

**NES Russian Inflation Target Index  
Notice of Index Cancellation**

19 December 2014

New Economic School (NES) has resigned from its role as the Index Advisor of the NES Russian Inflation Target Index (the “**Index**”). Given that the role of the Index Advisor is fundamental to the operation of the Index, and the unique association of NES with the Index Advisor role, Citigroup Global Markets Limited, in its capacity as the Index Sponsor, has determined that it is not possible to replace NES with a substitute Index Advisor, and it is appropriate to cancel the Index, with immediate effect, pursuant to Section 5.2 (*Index Advisor Event*) of Part D (*Calculation of the Index Level*) of the Index Methodology dated 19 November 2012 (the “**Index Methodology**”).

The Index Methodology and the Index General Conditions dated 16 November 2011 together comprise the “**Index Conditions**” in respect of the Index. Capitalised terms used, but not otherwise defined, in this Notice have the respective meanings given to such terms in the Index Conditions.

If you have any questions in relation to this Notice, please contact the Index Sponsor.

**Citigroup Global Markets Limited**

as Index Sponsor of the Index

# NES Russian Inflation Target Index

## Abbreviated Index Description

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**CALCULATED BY**  
**S&P DOW JONES**  
**INDICES**

19 November 2012

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## Part A: Introduction

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# Introduction

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This document constitutes an abbreviated index description (the “**Abbreviated Index Description**”) in respect of the Index (as defined below) and is made available for information purposes only by Citigroup Global Markets Limited in its capacity as the Index Sponsor, from which the Index Conditions (as described below) are also available. This document is intended to provide a description of the Index, but does not contain the mathematical formulae and algorithms used in the calculation of the Index. Accordingly, this document is not intended to provide a full description of the Index methodology.

The full rules that govern the Index are contained in the “**Index Methodology**” and the “**Index General Conditions**” which together are called the “**Index Conditions**” and which must be read together. In the case of any inconsistency between this Abbreviated Index Description and the Index Conditions, the Index Conditions shall prevail.

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

This Abbreviated Index Description 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 the Index Conditions may be required.

Terms used in this Abbreviated Index Description but not defined herein shall have the meanings given to them in the Index Conditions.

## **Part B: Key Information**

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# Key Information

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Index:	NES Russian Inflation Target Index (the “ <b>Index</b> ”)
Summary of strategy:	<p>The Index is a Russian Rouble denominated index which aims to approximate in broad terms the compounded performance of the Russian week-on-week consumer price index returns (“<b>Russian CPI</b>”) by providing exposure to the dynamically weighted performance of nine underlying Constituents, comprising equity index futures, commodity indices, commodity futures, currency futures and a bond futures index.</p> <p>The Index rebalances its allocation to the Constituents on a monthly basis, according to the following procedure. Initially, the weights of the first eight Constituents are determined by the Index Calculation Agent using an algorithm which aims to weight each of those Constituents such that each provides (on an ex-ante basis) an equal contribution to the aggregate risk (volatility) of the portfolio of such Constituents (the “<b>ERC Portfolio</b>”). Subsequently, if the tracking error of the ERC Portfolio to the Russian CPI exceeds 2.5 per cent. (on an annualized basis), the weights of the Constituents in the ERC Portfolio are reduced proportionally and the weight of the ninth Constituent (the Commodities Curve Spread) is increased (each weighting so determined, a “<b>Model Core Percentage Weight</b>”).</p> <p>Once the Index Calculation Agent has calculated such Model Core Percentage Weights, it notifies the Index Advisor of its calculations. The Index Advisor then determines, in its sole discretion, the weight of each Constituent (subject to certain weight constraints and prior to the FX conversion and the volatility-based exposure adjustment described below) to be used in the calculation of the Index from the next Rebalancing Date (each such weighting so determined, an “<b>Index Advisor Core Percentage Weight</b>”). The Index Advisor Core Percentage Weights may or may not be the same as the Model Core Percentage Weights.</p> <p>The Index Level is then determined by converting the performance of the portfolio of Constituents, weighted in accordance with the procedure outlined above, by applying the spot USD/RUB foreign exchange rate to the performance of the portfolio of the underlying Constituents to ascertain the Index Level in Russian Rouble.</p> <p>Finally, a volatility budget is also imposed on the Index as a whole, whereby the exposure of the Index to the portfolio of Constituents is scaled up or down proportionally in order to target an ex-ante annualized volatility level of 3.25 per cent., subject to (i) a cap of 120 per cent. on the exposure of the Index to the portfolio of Constituents and (ii) individual Constituent weight caps.</p>
Index Sponsor:	Citigroup Global Markets Limited (“ <b>Citi</b> ”)
Index Calculation Agent:	S&P Dow Jones Indices LLC
Index Advisor:	New Economic School (Moscow, Russia) (“ <b>NES</b> ”)
Index Base Currency:	Russian Rouble (RUB)
Index Launch Date:	1 August 2012
Index Start Date:	12 May 2003
Index Start Level:	100.00

Index Fee:	Not Applicable. However, certain notional costs associated with the rebalancing and replication of the Index are taken into account by deducting these notional costs from the Index Level and by reducing the unit weights of the Constituents upon the monthly rebalancing.
Frequency of calculation of the Index Level:	Daily, as of each Index Business Day
Frequency of rebalancing:	Monthly, as of each Rebalancing Date
Index Electronic Page:	Bloomberg page NESRIT <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. In particular, the back-tested performance of the Index is calculated solely on the basis of the applicable Model Weights for each month, without any input from the Index Advisor. The monthly rebalancing of the Index from and including December 2012 reflects the Index Advisor's review of the weights of the Constituents.*

## **Part C: Overview of the Index**

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# Overview of the Index

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## 1. GENERAL OVERVIEW

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

The Index is a rules-based proprietary index developed by the Index Sponsor with input and advice from the Index Advisor.

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 from time to time.

The Index Level is calculated in Russian Roubles by the Index Calculation Agent as of every Index Business Day (as defined in Part D (*Data*) below) and is generally published on the following Index Business Day. The Index has been calculated on a live basis since the Index Launch Date and has been back-tested for the period since the Index Start Date.

