

# Macquarie F6 vs F0 Curve Carry ex Brent & PM Index

**Index Manual  
June 2018**

## NOTES AND DISCLAIMERS

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### BASIS OF PROVISION

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This Index Manual sets out the rules for the Macquarie F6 vs F0 Curve Carry ex Brent & PM Index (the *Index*) and reflects the methodology for determining the composition and calculation of the Index (the *Methodology*).

**The Index Manual assumes the reader is a sophisticated financial market participant, with the knowledge and expertise to understand the investment strategy described herein and the associated risks. It is unsuitable for a retail or unsophisticated audience.**

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### DATE OF INDEX MANUAL AND CHANGES TO THE INDICES

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The Index Manual contains information as of the date appearing on its cover (available at, <http://static.macquarie.com/dafiles/Internet/mgl/global/shared/corporate/trading-and-hedging/commodities/mqcp584-macquarie-f6vsf0-curve-carry-index.pdf>), and such information may change from time to time. No assurance can be given that the Methodology reflects information subsequent to this date. The Index Sponsor may, however, supplement, amend or withdraw the Methodology at any time if it determines that the Index is no longer calculable under the existing Methodology. The Index Sponsor may also determine that a change to the Methodology is required or desirable to address an error, ambiguity or omission. Such changes may include changes to eligibility requirements or construction as well as changes to the daily Index calculations. If a supplement or amendment is required and such supplement or amendment materially affects the Index Levels of the Index, the Index Sponsor will publish such changes to the Methodology, together with the rationale for such changes, 30 days prior to implementation. However if prior publication of the changes is not practicable, the changes and rationale will be published as soon as is reasonably practicable.

The Index Sponsor may withdraw the Index, at any time and without notice, if no financial instruments (in respect of which it has given consent to refer to the Index) are outstanding. The Index Sponsor may, in any case, withdraw the Index, without reason, provided it publishes its intention to do so at least six months prior to cessation of calculation and publication of Index levels.

If you have been granted written consent by the Index Sponsor to reference an Index in any contract or financial instrument, you should include in such contract or financial instruments robust fallback provisions to deal with cessation or material modification of the Index.

## NOT RESEARCH OR AN OFFER

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This document does not constitute a prospectus, offer, invitation or solicitation to buy or sell financial instruments and is not intended to provide the sole basis for any evaluation of the securities or any other financial instruments which may be discussed within, referred to or based upon an Index. Any offering or potential transaction that may be related to the Index will be made separately and subject to distinct documentation and in such case the information contained herein may be superseded in its entirety by such documentation in final form.

The Index and any financial instruments based on the Index may not be suitable for all investors and any investor must make an independent assessment of the appropriateness of any transaction in light of their own objectives and circumstances including the potential risks and benefits of entering into such a transaction. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

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Hypothetical back-tested historical values of the Index are not indicative of future performance. The Index Sponsor makes no representation as to the accuracy or appropriateness of, and shall have no liability to you or any other entity for any loss or damage, direct or indirect, arising from the use of the historical values.

## DISCLAIMER OF LIABILITY

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Index Calculation Agent will obtain information concerning Contracts from publicly available sources it believes reliable, it will not independently verify this information. Accordingly, no representation, warranty or undertaking (express or implied) is made by the Index Sponsor or Index Calculation Agent as to the accuracy and completeness of information concerning the Index.

In particular, the Index Sponsor and Index Calculation Agent are under no obligation to monitor whether or not a Market Disruption Event has occurred and shall not be liable for any losses resulting from (i) any determination that a Market Disruption Event has occurred or has not occurred in relation to a Contract, (ii) the timing relating to the determination that a Market Disruption Event has occurred in relation to a Contract, or (iii) any actions taken or not taken by the Index Calculation Agent as a result of such determination that an Market Disruption Event has occurred.

## NOTICES

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The Index is based on Contracts, as described in the Methodology. The Index Sponsor and/or its affiliates actively trade Contracts and options on Contracts. The Index Sponsor and/or its affiliates also actively enter into or trade and market securities, swaps, options, derivatives, and related instruments which are linked to the performance of these Contracts or are linked to the performance of the Index. The Index Sponsor and/or its affiliates may underwrite or issue other securities or financial instruments Indexed to an Index, and the Index Sponsor or its affiliates may license an Index for publication or for use by unaffiliated third parties. These activities could present conflicts of interest and could affect the value of the Index. The Index Sponsor trades or may trade as principal in instruments (or related derivatives) linked to the Index described in this document, and may have proprietary positions in the instruments (or related derivatives). The Index Sponsor may make a market in such instruments (or related derivatives), which may in extreme circumstances affect the levels of the Index described.

