Conditions as it determines appropriate to account for the effect on the Index of such replacement; and/or
- (iii) the Index Sponsor may discontinue and cancel the Index.

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Part E: Data

Data

(As at the Index Start Date)

The Index Methodology shall operate with reference to an Eligible Universe of Eligible Constituents. This Part E sets out the particulars of each Eligible Constituent and certain elections and inputs necessary to the calculation, valuation and adjustment of the Index. The rules for determining the Percentage Weights of the Eligible Constituents to the Index are set out in paragraph 4.3 (*Index Methodology – Determination of Percentage Weights and Composition of Strategic Allocation*) of Part D (*Calculation of the Index Level*).

1. Eligible Universe

i	Eligible Constituents	Electronic Page	Applicable Constituent Schedule ⁺
1	Euro Stoxx 50 Net Total Return Index	SX5T <Index>	Share Index
2	Hang Seng Index	HSI <Index>	Share Index
3	iShares FTSE A50 China Index ETF*	2823 HK <Equity>	Exchange Traded Product
4	MSCI Japan Daily Net Total Return Index*	NDDUJN <Index>	Share Index
5	S&P/ASX 200 Index	AS51 <Index>	Share Index
6	MSCI Singapore Free Local Daily Net Total Return Index*	NDDLSGF <Index>	Share Index
7	MSCI Emerging Markets Korea Daily Net Total Return Index*	NDEUSKO <Index>	Share Index
8	S&P/TSX 60 Net Total Return Index	SPTSX60N <Index>	Share Index
9	FTSE 100 Index	TUKXG <Index>	Share Index
10	Federal Funds Effective Rate US (the “Cash Constituent”)	FEDL01 <Index>	Not Applicable

*See the Annex to this Index Methodology for more information on certain assumptions made in relation to this Eligible Constituent in the backtesting of the Index.

+Each Eligible Constituent in the Eligible Universe shall be construed as a “Constituent” in the context of each Applicable Constituent Schedule.

2. Calculation Parameters

Diversification Factor:	Means a value equal to $\frac{1}{N-5}$, where N represents the number of Eligible Constituents in the Eligible Universe from time to time.
Risk Threshold:	Means a number equal to 1.05
Look Back Period:	Means a period of 42 Index Business Days, subject to adjustment in accordance with section 5 (<i>Adjustment Elections</i>) belows.
Portfolio Shock:	Means a number expressed in decimals as 0.25.
Volatility Cap:	13 %
λ	0.1

3. Particulars in respect of each Eligible Constituent

Eligible Constituent,	Asset Class	FX Adjusted	Synthetic Adjustment	Dividend Percentage	Notional Transaction Cost	Reference Shock	Type of Index	Exchange(s)	Related Exchange(s)	Replacement Criteria
1	Equity	Yes	No	N/A	0.05%	0.263	Multiple Exchange Index	As defined in part b) in definition of "Exchange" in applicable Constituent Schedule	EUREX	Exposure to large cap European equities
2	Equity	Yes	Yes	95%	0.25%	0.333	Single Exchange Index	Stock Exchange of Hong Kong	All Exchanges	Exposure to Hong Kong listed equities
3	Equity	Yes	Yes	90%	0.25%	0.333	Not Applicable	Stock Exchange of Hong Kong	All Exchanges	Exposure to China listed equities
4	Equity	No	No	N/A	0.05%	0.272	Single Exchange Index	Tokyo Stock Exchange	Osaka Securities Exchange and All Exchanges	Exposure to Japanese listed equities
5	Equity	Yes	Yes	70%	0.05%	0.279	Single Exchange Index	Australian Stock Exchange	All Exchanges	Exposure to Australian listed equities
6	Equity	Yes	No	N/A	0.20%	0.285	Single Exchange Index	Singapore Exchange	All Exchanges	Exposure to Singaporean listed equities
7	Equity	No	No	N/A	0.25%	0.333	Single Exchange Index	Korea Exchange	All Exchanges	Exposure to Korean listed equities
8	Equity	Yes	Yes	N/A	0.05%	0.286	Single Exchange Index	Toronto Stock Exchange	The Montreal Exchange	Exposure to Canadian listed equities
9	Equity	Yes	No	100%	0.05%	0.251	Single Exchange Index	London Stock Exchange	Euronext.Liffe (London)	Exposure to UK listed equities
10	Cash	No	No	N/A	N/A	N/A	N/A	N/A	N/A	N/A

4. Adjustment Elections

	Scheduled Valuation Date			
	Scheduled Rebalancing Date	Extraordinary Rebalancing Date	Selection Day	Other
Adjustments (Scheduled "holidays"): Trading Days:	Move in Block	Cancellation*	Look Back	Look Back
Adjustments (Disrupted Days):	Move in Block	Cancellation	Look Back	Look Back
Valuation Roll (Disrupted Days):	5	N/A	5	5

****Cancellation**** means that the occurrence of a Disrupted Day on an Extraordinary Rebalancing Date shall cause the Extraordinary Rebalancing to be cancelled and, for the avoidance of doubt, the Strategic Allocation shall remain unchanged from its composition prevailing as of the immediately previous Index Business Day.

5. Defined Terms

Dividend:	Means, in respect of an Eligible Constituent expressed to be subject to Synthetic Adjustment, any regular or extraordinary dividend (in the form of a cash dividend and/or a scrip (stock) dividend) declared by the issuer of any stock included in the calculation of the Constituent Closing Level for such Eligible Constituent for which the relevant Ex-Dividend Date falls on any day after the Index Start Date.
Dividend Amount:	<p>Means, in respect of an Eligible Constituent expressed to be subject to Synthetic Adjustment, the sum of all Dividends declared by the issuer of any stock included in the calculation of the Constituent Closing Level for such Eligible Constituent where:</p> <p>(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 stock, 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 Spot 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 Eligible Constituent is published).</p> <p>(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 stock (whether or not such non-cash dividend includes stock that are the Constituent) or, if no cash value is declared by</p>

