

# Macquarie MQCP855 FX Periodic Conversion Indices

**Index Manual  
October 2023**

## IMPORTANT INFORMATION

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### BASIS OF PROVISION

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This document (the **Index Manual**) sets out the rules for Macquarie MQCP855 FX Periodic Conversion Indices (each, an **Index**) and reflects the methodology for determining the composition and calculation of each Index (the **Methodology**). The Methodology and each Index derived from this Methodology are the exclusive property of Macquarie Bank Limited (the **Index Administrator**). The Index Administrator owns the copyright and all other rights to the Indices. They have been provided to you solely for your internal use and you may not, without the prior written consent of the Index Administrator, distribute, reproduce, in whole or in part, summarize, quote from or otherwise publicly refer to the contents of the Methodology or use it as the basis of any financial instrument.

For the purposes of the remainder of this Index Manual, each reference to the Index in singular form shall be interpreted as being applicable to each Index covered by this Index Manual.

### SUITABILITY OF INDEX

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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 Index Manual, you should obtain independent professional advice.

**This Index Manual assumes the reader is a sophisticated financial market participant, with the knowledge and expertise to understand the financial mathematics and derived pricing formulae, as well as the trading concepts, described herein. Any financial instrument based on the Index is unsuitable for a retail or unsophisticated investor.**

### RISK FACTORS

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See the risk factors relating to Macquarie indices in the document headed “Macquarie Proprietary Indices – Risk Factors” at <https://www.macquarie.com/uk/en/about/company/commodities-and-global-markets/commodities/commodity-index-documentation.html> (the **Risk Factors**). Investors should note in particular the following sections of the Risk Factors: Part 1 (*General Risk Factors*), paragraph 3 (*Commodity Indices*) and paragraph 5 (*Foreign Exchange Rates*) of Part 2 (*Asset Class Specific Risk Factors*).

With respect to the relevant Base Index, see the section headed “Risk Factors” in the index manual of the Base Index (the **Base Index Manual**) and the risk factors referred to therein.

A copy of the Risk Factors may be obtained free of charge upon request to the Index Administrator.

## HISTORICAL DATA

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The Index has been calculated from the Index Live Date but historical Index levels (prior to the Index Live Date) have been produced by a back-test process from the Index Start Date. For more information, see Section 8.3 (*Historical Values of the Index*).

## CONFLICTS AND USE OF DISCRETION

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For operational reasons the Index may, in limited circumstances, permit the exercise of discretion by the Index Calculation Agent (acting in good faith and in a commercially reasonable manner). For further information see Section 6.4 (*Discretion*).

For information on potential conflicts, see Section 7.3 (*Conflicts*).

## CESSATION OR MODIFICATION OF THE INDEX

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

For information on corrections, changes and cessation of the Index, see Section 6 (*Corrections, Changes, Cessation and Discretion*).

## DISCLAIMER OF LIABILITY

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The Methodology is published for information purposes only and does not create any legally binding obligation on the part of the Index Administrator, the Index Calculation Agent and/or their affiliates. This Index Manual is intended to provide a summary of the Index it purports to describe. The Index Administrator expressly disclaims (to the fullest extent permitted by applicable law) all warranties (express, statutory or implied) regarding this Index Manual and the Methodology or the Index, including but not limited to, all warranties of merchantability, fitness for a particular purpose (including investment by regulated funds) and all warranties arising from course of performance, course of dealing or usage of trade and their equivalents under applicable laws of any jurisdiction. In particular, the Index Administrator and the Index Calculation Agent do not warrant or guarantee the completeness or accuracy of the Index or timeliness of calculations of any Index Level and do not warrant or guarantee the availability of any Index Level on any particular date or at any particular time. The Index Administrator and the Index Calculation Agent shall have no liability to any person for delays, omissions or interruptions in the delivery of any Index, including as a result of the failure of prices to be published in respect of any Component, or, as applicable, any other reference value for any reason. Although the Index Calculation Agent will obtain information concerning Components and or reference values from publicly available sources it believes to be reliable, it will not independently verify this information. Accordingly, no representation, warranty or undertaking (express or implied) is made by the Index Administrator or the Index Calculation Agent as to the accuracy and completeness of information concerning any Index.

In particular, the Index Administrator and the Index Calculation Agent shall not be liable (whether in contract, tort or otherwise) for any losses (including direct, indirect, special, punitive or other damages (including loss of profits)) resulting from (i) any determination that a Market Disruption Event, an FX Disruption Event, an Adjustment Event, an FX Adjustment Event or an Error has occurred or has not occurred, (ii) the timing relating to the determination that a Market Disruption Event, an FX Disruption Event, an Adjustment Event, an FX Adjustment Event or an Error has occurred, or (iii) any actions taken or not taken by the Index Calculation Agent or the Index Administrator as a result of a determination that a Market Disruption Event, an FX Disruption Event, an Adjustment Event, an FX Adjustment Event or an Error has occurred.

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## SECTION 1: OVERVIEW

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### 1.1 INTRODUCTION AND INDEX OBJECTIVE

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Each Index aims to convert its underlying index (the Base Index, as defined in Annex A (*Index Specifications*))) with an index level denominated in a particular currency (referred to as the Base Currency) to the Index currency (referred to as the Target Currency). The synthetic conversion is implemented by maintaining an associated notional cash position (referred to as the Cash Balance) denominated in the Base Currency, which replicates the returns obtained by holding the Base Index, and periodically converting it to the Target Currency. The exposure of each Macquarie MQCP855 FX Periodic Conversion Index to its Base Index is periodically calculated and adjusted according to the Methodology described in Section 2 (*Index Methodology*).

### 1.2 INDEX CALCULATION

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The Indices are calculated and maintained by the Index Calculation Agent and supervised by the Index Administrator and the Index Oversight Committee, as described in Section 7 (*Oversight, Roles, Conflicts and Reviews*). All determinations with regard to the Indices are made following the rules set out in this Index Manual, without discretion by the Index Administrator or the Index Calculation Agent, other than in the limited circumstances set out in this Index Manual – see Section 6 (*Corrections, Changes, Cessation and Discretion*) for further information.

In respect of each Index, the Index Level as of the Index Start Date is equal to the Index Start Level specified in the Index Specifications in Annex A (*Index Specifications*). Thereafter, each Index Level is calculated as set out in Section 2 (*Index Methodology*).

The Indices are not based upon submissions provided by third parties (or an affiliate of the Index Administrator or the Index Calculation Agent). The Indices are based upon actual transaction data sourced from regulated markets and exchanges.

### 1.3 INDEX SPECIFICATIONS

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Each Index is differentiated by the Index Specifications corresponding to that Index. The Index Specifications set out (i) certain parameters specific to such Index (such as the Index Name and the Target Currency), (ii) certain parameters specific to the Base Index of such Index (such as the Base Index Name and the Base Currency), and (iii) the parameters that determine the Methodology (such as the Holdings Calculation Day and the FX Conversion Day).

The Index Administrator may, at any time, commence calculation and publication of new Indices pursuant to the Methodology. In such circumstances the Index Administrator will publish a revised version of the Methodology, revised only to augment Annex A (*Index Specifications*) with the new Index Specifications relating to the new Indices.