The Index provides exposure to the dynamically weighted performance of nine underlying Constituents comprising equity index futures, commodity indices, commodity futures, currency futures and a bond futures index.

This Index methodology (the “**Methodology**”) is designed to approximate in broad terms the compounded performance of Russian week-on-week consumer price index returns (“**Russian CPI**”). In order to approximate this performance, the weighting of the Constituents is rebalanced on a monthly basis in accordance with the determinations of the Index Advisor.

On each monthly Selection Date (as defined in Part D (*Data*) below), the Index Calculation Agent shall provide the Index Advisor with the model weight (each a “**Model Core Percentage Weight**” or, in short, a “**Model Weight**”) of each Constituent which the Index Calculation Agent has determined by using certain algorithms described herein (see paragraph 6 “**Weighting**” below). The Index Advisor shall then determine in its sole and absolute discretion the weight (each an “**Index Advisor Core Percentage Weight**” or, in short, an “**Advisor Weight**”) of each Constituent, which Advisor Weight may or may not be the same as the relevant Model Weight calculated by the Index Calculation Agent but, if different from the relevant Model Weight, shall be subject to the relevant minimum (the “**Minimum Advisor Weight**”) and maximum (the “**Maximum Advisor Weight**”) allocation for such Constituent (as set out in Part D (*Data*) below). The Index Advisor shall notify the Index Calculation Agent of the Advisor Weight of each Constituent on each Review Date (as defined in Part D (*Data*) below). In the event that (a) the Index Advisor fails to give notice to the Index Calculation Agent of any such Advisor Weight, (b) provides an Advisor Weight that is greater than the relevant Maximum Advisor Weight or less than the relevant Minimum Advisor Weight for such Constituent or (c) the aggregate of all Advisor Weights notified by the Index Advisor exceeds 100 per cent., then the Index Calculation Agent shall use each of the Model Weights in the remaining calculation steps in order to determine the Index Level. In each case the weight used in respect of a Constituent in such calculations is referred to as the “**Final Core Percentage Weight**” or, in short, the “**Final Weight**” in respect of the relevant Rebalancing Date.

The Index Calculation Agent shall use the most recently determined Final Weights to determine on each Index Business Day the aggregate performance of the Constituents expressed in terms of US dollars (the “**Core Level**”). In order to measure the aggregate performance of the Constituents expressed in terms of Russian Roubles (the “**FX Core Level**”), the Index Calculation Agent shall apply a foreign exchange conversion factor to the performance of the Core Level from the last Rebalancing Date (or Index Start Date, as the case may be) to such Index Business Day. This conversion factor on any Index Business Day is the spot rate for the exchange of Russian Roubles for US dollars (as set out in Part D (*Data*) below) as determined on such Index Business Day, divided by the spot rate on the Rebalancing Date (or the Core Index Start Date, as the case may be) immediately prior to such Index Business Day.

The Index features a volatility control mechanism, which scales the Exposure (as defined in the Index Conditions) of the Index to the FX Core Level up or down proportionately, in order to target an ex-ante annualized volatility level of 3.25 per cent., subject to an Exposure cap of 120 per cent. If the Final Weights in relation to any Rebalancing Date are equal to the relevant Model Weights, then the Exposure of the Index to the FX Core Level will be scaled down, if necessary, in order to ensure that the individual weight caps of the Constituents are observed.

Notional costs representing the transaction and replication costs notionally incurred in rebalancing the Constituents and increasing or reducing the Exposure, are applied to the calculation of the Index Level. These notional costs will reduce the Index Level.

**The NES Russian Inflation Target Index uses an Index Advisor to determine weights for the Constituents on a monthly basis, such that the Index will be exposed to different proportions of the Constituents from time to time. The Index is subject to a variety of market risks. The Methodology on which the Index is based may not be successful in approximating the performance of Russian CPI.**

## 2. INDEX SPONSOR AND INDEX CALCULATION AGENT

As at the date of this Abbreviated Index Description, S&P Dow Jones Indices LLC shall 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 Calculation Agent'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 shall be calculated by the Index Calculation Agent as of the Index Valuation Time on each Index Business Day (as defined in Part D (*Data*) below). The Index Level as of each Index Business Day shall be published on the Index Electronic Page, generally on the following Index Business Day. This should be considered the official source for the Index Level and a level obtained from any other source (electronic or otherwise) must be considered unofficial. The Index Level is the closing level of the Index for the relevant Index Business Day. The Index Calculation Agent may also, but is not obliged to, calculate the level of the Index in respect of any other valuation time on any Index Business Day or any other day with the consent of the Index Sponsor. The detailed procedures for the calculation of the Index Level in respect of each Index Business Day are set out in the Index Conditions.

## 4. VOLATILITY TARGETING

A volatility limit is placed upon the Exposure of the Index to the FX Core Level whereby the Exposure is proportionately increased or decreased to target on an ex-ante basis an annualized volatility of 3.25 per cent., subject to an Exposure cap of 120 per cent. The purpose of this target is to reduce the Exposure of the Index to the FX Core Level in the event that the realized volatility of the FX Core Level over a historical 20 Index Business Day period exceeds a pre-defined volatility threshold.

In addition, in order to limit the Exposure of the Index to a portfolio of Constituents which is excessively weighted towards any single Constituent, an additional limitation on the Exposure is applied dependent upon whether the Final Weights in relation to any Rebalancing Date are equal to the relevant Model Weights.

If the Index Level is being calculated using the Model Weights, the Exposure is proportionately increased or decreased if the Final Core Percentage Weight of any Constituent exceeds a certain proportion of the Maximum Allocation (as defined in Part D (*Data*)) of such Constituent. Where the Index Level is calculated using Advisor Weights, such weights will have needed to observe their respective individual weight caps.

If the Index Level is being calculated using Final Weights which were determined by the Index Advisor and which differ from the Model Weights, then the Index Calculation Agent also calculates the realized volatility of the portfolio constituted by such Final Weights (the "**Index Advisor Portfolio**") over the previous 20 Index Business Day period. In this case, an additional limit is imposed on the Exposure so as to reduce the

Exposure of the Index to the FX Core Level in the event that the realized volatility of the Index Advisor Portfolio over a historical 20 Index Business Day period exceeds a pre-defined volatility threshold.