	<p>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</p> <p>the closing price of any stocks of the Eligible Constituent or the Constituent Closing Level of the Eligible Constituent (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) any diluting effect on the theoretical value of the stock resulting from such non-cash dividend. The cash value of a non-cash dividend shall be converted, if necessary, at the applicable Spot 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 Eligible Constituent is published.</p>
Dividend Percentage:	<p>Means, in respect of a Dividend Amount, the Dividend Percentage specified by the Index Sponsor from time to time in respect of each relevant Constituent i. As of the date of this Index Methodology, the Dividend Percentage applicable in respect of each relevant Constituent i is set out either: i) in relation to the determination of a Synthetically Adjusted Closing Level, in Section 4 (<i>Particulars in respect of each Eligible Constituent</i>) or, ii) in relation to the calculation of any back-test of the Index, in the Annex hereto.</p> <p>The Dividend Percentage is a notional value specified, from time to time, to reflect the country or jurisdiction in which the issuers of the underlying components of each relevant Constituent i is domiciled for tax purposes. The Index Sponsor shall notify the Index Calculation Agent of any modification to the Dividend Percentage so specified, in which case such modified Dividend Percentage will be published by the Index Calculation Agent on the Index Electronic Page and available from the Index Sponsor.</p>
Ex-Dividend Date:	<p>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.</p>
Extraordinary Rebalancing Date:	<p>Subject to the occurrence of a Disrupted Day, the next Index Business Day following an Extraordinary Selection Day, subject to adjustment in accordance with section 4 (<i>Adjustment Elections</i>) above.</p>
Extraordinary Rebalancing Trigger:	<p>Means either the Gap Rebalancing Trigger, the Volatility Rebalancing Trigger or the Reference Shock Rebalancing Trigger defined in paragraph 4.6 (<i>Extraordinary Rebalancing Triggers</i>) of Part D (<i>Calculation of the Index Level</i>).</p>
Extraordinary Selection Day:	<p>Subject to the occurrence of a Disrupted Day, any Index Business Day when any one of the Extraordinary Rebalancing Triggers is satisfied.</p>
Index Business Day:	<p>Each calendar day, excluding such calendar days on which</p>

	commercial banks and foreign exchange markets in neither London nor New York are open for general business (including dealings in foreign exchange and foreign exchange currency deposits).
Index Fee:	<p>Means as of each Index Business Day t on which the Index Fee is determined:</p> <p>a) where the Index Fee as of the Index Business Day preceding Index Business Day t is 2.80 percent, then:</p> <p>i) if the USD Rate as of the Index Business Day preceding Index Business Day t is less than 3.80 per cent. and the Index Cushion as of the Index Business Day preceding Index Business Day t is less than 2 per cent., a value equal to zero; or</p> <p>ii) if the USD Rate as of the Index Business Day preceding Index Business Day t is higher than or equal to 3.80 per cent. or the Index Cushion as of the Index Business Day preceding Index Business Day t is higher than or equal to 2 per cent., a value equal to 2.80 per cent.;</p> <p>or</p> <p>b) where the Index Fee as of the Index Business Day preceding Index Business Day t is zero, then</p> <p>i) where the Index Cushion as of the Index Business Day preceding Index Business Day t is higher than or equal to 3 per cent., a value equal to 2.80 per cent., otherwise</p> <p>ii) a value equal to zero.</p> <p>For the avoidance of doubt, the Index Fee on the Index Start Date shall be 2.80 per cent..</p>
Index Valuation Time:	In respect of an Index Business Day as of 11.00 p.m.(London time) on such Index Business Day, or such later time that the Index Calculation Agent may determine with the consent of the Index Sponsor.
Percentage Weight:	Means the Percentage Weight notionally allocated by the Index Methodology further to the rebalancing of a specific Eligible Constituent pursuant to an algorithm set out in paragraph 4.3 (<i>Index Methodology -Determination of Percentage Weights and Composition of Strategic Allocation</i>) of Part D (<i>Calculation of the Index Level</i>).
Rebalancing Date:	Means either a Scheduled Rebalancing Date or Extraordinary Rebalancing Date, as the case may be.
Scheduled Rebalancing Date:	Subject to the occurrence of a Disrupted Day and adjustment in accordance with section 4 (<i>Adjustment Elections</i>) above, the next Index Business Day following a Scheduled Selection Day.
Scheduled Selection Day:	Subject to the occurrence of a Disrupted Day and adjustment in accordance with section 4 (<i>Adjustment Elections</i>) above, each date which falls at intervals of two calendar weeks, with the first Scheduled Selection Day falling on such Index Business Day

	immediately prior to the Index Launch Date.
Selection Day:	Means either a Scheduled Selection Day or Extraordinary Selection Day, as the case may be.
Scheduled Valuation Date:	Each Index Business Day.
USD Rate:	The Federal Fund effective rate (representing the overnight rate at which depository institutions lend USD balances at the Federal Reserve) in respect of the Index Business Day immediately preceding Index Business Day t (as displayed on Bloomberg page FEDL01 <Index> or such other Electronic Page as the Index Calculation Agent may determine appropriate), provided that if such reference rate is unavailable for any reason, the applicable rate shall be the rate prevailing as of the preceding Index Business Day for which such reference rate is available
Strategic Allocation:	Means, from time to time, the notional basket of Constituents in such Weights assigned in accordance with the Index Methodology and, in particular, pursuant to the algorithmic rules set out in Part D (<i>Calculation of the Index Level</i>).
Spot FX Rate:	Means, in respect of a notional exchange of one currency to another currency in accordance with the Index Methodology, the applicable WM/Reuters “Closing Spot Rate” for such exchange as published by The World Markets Company plc in conjunction with Reuters at approximately 4.00 p.m. (London time) on the relevant day 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 foreign exchange rate service.

Annex

The iShares FTSE A50 China ETF (with Bloomberg code: 2823 HK <Equity>) has only been available since 18 November 2004. Prior to this date, the performance of the Hong Kong Stock Exchange Hang Seng China Enterprises Index (with Bloomberg code HSCEI <Index>) was adjusted in accordance with the mathematical formula set out in paragraph 3.6(4) (*Constituents expressed to be subject to Synthetic Adjustment*) of Part D (*Calculation of the Index Level*) and used as a proxy for this particular Eligible Constituent. Such an adjustment was made by assuming: i) the daily closing level of the Hong Kong Stock Exchange Hang Seng China Enterprises Index as the Constituent Closing Level and ii) the applicable Dividend Percentage is 100 per cent. for the purposes of applying such mathematical formula.

