



**INTERNATIONAL BANK FOR RECONSTRUCTION AND  
DEVELOPMENT**

**Global Debt Issuance Facility**

**No. 4572**

**UYU 1,467,024,000 Notes linked to the República Active Multi-  
Asset Index due 2026 (payable in United States dollars)**

**Citigroup**

**The date of this Final Terms is July 5, 2016**

This document sets out the Final Terms (the “**Final Terms**”) of the International Bank for Reconstruction and Development (“**Issuer**” or “**IBRD**”) UYU 1,467,024,000 Notes linked to the República Active Multi-Asset Index due 2026 (payable in United States dollars) (the “**Notes**”). Prospective investors should read this document together with the Issuer’s Prospectus dated May 28, 2008 (the “**Prospectus**”), in order to obtain a full understanding of the specific terms and conditions of the Notes.

The Final Terms of the Notes are set out on pages 21 to 37. Capitalized terms used herein are defined in this document or in the Prospectus.

**Investing in the Notes involves risks. See “Additional risk factors” beginning on page 9 of this document, and “Risk Factors” beginning on page 17 of the Prospectus.**

**The return on, and the value of, the Notes is based on the performance of the Index and on the exchange rate of UYU to USD. The performance of the Index, in turn, will be based on the periodic selection of the Constituents of the Index by the Index Manager. Therefore, the return on the Index will be dependent in large part on the selections made by the Index Manager. The Notes are intended to be purchased and held by the Index Manager and by discretionary accounts managed by the Index Manager.**

**Investors should note that the Conditions of the Notes are separate to, and do not incorporate by reference, the Index Conditions. The Index Conditions can be modified from time to time without requiring an amendment of the Conditions of the Notes. In the event of the occurrence of any Index Disruption Event or the occurrence of any Amendment Event relating to the Index, the fallback provisions set out in the Conditions of the Notes, not the Index Conditions, will determine the relevant action to be taken. The Index Conditions are attached for informational purposes only and should not be relied upon by the Noteholder or any prospective investor in the Notes. The Issuer has derived all information contained in the Final Terms regarding the Index from the Index Conditions, and the Issuer has not participated in the preparation of, or verified, such Index Conditions. Neither IBRD nor the Global Agent will have any responsibility for the contents of the Index Conditions and the Index Management Agreement, and none of IBRD and the Global Agent shall have any responsibility or liability for the choices and allocations made by the Index Manager thereunder with respect to the Index.**

**Although the return on the Notes is based on the performance of the Index, a Note will not represent a claim against the Index Administrator or the Index Calculation Agent and a Noteholder will not have recourse under the terms of the Notes to any asset comprising the Index. The exposure to the Index is notional and an investment in the Notes is not an investment in the Index or any asset comprising the Index from time to time.**

**In Uruguay the Notes are being placed relying on a private placement exemption (“oferta privada”) pursuant to Section 2 of Law N° 18,627. The Notes are not and will not be registered with the Financial Service Superintendent of the Central Bank of Uruguay to be publicly offered in Uruguay.**

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Schedule 1: Index Conditions - República Active Multi-Asset Index

## EXECUTIVE SUMMARY

The following is an executive summary of the provisions of the Notes only and is qualified in its entirety by reference to the more detailed information contained elsewhere in this document and Prospectus. Capitalized terms used in this summary have the meanings set forth elsewhere in this document.

<b>Issuer:</b>	International Bank for Reconstruction and Development
<b>Securities:</b>	UYU 1,467,024,000 Notes linked to the República Active Multi-Asset Index due 2026 (payable in United States dollars) (the “Notes”). Issued under the Issuer’s Global Debt Issuance Facility.
<b>Credit Rating:</b>	The Notes are expected to be rated AAA by Standard and Poor’s, a division of the McGraw-Hill Companies, Inc., upon issuance.
<b>Aggregate Nominal Amount:</b>	UYU 1,467,024,000
<b>Issue Price:</b>	100% of the Aggregate Nominal Amount payable in USD (equal to USD 48,000,000 based on the Initial USD/UYU FX Rate)
<b>Initial USD/UYU FX Rate:</b>	30.563, being the arithmetic average of the USD/UYU FX Rate on each of the Initial UYU Valuation Dates
<b>Initial UYU Valuation Dates:</b>	The Trade Date and each of the two following Business Days, being June 28, 2016, June 29, 2016 and June 30, 2016 (each, a “Scheduled Initial UYU Valuation Date”), in each case, subject to postponement in accordance with the provisions set forth in Term 18 of the Final Terms ( <i>UYU Related FX Disruption and Disruption Fallbacks</i> ) if an FX Disruption or an Unscheduled Holiday occurs on any such date
<b>Specified Denomination:</b>	UYU 1,467,024
<b>Issue Date:</b>	July 13, 2016
<b>Trade Date:</b>	June 28, 2016
<b>Scheduled Maturity Date:</b>	July 13, 2026
<b>Maturity Date:</b>	The Scheduled Maturity Date, subject to postponement if either the Last Scheduled Final UYU Valuation Date is postponed pursuant to Term 18 of the Final Terms ( <i>UYU Related FX Disruption and Disruption Fallbacks</i> ) and/or the Final Index Valuation Date is postponed pursuant to Term 20 of the Final Terms ( <i>Index Disruption Events</i> )
<b>Interest Basis:</b>	The Notes do not bear or pay any interest.
<b>Business Day:</b>	London, New York and Montevideo
<b>Participation Rate:</b>	505%
<b>Final Redemption Amount:</b>	If no Amendment Event has occurred prior to the Maturity Date, the Final Redemption Amount, calculated per Specified