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## CONTENTS

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Notes and Disclaimers .....	1
Basis Of Provision .....	1
Date of Index Manual and Changes to the Indices .....	1
Not Research or an Offer .....	2
Historical Values of the Indices.....	2
Disclaimer Of Liability .....	2
Notices.....	3
Introduction.....	5
Components .....	5
General Notes on the Index and the Methodology.....	6
Index Governance.....	7
Index Sponsor and Index Calculation Agent.....	8
The Index Sponsor.....	8
The Index Calculation Agent .....	8
Relationship of the Index Sponsor and the Index Calculation Agent .....	8
Definitions .....	9
Index Calculation .....	11
Section 1: Holdings Calculation .....	11
Target Holdings Calculation on a Holdings Calculation Date .....	11
Daily Holdings Calculation .....	11
Section 2: Daily Index Calculation .....	13
Section 3: Market Disruption Events.....	14
Index Calculation under Market Disruption Events.....	14
<b>Annex 1: The Macquarie MQCP268 Index.....</b>	<b>17</b>
Introduction.....	17
Index Specification.....	17
Modifications .....	17
<b>Annex 2: The Macquarie MQCP269 Index.....</b>	<b>19</b>
Introduction.....	19
Index Specification.....	19
Modifications .....	19
Contacts .....	20

## INTRODUCTION

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The Macquarie F6 vs F0 Curve Carry ex Brent & PM index (hereinafter, the *Index*) is designed as a rules based index for exposure to the “commodity carry” investment strategy. This strategy aims to take advantage of storage-related risk premium, the existence of which can be explained by the fact that short-term storage is typically more expensive than long-term storage. The premium can be captured by taking long exposure to long-dated (*deferred*) commodity futures contracts and simultaneous short exposure to short-dated (*front month*) commodity futures contracts. If the shape of the futures curve remains unchanged, the strategy will generate a positive return.

## COMPONENTS

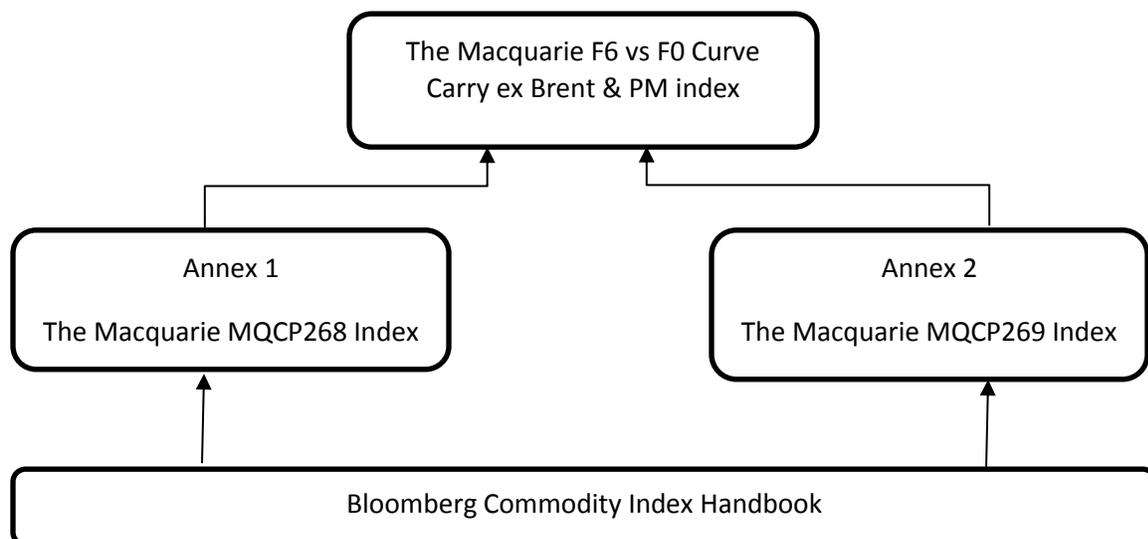
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The Index is comprised of two underlying Components: MQCP268 and MQCP269:

- **MQCP268** is designed to provide exposure to long-dated commodity futures and is calculated according to the Bloomberg Commodity Index 6 Month Forward methodology, but with modifications to exclude Precious Metals and Brent and with a modified roll window, as described in Appendix 1.
- **MQCP269** is designed to provide exposure to short-dated commodity futures and is calculated according to the Bloomberg Commodity Index methodology, but with modifications to exclude Precious Metals and Brent and with a modified roll window, as described in Appendix 2.