The MSCI Japan Daily Net Total Return Index (with Bloomberg code NDDUJN <Index>) has only been available since 1 January 1999. Prior to this date, the performance of the MSCI Japan USD Index (with Bloomberg code MSDUJN <Index>) was used as a proxy for this particular Eligible Constituent.

The MSCI Singapore Free Local Daily Net Total Return Index (with Bloomberg code NDDLSGF <Index>) has only been available since 1 January 1999. Prior to this date, the performance of the MSCI Singapore Free Index (with Bloomberg code SIMSCI <Index>) was used as a proxy for this particular Eligible Constituent.

The MSCI Emerging Markets Korea Daily Net Total Return Index (with Bloomberg code NDEUSKO <Index>) has only been available since 1 January 1999. Prior to this date, the performance of the MSCI Emerging Markets Korea USD Index (with Bloomberg code MSEUSKO <Index>) was used as a proxy for this particular Eligible Constituent.

The S&P/TSX 60 Net Total Return Index (with Bloomberg code: SPTSX60N <Index>) has only been available since 14 November 2001. Prior to this date, the performance of the S&P/TSX 60 Index (with Bloomberg code SPTSX60 <Index>) was adjusted in accordance with the mathematical formula set out in paragraph 3.6(4) (*Constituents expressed to be subject to Synthetic Adjustment*) of Part D (*Calculation of the Index Level*) and used as a proxy for this particular Eligible Constituent. Such an adjustment was made by assuming: i) the daily closing level of the S&P/TSX 60 Index as the Constituent Closing Level and ii) the applicable Dividend Percentage is 75 per cent. for the purposes of applying such mathematical formula.

Part F: Specific Risks

Specific Risks

Capitalised terms used but not defined in this Part F (*Specific Risks*) have the meanings given to such terms in the Index Methodology.

INDEX METHODOLOGY DOES NOT GUARANTEE OUTPERFORMANCE

The Index Methodology used by the Index is based on the principles of Modern Portfolio Theory, modified by certain pre-determined Constraints. The Index Methodology is a dynamic asset allocation methodology which seeks to achieve risk-adjusted exposure to a notional basket of Eligible Constituents. The Index Methodology is not designed to outperform a benchmark and, indeed, it is possible that alternative methods of portfolio construction may outperform the Index Methodology using the same set of Eligible Constituents.

TARGET EXPOSURE MAY RESULT IN THE INDEX TRACKING ONLY CASH RETURNS

The Target Exposure may be determined in accordance with the Index Methodology such that the Index provides a return which is based primarily, if not wholly, based on the performance of the Cash Notional Amount. If this happens, the notional investment of the Index in the Core Index (and by extension, notional exposure to the Strategic Allocation) shall be limited or non-existent.

Investors in Index Linked Products should be aware of this limitation in considering their investment decision and are strongly advised to review in detail all terms and conditions relevant to their Index Linked Product.

BEHAVIOUR OF THE INDEX AS UNDERLYING INDEX LEVEL APPROACHES UNDERLYING INDEX FLOOR

The poor performance of the Strategic Allocation over time will result in the Underlying Index Level drifting towards the Underlying Index Floor over that period of time. The rate and extent to which the Underlying Index Level approaches the Underlying Index Floor over a period of time will affect the Index through the Target Exposure as determined according to the formula set out in paragraph 2.2(2) of Part D (*Calculation of the Index Level*). More specifically, a steady downward drift in the Underlying Index Level towards the Underlying Index Floor will result in the amount of Underlying Index Cushion being gradually diminished.

As the Underlying Index Cushion diminishes over time, the Gap Constraint as described in paragraph 4.4(3) becomes increasingly difficult to satisfy other than by increasing the allocation of the Strategic Allocation to the Cash Constituent. The natural conclusion of such a drift of the Underlying Index Level towards the Underlying Index Floor is for the Index Methodology to become increasingly biased towards a Strategic Allocation that is mainly, if not wholly, allocated to the Cash Constituent. Risks associated with a Strategic Allocation that consists wholly of the Cash Constituent are discussed in more detail below in the paragraph entitled “Cash Constituent as Sole Constituent of Strategic Allocation”

The Efficient Frontier represents a series of Eligible Strategic Allocations each of which satisfies all of the Constraints, including, but not limited to, the Gap Constraint. If the Strategic Allocation becomes mainly, or wholly comprised of the Cash Constituent in order to satisfy the Gap Constraint, the standard principles of Modern Portfolio Theory become increasingly compromised by the requirement to satisfy the Constraints. In this respect, please see the risks discussed in more detail below in the paragraph entitled “Modern Portfolio Theory in the context of the Index Methodology”.

CASH CONSTITUENT AS SOLE CONSTITUENT OF STRATEGIC ALLOCATION

An Eligible Strategic Allocation could consist **only** of the Cash Constituent and no other Constituent. It is worth noting that because an Eligible Strategic Allocation comprising only of the Cash Constituent would have a theoretical expected return equal to the Risk Free Return, such an Eligible Strategic Allocation would satisfy the Hurdle Test and be selected as the Strategic Allocation tracked by the Index. If no Eligible Strategic Allocation can be identified on the Efficient Frontier which can satisfy the Hurdle Test as of a Selection Day, the Strategic Allocation shall be **fully** rebalanced into the Cash Constituent as of the immediately following Rebalancing Date, being represented by the only point on the Efficient Frontier which, under the circumstances, can satisfy the Hurdle Test.

Therefore, it is possible for the Strategic Allocation, at any time, to be fully allocated to the Cash Constituent in accordance with the Index Methodology. Furthermore, in accordance with the operation of the Extraordinary Rebalancing Triggers, it is equally possible that the composition of the Strategic

Allocation could change very suddenly to become fully allocated only to the Cash Constituent. Should this occur, any Index Linked Product will behave and provide the returns of a cash-like instrument to the extent that it is linked to the Index, either in part or in whole.