## 5. MONTHLY REBALANCING

Subject to the occurrence or existence of a Disrupted Day, the Index Level is rebalanced on a monthly basis as of each Rebalancing Date (as defined in Part D (*Data*) below). As of each Selection Day, the Index Calculation Agent will determine the Model Weights and communicate these to the Index Advisor. Once the Index Advisor has determined the Advisor Weights and notified the Index Calculation Agent of these then the Index Calculation Agent shall calculate the Index Level using the Final Weights (which are equal either to (i) the Model Weights or (ii) the Advisor Weights, if the Index Advisor selects alternative weights which are in compliance with the applicable weight constraints) and adjust the Exposure accordingly.

## 6. WEIGHTING

The respective weight (each a “**Core Weight**”) of each Constituent for the purpose of calculating the Core Level shall be determined by converting the relevant Final Core Percentage Weight (which is a percentage allocation) in respect of such Constituent into a unit weight (representing the number of hypothetical units of such Constituent) and by applying certain calculations to account for notional costs associated with notionally adjusting the weighting on the relevant Rebalancing Date.

The Final Core Percentage Weight of each Constituent shall be determined using a three-stage process: the first stage uses an algorithm to produce model weights for Constituents 1 to 8 (the “**ERC Constituents**”) only, such that each such ERC Constituent contributes equally, on an ex-ante basis, to the risk of a hypothetical portfolio (the “**Equal Risk Contribution Portfolio**” or “**ERC Portfolio**”) constituted by the ERC Constituents. In the second stage, an allocation split between the ERC Portfolio and Constituent 9 (the Commodities Curve Spread) is determined on the basis of the relative historical performance between the ERC Portfolio and the Russian CPI target level. In the third stage, the Index Calculation Agent gives notice to the Index Advisor of the weighting produced for each Constituent (each a “**Model Core Percentage Weight**”). The Index Advisor then determines in its sole discretion either to adopt the Model Core Percentage Weights or to select weights of its choosing for each Constituent, subject to certain constraints (each such weight an “**Index Advisor Core Percentage Weight**”). The Index Calculation Agent uses the final weights determined by this process (the “**Final Core Percentage Weights**”) to calculate the respective unit weights (each a “**Core Weight**”) and the Core Level.

The Core Level of the Index (i.e. the Index Level prior to any adjustment for foreign exchange calculations or exposure caps) is calculated by reference to the level of the underlying Constituents weighted by their respective Core Weights, with an adjustment to balance the Core Level to the extent that the sum of the Final Core Percentage Weights of the Constituents does not equal 100 per cent.

## 7. DETERMINATION OF WEIGHTS

The Index Calculation Agent shall, as of each Rebalancing Date following the Index Start Date, determine the Core Current Percentage Weight (as defined in the Index Conditions) of each Constituent. The Core Current Percentage Weight is the proportion that the relevant Constituent has in the Index Level as a whole prior to the rebalancing, expressed as a percentage.

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

To the extent that the Final Core Percentage Weight of a Constituent is greater than or less than the Current Core Percentage Weight of such Constituent, a Notional Spread (as defined in Part D (*Data*) below) will be applied to the difference between these two percentages. The Notional Spread is a fixed percentage that represents notional transactional costs that would be incurred by a hypothetical investor notionally purchasing or selling units of the relevant Constituent and serves to reduce the Core Weight (i.e. the number of units of the relevant Constituent) that a hypothetical investor would otherwise have held. This reduction will lower the Index Level from the level it would otherwise have had if notional transactional costs had not been taken into account.

## 8. ADJUSTMENTS

### ***Constituent Licensing Event***

If, in respect of any Constituent, any license granted to the Index Sponsor and/or the Index Calculation Agent and/or any of their respective Affiliates, to use such Constituent in connection with the Index is terminated, or any such entity's right to use such Constituent in connection with calculating the Index is otherwise disputed, impaired or ceases for any reason, then regardless of whether such Constituent is, at that time, a Constituent:

- (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 Constituent that has substantially similar characteristics to the Constituent that is being replaced, having regard to the manner in which such 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.

### ***Index Advisor Event***

If the Index Advisor ceases to perform any of its functions in respect of the Index:

- (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 Sponsor may discontinue and cancel the Index.

### ***Regulatory Events***

If either:

- (i) 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
- (ii) 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 an asset which is a Constituent of the Index,

(each, a "**Regulatory Event**"), then such Constituent (a "**Removed Constituent**") will be removed from the Index on the date (an "**Additional Rebalancing Date**") designated by the Index Calculation Agent or the Index Sponsor (in which case the Index Sponsor will notify the relevant date to the Index Calculation Agent).

On each Additional Rebalancing Date the Constituents of the Index will be rebalanced in accordance with these Index Conditions as if such Additional Rebalancing Date were a Rebalancing Date. For this purpose, the related Selection Day will be the third Trading Day prior to the relevant Additional Rebalancing Date.

"**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.

## **BENCHMARK INDEX ADJUSTMENTS**

### ***Successor Benchmark Index and Successor Benchmark Index Sponsor***

If the Benchmark Index (as defined in Part D (*Data*) below) is (i) not calculated and announced by the Benchmark 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 Benchmark Index, then in each case that index (the “**Successor Benchmark Index**”) will be deemed to be the Benchmark 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.

### ***Benchmark Index Modification and Benchmark Index Cancellation***

If the Benchmark Index Sponsor announces that it will make a material change in the formula for or method of calculating the Benchmark Index or in any other way materially modifies the Benchmark Index (other than a modification prescribed in that formula or method to maintain the Benchmark Index in the event of changes in constituent stock and capitalization and other routine events) (a “**Benchmark Index Modification**”) or permanently cancels the Benchmark Index and no Successor Benchmark Index exists (a “**Benchmark Index Cancellation**” and, together with a Benchmark Index Modification, each a “**Benchmark 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 Benchmark Index that has substantially similar characteristics to the Benchmark Index that is being replaced, having regard to the manner in which such Benchmark 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.