The Index takes short exposure to MQCP269 and long exposure to MQCP268.

**To gain a complete understanding of the Index, this Index Manual and the Bloomberg Commodity Index Handbook must be read together.**



## GENERAL NOTES ON THE INDEX AND THE METHODOLOGY

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The Index is designed to be replicable and readily accessible to market participants. It is calculated daily in an excess return format. To facilitate an understanding of the calculations, the Methodology contains various worked examples which demonstrate the types of calculations needed to calculate the level of an Index on a particular date.

The Index is calculated and maintained by the Index Calculation Agent and supervised by the Index Sponsor and Oversight Committee, as described below. The Index is not based upon submissions provided by third parties (or an affiliate of the Index Sponsor or Calculation Agent) or expert judgment. The Index is based upon actual transaction data sourced from regulated markets and exchanges.

The Index Sponsor will publish the Index Manual as well as any announcements regarding calculations relevant to the Index, such as Weight calculations, in a timely manner on its website, <http://www.macquarie.com/commodityindexdocumentation>.

## INDEX GOVERNANCE

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The Index Sponsor has established an independent oversight committee (the *Oversight Committee*) to review and oversee management of the Index (including the Components thereof) and resolve any issues that arise. The committee is comprised of the following designees, each an employee of Macquarie Bank Limited:

- A Managing Director in the Commodity Markets & Financing division of the Commodities and Global Markets group;
- A Director from the Legal and Governance group;
- A representative from the Calculation Agent;
- A representative from the Risk division of the Risk Management Group;
- A representative from the Business Operational Risk Management department within the Central division of the Commodities and Global Markets group; and
- A representative from the Compliance division of the Risk Management Group.

Each member of the Oversight Committee is sufficiently knowledgeable about commodity futures contracts and the commodities markets in general, and is required to act in good faith and in a commercially reasonable manner.

The Index Sponsor will make available upon request the names of the individuals forming the Oversight Committee.

The Oversight Committee has considered the features of the Index, the intended, expected or known usage of the Index and the materiality of existing or potential conflicts of interest and, taking these into account, has approved the Methodology and this Index Manual. The Oversight Committee is also charged with overseeing the daily management and operations of the Index. It will be available on an ad hoc basis for the approval of any changes to the Methodology or Components of the Index, any contemplated cancellation of the Index (or Components) and the resolution of any issues which arise in relation to the Index or Components of the Index.

## INDEX SPONSOR AND INDEX CALCULATION AGENT

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### THE INDEX SPONSOR

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Macquarie Bank Limited is the Index Sponsor. Notwithstanding anything to the contrary, the Index Sponsor will maintain all ownership rights, express or otherwise, with respect to the Index, including the ability to license, sell or transfer any or all of its ownership rights with respect to the Index, including but not limited to terminating and appointing any successor index calculation agent. The Index Calculation Agent is appointed by the Index Sponsor to calculate and maintain the Index from and until such time that the Index Sponsor terminates its relationship with the current Index Calculation Agent and appoints a successor index calculation agent. Any such termination or appointment of a successor will be subject to the approval of the Oversight Committee.

The Index Sponsor may, from time to time, revise, amend and/or supplement this Manual. If such revisions or supplement materially affect the calculation of the Index, the Index Sponsor shall publish a new Manual no later than 30 days prior to implementation of the revised or supplemented rules. If it is not reasonably practicable to publish revised Manual 30 days prior to such changes, the revised Manual will be published as soon as reasonably practicable.

### THE INDEX CALCULATION AGENT

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The Technology division of the Corporate Operations Group (*COG*) of Macquarie Bank Limited acts as “Index Calculation Agent” in respect of the Index as of the date of this Manual. The methodology employed by the Index Calculation Agent in determining the composition and calculation of the Index is set out in the calculations and procedures described in this document.