LIMITATIONS OF MODERN PORTFOLIO THEORY

The Index determines the Percentage Weights to be allocated to each Eligible Constituent using a Index Methodology based on Harry Markowitz's Modern Portfolio Theory set out in his book "Portfolio Selection: Efficient Diversification of Investments" published in 1959. The framework set out according to Modern Portfolio Theory is based on several critical assumptions which may not be borne out in reality and may, in practice, significantly undermine the predictions made by the theory. The discussion in this section does not purport to exhaustively set out all criticisms relevant to Modern Portfolio Theory – investors are strongly advised to consult their advisors conduct their own research and analysis in relation to Modern Portfolio Theory and its potential shortcomings:

Correlation of returns between assets in a portfolio are assumed to be constant

Modern Portfolio Theory assumes that the returns of assets in a portfolio are correlated and the degree of such correlation remains constant. Modern Portfolio Theory calculates the correlation of returns between assets on the basis of historic data and assumes that the relationship implied by such data holds true going forward. Experience has shown that systemic relationships between assets can change and therefore fundamentally alter the assumption about the nature of correlation between the returns of assets. For instance, during periods of financial stress and high volatility, the return of all assets have a tendency to become positively correlated in a downward direction, regardless of their historical relationship in the past.

Realized Volatility reliably indicates the variability of future returns

Another central assumption of Modern Portfolio Theory concerns the use of realized volatility, calculated on the basis of historic returns, to predict how far the actual return of the portfolio could deviate from the predicted potential return. Since past performance is not a guide to future returns, realized volatility can only provide an indication and is not an accurate prediction of the magnitude by which future returns will actually over or undershoot expectations based on historic data.

Limitations on the use of potential returns as a modeling assumption

Investors are advised to draw a clear distinction between: i) the potential return a portfolio could *theoretically* achieve and ii) the return a portfolio *actually* achieves. Potential return is a prediction of the return on a combination of assets based on historical data. In practice, theoretical expectations are often disappointed, often because the assumed relationship with historical data do not bear out in reality. Predictions generated in this manner often fail to take into account new developments and relationships which did not exist when the historical data was generated. Therefore, the actual return achieved by a portfolio may be significantly lower than the potential return predicted on the basis of historic data.

Assumption of a rational and risk averse investor

Modern Portfolio Theory assumes that investors will always make rational decisions based on the risk-return trade off discussed in the Index Methodology. This conclusion is based on the critical assumption that investors are risk averse and will always behave rationally to maximize returns. In practice, this may not accurately match the investment goals of certain investors since not all investors will seek to maximize their risk-adjusted returns. Investors in any Index Linked Product (if any) are advised to consider the relevance of this assumption on their own specific investment outlook and strategy.

Assumptions standard to financial models

Modern Portfolio Theory also makes many simplifying assumptions which are common to financial and economic models in general, for instance:

- the assumption that economic returns on assets follow a normal distribution;
- ignoring taxes or transaction costs;
- all investors in the market will have access to the same information at the same time;
- investors can simply trade out of large positions at a given price without moving prices at the same time;
- investors can lend and borrow an unlimited amount at the risk free rate of interest; and
- investors are able to trade without being subject to any minimum or maximum limits.

None of these assumptions are true all of the time and the falsification of any one of them will have significant impact on the validity of the predictions generated by Modern Portfolio Theory.

MODERN PORTFOLIO THEORY IN THE CONTEXT OF THE INDEX METHODOLOGY

Although Modern Portfolio Theory is central to the Index Methodology, the application of the Constraints will dilute the influence that Modern Portfolio Theory has in determining the composition of the Strategic Allocation. An Efficient Frontier that did not have to satisfy all the Constraints would be different from the Efficient Frontier determined by the Index Methodology. The Index may underperform an alternative index or strategy which used a methodology based on Modern Portfolio Theory without the Constraints.

As the Index Level approaches the Index Floor (as discussed in the paragraph above entitled “Behaviour of the Index as Index Level approaches Index Floor”), Modern Portfolio Theory may become increasingly irrelevant in determining the composition of the Strategic Allocation. The Cushion diminishes as the Index Level approaches the Index Floor and the Gap Constraint becomes increasingly difficult to satisfy unless the Strategic Allocation becomes mainly, if not wholly, allocated to the Cash Constituent. In such a scenario, the Constraints, and in particular, the Gap Constraint, will become central to the determination of the Strategic Allocation instead of Modern Portfolio Theory.

LIMITED DIVERSIFICATION

Diversification is a risk management technique commonly employed in portfolio construction and is typically achieved by spreading investment across several asset classes and/or across several markets within a particular asset class. Through the application of the Diversification Constraint, the Index Methodology aims to prevent the Strategic Asset tracked by the Index from being over-concentrated in any one Eligible Constituent. **However**, it must be emphasized that the Strategic Allocation cannot be said to be diversified across asset classes because the overwhelming majority of Eligible Constituents are equity indices. Furthermore, while the Strategic Allocation notionally tracks several markets (European, American and Asian) within a particular asset class (equities), investors should note that there is a high concentration of Asian equity indices within the Eligible Universe.

REBALANCING LIMITATIONS

Subject to the occurrence of any Extraordinary Rebalancing, the Index is rebalanced on a fortnightly basis. The Index Methodology only evaluates the Eligible Constituents as of the Selection Day preceding each Rebalancing Date, which means that the composition of the Strategic Allocation is determined as of the Selection Day and effected as of the related Rebalancing Date, at which point the Strategic Allocation is fixed for a fortnight until the next Rebalancing Date subject to any adjustments pursuant to paragraph 5 (*Additional Adjustment Events*). 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 optimize the Percentage Weight of the Eligible Constituents 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. The same risk also pertains to any Extraordinary Selection Day and its corresponding Extraordinary Rebalancing Date.

FREQUENCY OF EXTRAORDINARY REBALANCING

Each of the Extraordinary Rebalancing Triggers are tested as of the Index Valuation Time on each Scheduled Valuation Date. If any one of these Extraordinary Rebalancing Triggers is deemed to be activated, an Extraordinary Selection Day will be declared on the same Index Business Day. An Extraordinary Rebalancing shall then occur on the Scheduled Valuation Date following such Extraordinary Selection Day. Extraordinary Rebalancings occur in addition to the scheduled rebalancing which takes place as of each Scheduled Rebalancing Date and it is possible that Extraordinary Rebalancings occur frequently. An increase in the frequency of Extraordinary Rebalancings is especially likely in volatile markets. Frequent rebalancing of the Strategic Allocation is not ideal for an investor in an Index Linked Product because of the further Notional Transaction Costs incurred every time a rebalancing occurs, whether such rebalancing is scheduled or an Extraordinary Rebalancing. More specifically, an increase in the frequency of Extraordinary Rebalancings will lead to an accumulation in Notional Transaction Costs that will act to increase the drag on the performance of the Index Level.