### ***Cancellation of Benchmark Index license***

If, in respect of the Benchmark Index, a license granted (if required) to the Index Sponsor and/or the Index Calculation Agent and/or any of their respective Affiliates, to use the Benchmark Index in connection with the Index is terminated, or any such entity's right to use the Benchmark Index in connection with calculating the Index is otherwise disputed, impaired or ceases for any reason, 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 Benchmark Index that has substantially similar characteristics to the Benchmark Index that is being replaced, having regard to the manner in which such Benchmark 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.

### ***Corrections of published levels, prices, rates or values in respect of the Benchmark Index***

If, in respect of the Benchmark Index, any level, price, rate or value (as applicable) in respect of the Benchmark Index or any related derivative or other related instrument, 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 two Index Business Days after the original publication, then such Corrected Level shall be deemed to be the level, price, rate or value (as applicable) for such Benchmark Index, related derivative or other related instrument (as the case may be) for the relevant time on the relevant day and the Index Calculation Agent may, but shall not be obliged to, make appropriate adjustments to the Index and the Index Level for the relevant Index Business Day(s).

## Part D: Data

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# Data

## 1. Constituents

i	Constituent	Electronic Page	Constituent Schedule	Notional Replication Cost	Notional Spread	Minimum Advisor Weight	Maximum Advisor Weight	Minimum Allocation	Maximum Allocation
1	E-mini S&P 500 Index Futures	ESA <Index>	Reference Futures Contract	0.10%	0.03%	0%	41.66%	0%	50%
2	RTS Index Active Contract	VEA <Index> (<BBG Ticker RTSI\$ Index> prior to 15 March 2006)	Reference Futures Contract	0.30%	0.20%	0%	16.66%	0%	20%
3	S&P GSCI Gold Official Close Index ER	SPGCGCP <Index>	Commodity Index	0.20%	0.10%	0%	41.66%	0%	50%
4	S&P GSCI Crude Oil 3 Months Forward Index ER	SG3MCLP <Index>	Commodity Index	0.22%	0.10%	0%	41.66%	0%	50%
5	Short US Dollar Index Future	DXA <Currency>	Reference Futures Contract	0.10%	0.05%	-27.50%	27.50%	-33%	33%
6	S&P GSCI Agriculture Official Close Index ER	SPGCAGP <Index>	Commodity Index	0.38%	0.00%	0%	16.66%	0%	20%
7	S&P GSCI Copper Official Close Index ER	SPGCICP <Index>	Commodity Index	0.20%	0.10%	0%	27.50%	0%	33%

8	S&P 10 Year U.S. Treasury Note Futures Index ER	SPUSTTP <Index>	Bond Futures Index	0.10%	0.05%	-83.33%	83.33%	-100%	100%
9	Commodities Curve Spread	N/A (See * below)	Reference Futures Contract	0.50%	0.00%	0%	62.50%	0%	75%

\* Please refer to the Index Conditions for a description of the “Commodities Curve Spread” constituent, which itself comprises a family of indices. The Index Conditions contain the conditions applicable to the Commodities Curve Spread index family.

## 2. Reference Sources

Rate		Electronic Page	Sponsor
FX Rate (USD/RUB)	The spot rate for U.S. Dollar/Russian Rouble, expressed as the amount of Russian Roubles per one U.S. Dollar	EMRUEMRU <Index>	
Benchmark Index	S&P 500® Index	SPX <Index>	Standard & Poor's
Russia CPI Week-on-Week Inflation Index		RUWCWOW <Index>	
Russia CPI Month-on-Month Inflation Index		RUCPIMOM <Index>	

## 3. Adjustment Elections

	Scheduled Valuation Date		
	Rebalancing Date	Selection Date	Other

Adjustments (Scheduled "holidays"):	Trading Days:	Move In Block	Look Back	Look Back
Adjustments (Disrupted Days):		Value What You Can	Look Back	Look Back
Valuation Roll (Disrupted Days):		5	5	5

#### 4. Defined Terms

Index Business Day:	Each day on which each of the London Stock Exchange and the Russian Trading System is scheduled to be open for trading for their respective regular trading sessions
Index Valuation Time:	In respect of an Index Business Day, 11.00 p.m. (London time) on such Index Business Day, or such time that the Index Calculation Agent may determine with the consent of the Index Sponsor
Rebalancing Date:	The third Trading Day following each Selection Date, subject to adjustment in accordance with Section 4 ( <i>Adjustment Elections</i> ) above
Review Date:	The first day following each Selection Date on which the London Stock Exchange is scheduled to be open for trading for its regular trading session.
Scheduled Valuation Date:	Each Index Business Day
Selection Date:	The first Trading Day of each calendar month
Trading Day:	any day which is a Scheduled Trading Day in respect of each Constituent
VT Selection Date:	the first Trading Day following the Selection Date

## **Part E: Specific Risks**

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# Specific Risks

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

## **METHODOLOGY LIMITATIONS AND TRACKING RISK**

The Index and the algorithm used for monthly rebalancing are designed with the objective of generally approximating the performance of the Russia CPI Week-on-Week Daily Inflation Index (the “**Reference Index**”). However, the performance of the Index is not actually determined by the performance of the Reference Index but rather by nine Constituents, which may not track the Reference Index closely or at all. There may be a significant difference between the performance of the Index and that of the Reference Index.

The Index does not purport to provide a reliable indication or benchmark of Russian inflation rates or inflation levels. The potential performance of the Index should be assessed by each potential investor on the basis of the calculations that compose the Index Level of the Index. The performance of the Index may be volatile and may or may not be correlated directly or indirectly with the Reference Index. The Index Sponsor makes no representations as to the ability of the Index to track any other index or perform in a certain manner.

The rules-based methodology used by the Index contains fixed parameters. For example, the 20-day average of the realized volatility of the FX Core Level is compared as of the Selection Date to the Budget Volatility (which is a fixed numerical value for the lifetime of the Index) to determine the Exposure of the Index to the FX Core Level. The Budget Volatility is deemed to be indicative of the limits beyond which the realized volatility of the FX Core Level will hinder the performance objective of the Index. The Index methodology assumes that these observation periods and other fixed parameters are reasonable in the context of the Index. However, there can be no assurance that other methodologies or parameters would not result in the Index tracking more closely the performance of the Reference Index.

Attempting to replicate the performance of the Reference Index may not be an effective investment or hedging strategy and may be very risky. The Index may underperform against the Reference Index and may experience periods of low or negative correlation with the Reference Index.

