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Calculation & Benchmark Administration by

**S&P Dow Jones  
Indices**

# **DB Mean Reversion Index Family *Benchmark Statement***

**December 23, 2020**

Date of original publication: December 7, 2018

The DB Mean Reversion Index Family Benchmark Statement

The DB Mean Reversion Indices ("Indices") are proprietary to Deutsche Bank AG, which has contracted with S&P DJI Netherlands B.V. (a subsidiary of S&P Dow Jones Indices LLC.) to calculate and administer the Indices

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# Introduction

S&P DJI Netherlands B.V. (S&P DJI), a wholly owned subsidiary of S&P Dow Jones Indices LLC., is the administrator of the DB Mean Reversion Index Family. The DB Mean Reversion Index Family is owned by Deutsche Bank AG (“DB”). This document is a ‘benchmark statement’, created in accordance with Article 27 of Regulation (EU) 2016/1011 and the supplementary delegated regulation (EU) 2018/1643. This benchmark statement should be read in conjunction with the methodology documents for the DB Mean Reversion Indices, which can be found on our Web site at [www.spdji.com](http://www.spdji.com). This benchmark statement covers non-significant benchmarks as defined by Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016.

## Objective of Indices

Each index in the DB Mean Reversion Index Family is a rules-based, mean reversion strategy that consists of hypothetical long and short positions in an underlying index (“Underlying Index”) or exchange-traded fund (“ETF”) as specified in the methodology.

The level of an index within the DB Mean Reversion Index Family is intended to reflect the notional returns of a hypothetical daily trading strategy that either purchases exposure to the Underlying Index or ETF or sells exposure to the Underlying Index or ETF. The notional allocation between long positions and short positions is determined on each Index Calculation Day (as defined in the methodology) in accordance with an algorithm based on the mean reversion of the Underlying Index or ETF. If the level of the Underlying Index or ETF is above its average, the strategy would take a short position in the Underlying Index or ETF; if such level is below its average, the strategy would take a long position in the Underlying Index or ETF.

# Methodology & Index Design Guidelines and Reviews

Each index in the DB Mean Reversion Index Family is constructed and maintained by the use of a transparent rules-based methodological approach. The methodology for the indices is documented and available on our Web site, [www.spdji.com](http://www.spdji.com).

All indices in the DB Mean Reversion Index Family are overseen by the Index Committee. The Index Committee serves as the index governance body tasked with ensuring that:

- The index objective is clearly stated and the index is expected to achieve its objective.
- The procedures documented in the methodology are transparent and clearly described.
- The eligible universe, selection criteria and weighting method for constituents are fully detailed and described.
- All aspects of an index – data, calculation, maintenance, presentation and governance – are consistent with S&P DJI practices and any exceptions are explicitly discussed and decided upon by the Index Committee.

Each index in the DB Mean Reversion Index Family is rebalanced on a regular schedule.

Index methodologies are reviewed by the Index Committee as part of the regular index rebalancing process as well as on at least an annual basis to ensure that the methodology is being applied consistently and allows the index to achieve its stated objective. These reviews may highlight situations where changes in the methodology are necessary to reflect changes in the underlying market. Please see the section on Consultations below for more information on Index Committee reviews and the external consultation process.

# Index Governance

The S&P DJI's SPDB Custom Index Committee ("Index Committee") maintains the DB Mean Reversion Index Family and provides oversight to ensure that S&P DJI policies and procedures are followed. The Index Committee meets at regular intervals. At each meeting, the Index Committee reviews matters that may affect an index within the DB Mean Reversion Index Family, including the methodology, constituents and any significant market events. In addition, the Index Committee may revise Index policy and procedures.

The Index Committee is comprised of full-time professional members of S&P DJI's staff. S&P DJI's voting members on the Index Committee are senior employees from the Index Management & Production Group and the Index Governance group. Individuals from these functions have no commercial responsibilities.

Questions of interpretation or possible exceptions to index rules are considered by the Index Committee.

S&P DJI considers information about changes to its indices and related matters to be potentially market moving and material. Therefore, all Index Committee meetings are confidential.