NOTIONAL COSTS EMBEDDED IN THE INDEX METHODOLOGY

All notional costs embedded in the Index Methodology will act to increase the drag on the performance of the Index Level such that the Index Level will be lower than it otherwise would have been if such notional costs were not taken into account. Such notional costs are accounted for in the Index Adjustment Factor,

which may be regarded as an adjustment to the Index Level combining two different types of notional costs:

1) the Notional Transaction Cost, which is notionally levied upon the rebalancing of each Eligible Constituent, specified in relation to each Eligible Constituent in section 3 (*Particulars in respect of each Eligible Constituent*). Such Notional Transaction Cost acts as a drag on the contribution of the performance by each Eligible Constituent to the overall Index Level and thus acts as an indirect drag on the performance of the overall Index Level ; and

2) the Index Fee (if any), which is notionally levied on the Index Level on a daily basis and thus acts as a direct drag on the performance of the overall Index Level.

PERFORMANCE RISK

The Index may underperform other indices, including indices represented by the Eligible Constituents. The Index Methodology does not seek to outperform any other equity benchmark in absolute terms. Past performance and any prediction or forecast based on past performance is not necessarily indicative of the future or likely performance of the Index.

INDEX METHODOLOGY LIMITATIONS

The performance of the Index is dependent on the pre-defined rules-based Index Methodology set out in the Index Conditions. Other methodologies for portfolio selection and optimization using the Eligible Constituents may result in better performance than the Index.

FIXED ALGORITHMIC MODEL PARAMETERS

The Index uses a rules-based Index Methodology which contains fixed parameters. For example: (i) the fixed Volatility Cap, which is compared against which the Strategic Allocation Realized Volatility and (ii) the number of days specified in relation to the Look Back Period that is central to the application of the Volatility Constraint and the Gap Constraint. The Index Methodology assumes that the fixed values specified in relation to the Volatility Cap and the Look Back Period are reasonable in the context of the Index, however, alternative parameters could have a positive effect on the performance of the Index. For instance, a higher Volatility Cap and a different number of days specified in relation to the Look Back Period may result in the selection of a different Strategic Allocation which may perform better over time.

RISK OF INFLATION OR DEFLATION

The Index attempts to mitigate the volatility of the Strategic Allocation by including the Federal Funds Effective Rate US with Bloomberg page: FEDL01 <Index> as a “risk-free” asset within the Eligible Universe. This may or may not be the optimal reserve asset in either an inflationary or deflationary scenario. This Eligible Constituent references the interest rate controlled by the Federal Reserve, whose policy may or may not hedge against the future erosion of capital in regions where inflationary pressure may differ substantially from that in the United States. In particular, a Strategic Allocation which is fully allocated to the Cash Constituent will be acutely exposed to inflationary risks.

CALCULATION MODEL PRECISION

The Index Methodology in general and the Constraints in particular, represents a series of pre-defined rules which determine the weights to be applied to each of the Constituents on each Rebalancing Date. A rules-based calculation model is sensitive to the precision of both the original inputs 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.

LIMITED OPERATING HISTORY

The Index was launched by the Index Sponsor as of the specified Index Launch Date and has been calculated by the Index Calculation Agent for the period from the specified Index Start Date. Any back-testing 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.

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.

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Part G : Constituent Disclaimers

Constituent Disclaimers

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Index General Conditions

22 February 2012

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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 from time to time without notice, 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 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 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 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 and the Index Calculation Agent may, but shall not be obliged to, revise the Index Level for such day.

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 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 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 (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) *Exchange Traded Product*

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

Although Exchange Traded Products 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 Exchange Traded Product 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” (and the total number of Constituents shall be denoted as “n”), 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, 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” 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

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 may, but shall not be obliged to, 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.

(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 Schedules

Constituent Schedule

SHARE INDEX

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

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

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 Index and a Valuation Date for such Share Index and unless otherwise specified in the applicable Index Methodology, the official closing level of such Share Index on such Valuation Date, as displayed on the applicable Electronic Page.

“**Valuation Time**” shall mean (i) in respect of a Single Exchange Index and a Scheduled Trading Day for such Single Exchange Index, the Scheduled Closing Time on the relevant Exchange on such Scheduled Trading Day; and (ii) in respect of a Multiple Exchange Index and a Scheduled Trading Day for such Multiple Exchange Index, (A) for the purposes of determining whether a Market Disruption Event has occurred: (x) in respect of any Component Security, the Scheduled Closing Time on the Exchange in respect of such Component Security; and (y) in respect of any futures contracts or options contracts on such Multiple Exchange Index, the close of trading on the relevant Related Exchange; and (B) in all other circumstances, the time when the official closing level of such Multiple Exchange Index is calculated and published by the relevant Share Index Sponsor.

(b) Intraday valuations

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

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

2. DISRUPTION TO VALUATION

“**Disrupted Day**” shall mean, in respect of a Share Index, any Scheduled Trading Day for such Share Index on which a Market Disruption Event occurs.