## 1.4 METHODOLOGY

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The Methodology for calculating the Index is described in the Section 2 (*Index Methodology*). To facilitate an understanding of the calculations, worked examples, which demonstrate the types of calculations needed to calculate the Index Level on a particular date, can be provided upon request from the Index Administrator.

In respect of each Index, the Base Index Manual sets out the rules for the Base Index and, in each case, reflects the methodology for determining the composition and calculation of the relevant Base Index. Investors in a financial product linked to an Index must read the Base Index Manual.



## SECTION 2: INDEX METHODOLOGY

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On a daily basis, each Index converts its Base Index from the Base Currency to the Target Currency by maintaining a Cash Balance in the Base Currency and periodically converting it to the Target Currency. The exposure of each Index to its Base Index is periodically calculated and adjusted according to the Methodology described in Section 2.2 (*Incremental Units Calculation*).

The following sections detail how the Index Calculation Agent will calculate the Index Level of each Macquarie Dynamic Carry FX Periodic Conversion Index on each Index Business Day, based on the inputs set out in Annex A (*Index Specifications*), Annex B (*Time Value Factors*) and Annex C (*FX Spot Rates*).

<b>Section 2.1 (<i>Time Value Factors Calculation</i>)</b>	describes how the Time Value Factor for Funding and the Time Value Factor for Growth are calculated for the purpose of the calculation of the Incremental Units;
<b>Section 2.2 (<i>Incremental Units Calculation</i>)</b>	describes the daily calculation of the Incremental Units of the Base Index and the Cash Balance;
<b>Section 2.3 (<i>Units Calculation</i>)</b>	describes the daily calculation of the Units of the Base Index and the Cash Balance; and
<b>Section 2.4 (<i>Daily Index Calculation</i>)</b>	describes the daily calculation of the Index Level.

### 2.1 TIME VALUE FACTORS CALCULATION

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#### 2.1.1 Time Value Factor for Funding

The time value factor for funding (the **Time Value Factor for Funding**,  $TVFF_t^c$ ), in respect of a Currency (a **Currency**,  $c$ ), and an Index Business Day (an **Index Business Day**,  $t$ ), is calculated according to the formula below:

$$TVFF_t^c = r_t^c \times DCF_t^c$$

Where:

$r_t^c$	is the TVFF Funding Rate Value in respect of such Currency, $c$ , and such Index Business Day, $t$ , as defined in Section 4 ( <i>Definitions</i> ); and
$DCF_t^c$	is the <b>Day Count Fraction</b> in respect of such Currency, $c$ , and such Index Business Day, $t$ , and is calculated according to the formula below:

$$DCF_t^c = \frac{\Delta t}{DC^c}$$

Where:

$\Delta t$	is the number of calendar days from, and including, the Index Business Day immediately preceding such Index Business Day, $t$ (the <b>Index Business Day</b> , $t - 1$ ) to, but excluding, such Index Business Day, $t$ ; and
$DC^c$	is the Day Count in respect of such Currency, $c$ , as specified in Annex B ( <i>Time Value Factors</i> ) in respect of such Currency, $c$ .

### 2.1.2 Time Value Factor for Growth

The time value factor for growth (the **Time Value Factor for Growth,  $TVFG_t^c$** ), in respect of a Currency,  $c$ , and an Index Business Day,  $t$ , is calculated according to the formula below:

$$TVFG_t^c = \prod_{g \in G_t^c} (1 + r_g^c \times DCF_g^c) - 1$$

Where:

$G_t^c$  is the **Growth Days Set** in respect of such Currency,  $c$ , and such Index Business Day,  $t$ , and is defined as a set of Funding Rate Days from, but excluding, the Index Business Day immediately preceding to the Index Business Day,  $t$ , to, and including, such Index Business Day,  $t$ ;

$g$  is each **Funding Rate Day** in the Growth Days Set,  $G_t^c$ ;

$r_g^c$  is the TVFG Funding Rate Value in respect of such Currency,  $c$ , and such Funding Rate Day,  $g$ , as defined in Section 4 (*Definitions*); and

$DCF_g^c$  is the **Day Count Fraction** in respect of such Currency,  $c$ , and such Funding Rate Day,  $g$ , and is calculated according to the formula below:

$$DCF_g^c = \frac{\Delta g}{DC^c}$$

Where:

$\Delta g$  is the number of calendar days from, and including, the Funding Rate Day immediately preceding to the Funding Rate Day,  $g$ , to, but excluding, such Funding Rate Day,  $g$ ; and

$DC^c$  is the Day Count (as specified in Annex B (*Time Value Factors*)) in respect of such Currency,  $c$ .

## 2.2 INCREMENTAL UNITS CALCULATION

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For the purpose of calculating the Units of the Base Index,  $U_t^i$ , and the Units of the Cash Balance,  $U_t^c$ , in order to calculate the Index Level, the Incremental Units of the Base Index, the Incremental Units of the Cash Balance and the FX Conversion need to be determined.

### 2.2.1 Incremental Units of the Base Index

The incremental units in respect of the Base Index (the **Incremental Unit of the Base Index,  $IU_t^i$** ) in respect of an Index Business Day,  $t$ , is calculated according to the rules below:

(a) if such Index Business Day,  $t$ , is not a Holdings Calculation Day:

$$IU_t^i = 0$$

(b) If such Index Business Day,  $t$ , is a Holdings Calculation Day:

$$IU_t^i = \frac{I_{t-1}}{I_{t-1}^{\text{base}} \times FX_{t-1}} - U_t^i$$

Where:

- $I_{t-1}$  is the Index Level in respect of Index Business Day,  $t - 1$ ;
- $I_{t-1}^{\text{base}}$  is the Base Index Level (as defined in Section 4 (*Definitions*)) in respect of Index Business Day,  $t - 1$ ;
- $FX_{t-1}$  is the FX Spot Rate (as defined in Section 4 (*Definitions*)) in respect of Index Business Day,  $t - 1$ ; and
- $U_t^i$  is defined in Section 2.3 (*Units Calculation*).

### 2.2.2 Incremental Units of the Cash Balance

The incremental units in respect of the Cash Balance (the **Incremental Unit of the Cash Balance,  $IU_t^c$** ) in respect of an Index Business Day,  $t$ , is calculated according to the formula below:

$$IU_t^c = U_t^i \times (I_t^{\text{base}} - I_{t-1}^{\text{base}}) + U_t^c \times TVFG_t^{\text{base}}$$

Where:

- $U_t^i$  is defined in Section 2.3 (*Units Calculation*);
- $U_t^c$  is defined in Section 2.3 (*Units Calculation*);
- $I_t^{\text{base}}$  is the Base Index Level in respect of such Index Business Day,  $t$ ;
- $I_{t-1}^{\text{base}}$  is defined in Section 2.2.1 (*Incremental Units of the Base Index*); and
- $TVFG_t^{\text{base}}$  is the Time Value Factor for Growth (as defined in Section 2.1 (*Time Value Factors Calculation*)) in respect of the Base Currency and an Index Business Day,  $t$ .