### RELATIONSHIP OF THE INDEX SPONSOR AND THE INDEX CALCULATION AGENT

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The Index Calculation Agent is appointed by the Index Sponsor, subject to the approval of the Oversight Committee. While, as of the date of publication of this Manual, both the Index Sponsor and the Index Calculation Agent form part of Macquarie Bank Limited, they are independent divisions within the bank and employees discharging the obligations of the Index Calculation Agent have separate lines of reporting and accountability from the employees performing the functions of the Index Sponsor.

## DEFINITIONS

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**Components:** The components specified in the table below:

Component
Macquarie MQCP268E Index
Macquarie MQCP269E Index

Components methodologies are set out in Appendix Sections below.

**Component Level**, in respect of an Index Business Day, is the closing level of each Component as determined by the Index Calculation Agent. If the Index Business Day is not a day on which the Component is scheduled to be published, the Component Level for that day will be the most recent available level for such Component on the most recent publication day.

**Equivalent Holdings**, in respect of an Index Business Day, are numbers which, if applied as Holdings to the Underlying Contracts of the Index, would perfectly describe the performance of the Index in respect of that Index Business Day. Equivalent Holdings are determined in order to facilitate calculation of the Index where any Underlying Contract is subject to a Market Disruption Event. The calculation of Equivalent Holdings is set out in Section 3 (*Market Disruption Events*) of the Index Calculation section below.

**Equivalent Target Holdings**, in respect of an Index Business Day, are numbers which, if applied as Holdings to the Underlying Contracts of the Index, would perfectly describe what the performance of the Index would have been if the Holdings of the Index were instead equal to the Target Holdings of the Index. Equivalent Target Holdings are determined in order to facilitate calculation of the Index where any Underlying Contract is subject to a Market Disruption Event. The calculation of Equivalent Target Holdings is set out in Section 3 (*Market Disruption Events*) of the Index Calculation section below.

**Holding**, in respect of a Component and an Index Business Day, is a number which is determined by the Index Calculation Agent as described in Section 1 (*Holdings Calculation*) of the Index Calculation section below. The Holding in respect of a Component is determined in order to calculate the daily Index Level and represents the proportionate effect on the Index Level of a change in the relevant Component Level.

**Holdings Calculation Date**, is the Index Business Day on which the Target Holdings are periodically calculated in order to rebalance the Holding of each Component back to the specified Weights. The Holdings Calculation Date is the last Index Business Day of a given calendar month.

**Index Business Days**, are the days in the Index Calendar.

**Index Calendar**, is the set of trading days of the New York Mercantile Exchange schedule.

**Initial Index Level**, is 100.

**Index Level**, is the daily level of the Index, including the historic back-tested levels, that are calculated according to the relevant section of this Methodology and published under the Index Ticker.

**Index Start Date**, is 26 November 2003.

**Index Sponsor**, is Macquarie Bank Limited (*Macquarie*), the entity that calculates and publishes or announces (directly or through an agent) the daily level of the Index.

**Index Ticker**, is **MQCP592E** Index (Bloomberg).

**Trading Facility**, means each regulated futures exchange, facility or platform on or through which the Contracts underlying an Index are traded.

The **Underlying Contracts**, in respect of an Index Business Day are all Contracts which are, directly or indirectly, an underlying of the Index or, if that Index Business Day is a Holdings Calculation Date, scheduled to be an underlying of the Index according to the methodology of that Index or that of its Components.

**Weights**, are the weights periodically established by the Weighting Methodology for each Component.

**Weighting Methodology:** On each Holdings Calculation Date, the Weights of the Macquarie F6 vs F0 Curve Carry ex Brent & PM Index shall be set according to the table below:

Component	Weight
Macquarie MQCP268E Index	100%
Macquarie MQCP269E Index	-100%

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## INDEX CALCULATION

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On a daily basis the Index replicates the returns obtained by holding a basket of Components (each a Single Commodity Index), the Weights of which are determined in accordance with the Weighting Methodology and rebalanced periodically according to Section 1 (*Holdings Calculation*) of this Index Calculation section. The following sections detail how the Index Calculation Agent will calculate the daily Index Levels of the Index.