(a) Single Exchange Index

“**Market Disruption Event**” shall mean, in respect of a Share Index which is a Single Exchange Index, the occurrence of any of the events set out below:

- (i) the relevant Share Index Sponsor fails to publish the level of such Share Index; or
- (ii) any relevant Exchange or any relevant Related Exchange fails to open for trading during its regular trading session; or

- (iii) the occurrence or existence at any time during the one hour period which ends at the relevant Valuation Time of any material suspension of or limitation imposed (whether by reason of movements in price exceeding permitted limits or otherwise) on the trading on (A) any relevant Exchange, of Component Securities which in aggregate comprise 20 per cent. or more of the level of such Share Index; or (B) any relevant Related Exchange, of futures contracts or options contracts relating to such Share Index; or
 - (iv) 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 (v) or Sub-paragraph (vi) of this definition) which materially disrupts or impairs the ability of market participants in general (A) (on any relevant Exchange) to effect transactions in or to obtain market values for Component Securities which in aggregate comprise 20 per cent. or more of the level of such Share Index; or (B) (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 Index; or
 - (v) the closure (which has a material effect on the Index) on any Exchange Business Day of any relevant Exchange in respect of Component Securities which in aggregate comprise 20 per cent. or more of the level of such Share Index 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 (A) the actual closing time for the regular trading session on such Exchange on such Exchange Business Day; and (B) the deadline for the submission of orders to be entered into such Exchange system for execution at the Scheduled Closing Time on such Exchange Business Day); or
 - (vi) the closure (which has a material effect on the Index) on any Exchange Business Day of any relevant Related Exchange in respect of futures contracts or options contracts relating to such Share Index 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 (A) the actual closing time for the regular trading session on such Related Exchange on such Exchange Business Day; and (B) the deadline for the submission of orders to be entered into such Related Exchange system for execution at the Scheduled Closing Time on such Exchange Business Day).
- (b) *Multiple Exchange Index*

“Market Disruption Event” shall mean, in respect of a Share Index which is a Multiple Exchange Index, the occurrence of any of the events set out below:

- (i) the relevant Index Sponsor fails to publish the level of such Share Index; or
- (ii) any relevant Related Exchange fails to open for trading during its regular trading session; or
- (iii) the occurrence or existence at any time during the one hour period which ends at the relevant Valuation Time of any material suspension of or limitation imposed (whether by reason of movements in price exceeding permitted limits or otherwise) on the trading on (A) any relevant Exchange, of any Component Security of such Share Index, and the aggregate of all Component Securities so affected plus the X Percentage accounts for 20 per cent. or more of such Share Index; or (B) any relevant Related Exchange, of futures contracts or options contracts relating to such Share Index; or
- (iv) 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 (v) or Sub-paragraph (vi) of this definition) which materially disrupts or impairs the ability of market participants in general (A) (on any relevant Exchange) to effect transactions in or to obtain market values for any Component Security of such Share Index, and the aggregate of all Component Securities so affected plus the X Percentage accounts for 20 per cent. or more of such Share Index; or (B) (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 Index; or

- (v) the closure (which has a material effect on the Index) on any Exchange Business Day of any relevant Exchange in respect of any Component Security of such Share Index 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 (A) the actual closing time for the regular trading session on such Exchange on such Exchange Business Day; and (B) the deadline for the submission of orders to be entered into such Exchange system for execution at the Scheduled Closing Time on such Exchange Business Day), and the aggregate of all Component Securities so affected plus the X Percentage accounts for 20 per cent. or more of such Share Index; or
 - (vi) the closure (which has a material effect on the Index) on any Exchange Business Day of any relevant Related Exchange in respect of futures contracts or options contracts relating to such Share Index 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 (A) the actual closing time for the regular trading session on such Related Exchange on such Exchange Business Day; and (B) the deadline for the submission of orders to be entered into such Related Exchange system for execution at the Scheduled Closing Time on such Exchange Business Day).
- (c) *Determining whether or not a Market Disruption Event exists*

For the purposes of determining whether or not a Market Disruption Event exists in respect of a Share Index at any time, if an event giving rise to a Market Disruption Event occurs in respect of a Component Security included in such Share Index at that time, then the relevant percentage contribution of such Component Security to the level of such Share Index shall be based on a comparison of (i) the portion of the level of such Share Index attributable to such Component Security; and (ii) the overall level of such Share Index, either (A) in the case of a Single Exchange Index, immediately before the occurrence of such Market Disruption Event; or (B) in the case of a Multiple Exchange Index, using the applicable weightings as published by, or derived from data published by, the relevant Share Index Sponsor.

3. CORRECTIONS

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

4. ADJUSTMENTS AND MODIFICATIONS AFFECTING SHARE INDICES

(a) *Successor Share Index and Successor Share Index Sponsor*

If a Share Index is (i) not calculated and announced by the relevant Share Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Index Calculation Agent, or (ii) replaced by a successor index 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 relevant Share Index, then in each case that index (the “**Successor Share Index**”) will be deemed to be the relevant Share 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.

(b) *Share Index Modification and Share Index Cancellation*

If a Share Index Sponsor announces that it will make a material change in the formula for or method of calculating a Share Index or in any other way materially modifies that Share Index (other than a modification prescribed in that formula or method to maintain that Share Index in the event of changes in constituent stock and capitalization and other routine events) (a “**Share Index Modification**”) or permanently cancels that Share Index and no Successor Share Index exists (a “**Share Index Cancellation**”) and, together with a Share Index Modification, each a “**Share Index Adjustment Event**”), then:

- (i) 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/or
- (ii) the Index Calculation Agent may select a replacement Share Index that has substantially similar characteristics to the Share Index that is being replaced, having regard to the manner in which such Share 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) to the Index Conditions as it determines appropriate to account for the effect on the Index of such replacement; and/or
- (iii) the Index Sponsor may discontinue and cancel the Index.

5. REPLACEMENT CRITERIA

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

6. DEFINITIONS

“**Component Security**” shall mean, in respect of a Share Index, each share included in such Share Index.

“**Exchange**” shall mean (a) in respect of a Single Exchange Index, each exchange, trading system or quotation system specified as such in respect of such Single Exchange Index in the applicable Index Methodology or any successor to any such exchange, trading system or quotation system, or any substitute exchange, trading system or quotation system to which trading in the relevant Component Securities has temporarily relocated (PROVIDED THAT there is comparable liquidity relative to such Component Securities on such temporary substitute exchange, trading system or quotation system as on the original exchange, trading system or quotation system); and (b) in respect of a Multiple Exchange Index and each relevant Component Security, the exchange, trading system or quotation system on which each Component Security is principally traded.

“**Exchange Business Day**” shall mean (a) in respect of a Single Exchange Index, any Scheduled Trading Day for such Single Exchange Index on which each relevant Exchange and each relevant Related Exchange for such Single Exchange Index 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; and (b) in respect of a Multiple Exchange Index, any Scheduled Trading Day for such Multiple Exchange Index on which the relevant Share Index Sponsor publishes the level of such Multiple Exchange Index and on which each relevant Related Exchange for such Multiple Exchange Index is open for trading during its regular trading session, notwithstanding any relevant Exchange or Related Exchange closing prior to its Scheduled Closing Time.