### 2.2.3 FX Conversion

The FX conversion (the **FX Conversion,  $IU_t^{cs}$** ) in respect of an Index Business Day,  $t$ , is calculated according to the rule below:

- (a) if such Index Business Day,  $t$ , is not an FX Conversion Day:

$$IU_t^{cs} = 0$$

- (b) if such Index Business Day,  $t$  is an FX Conversion Day:

$$IU_t^{cs} = -U_t^c \times (1 + TVFG_t^{\text{base}})$$

Where:

- $U_t^c$  is defined in Section 2.3 (*Units Calculation*); and
- $TVFG_t^{\text{base}}$  is defined in Section 2.2.2 (*Incremental Units of the Cash Balance*).

## 2.3 UNITS CALCULATION

For the purpose of calculating the Index Level,  $I_t$ , the Units of the Base Index and the Units of the Cash Balance need to be determined.

### 2.3.1 Unit of the Base Index

The units of the Base Index (the **Unit of the Base Index,  $U_t^i$** ) in respect of an Index Business Day,  $t$ , is calculated according to the formula below:

- (a) if such Index Business Day,  $t$  is the Index Start Date:

$$U_t^i = 0$$

- (b) if such Index Business Day,  $t$  is not the Index Start Date:

$$U_t^i = U_{t-1}^i + IU_{t-1}^i$$

Where:

$U_{t-1}^i$  is the Unit of the Base Index in respect of Index Business Day,  $t - 1$ ; and  
 $IU_{t-1}^i$  is the Incremental Unit of the Base Index (as defined in Section 2.2 (*Incremental Units Calculation*)) in respect of Index Business Day,  $t - 1$ .

### 2.3.2 Unit of the Cash Balance

The units of the Cash Balance (the **Unit of the Cash Balance,  $U_t^c$** ), in respect of an Index Business Day,  $t$ , is calculated according to the formula below:

- (a) if such Index Business Day,  $t$  is the Index Start Date:

$$U_t^c = 0$$

- (b) if such Index Business Day,  $t$  is not the Index Start Date:

$$U_t^c = U_{t-1}^c + IU_{t-1}^c + IU_{t-1}^{cs}$$

Where:

$U_{t-1}^c$  is the Unit of the Cash Balance in respect of Index Business Day,  $t - 1$ ;  
 $IU_{t-1}^c$  is the Incremental Unit of the Cash Balance (as defined in Section 2.2 (*Incremental Units Calculation*)) in respect of Index Business Day,  $t - 1$ ; and  
 $IU_{t-1}^{cs}$  is the FX Conversion of the Incremental Unit (as defined in Section 2.2.3 (*FX Conversion*)) in respect of Index Business Day,  $t - 1$ .

## 2.4 DAILY INDEX CALCULATION

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On each Index Business Day,  $t$ , the level of the Index (the **Index Level,  $I_t$** ) is calculated (rounded to eight decimal places) according to the formula below:

$$I_t = I_{t-1} + UR_t + AR_t$$

Where:

$I_{t-1}$  is the Index Level in respect of Index Business Day,  $t - 1$ ;  
 $UR_t$  is the Unit Return in respect of such Index Business Day,  $t$ , and is calculated according to the following formula:

$$UR_t = U_t^i \times (I_t^{\text{base}} - I_{t-1}^{\text{base}}) \times FX_t + U_t^c \times (FX_t - FX_{t-1})$$

Where:

$U_t^i$  is defined in Section 2.3.1 (*Unit of the Base Index*);  
 $U_t^c$  is defined in Section 2.3.2 (*Unit of the Cash Balance*);  
 $I_t^{\text{base}}$  is defined in Section 2.2.2 (*Incremental Units of the Cash Balance*);

$I_{t-1}^{\text{base}}$  defined in Section 2.2.1 (*Incremental Units of the Base Index*);  
 $FX_t$  is the FX Spot Rate (as defined in Section 4 (*Definitions*)) in respect of such Index Business Day,  $t$ ; and  
 $FX_{t-1}$  is the FX Spot Rate (as defined in Section 4 (*Definitions*)) in respect of Index Business Day,  $t - 1$ ;  
 $AR_t$  is the adjustment return (the **Adjustment Return**) in respect of the Index Business Day,  $t$ , and is calculated according to the following formula:

$$AR_t = -U_t^c \times FX_{t-1} \times TVFF_t^{\text{target}} + U_t^c \times TVFG_t^{\text{base}} \times FX_t$$

Where:

$TVFF_t^{\text{target}}$  is the Time Value Factor for Funding (as defined in Section 2.1 (*Time Value Factors Calculation*)) in respect of the Target Currency and such Index Business Day,  $t$ ; and  
 $TVFG_t^{\text{base}}$  is the Time Value Factor for Growth (as defined in Section 2.1 (*Time Value Factors Calculation*)) in respect of the Base Currency and such Index Business Day,  $t$ .

## SECTION 3: MARKET DISRUPTION EVENTS AND FX DISRUPTION EVENTS

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### 3.1 UNDERLYING CONTRACTS

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The Index is calculated on a daily basis based on the settlement prices of the contracts that underlie the Index (the **Underlying Contracts**). The Underlying Contracts may directly or ultimately underlie the Index, depending on how the Index is constructed. If the Components of the Index are futures or other contracts, then the Underlying Contracts will refer to the Components of the Index. If the Components of the Index are indices, then the Underlying Contracts of the Index will refer to the contracts that underlie those Component indices either directly (where the Component indices are comprised of constituents that are contracts) or ultimately (where the Components indices are comprised of constituents that are indices, in which case the underlying contracts of those constituent indices will be the Underlying Contracts).

The determination of a Market Disruption Event (as defined below) is made in respect of the Underlying Contracts of the Index.

### 3.2 MARKET DISRUPTION EVENTS

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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 (including each Index Business Day on which the Trading Facility is not open for business);
- (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 Administrator reasonably determines that the event materially interferes with the ability of market participants to hedge the Index; or
- (v) in respect of an Underlying Contract that is a Commodity futures contract, the occurrence of a Market Disruption Event (as defined in sub-paragraphs (i) to (iv) (inclusive), above) in respect of an Underlying Contract that shares the same Commodity (such Underlying Contract, a **Linked Contract**).

For the avoidance of doubt, the occurrence of a Market Disruption Event in accordance with sub-paragraph (v) above shall be deemed to occur in respect of an Underlying Contract regardless of whether or not any other Market Disruption Event (in accordance with sub-paragraphs (i) to (iv) (inclusive), above) has occurred in respect of such Underlying Contract.

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 Level reflects 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 Day, a Market Disruption Event with respect to one or more Underlying Contracts occurs (such day, a **Disrupted Holdings Calculation Day** 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 Day is continuing, the Index Level will be calculated according to the following formula:

$$I_t = I_{t-1} + \sum_j H'_{j,t} (f_{j,t} - f_{j,t-1}) \times FX_t + U_t^c \times (FX_t - FX_{t-1}) - U_t^c \times FX_{t-1} \times TVFF_t^{\text{target}} + U_t^c \times TVFG_t^{\text{base}} \times FX_t$$

Where:

- $H'_{j,t}$  is the Equivalent Holding for Underlying Contract  $j$  as calculated according to sub-paragraphs (ii)-(v) below; and  
 $f_{j,t}$  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 Day to the Holdings Calculation Day  $R$ .

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 Day and until the first subsequent Holdings Calculation Day.