## **INDEX ADVISOR DISCRETION**

The Index Advisor has complete discretion to override the model weights determined by the Index methodology on a monthly basis, subject to certain specified maximum and minimum weights for each of the Constituents. As such, the ability of the Index to track the performance of the Reference Index will depend not only on the Index methodology but also on determinations made by the Index Advisor.

## **PARAMETERS USE HISTORICAL DATA**

The Index methodology uses historical data to determine future weights of the Constituents. Historical data may be a poor basis on which to make allocation determinations, particularly if there are significant changes in the volatility or performance of individual Constituents as compared to their historic volatility or performance.

## **NO INVESTMENT**

The Index reflects the performance of notional positions in the Constituents. There is no actual portfolio of assets to which any person is entitled or in which any person has any ownership interest.

## **REBALANCING FREQUENCY LIMITATIONS**

The frequency of rebalancing of the Index is monthly. The methodology only evaluates the Constituents as of the Selection Date preceding each Rebalancing Date, which means that the Exposure of the Index to the FX Core Level is determined as of each Selection Date and effected as of each Rebalancing Date, at which point the Exposure is fixed for a month until the next Rebalancing Date. This limited frequency of rebalancing the Index may further negatively impact the ability of the Index to track accurately the performance of the Reference Index between Rebalancing Dates.

## LIMITED OPERATING HISTORY

The Index and the Reference Index have limited historical information; historical levels of comparable indices should not be taken as an indication of the future performance of the Index over any period. 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.**

## **Part F: Index Specific Disclaimers**

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# Index Specific Disclaimers

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## NES Russian Inflation Target Index

Neither Citigroup Global Markets Limited (the “**Index Sponsor**”), S&P Dow Jones Indices LLC (the “**Index Calculation Agent**”) or New Economic School (Moscow, Russia) (“**NES**” or the “**Index Advisor**”) nor any of their respective directors, officers, employees, representatives, delegates or agents (together with the Index Sponsor, the Index Calculation Agent and the Index Advisor, each a “**Relevant Person**”) makes any express or implied representations or warranties as to (a) the advisability of purchasing or entering into any financial product (an “**Index Linked Product**”) the performance of which is linked, in whole or in part, to the NES Russian Inflation Target Index (the “**Index**”), (b) the levels of the Index at any particular time on any particular date, (c) the results to be obtained by the issuer of, counterparty to or any investor in any Index Linked Product or any other person or entity, from the use of the Index or any data included therein for any purpose, (d) the merchantability or fitness for a particular purpose of the Index, (e) the ability of the Index to track, approximate or act as a proxy or hedge of any other value or instrument, including without limitation any measure of inflation in Russia or (f) 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 this communication. 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, the Index Calculation Agent nor the Index Advisor is under any obligation to continue the calculation, publication and dissemination of the Index nor shall they have any liability for any errors, omissions, interruptions or delays relating to the Index. The Index Sponsor, the Index Calculation Agent and the Index Advisor shall each act as principal and not as agent or fiduciary of any other person.

During the normal course of their businesses, any Relevant Person may enter into or promote, offer or sell transactions or investments (structured or otherwise) linked to the Index and/or any of its constituents. In addition, any Relevant Person may have, or may have had, long or short principal positions and/or actively trade, by making markets to its clients, positions in or relating to the Index or any of its constituents, or may invest or engage in transactions with other persons, or on behalf of such persons relating to any of these items. Relevant Persons may also undertake hedging transactions related to the initiation or termination of financial products or transactions, that may adversely affect the market price, rate or other market factor(s) underlying any constituents or the Index. Relevant Persons may have an investment banking or other commercial relationship with and access to information from the issuer(s) of constituents. Such activity may or may not have an impact on the level of the Index but potential investors and counterparties should be aware that a conflict of interest could arise where anyone is acting in more than one capacity, and such conflict may have an impact (either positive or negative) on the level of the Index.

The Index reflects the performance of notional investment positions in its constituents. There is no actual portfolio of assets to which any person is entitled or in which any person has any ownership interest. The Index merely identifies certain hypothetical investment positions, the performance of which will be used as a reference point for the purpose of calculating the level of the Index.

Past performance is not indicative of future performance. Any numbers or figures presented as past performance in this communication may include performances calculated from back-testing simulations. Any back-testing information provided herein 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 an Index Linked Product. Any scenario analysis is for illustrative purposes only and does not represent the actual performance of the Index nor does it purport to describe all possible performance outcomes for the Index.

Any decision to invest in an Index Linked Product should be based upon the information contained in the associated prospectus, offering or other legal document together with the applicable Index Conditions.

The Index is proprietary and confidential to the Index Sponsor. No person may use the Index in any way or reproduce or disseminate the information contained in this communication relating to the Index without the prior written consent of the Index Sponsor. The Index is not in any way sponsored, endorsed or promoted by the issuer or sponsor, as applicable, of any of its constituents.

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Neither S&P nor its third party licensors makes any representation or warranty, express or implied, to the owners of the any Index Linked Product or any member of the public regarding the advisability of investing in securities generally or in any Index Linked Product particularly or the ability of the S&P 500 Total Return Index to track general stock market performance. The S&P 500 Total Return Index, is determined, composed and calculated by S&P or its third party licensors without regard to Citigroup Global Markets Limited or any Index Linked Products. S&P and its third party licensors have no obligation to take the needs of Citigroup Global Markets Limited or the owners of the any Index Linked Product into consideration in determining, composing or calculating the S&P 500 Total Return Index. Neither S&P nor its third party licensors is responsible for and has not participated in the determination of the prices and amount of any Index Linked Product or the timing of the issuance or sale of any Index Linked Product or in the determination or calculation of the equation by which any Index Linked Product is to be converted into cash. S&P has no obligation or liability in connection with the administration, marketing or trading of any Index Linked Product.