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### SECTION 1: HOLDINGS CALCULATION

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On any Index Business Day,  $t$ , each Component  $i$  has a Holding,  $H_{i,t}$ , associated with it. This Holding represents the proportion in which the Index Level will change when the level of that Component changes. In this section, we outline the Holdings,  $\{H_{1,t}, \dots, H_{n,t}\}$ , calculations on any Index Business Day,  $t$ .

On the Holdings Calculation Date of the Index, the Holding of each Component  $i$ , is rebalanced in accordance with the Weighting Methodology set out in the Definitions section above.

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#### TARGET HOLDINGS CALCULATION ON A HOLDINGS CALCULATION DATE

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The calculation of the Target Holdings on a Holdings Calculation Date,  $R$ , requires as input the set of Weights in respect of that Holdings Calculation Date  $R$  and the Component Levels of the Components on the Index Business Day immediately preceding that Holdings Calculations Date,  $R$ .

On any Holdings Calculation Date,  $R$ , let the Weight of each Component  $i$  be denoted by  $W_{i,R}$  so that  $\{W_{1,R}, \dots, W_{n,R}\}$  are the Weights of the  $n$  Components in the Index as determined by the Weighting Methodology of the Index in respect of the Holdings Calculation Date  $R$ . Analogously, let  $\{C_{1,R-1}, \dots, C_{n,R-1}\}$  be the set of Component Levels of the Components on the Index Business Day immediately preceding Holdings Calculation Date,  $R$ . The Index Target Holdings,  $\{TH_{1,R}, \dots, TH_{n,R}\}$ , for each of the  $n$  Components in the Index are calculated according to the formula below:

$$TH_{i,R} = I_{R-1} \times \frac{W_{i,R}}{C_{i,R-1}} \text{ for every Component } i = 1, \dots, n$$

where  $I_{R-1}$  is the Index Level on the Index Business Day immediately preceding Holdings Calculation Date  $R$ .

For example if, on the Index Business Day preceding a Holdings Calculation Date,  $R$ , the Index level is 100, the Component Level is 80 and the Weight of that Component is 40%, then the Target Holding of that Component in respect of that Holdings Calculation Date will be equal to  $100 \times (0.4) / 80 = 0.5$

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#### DAILY HOLDINGS CALCULATION

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On any Index Business Day,  $t$ , the set of Holdings  $\{H_{1,t}, \dots, H_{n,t}\}$  is calculated according to the following rule:

- (i) If  $t$  is the Index Business Day immediately following the Holdings Calculation Date  $R$ , the Holdings  $\{H_{1,t}, \dots, H_{n,t}\}$  are set equal to the Target Holdings  $\{TH_{1,R}, \dots, TH_{n,R}\}$  calculated on that Holdings Calculations Date.
- (ii) On any other Index Business Day,  $t$ , the Holding of each Component  $i$  on that day,  $H_{i,t}$ , is set to be equal to the Holding of that particular Component on the previous Index Business Day,  $H_{i,t-1}$ .

## SECTION 2: DAILY INDEX CALCULATION

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The Index represents the performance of a synthetic, unfunded exposure to the Underlying Contracts in an Index, that is, the Index tracks what an investor would receive if it purchased or sold the futures contracts ultimately underlying the Index without taking into consideration the cost of investment capital. On each Index Business Day,  $t$ , the Index Level,  $I_t$ , is calculated (rounded to eight decimal places) based on the value of the Index on the preceding Index Business Day,  $I_{t-1}$ , and the change in level of each of the Components, according to the formula:

$$I_t = I_{t-1} + \sum_i H_{i,t} (C_{i,t} - C_{i,t-1})$$

where:

- $I_t$  is the Index Level on the close of day  $t$ ;
- $H_{i,t}$  is the Holding of Component  $i$  on the Index Business Day  $t$ ;
- $C_{i,t}$  is the level of Component  $i$  on the Index Business Day  $t$ ;
- $t-1$  is the Index Business Day immediately preceding Index Business Day  $t$

The Index Start Date as well as the Initial Index Level, which is the value of the Index on the Index Start Date, are specified in the Definitions section above.

For example, if the Index were comprised of two components which had the following Component levels:

	Component 1	Component 2
Index Business Day $t-1$	32.48	31.21
Index Business Day $t$	32.83	31.49

and the following Holdings:

	Holding
Component 1	1.72
Component 2	1.48

then if the Index Level on Index Business Day  $t-1$  was equal to 102.0564, the Index Level on Index Business Day  $t$  will be equal to:

$$I_t = 102.0564 + 1.72 \times (32.83 - 32.48) + 1.48 \times (31.49 - 31.21) = 103.0728$$

The Index Level on Business Day  $t$  would be 103.0728.