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 Day and until all Market Disruption Events that occurred on the Disrupted Holdings Calculation Day 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 Underlying Contract  $j$  on Holdings Calculation Day  $R$

$SCH_{j,t}$  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 Underlying Contract  $j$  on the Index Business Day immediately preceding Index Business Day  $t$

- (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 Day 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 Day, 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 Day shall be the Equivalent Target Holding.
- (vi) On the second consecutive non-disrupted Index Business Day immediately following a Disrupted Holdings Calculation Day, the Index Calculation Agent will resume calculation of the Index in accordance with Section 2 (*Index Methodology*).

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 Day. 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.

### 3.3 FX DISRUPTION EVENTS

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On an FX Conversion Day an **FX Disruption Event** means any of the following events:

- (i) Illiquidity Event;
- (ii) Price Source Disruption; and
- (iii) Policy Event.

**Currency Pair** means the Base Currency and the Target Currency.

**Illiquidity Event** means, in respect of a Currency Pair and an Index Business Day, the Index Calculation Agent determines that it becomes impossible to obtain a firm quote of the relevant foreign exchange rate



for such Currency Pair on such Index Business Day (or, if different, the day on which rates for that Index Business Day would, in the ordinary course, be published or announced by the relevant price source).

**Policy Event** means that (a) the government (or any agency or instrumentality thereof) or any administrative or other governmental authority (or any other person charged with regulation of the financial markets of such jurisdiction) of the jurisdiction of the Base Currency or the Target Currency, as the case may be, has (i) pegged the Base Currency to the Target Currency (or vice versa), (ii) imposed a “hard” or “soft” floor to the exchange rate of a the Currency Pair or (iii) imposed controlled appreciation or devaluation by the jurisdiction of the Base Currency relative to the Target Currency (or vice versa) or (iv) taken any other action and (b) the Calculation Agent determines that such action would reasonably affect an investment in the Target Currency or the Base Currency, as applicable.

**Price Source Disruption** means, in respect of a Currency Pair and an Index Business Day, it becomes impossible to obtain the FX Spot Rate on such Index Business Day (or, if different, the day on which rates for that Index Business Day would, in the ordinary course, be published or announced by the relevant price source).

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 FX DISRUPTION EVENTS

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When an FX Disruption Event occurs or is continuing on an FX Conversion Day, the FX Conversion Day will be postponed to the first Index Business Day (which is also an Index Business Day of the Base Index and an FX Publication Day) not affected by an FX Disruption Event.

In the event that the FX Disruption Event is continuing for more than five (5) Index Business Days (each of which is also an Index Business Day of the Base Index and an FX Publication Day), then on such fifth Index Business Day the Index Calculation Agent will determine in its sole discretion, but subject to the approval of the Index Oversight Committee, its good faith estimate of the FX Spot Rate in order to effect that FX Conversion. It is anticipated, however, that the Index Calculation Agent will only need to make such determination under extraordinary circumstances.

## SECTION 4: DEFINITIONS

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**Adjustment Event** is defined in Section 5.1 (*Adjustment Events*).

**Adjustment Return** is defined in Section 2.4 (*Daily Index Calculation*).

**Affected Index Level** is defined in Section 6.1.1 (*Errors*).

**Asset Class Specific Adjustment Event**, in respect of a Base Index, is defined in Section 5.2.1 (*Base Indices*).

**Base Currency**, in respect of an Index, is specified in Annex A (*Index Specifications*).

**Base Index**, in respect of an Index, is specified in Annex A (*Index Specifications*).

**Base Index Level**, in respect of a Base Index and an Index Business Day, is the level of such Index as calculated and published by the index calculation agent of such Base Index.

**Base Index Manual** is defined in the section entitled “Important Information”.

**Bloomberg Ticker**, in respect of an Index, is the ticker under which the relevant Index Level will be published, as specified in Annex A (*Index Specifications*).

**Bloomberg Ticker of Base Index**, in respect of an Index, is the ticker under which the relevant Base Index of such Index will be published, as specified in Annex A (*Index Specifications*).

**Calculation Error** is defined in Section 6.1.1 (*Errors*).

**Change in Economic Assumptions** is defined in Section 5.1 (*Adjustment Events*).

**Component Change Event** is defined in Section 5.1 (*Adjustment Events*).

**Component Licensing Event** is defined in Section 5.1 (*Adjustment Events*).

**Currency** is either the Base Currency or the Target Currency.

**Currency, *c*** is defined in Section 2.1.1 (*Time Value Factor for Funding*).

**Currency Pair** is defined in Section 3.3 (*FX Disruption Events*).

**Day Count**, in respect of a Currency, is specified in Annex B (*Time Value Factors*).

**Day Count Fraction**, in respect of a Currency and an Index Business Day, is defined in Section 2.1 (*Time Value Factors Calculation*).

**Dealer** is defined in Section 5.1 (*Adjustment Events*).

**Disrupted Contract** is defined in Section 3.2 (*Market Disruption Events*).

**Disrupted Holdings Calculation Day** is defined in Section 3.2 (*Market Disruption Events*).

**Equivalent Holdings** is defined in Section 3.2 (*Market Disruption Events*).

**Equivalent Target Holdings** is defined in Section 3.2 (*Market Disruption Events*).

**Error** is defined in Section 6.1.1 (*Errors*).

**Funding Rate**, in respect of a Currency, is specified in Annex B (*Time Value Factors*).

**Funding Rate Day**, in respect of a Currency, is each day in the Funding Rate Calendar in respect of such Currency.

**Funding Rate Calendar**, in respect of a Currency, is specified in Annex B (*Time Value Factors*).

**FX Adjustment Event** is defined in Section 5.3 (*FX Adjustment Events*).

**FX Conversion** is defined in Section 2.2.3 (*FX Conversion*).

**FX Conversion Day**, in respect of an Index, is an Index Business Day, which is also an Index Business Day of the Base Index, a Trading Day of such Index and an FX Publication Day, on which the FX Conversions are periodically calculated in order to adjust the Unit of the Cash Balance. The FX Conversion Day is specified in Annex A (*Index Specifications*). If such calendar day is not an Index Business Day, an Index Business Day of the Base Index, a Trading Day of such Index or an FX Publication Day, then the FX Conversion Day will be the Index Business Day, which is also an Index Business Day of the Base Index, a Trading Day of such Index and an FX Publication Day, immediately following such calendar day.

**FX Disruption Event** is defined in Section 3.3 (*FX Disruption Events*).

**FX Publication Calendar** is the set of each week day, excluding 1 January, Good Friday and 25 December. If 1 January or 25 December falls on a Sunday, then 2 January or 26 December are excluded from the FX Publication Calendar.

**FX Publication Day** is each day in the FX Publication Calendar.

**FX Spot Rate**, in respect of an Index Business Day, is the FX spot rate at which the Base Currency is exchanged for the Target Currency, and is determined according to the following rule:

- (a) if the Quote Convention, in respect of the Base Currency and the Target Currency, is equal to 1, then the FX Spot Rate is the Quote Spot Rate, in respect of such Base Currency and such Target Currency, as specified in Annex C (*FX Spot Rates*); or
- (b) if the Quote Convention, in respect of the Base Currency and the Target Currency, is equal to -1, then the FX Spot Rate is the reciprocal (or the multiplicative inverse) of the Quote Spot Rate, in respect of such Base Currency and such Target Currency, as specified in Annex C (*FX Spot Rates*).