## **Discretion**

S&P DJI has established a documented rules-based approach for the calculation and maintenance of the indices it administers; rules are set out in the methodology and supplementary documents. This approach seeks to minimize the need for judgement and discretion. In certain circumstances, including complex corporate actions, market disruptions, or where the methodology does not describe, or does not adequately describe an event, the Index Committee may, use discretion to make decisions that differ from the index methodology.

## **Internal Oversight**

The S&P DJI Internal Oversight Committee ("IOC") is comprised of representatives from the Compliance, Legal, and Risk functions. The IOC's mission is to oversee S&P DJI's compliance with its benchmark governance, quality, and operational standards. Among other responsibilities, the IOC reviews S&P DJI's adherence with its policies, monitors applicable regulatory developments, and serves as an escalation body for S&P DJI's Index Governance function.

# Index Calculation

## Input Data

The DB Mean Reversion Index Family is calculated using official prices sourced via vendors from the eligible stock exchanges and/or the closing level of the applicable underlying index. The DB Mean Reversion Index Family does not use contributed input data.

## Unexpected Exchange Closures

An unexpected market/exchange closure is when a market/exchange fully or partially fails to open or trading is temporarily halted. This can apply to a single exchange or to a market as a whole, when all of the primary exchanges are closed and/or not trading. Unexpected market/exchange closures are usually due to unforeseen circumstances, such as natural disasters, inclement weather, outages, or other events.

In the event of an unexpected exchange closure, S&P DJI uses the following guidelines:

- (i) If an unexpected exchange closure occurs prior to the open of trading and it is indicated that trading will not open for a given day, S&P DJI will treat the day as an unscheduled market holiday.
- (ii) If a market disruption occurs intraday, S&P DJI will wait for the impacted exchange to publish a list of closing prices, which will then be used to calculate the closing index values. If no list is published, the last trade for each security before the interruption is used to calculate the index closing value. If no trades were reported for a security, the previous closing price, adjusted for corporate actions, is used for index calculation.

## Index Corrections

S&P DJI reserves the right to recalculate an index at its discretion in the event one of the following issues has occurred:

1. Incorrect or revised closing price of one or more constituent securities;
2. Missed corporate event;
3. Incorrect application of corporate action or index methodology;
4. Late announcement of a corporate event;
5. Incorrect calculation or data entry error.

A general description of how these events are handled can be found in the Recalculation Policy section of the S&P Equity Indices Policies and Practices document, located on our Web site, [www.spdji.com](http://www.spdji.com).

# Consultations

## Communication with Stakeholders and Consultations

S&P DJI communicates and consults with market participants through various channels such as press releases, index announcements, emails and the distribution of data files. In addition, S&P DJI has a designated client service team available to respond to inquiries.

When a material change to the index methodology is considered, S&P DJI publishes a consultation inviting comments from market participants. A material change alters the index objective or changes the methodology in a way that affects the likelihood that the index will achieve its objective. Examples of methodology changes that could impact the index objective include altering rules determining the index universe, the selection of its constituents, or the weighting of its constituents. Consultations are announced through a number of channels, including the S&P DJI Web site, and by email directly to S&P DJI clients. Feedback is accepted only during the posted timeframe. Under normal circumstances, the consultation period is open for a minimum of 30 days from publication. In instances where a material change is deemed to be time sensitive, the Index Committee may determine that a shorter consultation period is required. Time sensitive changes are those that may require consideration or implementation within a shorter timeframe, and where the full consultation time period is not possible. Prior to finalizing its decision, the Index Committee will consider the issues and may request clarifications from respondents as part of this process. All feedback from consultations is reviewed and considered before a final decision is made by the Index Committee. Any changes to an index methodology are announced on the Web site together with the effective date of the change. A summary of the consultation feedback is made available upon request after announcement of the results, with the exception of responses requesting confidentiality. Individual and company names are not provided.

## Internal Reviews of Methodology

**Annual Review Process.** In addition to its daily governance of indices and maintenance of index methodologies, the Index Committee reviews, at least once within any 12 month period, the index methodology to ensure the indices continue to achieve the stated objectives, and that the data and methodology remain effective. In the case that an index methodology is reviewed off cycle from the annual review, the Index Committee reserves the right to cancel the annual review if the requested review covers all the relevant issues.