	<p>Denomination, payable on the Maturity Date will be an amount in USD equal to the sum of (i) the USD Principal Amount and (ii) the Note Return Amount, as set forth under Term 17 of the Final Terms (<i>Final Redemption Amount of each Note (Condition 6)</i>).</p> <p>If an Amendment Event has occurred prior to the Maturity Date, the Final Redemption Amount, calculated per Specified Denomination, payable on the Maturity Date will be an amount in USD equal to the USD Principal Amount.</p>
<b>USD Principal Amount:</b>	An amount in USD equal to the Specified Denomination divided by the Final USD/UYU FX Rate
<b>Final USD/UYU FX Rate:</b>	The arithmetic average of the USD/UYU FX Rate on each of the Final UYU Valuation Dates
<b>Final UYU Valuation Date:</b>	The Business Day falling 10 Business Days prior to the Scheduled Maturity Date and each of the two following Business Days, expected to be June 29, 2026, June 30, 2026 and July 1, 2026 (each, a “ <b>Scheduled Final UYU Valuation Date</b> ”, and July 1, 2026 also referred to as the “ <b>Last Scheduled Final UYU Valuation Date</b> ”), in each case, subject to postponement in accordance with the provisions set forth in Term 18 of the Final Terms ( <i>UYU Related FX Disruption and Disruption Fallbacks</i> ) if an FX Disruption or an Unscheduled Holiday occurs on any such date
<b>USD/UYU FX Rate:</b>	The USD/UYU fixing rate, expressed as the amount of UYU per one USD as determined by the Calculation Agent on an Initial UYU Valuation Date or a Final UYU Valuation Date, as applicable
<b>FX Disruption:</b>	In the determination of the Calculation Agent, any action, event or circumstance whatsoever which, from a legal or practical perspective makes it impossible for the Calculation Agent to obtain a USD/UYU FX Rate on a UYU Valuation Date
<b>Note Return Amount:</b>	An amount in USD, calculated per Specified Denomination, equal to the product of (a) the USD Calculation Amount, (b) the greater of (x) the Index Return and (y) zero and (c) the Participation Rate
<b>USD Calculation Amount:</b>	An amount in USD, calculated per Specified Denomination, equal to the Specified Denomination divided by the Initial USD/UYU FX Rate
<b>Amendment Event:</b>	In the event of the occurrence of the events described in Term 22 of the Final Terms ( <i>Amendment Event</i> ), the Calculation Agent or the Issuer, as the case may be, will give notice to investors of the occurrence of the Amendment Event and the Issuer shall be required to pay an amount (which may be zero) as soon as practicable after the Mandatory Amendment Date, calculated per Specified Denomination, equal to the