“**Multiple Exchange Index**” shall mean each Share Index specified as such in the applicable Index Conditions.

“**Related Exchange**” shall mean, in respect of a Share Index 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 Index or any successor to such exchange, trading system or quotation system, or any substitute exchange, trading system or quotation system to which trading in futures contracts or options contracts relating to such Share Index has temporarily relocated (PROVIDED THAT there is comparable liquidity relative to such futures contracts or options contracts relating to such Share Index 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 Index, 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 Index.

“**Scheduled Closing Time**” shall mean, in respect of a Share Index, a Scheduled Trading Day and an Exchange or a Related Exchange (as relevant) for such Share Index, the scheduled weekday closing time of 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 (a) in respect of a Single Exchange Index, any day on which each relevant Exchange and each relevant Related Exchange for such Single Exchange Index is scheduled to be open for trading for their respective regular trading sessions; and (b) in respect of a Multiple Exchange Index, any day on which (i) the Share Index Sponsor in respect of such Multiple Exchange Index is scheduled to publish the level of such Multiple Exchange Index; and (ii) each relevant Related Exchange for such Multiple Exchange Index is scheduled to be open for trading for its regular trading session; and (iii) the X Percentage is no more than 20 per cent. of the relevant Component Securities.

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

“Share Index Sponsor” shall mean, in respect of a Share Index, the corporation or other entity which (a) is responsible for setting and reviewing the rules and procedures and methods of calculations and adjustments, if any, related to such Share Index; and (b) announces (directly or through an agent) the level of such Share Index on a regular basis.

“Single Exchange Index” shall mean each Share Index specified as such in the applicable Index Methodology.

“X Percentage” shall mean, in respect of a Multiple Exchange Index and any day, the percentage of relevant Component Securities which are scheduled to be unavailable for trading on any relevant Exchange on such day by virtue of that day not being a day on which such relevant Exchange is scheduled to be open for trading during its regular trading session. For the purposes of determining the X Percentage in respect of a Multiple Exchange Index, the relevant percentage of a Component Security unavailable for trading shall be based on a comparison of (a) the portion of the level of such Multiple Exchange Index attributable to such Component Security; and (b) the overall level of such Multiple Exchange Index, in each case using the official opening weightings as published by the relevant Share Index Sponsor as part of the market “opening data”.

Constituent Schedule

EXCHANGE TRADED PRODUCT

This Constituent Schedule shall apply to each Constituent classified in the applicable Index Methodology as an “Exchange Traded Product”.

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

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 an Exchange Traded Product and a Valuation Date for such Exchange Traded Product and unless otherwise specified in the applicable Index Methodology, the official closing price of such Exchange Traded Product on such Valuation Date, as displayed on the applicable Electronic Page.

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

(b) Intraday valuations

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

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

2. DISRUPTION TO VALUATION

“**Disrupted Day**” shall mean, in respect of an Exchange Traded Product, any Scheduled Trading Day for such Exchange Traded Product 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 Exchange Traded Product; or (ii) any relevant Related Exchange of futures contracts or options contracts relating to such Exchange Traded Product; 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 Exchange Traded Product; 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 Exchange Traded Product; 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 Exchange Traded Product 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 an Exchange Traded Product, 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; or
- (g) a Cross-contamination; or
- (h) an Issuer Modification; or
- (i) a Regulatory Action; or
- (j) a Strategy Breach; or
- (k) a Failure by a Service Provider.

(a) *Corporate Action*

“**Corporate Action**” shall mean, in respect of an Exchange Traded Product, any of the following events (provided that, in each case, the relevant event has a diluting or concentrative effect on the theoretical value of such Exchange Traded Product):

- (i) a subdivision, consolidation or reclassification of such Exchange Traded Product, unless resulting in a Merger Event; or
- (ii) a free distribution or dividend of such Exchange Traded Product to existing holders by way of bonus, capitalization or similar issue; or
- (iii) a distribution, issue or dividend to existing holders of such Exchange Traded Product of (A) an additional amount of such Exchange Traded Product; or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of the liquidation of the relevant Issuer equally or proportionately with such payments to holders of such Exchange Traded Product; or (C) share capital or other securities of another issuer

acquired or owned (directly or indirectly) by the Issuer of such Exchange Traded Product 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) any repurchase by the relevant Issuer of such Exchange Traded Product whether:
 - x) such repurchase is direct or indirect from an investor in such Exchange Traded Product; or
 - y) the consideration for such repurchase is cash, securities or otherwise, other than in respect of a redemption of such Exchange Traded Product initiated by an investor in such Exchange Traded Product which is consistent with the relevant Offering Documents; or
- (vi) any other event which may have a diluting or concentrative effect on the theoretical value of such Exchange Traded Product.

(b) *Delisting*

“Delisting” shall mean, in respect of an Exchange Traded Product, that any relevant Exchange announces that pursuant to the rules of such Exchange such Exchange Traded Product ceases (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 Exchange Traded Product is not immediately re-listed, re-traded or re-quoted on any of the New York Stock Exchange, the NASDAQ Global Select Market and the NASDAQ Global Market (or their respective successors).

(c) *Insolvency*

“Insolvency” shall mean, in respect of an Issuer, that either (i) by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding up of (or any analogous proceeding) affecting such Issuer (A) all Exchange Traded Products of such Issuer are required to be transferred to an Insolvency Officer; or (B) holders of such Exchange Traded Products become legally prohibited from transferring or redeeming such Exchange Traded Products; or (ii) an Insolvency Event occurs in respect of such Issuer or any of its Service Providers.