If the FX Spot Rate is not available, as determined by the Index Calculation Agent, then the FX Spot Rate will be the most recent available FX Spot Rate.

**General Adjustment Event** is defined in Section 5.1 (*Adjustment Events*).

**Growth Days Set**, in respect of a Currency and an Index Business Day, is defined in Section 2.1 (*Time Value Factors Calculation*).

**Holdings Calculation Day**, in respect of an Index, is an Index Business Day, which is also an Index Business Day of the Base Index, a Trading Day of such Index and an FX Publication Day, on which the Incremental Units of the Base Index are periodically calculated in order to adjust the Unit of the Base Index. The Holdings Calculation Day is specified in Annex A (*Index Specifications*). If such calendar day is not an Index Business Day, an Index Business Day of the Base Index, a Trading Day of such Index or an FX Publication

Day, then the Holdings Calculation Day is the Index Business Day, which is also an Index Business Day of the Base Index, a Trading Day of such Index and an FX Publication Day, immediately following such calendar day.

**Holiday Rate Offset**, in respect of a Currency, is specified in Annex B (*Time Value Factors*).

**Illiquidity Event** is defined in Section 3.3 (*FX Disruption Events*).

**Incremental Unit of the Base Index** is defined in Section 2.2.1 (*Incremental Units of the Base Index*).

**Incremental Unit of the Cash Balance** is defined in Section 2.2.2 (*Incremental Units of the Cash Balance*).

**Index** is defined in the section entitled “Important Information”.

**Index Administrator** is defined in the section entitled “Important Information”.

**Index Business Day**, in respect of an Index, is each day in the Index Calendar.

**Index Business Day,  $t$**  is defined in Section 2.1.1 (*Time Value Factor for Funding*).

**Index Business Day,  $t - 1$**  is defined in Section 2.1.1 (*Time Value Factor for Funding*).

**Index Calculation Agent** is defined in Section 7.2.2 (*Index Calculation Agent*).

**Index Calendar**, in respect of an Index, is the calendar of days in respect of which an Index Level will be published, and is specified in Annex A (*Index Specifications*).

**Index Level**, in respect of an Index and an Index Business Day, is defined in Section 2.4 (*Daily Index Calculation*) and is the level of such Index as calculated and published by the Index Calculation Agent.

**Index Live Date**, in respect of an Index, is 31 October 2023 being the date on which the Methodology of the Index was finalised.

**Index Manual** is defined in the section entitled “Important Information”.

**Index Oversight Committee** is defined in Section 7.1 (*Index Governance*).

**Index Publication Day**, in respect of an Index, is defined in Section 8.2 (*Publication of the Index Level*).

**Index Specifications** is a set of variables peculiar to a particular Index, as set out in the Index Specifications table for that Index in Annex A (*Index Specifications*) hereto.

**Index Start Date**, in respect of an Index, is specified in Annex A (*Index Specifications*), being the first day in respect of which an Index Level is published (such level being the Index Start Level).

**Index Start Level**, in respect of an Index, is the Index Level of such Index on the Index Start Date, and is 100.

**Initial Calculation Date**, in respect of an Index, means the date on which the Index Calculation Agent first implemented the Index and published the Index Level. The Initial Calculation Date in respect of an Index may fall on or after the Index Live Date.

**Input Error** is defined in Section 6.1.1 (*Errors*).

**Linked Contract** is defined in Section 3.2 (*Market Disruption Events*).

**Market Disruption Event** is defined in Section 3.2 (*Market Disruption Events*).

**Material Error** is defined in Section 6.1.1 (*Errors*).

**Methodology** is defined in the section entitled “Important Information”.

**Policy Event** is defined in Section 3.3 (*FX Disruption Events*).

**Price Source Disruption** is defined in Section 3.3 (*FX Disruption Events*).

**Publication Time** is defined in Section 8.2 (*Publication of Index Level*).

**Quote Convention**, in respect of a Base Currency and a Target Currency, is specified in Annex C (*FX Spot Rates*).

**Quote Spot Rate**, in respect of a Base Currency and a Target Currency, is specified in Annex C (*FX Spot Rates*).

**Replicability Event** is defined in Section 5.1 (*Adjustment Events*).

**Risk Factors** is defined in the section entitled “Important Information”.

**Target Currency**, in respect of an Index, is specified in Annex A (*Index Specifications*).

**Time Value Factor for Funding**, in respect of a Currency and an Index Business Day, is defined in Section 2.1.1 (*Time Value Factor for Funding*).

**Time Value Factor for Growth**, in respect of a Currency and an Index Business Day, is defined in Section 2.1.2 (*Time Value Factor for Growth*).

**Trading Day**, in respect of an Index, is each calendar day on which the futures contracts underlying the Base Index of such Index is scheduled to be traded on the Trading Facility in respect of such Index.

**Trading Facility**, in respect of an Index, is the regulated futures exchange, facility or platform on or through which the futures contracts underlying the Base Index of such Index are traded.

**TVFF Funding Rate Day**, in respect of a Currency and an Index Business Day, is determined according to the following rule:

- (A) if such Index Business Day is a Funding Rate Day in respect of such Currency, then the TVFF Funding Rate Day is an Index Business Day, which is a Funding Rate Day, immediately preceding to such Index Business Day; or
- (B) if such Index Business Day is not a Funding Rate Day in respect of such Currency, then the TVFF Funding Rate Day is a Funding Rate Day, falling Holiday Rate Offset Funding Rate Days prior to the Index Business Day immediately preceding to such Index Business Day.

**TVFF Funding Rate Value**, in respect of a Currency and an Index Business Day, is the annual percentage rate of interest determined by the Index Calculation Agent by reference to the Funding Rate in respect of such Currency on the TVFF Funding Rate Day in respect of such Currency and such Index Business Day. If the Funding Rate is not available, as determined by the Index Calculation Agent, then the TVFF Funding

Rate Value will be the Funding Rate in respect of such Currency on the immediately preceding Funding Rate Day on which the Funding Rate is available.

**TVFG Funding Rate Day**, in respect of a Currency and a Funding Rate Day, is the Funding Rate Day immediately preceding to such Funding Rate Day.

**TVFG Funding Rate Value**, in respect of a Currency and a Funding Rate Day, is the annual percentage rate of interest determined by the Index Calculation Agent by reference to the Funding Rate in respect of such Currency on the TVFG Funding Rate Day in respect of such Currency and such Funding Rate Day. If the Funding Rate is not available, as determined by the Index Calculation Agent, then the TVFG Funding Rate Value will be the Funding Rate in respect of such Currency on the immediately preceding Funding Rate Day on which the Funding Rate is available.