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Any Pricing Supplement relates only to the Product and does not relate to the exchange-traded physical commodities underlying any of the Dow Jones-UBS Commodity Index<sup>SM</sup> components. Purchasers of the Product should not conclude that the inclusion of a futures contract in the Dow Jones-UBS Commodity Index<sup>SM</sup> is any form of investment recommendation of the futures contract or the underlying exchange-traded physical commodity by Dow Jones, UBS AG, UBS Securities, CME Indexes or any of their subsidiaries or affiliates. The information in the Pricing Supplement regarding the Dow Jones-UBS Commodity Index<sup>SM</sup> components has been derived solely from publicly available documents. None of Dow Jones, UBS AG, UBS Securities, CME Indexes or any of their subsidiaries or affiliates has made any due diligence inquiries with respect to the Dow Jones-UBS Commodity Index<sup>SM</sup> components in connection with Product. None of Dow Jones, UBS AG, UBS Securities, CME Indexes or any of their subsidiaries or affiliates makes any representation that these publicly available documents or any other publicly available information regarding the Dow Jones-UBS Commodity Index<sup>SM</sup> components, including without limitation a description of factors that affect the prices of such components, are accurate or complete.

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# **Part G: Extract from the Index General Conditions**

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## **Section A: Introduction**

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# Introduction

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This Part G sets out a summary of, and reproduces certain provisions contained in, the Index General Conditions. In case of any inconsistency between this Part G and the Index General Conditions, the Index General Conditions shall prevail.

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

The Index General Conditions 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 the 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*) of the Index General Conditions 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 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 the 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 the 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 the 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 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 the 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*) of the Index General Conditions 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*) of the Index General Conditions 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*) of the Index General Conditions 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**

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# Valuations and Adjustments

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## 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 a Scheduled Trading Day and not a Disrupted Day for such Constituent.

(b) *“Move In Block”*

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

(c) *“Value What You Can”*

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

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

(d) *Postponing to a Disrupted Day*

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

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

If a Correction Period is specified in respect of a Constituent, and in the event that the level, price, rate or value (as applicable) of such Constituent for any time on any day which is announced by or on behalf of the person or entity responsible for such publication or announcement and which is used for any calculation or determination in respect of the Index is subsequently corrected, and such correction (the “**Corrected Level**”) is published by or on behalf of such person or entity within such Correction Period for such Constituent after the original publication, then such Corrected Level shall be deemed to be the level, price, rate or value (as applicable) for such Constituent for the relevant time on the relevant day 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**

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# General Risks

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## 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) *Depository Receipt*

Prospective investors in an Index Linked Product linked to an Index containing a Depository Receipt should be familiar with depository receipts generally. The value and price volatility of the Depository Receipts contained in an Index and of the stocks underlying such Depository Receipts must be considered. The value of the Depository Receipts and the underlying stocks may go down as well as up, and the value of the Depository 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 Depository Receipts or the underlying stocks, or as to the continued existence of the Depository Receipts, the underlying stocks, the issuer of the Depository Receipts or the issuer of the underlying stocks.

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

Prospective investors in an Index Linked Product linked to an Index containing an ETF Share should be familiar with exchange traded funds generally. The value and price volatility of ETF Shares contained in an Index must be considered. The value of ETF Shares may go down as well as up, and the value of the ETF Shares on any date may not reflect their performance in

any prior period. There can be no assurance as to the future value of the ETF Shares, or as to the continued existence of the ETF Shares.

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

(e) *FX Rate*

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

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

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

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

(f) *Inflation Index*

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

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

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

(g) *Mutual Fund Interest*

Prospective investors in an Index Linked Product linked to an Index containing a Mutual Fund Interest should be familiar with mutual funds generally. The value and price volatility of a Mutual Fund Interest contained in an Index must be considered. The value of a Mutual Fund Interest may go down as well as up, and the value of a Mutual Fund Interest on any date may not reflect its performance in any prior period.

A mutual fund may trade and invest in a broad range of investments such as debt and equity securities, commodities and foreign exchange, and may enter into derivative transactions, including without limitation futures contracts and options contracts. The trading strategies of a mutual fund can be opaque. The trend in the Index Level of an Index containing a Mutual Fund Interest may not correlate with the trend in any market to which the relevant mutual fund creates an investment exposure.

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

(h) *Share*

Prospective investors in an Index Linked Product linked to an Index containing a Share should be familiar with stocks generally. The value and price volatility of the Shares contained in an

Index must be considered. The value of the Shares may go down as well as up, and the value of the Shares on any date may not reflect their performance in any prior period. There can be no assurance as to the future value of the Shares, or as to the continued existence of the Shares or the issuer of the Shares.

(i) *Share Index*

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

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

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

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

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

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

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

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

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

Any such reweighting, replacement or discontinuation of the Index may (depending on the terms and conditions of such Index Linked Product) result in the early termination of such

Index Linked Product and the payment of an amount to reflect the valuation of such Index Linked Product at the time of such early termination. Depending on the terms and conditions of such Index Linked Product, an investor may receive back on such early termination less than the amount of the original investment.

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

### 3. NOTIONAL EXPOSURE

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

(a) *No rights*

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

(b) *No offer*

Nothing in the 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**

The 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**

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# Definitions

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

References to a “Section” shall be references to a section of the 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*).

“**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 recognized 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 recognized 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, the 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 Date”** 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**

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# Miscellaneous

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## 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 the 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. The 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**

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# Constituent Schedule

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## REFERENCE FUTURES CONTRACT

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

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

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**” or “**Settlement Price**” means, in respect of a Reference Futures Contract and a Valuation Date, and unless otherwise specified in the applicable Index Methodology, the settlement price for delivery of such contract on such Valuation Date, as published or otherwise made available by the relevant Exchange on such Valuation Date at the Valuation Time; provided that if (i) the relevant Exchange did not open on such Exchange Business Day and/or (ii) such Reference Futures Contract was not traded at any time on such Valuation Date, the Settlement Price will be the settlement price for delivery of such contract for the first preceding day on which the relevant Exchange was open and the Relevant Futures Contract was traded.

“**Settlement Time**” means, in respect of a Reference Futures Contract, the time at which the official settlement price (howsoever described under the rules of the relevant Exchange) of the relevant Reference Futures Contract is published by the relevant Exchange.

“**Valuation Time**” shall mean, in respect of a Reference Futures Contract, a Constituent Closing Level and a Scheduled Trading Day for such Reference Futures Contract, either (i) the Scheduled Closing Time on the relevant Exchange on such Scheduled Trading Day; or (ii) the Settlement Time, if so specified in the Index Methodology.

