



MACQUARIE

The Macquarie Ranked Backwardation F3 Index

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Introduction

The Macquarie Ranked Backwardation F3 index (hereinafter, the *Index*) is designed to provide investment exposure to a basket of commodity futures. The Index is designed to be readily accessible to market participants and is calculated daily in both an Excess Return and a Total Return format.

The Index calculation Methodology is precisely outlined in the set of self-contained Documents, collectively called Index Description Modules, listed on the table below:

Table 1: Index Description Modules

Methodology	Document
Macquarie Index of Futures Methodology	Macquarie Index of Futures
Macquarie Backwardation Ranking Strategy	Macquarie Backwardation Ranking Strategy

Each of the Documents listed in the Index Description Modules table above takes inputs specified in the Index Specification section below. Hence, while each Document is self-contained, the precise replication of the Index requires them being taken in conjunction with the Index Specification below.

Index Specification

Index Name: The Macquarie Backwardation F3 Index

Index Ticker: MQCC127E Index (Excess Return)

MQCC127T Index (Total Return)

Macquarie Index of Futures Methodology Specification

Calendar: The set of trading days of the NYSE Euronext Holiday schedule (<http://www.nyx.com/holidays-and-hours/euronext>).

Commodities: The commodities included in the Commodities table of the Backwardation Ranking Strategy Specification section below.

Roll Start Date: The second (2nd) Index Business Day of the month.

Roll Length: Four (4) Index business days

Static Contract Schedule Table:

i	Commodity	Underlying contract for each month (Contract rolling out during the month)											
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1	Natural Gas	K	N	N	U	U	X	X	F+	F+	H+	H+	K+
2	Crude (WTI)	K	N	N	U	U	X	X	F+	F+	H+	H+	K+
3	Crude (Brent)	N	N	U	U	X	X	F+	F+	H+	H+	K+	K+
4	RBOB Gasoline	K	N	N	U	U	X	X	F+	F+	H+	H+	K+
5	Heating Oil	K	N	N	U	U	X	X	F+	F+	H+	H+	K+
6	Live Cattle	M	M	Q	Q	V	V	Z	Z	G+	G+	J+	J+
7	Lean Hogs	M	M	N	Q	V	V	Z	Z	G+	G+	J+	J+

8	Wheat (Ch.)	K	N	N	U	U	Z	Z	Z	H+	H+	H+	K+
9	Corn	K	N	N	U	U	Z	Z	Z	H+	H+	H+	K+
10	Soybeans	K	N	N	X	X	X	X	F+	F+	H+	H+	K+
11	Aluminum	K	N	N	U	U	X	X	F+	F+	H+	H+	K+
12	COMEX Copper	K	N	N	U	U	Z	Z	Z	H+	H+	H+	K+
13	Zinc	K	N	N	U	U	X	X	F+	F+	H+	H+	K+
14	Nickel	K	N	N	U	U	X	X	F+	F+	H+	H+	K+
15	Gold	M	M	Q	Q	Z	Z	Z	Z	G+	G+	J+	J+
16	Silver	K	N	N	U	U	Z	Z	Z	H+	H+	H+	K+
17	Sugar	K	N	N	V	V	V	H+	H+	H+	H+	H+	K+
18	Cotton	K	N	N	Z	Z	Z	Z	Z	H+	H+	H+	K+
19	Coffee	K	N	N	U	U	Z	Z	Z	H+	H+	H+	K+

* 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 Methodology: Macquarie Backwardation Ranking Strategy.

Observation Date: The last Index Business Day of the month preceding a given calendar month.

Holdings Calculation Date: The last Index Business Day of the month preceding a given calendar month.

Initial Index Level: MQCC127E: 107.6797

MQCC127T: 107.7563

Index Start Date: 27 Feb 2004.

Macquarie Backwardation Ranking Strategy Specification

Commodities: The commodities included in the Index are set out below:

i	Commodity
1	Natural Gas
2	Crude (WTI)
3	Crude (Brent)
4	RBOB Gasoline
5	Heating Oil
6	Live Cattle
7	Lean Hogs
8	Wheat (Ch.)
9	Corn
10	Soybeans
11	Aluminum
12	COMEX Copper
13	Zinc
14	Nickel

15	Gold
16	Silver
17	Sugar
18	Cotton
19	Coffee

Highly Correlated Group: Crude(WTI), Crude(Brent), RBOB Gasoline, Heating Oil

Ranking Table: The Ranking Table in respect of the Index is the following:

Rank	Initial Weight
1	20%
2	15%
3	12.5%
4	12.5%
5	10%
6	10%
7	10%
8	5%
9	5%

Ranking Type: ascending

Relevant Index Methodology: Macquarie Index of Futures Methodology.

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