# Index Terminations

S&P DJI and/or the owner of the DB Mean Reversion Index Family, Deutsche Bank AG, may determine that an index should be discontinued. The circumstances which may lead to the discontinuance of an index are generally outside of S&P DJI's control. Reasons for an index termination could include:

- Fewer than the required number of securities are available for inclusion in an index, such as with size or GICS market segment based indices
- Data required for an index is no longer available or no longer reliable
- Market conditions, regulations or potential index constituents have changed, making it unlikely that the index can achieve its objective
- Declining investor use or interest

All proposals to discontinue an index are assessed to determine any potential impact on the market. S&P DJI may, at its option, consult with market participants regarding the index termination.

Index terminations will be announced in advance, and vendors will be notified. Index levels and related data on a discontinued index are retained by S&P DJI.



# Index Usage

S&P DJI acts as the benchmark administrator for the DB Mean Reversion Index Family.

S&P DJI is not an investment advisor. Not all uses of an index are appropriate for all users. Market participants should make their own assessment and judgment when selecting an index for their purpose.

Any index and its methodology can be affected by a number of factors, most of which are beyond S&P DJI's control. These may include, but are not limited to, structural changes to the underlying market including decreases in the size and liquidity of the relevant market segment, infrastructure changes, geo-political events, and regulatory changes. These circumstances may result in a material change to the methodology, or in exceptional circumstances, the termination of an index.

If financial product issuers or investment managers choose to use an index, regardless of index family, as the basis of an index-linked financial product or an investment fund, they should consider this possibility, including the potential need to terminate or modify the terms of a financial product resulting from the termination of the calculation of the index. S&P DJI assumes no responsibility for potential use of the indices it administers, regardless of index family, for particular purpose by users, whether that use is for research, benchmarking, the basis for an index-linked financial product or investment fund, or some other use. The effective representation of a market or strategy is the primary aim for S&P DJI.

## Additional Information

Information regarding rebalancing and other relevant details for the DB Mean Reversion Index Family can be found in the methodology document available on [www.spdji.com](http://www.spdji.com). The index methodology should be read in conjunction with supporting documents, which detail corporate action treatment, policies and procedures, float adjustment methodology, index calculations, and other pertinent information. These documents can be found on the Governance page of [www.spdji.com](http://www.spdji.com).

Index ISINs, if available, can be obtained by contacting [index\\_services@spglobal.com](mailto:index_services@spglobal.com).

# Appendix

<b>EXPLANATION OF HOW ENVIRONMENTAL, SOCIAL &amp; GOVERNANCE (ESG) FACTORS ARE REFLECTED IN THE BENCHMARK STATEMENT<sup>1</sup></b>		
1.	<b>Name of the benchmark administrator</b>	S&P DJI Netherlands B.V.
2.	<b>Underlying asset class of the ESG benchmark<sup>2</sup></b>	N/A
3.	<b>List of the benchmark or family of benchmarks covered by this Benchmark Statement:</b>	<a href="#">SPDJI Custom BA for DB Regulatory Report</a>
4.	<b>Are there in the portfolio of the benchmark administrator any EU Climate Transition Benchmarks, EU Paris-aligned benchmarks, benchmarks that pursue ESG objectives or benchmarks that take into account ESG factors?</b>	Yes  This benchmark statement does not include EU Climate Transition Benchmarks or EU Paris-aligned Benchmarks.  For a list of the EU CTBs and EU PABs, and benchmarks that take in account ESG factors, please refer to the <a href="#">S&amp;P DJI Methodology &amp; Regulatory Database</a> .
5.	<b>Does the benchmark or family of benchmarks pursue ESG objective?</b>	No
<b>Appendix latest update:</b>		December 2020
<b>Appendix first publication:</b>		December 2020

<sup>1</sup> The information contained in this Appendix is intended to meet the requirements of the European Union Commission Delegated Regulation (EU) 2020/1817 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published.

<sup>2</sup> The 'underlying assets' are defined in European Union Commission Delegated Regulation (EU) 2020/1816 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published.

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