#### (b) *Intraday valuations*

“**Constituent Level**” shall mean, in respect of a Reference Futures Contract and a Valuation Time on a Valuation Date for such Reference Futures Contract, the settlement price for delivery of such contract at such time on such Valuation Date, as published or otherwise made available by the Relevant Exchange on such Valuation Date at the Valuation Time.

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

### 2. DISRUPTION TO VALUATION

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

**“Market Disruption Event”** means, in respect of a Reference Futures Contract, the occurrence of any event or circumstance which disrupts or impairs the ability of the Index Calculation Agent to determine the Settlement Price, Constituent Closing Level or the Constituent Level (as applicable) of such Reference Futures Contract, including without limitation:

- (1) any relevant Exchange fails to open for trading during its regular trading session; or
- (2) the occurrence or existence at any time during the one hour period which ends at the end of 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 any relevant Exchange of such Reference Futures Contracts; or
- (3) the occurrence or existence at any time during the one hour period which ends at the end of the relevant Valuation Time of any other event (other than an event described in sub-paragraph (4)) which disrupts or impairs the ability of market participants in general on any relevant Exchange to effect transactions in or to obtain market values for such Reference Futures Contract; or
- (4) 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 (a) the actual closing time for the regular trading session of 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 relevant Valuation Time on such Exchange Business Day); or
- (5) the Settlement Price of such Reference Futures Contract has increased or decreased by an amount equal to the maximum permitted price change from the previous day’s Settlement Price; or
- (6) the Settlement Price of such Reference Futures Contract is not published by or on behalf of the relevant Exchange.

Notwithstanding the foregoing, a limitation on the hours in a trading day and/or number of days trading shall not constitute an Market Disruption Event if it results from an announced change in the regular business hours of the relevant Exchange.

### 3. CORRECTIONS

**“Correction Period”** shall mean, in respect of a Reference Futures Contract, 30 calendar days.

### 4. ADJUSTMENTS AND MODIFICATIONS AFFECTING REFERENCE FUTURES CONTRACTS

#### (a) *Successor Reference Futures Contract and Successor Exchange*

If a Reference Futures Contract is (i) not calculated and announced by the relevant Exchange but is calculated and announced by a successor Exchange acceptable to the Index Calculation Agent, or (ii) replaced by a successor contract 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 Reference Futures Contract, then in each case that contract (the **“Successor Reference Futures Contract”**) will be deemed to be the relevant Reference Futures Contract 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) *Reference Futures Contract Modification and Reference Futures Contract Cancellation*

If an Exchange announces that it will make or makes a material change in the formula for and method of calculating the Settlement Price of such Reference Futures Contract or in the contract specifications (or any other Exchange prescribed terms and conditions) for such Reference Futures Contract or in any other way materially modifies that Reference Futures Contract or makes a material change in the content, composition or constitution of such Reference Futures Contract (a **“Reference Futures Contract Modification”**) or permanently cancels that Reference Futures Contract or trading in such

Reference Futures Contract is permanently discontinued and no successor Reference Futures Contract exists (a “**Reference Futures Contract Cancellation**” and, together with a Reference Futures Contract Modification, each a “**Reference Futures Contract 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 Reference Futures Contract that has substantially similar characteristics to the Reference Futures Contract that is being replaced, having regard to the manner in which such Reference Futures Contract 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. DEFINITIONS

“**Exchange**” means, in respect a Reference Futures Contract, the primary exchange, trading system or quotation system on which such Reference Futures Contract is traded 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 Reference Futures Contract has temporarily relocated (PROVIDED THAT there is comparable liquidity relative to such Reference Futures Contract on such temporary substitute exchange, trading system or quotation system as on the original exchange, trading system or quotation system.)

“**Exchange Business Day**” means, in respect of a relevant Reference Futures Contract, any Scheduled Trading Day for such Reference Futures Contract on which the relevant Exchange is open for trading during its regular trading session, notwithstanding any such Exchange closing prior to its Scheduled Closing Time.

“**Scheduled Trading Day**” means, in respect of a relevant Reference Futures Contract, any day on which the relevant Exchange is scheduled to be open for trading for its regular trading session(s).

# Constituent Schedule

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## COMMODITY INDEX

This Constituent Schedule shall apply to each Constituent classified in the applicable Index Methodology as a “Commodity 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 Commodity 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 Commodity Index and a Valuation Date for such Commodity Index, and unless otherwise specified in the applicable Index Methodology, the official closing level of such Commodity Index on such Valuation Date (or, where the level of such Commodity Index is only published once a day, the level of such Commodity Index for such Valuation Date), as displayed on the applicable Electronic Page.

“**Valuation Time**” shall mean, in respect of a Commodity Index, a Constituent Closing Level and a Scheduled Trading Day for such Commodity Index, either (i) the Scheduled Closing Time on the relevant Exchange on such Scheduled Trading Day; or (ii) where the level of such Commodity Index is only published once a day (A) for the purposes of determining whether a Market Disruption Event has occurred: (x) in respect of any Component, the time at which such Component is valued for the purposes of determining the level of such Commodity Index for the relevant day; and (y) in respect of any futures contracts or options contracts relating to such Commodity 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 Commodity Index for such day is calculated and published by the relevant Commodity Index Sponsor.

#### (b) Intraday valuations

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

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

### 2. DISRUPTION TO VALUATION

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

“**Market Disruption Event**” shall mean, in respect of a Commodity Index, the occurrence of any of the events set out below:

- (i) the relevant Commodity Index Sponsor fails to publish the level of such Commodity 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 (i) any relevant Exchange, of Components which in aggregate comprise 20 per cent. or more of the level of such Commodity Index; or (ii) any relevant Related Exchange, of futures contracts or options contracts relating to such Commodity 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 (i) (on any relevant Exchange) to effect transactions in or to obtain market values for Components which in aggregate comprise 20 per cent. or more of the level of such Commodity Index; or (ii) (on any relevant Related Exchange) to effect transactions in or to obtain market values for futures contracts or options contracts relating to such Commodity 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 Components which in aggregate comprise 20 per cent. or more of the level of such Commodity 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 (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 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 Commodity 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 (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 Scheduled Closing Time on such Exchange Business Day).