## SECTION 3: MARKET DISRUPTION EVENTS

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The Index is ultimately comprised of a set of futures on physical commodities (the *Underlying Contracts*). On any given Index Business Day, disruptions can occur that prevent these Underlying Contracts from being traded. When this happens, it is necessary for the calculations of the Index to be adjusted so that it remains replicable by market participants i.e. adjustments must be made to the Index calculations to ensure that the Index Levels reflect futures prices that were attainable in the market at the times they would need to be traded in order to replicate the performance of the Index.

On a Holdings Calculation Date, this is generally achieved by delaying any changes to the composition of each Component (or component of a Component) that is directly dependent on the disrupted Underlying Contracts. On any other Index Business Day, given that the replication of the Index does not require trading of Underlying Contracts on such days, in the event that a price is not available for a particular Underlying Contract, that price will be appropriately substituted by the Index Calculation Agent in order for the calculations in respect of a particular Index Business Day to take place.

With respect to the calculation of the Index, a “Market Disruption Event” means the occurrence, in respect of one or more Underlying Contracts, of one or more of the following events, as determined by the Index Calculation Agent:

- (i) a failure by the relevant Trading Facility to report or announce a settlement price for an Underlying Contract;
- (ii) all trading in an Underlying Contract of the Index is suspended and does not recommence at least ten minutes prior to the actual closing time of the regular trading session;
- (iii) the settlement price published by the relevant Trading Facility for one (or more) Underlying Contracts is a “limit price”, which typically means that the Trading Facility published settlement price for such Contract for a trading day has increased or decreased from the previous trading day’s settlement price by the maximum amount permitted under applicable rules of the Trading Facility;
- (iv) any other event, if the Index Sponsor reasonably determines that the event materially interferes with the ability of market participants to hedge the Index;
- (v) the occurrence of a Market Disruption Event in respect of an Underlying Contract that shares the same Commodity.

The Index Calculation Agent will determine the Index Level under Market Disruption Events in accordance with the following section.

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### INDEX CALCULATION UNDER MARKET DISRUPTION EVENTS

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When a Market Disruption Event occurs or is continuing on a particular Index Business Day, the Index Calculation Agent will determine the basket of futures contracts that is equivalent to the basket of Components that the Index represents, in respect of that Index Business Day. Once this basket is determined, the Index Calculation Agent will make such adjustments as are necessary to ensure the Index Levels reflect contract prices that were attainable in the market at the times they would need to be traded in order to replicate the performance of the Index, as described below.

If, on a Holdings Calculation Date  $R$ , a Market Disruption Event with respect to one or more Underlying Contracts occurs (such day, a “Disrupted Holdings Calculation Date” and each such Contract a “Disrupted Contract” ), then the Index Calculation for subsequent Index Business Days, until the second consecutive non-disrupted Index Business Day, will be modified as follows:

- (i) As long as a Market Disruption Event that occurred or was continuing on the Holdings Calculation Date  $R$  is continuing, the Index Level will be calculated according to the following formula:

$$I_t = I_{t-1} + \sum_j H'_{j,t} (f_{j,t} - f_{j,t-1})$$

where

$H'_{j,t}$  is the Equivalent Holding for Underlying Contract  $j$  as calculated according to sub-paragraphs (ii)-(v) below

$f_{j,t}$  is the settlement price of Underlying Contract  $j$  as of the Index Business Day  $t$

- (ii) The Index Calculation Agent shall determine the Equivalent Holdings and the Equivalent Target Holdings with respect to the Index.

The Equivalent Holdings is the set of holdings  $\{H'_{1,R}, \dots, H'_{m,R}\}$  of Underlying Contracts  $\{F_1 \dots F_m\}$  which perfectly describes the returns of the Index in the time period from the immediately preceding Holdings Calculation Date to the Holdings Calculation Date  $R$ .

The Equivalent Target Holdings is a set of target holdings  $\{TH'_{1,t}, \dots, TH'_{m,t}\}$  for the Underlying Contracts, which perfectly describes the returns of the Index on the days following the Disrupted Holdings Calculation Date and until the first subsequent Holdings Calculation Date.