**Regulatory Event** is defined in Section 5.4 (*Regulatory Event*).

**Underlying Contract** is defined in Section 3.1 (*Underlying Contracts*).

**Unit of the Base Index** is defined in Section 2.3.1 (*Units of the Base Index*).

**Unit of the Cash Balance** is defined in Section 2.3.2 (*Unit of the Cash Balance*).

## SECTION 5: ADJUSTMENT EVENTS AND REGULATORY EVENT

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### 5.1 ADJUSTMENT EVENTS

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If an Adjustment Event occurs, the Index Calculation Agent may, but shall not be obliged to, take one or more of the following steps:

- (a) suspend the publication of the Index Level until such time as the Adjustment Event ceases to occur; or
- (b) with the approval of the Index Oversight Committee:
  - (a) substitute the Component, if applicable, affected by the Adjustment Event with an asset which has similar characteristics and make such adjustments to the Index as are necessary, if any, in order to account for the substitution;
  - (b) make such adjustments to the Index (including to any of the weights or values of the Components or to the Index Level) and/or alter the methodology of the Index, in order to account for the effect of the Adjustment Event; or
  - (c) if no such adjustment or alteration could be made to preserve the objective of the Index, discontinue the Index.

Where:

**Adjustment Event** means, in respect of a Component, each General Adjustment Event and each Asset Class Specific Adjustment Event (as defined in Section 5.2 (*Asset Class Specific Definitions – Adjustment Events*)) as applicable for such Component.

**Change in Economic Assumptions** means, in respect of a Component, a material change of any economic assumptions (including, but not limited to, assumptions as to liquidity, estimated trading and/or rolling costs of the Components, bid/offer spreads in the market in respect of the Components and the funding cost associated with trading the Components) incorporated into the Methodology for such Component.

**Component Change Event** means, in respect of a Component, that since the Index Live Date, liquidity for the Component on the relevant trading venue has materially decreased in the context of the known or expected financial exposure to the Index.

**Component Licensing Event** means, in respect of a Component or any instrument or security on which the value of a Component depends, and for which a license has been granted to the Index Administrator (or an affiliate of the Index Administrator) in relation to the calculation, hedging or use of the Index, that either (a) such license is revoked, impaired or otherwise disputed for any reason, or (b) there is a material increase in the fee schedule applicable to such license.

**Dealer** means a hypothetical broker dealer subject to the same securities laws and rules and regulations of any securities regulators, exchanges and self-regulating organisations as apply to the Index Administrator.

**General Adjustment Event** means any of the following: a Change in Economic Assumptions, a Component Change Event, a Component Licensing Event, a Market Disruption Adjustment Event and a Replicability Event.

**Replicability Event** means that, on or after the Index Live Date, the Index Oversight Committee determines that one or more Dealers would be unable, after using commercially reasonable efforts, to hold, acquire, maintain, short sell or dispose of:

- (i) one or more Components;
- (ii) any instrument or security on which the value of a Component depends; or
- (iii) any instrument or security which is required to replicate the calculation methodology of the Index (including, but not limited to, interest rates and FX rates, if applicable).

## 5.2 ASSET CLASS SPECIFIC DEFINITIONS – ADJUSTMENT EVENTS

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### 5.2.1 Base Indices

The following terms are applicable in respect of any Base Index.

**Asset Class Specific Adjustment Event** means the occurrence of the following:

- (a) *Index Component Cancellation*: the index administrator of such Base Index permanently cancels the Base Index;
- (b) *Index Component Modification*: the index administrator of such Base Index announces that it will make a material change in the formula for or method of calculating such Base Index (other than a modification prescribed in that formula or method to maintain such Base Index in the event of routine events); or
- (c) *Index Succession Event*: such Base Index is (i) not calculated and announced by the relevant index administrator of the Base Index but is calculated and announced by a successor index administrator or (ii) is replaced by a successor index;
- (d) *Underlying Contract Change Event*: in respect of an Underlying Contract of such Base Index, either: (i) the specifications of an Underlying Contract are materially altered by the relevant trading venue or (ii) an Underlying Contract is permanently no longer traded on the relevant trading venue; or
- (e) *Index Component Adjustment*: an “Adjustment Event” (as defined in the relevant Base Index Manual) occurs in respect of such Base Index.

## 5.3 FX ADJUSTMENT EVENTS

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If an FX Adjustment Event occurs, the Index Calculation Agent may, but shall not be obliged to, take one or more of the following steps:

- (a) suspend the publication of the Index Level until such time as the FX Adjustment Event ceases to occur; or



- (b) with the approval of the Index Oversight Committee:
  - (i) make such adjustments to the Index (including to any of the weights or values of the Cash Balance or the Component or to the Index Level) and/or alter the methodology of the Index, in order to account for the effect of the FX Adjustment Event; or
  - (ii) if no such adjustment or alteration could be made to preserve the objective of the Index, discontinue the Index.

Where **FX Adjustment Event** means the occurrence of the following:

- (a) *FX Modification:*
  - (i) any change in market convention or practice (including, but not limited to, any change in settlement timelines for spot or forward foreign exchange transactions) affecting a Currency;
  - (ii) any material amendment to a data provider of the Funding Rate Ticker or the Bloomberg Ticker in respect of a Currency specified in the Annex B (*Time Value Factors*) or Annex C (*FX Spot Rates*); or
  - (iii) the occurrence of any event (other than those events specified as FX Disruption Events in Section 3.3 (*FX Disruption Events*)) in the jurisdiction of a Currency that is beyond the control of the Index Administrator which makes it impossible for (A) the Index Administrator to fulfil its obligations in respect of the Index and (B) generally to fulfil obligations similar to the Index Administrator's obligations in respect of the Index; or
- (b) *FX Succession:*
  - (i) a Currency ceases to exist and is replaced with, converted into, redenominated as, or exchanged for, another currency; or
  - (ii) the jurisdiction of a Currency divides into two or more countries or economic regions, each with a different lawful currency following such division.

## 5.4 REGULATORY EVENT

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If a Regulatory Event occurs, the Index Administrator may, but shall not be obliged:

- (a) to suspend the publication of the Index Level until such time as the Regulatory Event ceases to occur; or
- (b) with the approval of the Index Oversight Committee, to discontinue the Index.

**Regulatory Event** means that on or after the Index Live Date (a) due to the adoption of or any change in any applicable regulation, or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable regulation, the Index Administrator determines that it is not permitted (or there is a reasonable likelihood that, within the next 30 Index Publication Days, it will not be permitted) to continue to sponsor, administer, maintain or calculate, as applicable, the Index.

## SECTION 6: CORRECTIONS, CHANGES, CESSATION AND DISCRETION

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### 6.1 CORRECTIONS AND ERROR HANDLING

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#### 6.1.1 Errors

Where the Index Administrator or the Index Calculation Agent becomes aware of an Input Error or a Calculation Error (an **Error**), the cause of such error will be investigated and steps taken, to the extent practicable and within the control of the Index Calculation Agent, to prevent such errors from recurring.

If an Error is not corrected by 11.59pm, New York time, on the Index Publication Day following the occurrence of the Error, the Index Calculation Agent shall determine whether such Error affects any published Index Level (such Error, a **Material Error** and each affected Index Level, an **Affected Index Level**).

**Input Error** means any error in input data that is detected by, or notified to, the Index Calculation Agent.

**Calculation Error** means any error in the implementation of the Methodology or arising in the Index calculation and dissemination process that is detected by or notified to the Index Calculation Agent.

#### 6.1.2 Notification of Errors

The Index Calculation Agent shall publish an announcement regarding the occurrence of any Material Error and any change to the Methodology (see Section 6.2 (*Changes in Methodology*)).