“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 an Exchange Traded Product, any:

- (i) reclassification or change of such Exchange Traded Product which results in a transfer of or an irrevocable commitment to transfer all such Exchange Traded Products outstanding to another entity or person; or
- (ii) consolidation, amalgamation, merger or binding share exchange of the relevant Issuer 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 Exchange Traded Products 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 Exchange Traded Products for the relevant Issuer, which results in a transfer of or an irrevocable commitment to transfer all such Exchange Traded Products (other than those owned or controlled by such entity or person); or
- (iv) consolidation, amalgamation, merger or binding share exchange of the relevant Issuer or its subsidiaries with or into another entity in which such Issuer is the continuing entity and which does not result in the reclassification or change of all such Exchange Traded Products outstanding but results in the outstanding Exchange Traded Products (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 Exchange Traded Products immediately following such event.

(e) *Nationalization*

“**Nationalization**” shall mean, in respect of an Issuer, that all the Exchange Traded Products or all the assets or substantially all the assets of such Issuer 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 an Issuer, 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 Issuer, as assessed with reference to the filings made with governmental or self-regulatory agencies or such other reasonably relevant information.

(g) *Cross-contamination*

“**Cross-contamination**” shall mean, in respect of an Exchange Traded Product and the relevant Issuer, the occurrence of a cross-contamination or other failure to segregate effectively assets between different classes, series, cells, compartments or equivalent of such Issuer, and such event continues for the foreseeable future.

(h) *Issuer Modification*

“**Issuer Modification**” shall mean, in respect of an Exchange Traded Product and the relevant Issuer, any change in or modification of the Offering Documents of such Issuer in respect of such Exchange Traded Product which could reasonably be expected to materially affect (i) the value of such Exchange Traded Product; or (ii) the rights and remedies of any holder of such Exchange Traded Product as compared with those rights and remedies prevailing on the applicable Index Launch Date.

(i) *Regulatory Action*

“**Regulatory Action**” shall mean, in respect of an Exchange Traded Product and the relevant Issuer, (i) the cancellation, suspension, or revocation of the registration or approval of such Issuer or such Exchange Traded Product by any governmental, legal or regulatory entity with authority over such Issuer or such Exchange Traded Product; (ii) any change in the legal, tax, accounting or regulatory treatment of such Exchange Traded Product, such Issuer or its Adviser which is reasonably likely to have a material adverse impact on the value of such Exchange Traded Product or on any investor in such Exchange Traded Product; or (iii) such Issuer or any of its Service Providers becomes subject to any investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving the alleged violation of applicable law or regulation for any activity relating to or resulting from the operation of such Issuer or Service Provider, as the case may be, which in each case is reasonably likely to have a material adverse impact on the value of such Exchange Traded Product or on any investor in such Exchange Traded Product.

(j) *Strategy Breach*

“**Strategy Breach**” shall mean, in respect of an Exchange Traded Product, any breach or violation of any strategy or investment guidelines stated in the Offering Documents of the relevant Issuer which is reasonably likely to have a material adverse impact on: (i) the value of such Exchange Traded Product; or (ii) the rights and remedies of any holder of such Exchange Traded Product as compared with those rights and remedies prevailing on the applicable Index Launch Date.

(k) *Failure by a Service Provider*

“**Failure by a Service Provider**” shall mean, in respect of an Exchange Traded Product and the related Issuer, a failure by a Service Provider in respect of such Exchange Traded Product to perform any of its obligations in respect of such Exchange Traded Product in a manner which is reasonably likely to have a material adverse impact: i) the value of such Exchange Traded Product; or (ii) the rights and remedies of any holder of such Exchange Traded Product as compared with those rights and remedies prevailing on the applicable Index Launch Date.

4. **ADDITIONAL PROVISIONS**

“**Correction Period**” shall mean, in respect of an Exchange Traded Product, two Index Business Days.

5. **REPLACEMENT CRITERIA**

“**Replacement Criteria**” shall mean, in respect of an Exchange Traded Product, the criteria (if any) specified as such in the applicable Index Methodology.

6. **DEFINITIONS**

“**Administrator**” shall mean, in respect of an Exchange Traded Product and the relevant Issuer, the administrator, manager, trustee or similar person with the primary administrative responsibilities for such Issuer in respect of such Exchange Traded Product, as described in the Offering Documents of such Issuer and such Exchange Traded Product.

“**Adviser**” shall mean, in respect of an Exchange Traded Product and the relevant Issuer, any person appointed in the role of discretionary investment manager or non-discretionary investment adviser (including a non-discretionary investment adviser to a discretionary investment manager or to another non-discretionary investment adviser) to such Issuer in respect of such Exchange Traded Product.

“**Exchange**” shall mean, in respect of an Exchange Traded Product and unless otherwise specified in the applicable Index Methodology, the primary exchange, trading system or quotation system in respect of such Exchange Traded Product 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 Exchange Traded Product has temporarily relocated (PROVIDED THAT there is comparable liquidity relative to such Exchange Traded Product 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 an Exchange Traded Product, any Scheduled Trading Day for such Exchange Traded Product 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.

“**Exchange Traded Product**” shall mean each Constituent classified as such in the applicable Index Methodology.

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

“**Issuer**” shall mean, in respect of an Exchange Traded Product, the issuer of such Exchange Traded Product, as specified in the applicable Offering Documents.

“**Offering Documents**” shall mean, in respect of an Exchange Traded Product and the relevant Issuer, the constitutive and governing documents of such Issuer in respect of such Exchange Traded Product, including the prospectus or offering circular (howsoever described), together with the subscription agreements and other agreements, in each case relating to such Exchange Traded Product and as amended from time to time.

“**Related Exchange**” shall mean, in respect of an Exchange Traded Product 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 Exchange Traded Product 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 that 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 an Exchange Traded Product, 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 Exchange Traded Product.

“**Service Provider**” shall mean, in respect of an Exchange Traded Product and the relevant Issuer, any person who is appointed to provide services, directly or indirectly, for such Issuer in respect of such Exchange Traded Product, whether or not specified in the relevant Offering Documents, or any successor, including without limitation any Adviser, Administrator, operator, management company, depository, custodian, sub-custodian, prime broker, trustee, registrar and transfer agent or domiciliary agent.

“**Scheduled Closing Time**” shall mean, in respect of an Exchange Traded Product, a Scheduled Trading Day and an Exchange or a Related Exchange (as relevant) for such Exchange Traded Product, 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 an Exchange Traded Product, any day on which each relevant Exchange and each relevant Related Exchange is scheduled to be open for trading for its regular trading session.