For the purposes of determining whether or not a Market Disruption Event exists in respect of a Commodity Index at any time, if an event giving rise to a Market Disruption Event occurs in respect of a Component included in such Commodity Index at that time, then the relevant percentage contribution of such Component to the level of such Commodity Index shall be based on a comparison of (i) the portion of the level of such Commodity Index attributable to such Component; and (ii) the overall level of such Commodity Index immediately before the occurrence of such Market Disruption Event.

### 3. CORRECTIONS

“**Correction Period**” shall mean, in respect of a Commodity Index, 30 calendar days.

### 4. ADJUSTMENTS AND MODIFICATIONS AFFECTING COMMODITY INDICES

#### (a) *Successor Commodity Index and Successor Commodity Index Sponsor*

If a Commodity Index is (i) not calculated and announced by the relevant Commodity 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 Commodity Index, then in each case that index (the “**Successor Commodity Index**”) will be deemed to be the relevant Commodity 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) *Commodity Index Modification and Commodity Index Cancellation*

If a Commodity Index Sponsor announces that it will make a material change in the formula for or method of calculating a Commodity Index or in any other way materially modifies that Commodity Index

(other than a modification prescribed in that formula or method to maintain that Commodity Index in the event of changes in constituent stock and capitalization and other routine events) (a “**Commodity Index Modification**”) or permanently cancels that Commodity Index and no Successor Commodity Index exists (a “**Commodity Index Cancellation**” and, together with a Commodity Index Modification, each a “**Commodity 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 Commodity Index that has substantially similar characteristics to the Commodity Index that is being replaced, having regard to the manner in which such Commodity 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 Commodity Index, the criteria (if any) specified as such in the applicable Index Methodology.

## 6. DEFINITIONS

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

“**Commodity Index Sponsor**” shall mean, in respect of a Commodity 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 Commodity Index; and (b) announces (directly or through an agent) the level of such Commodity Index on a regular basis.

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

“**Exchange**” shall mean, in respect of a Commodity Index and each relevant Component, and unless otherwise specified in the applicable Index Methodology, the primary exchange, trading system or quotation system in respect of such Component 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 Component has temporarily relocated (PROVIDED THAT there is comparable liquidity relative to such Component on such temporary exchange, trading system or quotation system as on the original exchange, trading system or quotation system).

“**Exchange Business Day**” shall mean, in respect of a Commodity Index, any Scheduled Trading Day for such Commodity Index on which the relevant Commodity Index Sponsor publishes the level of such Commodity Index.

“**Related Exchange**” shall mean, in respect of a Commodity 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 Commodity 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 Commodity Index has temporarily relocated (PROVIDED THAT there is comparable liquidity relative to such futures contracts or options contracts relating to such Commodity 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 Commodity 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 Commodity Index.

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

**“Scheduled Trading Day”** shall mean, in respect of a Commodity Index, any day on which the Commodity Index Sponsor in respect of such Commodity Index is scheduled to publish the level of such Commodity Index.

# Constituent Schedule

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## BOND FUTURES INDEX

This Constituent Schedule shall apply to each Constituent classified in the applicable Index Methodology as a “Bond Futures 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 Bond Futures 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 Bond Futures Index and a Valuation Date for such Bond Futures Index and unless otherwise specified in the applicable Index Methodology, the official closing level of such Bond Futures Index on such Valuation Date, as displayed on the applicable Electronic Page.

“**Valuation Time**” shall mean, in respect of a Bond Futures Index and a Scheduled Trading Day for such Bond Futures Index, the time at which the official closing level of such Bond Futures Index is calculated and published by the relevant Bond Futures Index Sponsor.

#### (b) *Intraday valuations*

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

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

### 2. DISRUPTION TO VALUATION

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

“**Market Disruption Event**” shall mean, in respect of a Bond Futures Index, the occurrence of any of the events set out below:

- (i) the relevant Bond Futures Index Sponsor fails to publish the level of such Bond Futures Index;  
or
- (ii) the occurrence or existence at any time of any event or circumstance in relation to any Constituent Contract which would constitute a “Market Disruption Event” as such term is defined in the Reference Futures Contract Constituent Schedule and applied for these purposes only to such Constituent Contract as if it were a Reference Futures Contract.

### 3. CORRECTIONS

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

### 4. ADJUSTMENTS AND MODIFICATIONS AFFECTING BOND FUTURES INDICES

#### (a) *Successor Bond Futures Index and Successor Bond Futures Index Sponsor*

If a Bond Futures Index is (i) not calculated and announced by the relevant Bond Futures 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 Bond Futures Index, then in each case that index (the “**Successor Bond Futures Index**”) will be deemed to be the relevant Bond Futures 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) *Bond Futures Index Modification and Bond Futures Index Cancellation*

If a Bond Futures Index Sponsor announces that it will make a material change in the formula for or method of calculating a Bond Futures Index or in any other way materially modifies that Bond Futures Index (other than a modification prescribed in that formula or method to maintain that Bond Futures Index in the event of changes in constituent stock and capitalization and other routine events) (a “**Bond Futures Index Modification**”) or permanently cancels that Bond Futures Index and no Successor Bond Futures Index exists (a “**Bond Futures Index Cancellation**” and, together with a Bond Futures Index Modification, each a “**Bond Futures 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 Bond Futures Index that has substantially similar characteristics to the Bond Futures Index that is being replaced, having regard to the manner in which such Bond Futures 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 Bond Futures Index, the criteria specified as such in the applicable Index Methodology.

### 6. DEFINITIONS

“**Bond Futures Index**” shall mean each Constituent classified as such in the applicable Index Methodology.

“**Bond Futures Index Sponsor**” shall mean, in respect of a Bond Futures 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 Bond Futures Index; and (b) announces (directly or through an agent) the level of such Bond Futures Index on a regular basis.

“**Constituent Contract**” shall mean, in respect of a Bond Futures Index, each futures contract included in such Bond Futures Index.

“**Scheduled Trading Day**” shall mean, in respect of a Bond Futures Index, any day on which the Bond Futures Index Sponsor in respect of such Bond Futures Index is scheduled to publish the level of such Bond Futures Index.