The Equivalent Holdings and the Equivalent Target Holdings shall be determined for all Underlying Contracts, therefore some  $H'_{j,t}$  and/or  $TH'_{j,t}$  may have a value of 0.

- (iii) On the Index Business Day immediately following a Disrupted Holdings Calculation Date and until all Market Disruption Events that occurred on the Disrupted Holdings Calculation Date have ceased, the Equivalent Holdings  $\{H'_{1,t}, \dots, H'_{m,t}\}$  are calculated based on the following formula:

$$H'_{j,t} = TH'_{j,R} + SCH_{j,t}$$

where:

$TH'_{j,R}$  means the Equivalent Target Holding of Contract  $j$  on Holdings Calculation Date  $R$

$SCH_{j,t}$  means  $\begin{cases} H'_{j,t-1} - TH'_{j,R} & \text{if } j \text{ is a Disrupted Contract; or} \\ 0 & \text{otherwise} \end{cases}$

$H'_{j,t-1}$  means the Equivalent Holding of Contract  $j$  on Index Business Day  $t-1$

- (iv) For each Disrupted Contract  $j$ , the Equivalent Holding  $H'_{j,t}$  shall be equal to the Equivalent Target Holding  $TH'_{j,t}$  on the first Index Business Day following a Disrupted Holdings Calculation Date on which no Market Disruption Event in respect of that Contract  $j$  occurs or is continuing. If a Market Disruption Event continues for more than 5 Index Business Days following a Disrupted Holdings Calculation Date, the Index Calculation Agent shall, in good faith, determine the levels of each Disrupted Component  $j$  that will be used in the calculation of Holdings and Index Levels.
- (v) For each Underlying Contract that is not a Disrupted Contract, the Holding  $H_{j,t}$  on the Index Business Day immediately following the Disrupted Holdings Calculation Date shall be the Equivalent Target Holding.
- (vi) On the second consecutive non-disrupted Index Business Day immediately following a Disrupted Holdings Calculation Date, the Index Calculation Agent will resume calculation of the Index in accordance with section 2.

Further explanation of Holdings and Equivalent Holdings:

In respect of any given Index Business Day, the Index is represented as a basket of its Components with a Holding in respect of each Component determined on the immediately preceding Holdings Calculation Date according to the Holdings Calculation section above. For the purposes of determination of whether disruption to futures trading affects the Index, however, the Holdings of the Index must instead be expressed in terms of the futures contracts that ultimately underlie the Index. As the Index is a linear basket of its Components, and because the same holds true of all components of those Components, (whether they themselves are futures or indices), it is possible to work through the Holdings of the Index, and, by ultimately breaking down each Index to the futures contracts that comprise it, determine a new set of Holdings that, in respect of that Index Business Day, exactly represents the composition of the Index in terms of its Underlying Contracts.

## ANNEX 1: THE MACQUARIE MQCP268 INDEX

### INTRODUCTION

The MQCP268 index (hereinafter, the *Index*) is designed to provide investment exposure to a basket of long-dated commodity futures and is used in the construction of the Macquarie F6 vs F0 Curve Carry ex Brent & PM index.

The Index Sponsor will calculate the level of the Index, in accordance with the methodology for the Bloomberg Commodity Index as outlined by the [Bloomberg Commodity Index Handbook](#), except as amended by the modifications specified below.

### INDEX SPECIFICATION

**Index Name:** The MQCP268 Index

**Index Sponsor:** Macquarie Bank Limited

**Index Ticker:** Excess Return – MQCP268 Index (Bloomberg)

**Initial Index Level:** 100

**Index Start Date:** 25-Nov-2003

### MODIFICATIONS

**Contract Months:** The Table below is substituted for Table 9 (Contract Months Included in WAV Calculations) in Section 2.8 (Ongoing Calculation of WAV1 and WAV2) of the [Bloomberg Commodity Index Handbook](#).