#### 6.1.3 Restatement of Index Levels

The Index Calculation Agent will restate any Affected Index Level resulting from a Material Error in the following circumstances:

- (1) in respect of a Material Error that is an Input Error:
  - (i) if the Index Calculation Agent becomes aware of such Input Error within 2 Index Publication Days of publication of the relevant Affected Index Level; or
  - (ii) otherwise, as determined by the Index Oversight Committee.
- (2) In respect of a Material Error that is a Calculation Error:
  - (i) if the Index Calculation Agent becomes aware of such Calculation Error prior within 30 calendar days following the Index Publication Day on which the first Affected Index Level was published; or
  - (ii) otherwise, as determined by the Index Oversight Committee.

## 6.2 CHANGES IN METHODOLOGY

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Various factors, including external factors beyond the control of the Index Administrator, might necessitate material changes to an Index. The Index Manual contains information as of the date appearing on its cover, 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 Administrator may amend the Methodology at any time if the change is (i) of a formal, minor or technical nature, (ii) to correct any manifest or proven error or (iii) where the Index Calculation Agent determines that such change is not materially prejudicial to investors in financial products (in respect of which the Index Administrator has given consent to refer to the Index).

In any other case, a change to the Methodology will be considered to be a material change and may only be made subject to the approval of the Index Oversight Committee. The Index Oversight Committee shall determine the implementation timeline for such change and the timing for notification of such change to investors (which shall generally be at least 30 calendar days prior to implementation, but may be shorter if the Index Oversight Committee so determines), which the Index Administrator will communicate to investors by email.

## 6.3 CESSATION OF INDEX

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The Index Administrator may withdraw the Index, at any time and without notice, if no financial instruments (in respect of which Macquarie Bank Limited has given consent to refer to the Index) are outstanding. The Index Administrator may, in any case (subject to the approval of the Index Oversight Committee), withdraw an Index, without reason, provided that either (i) it notifies all investors in financial instruments (in respect of which Macquarie Bank Limited has given consent to refer to the Index) of its intention to do so by email at least 30 calendar days prior to cessation of calculation and publication of the Index or (ii) all investors in financial instruments (in respect of which Macquarie Bank Limited has given consent to refer to the Index) have agreed to the cessation of the Index and the date of such cessation.

## 6.4 DISCRETION

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In order to ensure continuity, the methodology of this Index permits the exercise of discretion or expert judgement in certain limited circumstances as set out in this Index Manual - see the following sections:

- Section 3 (*Market Disruption Events and FX Disruption Events*);
- The definitions of TVFF Funding Rate Value and TVFG Funding Rate Value in Section 4 (*Definitions*);
- The definition of FX Spot Rate in Section 4 (*Definitions*);
- Section 5 (*Adjustment Events and Regulatory Event*); and
- Section 6 (*Corrections, Changes, Cessation and Discretion*).

The Index Calculation Agent or the Index Oversight Committee may also exercise discretion in the administration of the Index if an event or circumstance arises in respect of which there is no fallback provided for in the methodology of this Index and which the Index Calculation Agent or Index Oversight Committee determines prevents the Index Calculation Agent from determining the Index in the normal manner, constitutes a market disruption under the relevant Index Manual or the exercise of expert judgement or discretion is otherwise appropriate in the circumstances.

The Index Calculation Agent or the Index Oversight Committee may exercise any such discretion or expert judgement acting in good faith and in a commercially reasonable manner. Any exercise of discretion or expert judgement that the Index Calculation Agent determines will have a material effect on the Index shall be subject to the approval of the Index Oversight Committee.

## SECTION 7: OVERSIGHT, ROLES, CONFLICTS AND REVIEWS

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### 7.1 INDEX GOVERNANCE

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

- A Managing Director in the Quantitative Investment Strategies team of the Commodities and Global Markets Group;
- A Director from the Legal and Governance Group;
- A representative from the Index Calculation Agent;
- A representative from the Risk division of the Risk Management Group;
- A representative from the Compliance division of the Risk Management Group; and
- A representative from the Business Operational Risk Management department within the Central division of the Commodities and Global Markets Group.

Each member of the Index Oversight Committee is sufficiently knowledgeable about algorithmic indices and is required to act in good faith and in a commercially reasonable manner. In giving approval to any adjustments made to the Index in accordance with this Index Manual, the Index Oversight Committee shall give due consideration to any equivalent decisions and actions taken by relevant trading venues or trade bodies.

The Index 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 Index 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 consideration or approval of any relevant Market Disruption Events, FX Disruption Events, Adjustment Events, FX Adjustment Events, Errors, exercises of discretion, changes to the Methodology, any contemplated cancellation of the Index and the resolution of any other issues which arise in relation to the Index.

### 7.2 INDEX ADMINISTRATOR AND INDEX CALCULATION AGENT

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#### 7.2.1 Index Administrator

Macquarie Bank Limited is the Index Administrator. Notwithstanding anything to the contrary, the Index Administrator will maintain all ownership rights, expressed 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.

### **7.2.2 Index Calculation Agent**

The Index Calculation Agent is appointed by the Index Administrator to calculate and maintain each Index from and until such time that the Index Administrator 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 Index Oversight Committee.

The Index Calculation Team within the Commodities and Global Markets Group of Macquarie Bank Limited acts as index calculation agent (the **Index Calculation Agent**) in respect of the Index as of the date of this Index 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 Index Manual.

### **7.2.3 Relationship of the Index Administrator and the Index Calculation Agent**

The Index Calculation Agent is appointed by the Index Administrator, subject to the approval of the Index Oversight Committee. While, as of the date of publication of these rules, both the Index Administrator and the Index Calculation Agent form part of Macquarie Bank Limited, they are independent teams within the bank and the 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 Administrator.

### **7.2.4 Not acting as a fiduciary**

Neither the Index Administrator nor the Index Calculation Agent owes any duty of care or acts as agent of another person in respect of its respective obligations in relation to the Index as set out in this Index Manual.

## **7.3 CONFLICTS**

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The Index is based on underlying assets, as described in the Methodology. The Index Administrator and/or its affiliates actively trade these underlying assets and options on these underlying assets. The Index Administrator 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 underlying assets or are linked to the performance of an Index. The Index Administrator and/or its affiliates may underwrite or issue other securities or financial instruments indexed to an Index, and the Index Administrator 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 an Index. The Index Administrator trades or may trade as principal in instruments (or related derivatives) linked to an index described in this Index Manual and may have proprietary positions in the instruments (or related derivatives). The Index Administrator may make a market in such instruments (or related derivatives), which may in extreme circumstances affect the levels of the Index described.

The Index Administrator, the Index Calculation Agent and the business unit which creates instruments linked to the Index are all businesses or entities of Macquarie. Steps have been taken to manage and mitigate the inherent conflicts of interest which result, including the establishment of separate reporting lines for the respective roles, establishment of an independent Index Oversight Committee and the implementation and enforcement of policies and procedures to ensure that appropriate controls are in place.

Certain activities conducted by the Index Administrator may conflict with interests of investors in the Index. Such activities could include (but are not limited to) providing or participating in competing products (such as financial instruments linked to the Index, a Component or a similar index or component) and hedging its exposure to the Index. The Index Administrator could receive substantial returns in respect of such activities, which will not be passed on to any investors in products linked to the Index; whereas the value of investments linked to the Index may decline. Any such activities conducted by the Index Administrator around the time of a rebalancing could adversely impact the performance of the Index and therefore the level of a concurrent rebalancing.