i	Commodity												
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1	Natural Gas	U	U	X	X	F+	F+	H+	H+	K+	K+	N+	N+
2	WTI Crude Oil	U	U	X	X	F+	F+	H+	H+	K+	K+	N+	N+
3	RBOB Gasoline	N	U	U	X	X	F+	F+	H+	H+	K+	K+	N+
4	Heating Oil	U	U	X	X	F+	F+	H+	H+	K+	K+	N+	N+
5	Live Cattle	Q	Q	V	V	Z	Z	G+	G+	J+	J+	M+	M+
6	Lean Hogs	N	Q	V	V	Z	Z	G+	G+	J+	J+	M+	M+
7	Wheat (Chicago)	U	U	Z	Z	Z	H+	H+	H+	K+	K+	N+	N+
8	Wheat (Kansas)	U	U	Z	Z	Z	H+	H+	H+	K+	K+	N+	N+
9	Corn	U	U	Z	Z	Z	H+	H+	H+	K+	K+	N+	N+
10	Soybeans	X	X	X	X	F+	F+	H+	H+	K+	K+	N+	N+

11	Soybean Oil	Z	Z	Z	Z	F+	F+	H+	H+	K+	K+	N+	N+
12	Soybean Meal	Z	Z	Z	Z	F+	F+	H+	H+	K+	K+	N+	N+
13	Aluminum	U	U	X	X	F+	F+	H+	H+	K+	K+	N+	N+
14	High Grade Copper	U	U	Z	Z	Z	H+	H+	H+	K+	K+	N+	N+
15	Zinc	U	U	X	X	F+	F+	H+	H+	K+	K+	N+	N+
16	Nickel	U	U	X	X	F+	F+	H+	H+	K+	K+	N+	N+
17	Lead	U	U	X	X	F+	F+	H+	H+	K+	K+	N+	N+
18	Tin	U	U	X	X	F+	F+	H+	H+	K+	K+	N+	N+
19	Sugar	V	V	V	H+	H+	H+	H+	H+	K+	K+	N+	N+
20	Cotton	Z	Z	Z	Z	Z	H+	H+	H+	K+	K+	N+	N+
21	Coffee	U	U	Z	Z	Z	H+	H+	H+	K+	K+	N+	N+
22	Cocoa	U	U	Z	Z	Z	H+	H+	H+	K+	K+	N+	N+

\* The letters, F, G, H, J, K, M, N, Q, U, V, X, and Z stand for the months of Jan, Feb, ..., Dec respectively with the sign “+” signalling the contract on the following year.

**Weighting:** The Commodity Index Multipliers (“CIMs”) are same as the ones determined on the fourth (4<sup>th</sup>) business day of the month of January every year and implemented in the Index according to the [Bloomberg Commodity Index Handbook](#) with the exception of the CIMs for Crude (Brent), Gold, Silver and Platinum which are all set equal to 0 (zero).

**Roll Period:** In January, the Lead Contract and Next Contract in respect of each Commodity is rolled according to the methodology as defined in Section 3.1 of the [Bloomberg Commodity Index Handbook](#). In every month other than January, the roll window is shifted forward by 5 Index Business Days such that the roll is completed (at market close) on the 4<sup>th</sup> Index Business Day of the month.

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## ANNEX 2: THE MACQUARIE MQCP269 INDEX

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### INTRODUCTION

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The MQCP269 index (hereinafter, the *Index*) is designed to provide investment exposure to a basket of short-dated commodity futures and is used in the construction of the Macquarie F6 vs F0 Curve Carry ex Brent & PM index.

The Index Sponsor will calculate the level of the Index, in accordance with the methodology for the Bloomberg Commodity Index as outlined by the [Bloomberg Commodity Index Handbook](#), except as amended by the modifications specified below.

### INDEX SPECIFICATION

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**Index Name:** The MQCP269 Index

**Index Sponsor:** Macquarie Bank Limited

**Index Ticker:** Excess Return – MQCP269E Index (Bloomberg)

**Initial Index Level:** 100

**Index Start Date:** 25-Nov-2003

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### MODIFICATIONS

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**Weighting:** The Commodity Index Multipliers (“CIMs”) are same as the ones determined on the fourth (4<sup>th</sup>) business day of the month of January every year and implemented in the Index according to the [Bloomberg Commodity Index Handbook](#) with the exception of the CIMs for Crude (Brent), Gold, Silver and Platinum which are all set equal to 0 (zero).

**Roll Period:** In January, the Lead Contract and Next Contract in respect of each Commodity is rolled according to the methodology as defined in Section 3.1 of the [Bloomberg Commodity Index Handbook](#). In every month other than January, the roll window is shifted forward by 5 Index Business Days such that the roll is completed (at market close) on the 4<sup>th</sup> Index Business Day of the month.

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## CONTACTS

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