The Index Administrator may have access to information relating to an Index, a Component or investments linked to a Component. The Index Administrator is not obliged to use that information for the benefit of any person entering into products linked to the Index.

#### 7.4 REVIEWS

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The Index Administrator has procedures in place to review a sample of its indices (which may not include these Indices) on an annual basis (or more frequently, if it determines appropriate). Such sample shall include the indices requested by the Index Oversight Committee to be reviewed. The Index Administrator shall submit a report on its reviews to the Index Oversight Committee. If the Index Administrator determines that changes are required to a methodology, the Index Oversight Committee shall review the changes and the reasons for such changes. Any such changes approved by the Index Oversight Committee shall be implemented in accordance with Section 6.2 (*Changes in Methodology*).

## SECTION 8: GENERAL INFORMATION

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### 8.1 VALUATION AND CALCULATIONS

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The Index Calculation Agent shall, unless stated otherwise, perform all calculations in this Index Manual from the Initial Calculation Date. It shall perform such calculations in its sole and absolute discretion, acting in good faith and in a commercially reasonable manner. All such calculations shall be subject to the Index Calculation Agent's policies and procedures and will (in the absence of manifest error) be final, conclusive and binding. Neither the Index Calculation Agent nor the Index Administrator shall have any liability for errors or omissions made in good faith.

### 8.2 PUBLICATION OF INDEX LEVEL

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The publication of the Index Level by the Index Calculation Agent for an Index Publication Day follows a publication cycle which ends at the Publication Time for such day. Any Index Level published before the Publication Time in respect of a day is indicative and may be restated up to and including the Publication Time.

In respect of an Index Publication Day, the Index Level as published by the Index Calculation Agent on the Bloomberg Ticker at the Publication Time for such day shall be the official Index Level and shall be final and binding (save for changes made pursuant to Section 6 (*Corrections, Changes, Cessation and Discretion*)). See Section 6.1.2 regarding the publication of Material Errors.

**Publication Time** means, in respect of an Index Publication Day, 23:59:59 (New York Time) on the Index Publication Day immediately following such Index Publication Day.

**Index Publication Day** means the days in the Index Calendar.

### 8.3 HISTORICAL VALUES OF THE INDEX

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Hypothetical back-tested historical values of the Index are not indicative of future performance. The Index Administrator 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. Any hypothetical back-tested historical levels of the Index prior to the Index Start Date (where available) are provided for illustrative purposes only, may be calculated based on a methodology and a set of assumptions that differs from the Methodology of the Index set out in this Index Manual and may use different input data; accordingly, such historical levels must not be relied upon.



## **SECTION 9: NOTICES AND DISCLAIMERS**

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### **9.1 REGULATORY STATUS**

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This material is prepared and distributed in the UK by Macquarie Bank Limited, London Branch (MBLLB) and in the EEA member states by Macquarie Bank Europe (DAC) (MBE) where required. It is intended only for professional clients and eligible counterparties as defined in the rules of the Financial Conduct Authority. MBLLB is registered in England and Wales (Branch No: BR002678, Company No: FC018220, Firm Reference No: 170934). MBE is registered and incorporated in the Republic of Ireland (Company No. 634817). The registered office for MBLLB is Ropemaker Place, 28 Ropemaker Street, London, EC2Y 9HD. The registered office of MBE is First Floor, Connaught House, 1 Burlington Road, Dublin 4, D04 C5Y6, Ireland. MBLLB is authorised and regulated by the Australian Prudential Regulation Authority. MBE is authorised and regulated by the Central Bank of Ireland. Details about the extent of our regulation are available from us on request.

### **9.2 NOT RESEARCH OR AN OFFER**

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This Index Manual is not a personal recommendation as defined by the Financial Conduct Authority and you should consider whether you can rely upon any opinion or statement contained in this Index Manual without seeking further advice tailored for your own circumstances. It is also not investment research, and has not been prepared in accordance with legal requirements designed to promote the independence of such. Any opinions expressed herein may differ from the opinions expressed in other departments including the research department. Nor have the contents of this Index Manual been reviewed by any regulatory authority, and the distribution of this Index Manual and availability of related financial instruments in certain jurisdictions may be restricted by law.

This Index Manual 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 an 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.

### **9.3 THIRD-PARTY DISCLAIMER**

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The Index is not endorsed, sponsored or promoted by the issuer or sponsor of any Component of underlying asset of any Component.

## ANNEX A: INDEX SPECIFICATIONS

Annex A may be supplemented from time to time by the addition of new Index Specifications for additional Indices.

i	Index	Bloomberg Ticker	Target Currency	Index Calendar	Index Start Date	Holdings Calculation Day	FX Conversion Day	Base Index	Bloomberg Ticker of Base Index	Base Currency
1	Macquarie Commodity MQCP855U (EUR) Index	MQCP855U	EUR	NYMEX	29 Aug 2013	Last Index Business Day of each month which is also an Index Business Day of the Base Index, a Trading Day of the Index, and an FX Publication Day	Last Index Business Day of each month which is also an Index Business Day of the Base Index, a Trading Day of the Index, and an FX Publication Day	Macquarie Commodity MQCP855E Index	MQCP855E	USD

## ANNEX B: TIME VALUE FACTORS

Annex B may be supplemented from time to time by the addition of new Time Value Factors tables. As at the date of this Index Manual, the following reference data is sourced from the tickers referred to below. The Index Calculation Agent may (acting in good faith and a commercially reasonable manner) select alternative data providers or tickers from which to source the Funding Rate parameters specified below from time to time and will not notify investors of any such change. Accordingly, the values specified below may change from time to time and the following table represents a snapshot of such data as at the date of this Index Manual and should be used solely for illustrative purposes.

i	Currency	Funding Rate	Funding Rate Ticker	Funding Rate Calendar	Holiday Rate Offset	Day Count
1	EUR	Euro Short-term Rate <sup>1</sup>	ESTRON	European Central Bank	1	360
2	USD	US Federal Funds Effective Rate	FEDL01	Federal Reserve Bank of New York	1	360

<sup>1</sup> Prior to 2 October 2019, the Euro Short-term Rate in respect of a Funding Rate Day,  $t$ , is calculated according to the following formula:

$$\text{€STR}_t = \text{EONIA}_t - 0.085\%$$

Where:

**EONIA<sub>t</sub>** is the EMNI Euro Overnight Index Average in respect of a Funding Rate Day,  $t$ .

## ANNEX C: FX SPOT RATES

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Annex C may be supplemented from time to time by the addition of new FX Spot Rate tables. As at the date of this Index Manual, the following reference data is sourced from the tickers referred to below. The Index Calculation Agent may (acting in good faith and a commercially reasonable manner) select alternative data providers or tickers from which to source FX Spot Rate parameters specified below from time to time and will not notify investors of any such change. Accordingly, the values specified below may change from time to time and the following table represents a snapshot of such data as at the date of this Index Manual and should be used solely for illustrative purposes.

i	Base Currency	Target Currency	Quote Convention	Quote Spot Rate	Bloomberg Ticker
1	USD	EUR	-1	EURUSD Spot Exchange Rate	EURUSD L160 Curncy