	<p>Amendment Amount (as defined in Term 22 of the Final Terms (<i>Amendment Event</i>)) calculated as of the Accelerated Final Index Determination Date.</p> <p>For the avoidance of doubt, the occurrence of an Amendment Event shall not alter the Issuer's obligation to pay the USD Principal Amount per Specified Denomination on the Maturity Date.</p> <p>An Amendment Event includes an Index Cancellation, an Index Modification, a Successor Index Event, an Index Management Agreement Termination, an Index Disruption Event continuing for a certain number of days, or termination of the Associated Swap Transaction by the Swap Counterparty (including as a result of an Additional Disruption Event) or the Issuer, each as described in Term 22 of the Final Terms (<i>Amendment Event</i>).</p>
<b>Index Return:</b>	<p>The performance of the Index from the Initial Index Level to the Final Index Level expressed as a percentage and calculated as follows:</p> $\frac{(\text{Final Index Level} - \text{Initial Index Level})}{\text{Initial Index Level}}$
<b>Index:</b>	República Active Multi-Asset Index (Bloomberg Ticker Symbol: CIXBARIU <Index>)
<b>Index Manager:</b>	República AFAP, S.A.
<b>Index Administrator:</b>	Citigroup Global Markets Limited ("CGML"), including its successors and assigns
<b>Index Calculation Agent:</b>	Standard & Poor's Financial Services LLC, or any other third party replacement index calculation agent as appointed by the Index Administrator.
<b>Initial Index Level:</b>	<p>100 (being the Index's published Index Level for the Initial Index Valuation Date).</p> <p>In the event that the Index Level on the Initial Index Valuation Date is corrected by the Index Calculation Agent on or prior to the date falling three Business Days after the Initial Index Valuation Date, such corrected value will be the Initial Index Level.</p>
<b>Initial Index Valuation Date:</b>	June 30, 2016
<b>Final Index Level:</b>	<p>The Index Level for the Final Index Valuation Date, as determined by the Calculation Agent.</p> <p>In the event that the Index Level on the Final Index Valuation Date is corrected by the Index Calculation Agent on or prior to the date falling three Business Days after the Final Index Valuation Date, such corrected value will be the Final Index Level.</p>
<b>Final Index Valuation Date:</b>	June 29, 2026 or, if such day is not an Index Business Day, the immediately succeeding Index Business Day, subject to

	postponement pursuant to the provisions set forth under Term 20 of the Final Terms ( <i>Index Disruption Events</i> ) and Term 21 of the Final Terms ( <i>Additional Definitions with regard to the Index</i> )
<b>Index Disruption Event:</b>	<p>If the Final Index Valuation Date occurs on a day in respect of which the Calculation Agent determines that an Index Disruption Event has occurred or is continuing, the Calculation Agent will delay calculating the Final Index Level as set forth in Term 20 of the Final Terms (<i>Index Disruption Events</i>).</p> <p>An Index Disruption Event means the occurrence of an Index Disruption Event as described in Term 21 of the Final Terms (<i>Additional Definitions with regard to the Index</i>).</p>
<b>Dealer:</b>	CGML
<b>Calculation Agent:</b>	Citibank, N.A. New York Branch
<b>Clearing Systems:</b>	Euroclear/Clearstream
<b>Rank:</b>	The Notes constitute direct, unsecured obligations of the Issuer ranking <i>pari passu</i> , without any preference among themselves, with all its other obligations that are unsecured and unsubordinated. The Notes are not obligations of any government.
<b>Applicable law:</b>	English law
<b>Notes intended to be held by Index Manager or accounts managed by Index Manager; Purchaser Acknowledgement:</b>	<p>The amount of the Note Return Amount, if any, to be payable in respect of the Notes will be based on the performance of the Index. The performance of the Index, in turn, will be based on the periodic selections of the Index Manager made under the terms of the Index Management Agreement (as defined in the Final Terms). Therefore, the Notes are intended to be purchased and held by the Index Manager and by discretionary accounts managed by the Index Manager. Each purchaser and holder of the Notes from time to time, through its acquisition of the Notes, will be deemed to have acknowledged that the Notes are intended to be instruments held only by the Index Manager and by discretionary accounts managed by the Index Manager and to have acknowledged that the Index has been developed by the Index Manager and the Index Administrator solely for the purposes of determining the Note Return Amount in respect of the Notes.</p> <p>Neither IBRD nor the Global Agent will have any responsibility for the contents of the Index Conditions and the Index Management Agreement, and none of IBRD and the Global Agent shall have any responsibility or liability for the choices and allocations made by the Index Manager thereunder with respect to the Index.</p>
<b>Risk factors:</b>	Noteholders should consider carefully the factors set out under “Additional Risk Factors” in this document and under “Risk

	Factors” in the Prospectus before reaching a decision to buy the Notes.
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## ADDITIONAL RISK FACTORS

An investment in the Notes is subject to the risks described below, as well as the risks described under “Risk Factors” in the Prospectus. The Notes are a riskier investment than ordinary fixed rate notes or floating rate notes. Prospective investors should carefully consider whether the Notes are suited to their particular circumstances. Accordingly, prospective investors should consult their financial and legal advisers as to the risks entailed by an investment in the Notes and the suitability of the Notes in light of their particular circumstances.

*The performance of the Index is based on the periodic selections of the Index Manager made under the terms of the Index Management Agreement. Therefore, the Notes are intended to be purchased and held by the Index Manager and by discretionary accounts managed by the Index Manager. Neither IBRD nor the Global Agent will have any responsibility for the contents of the Index Management Agreement and none of CGML and its affiliates, IBRD and the Global Agent shall have any responsibility or liability for the choices and allocations made by the Index Manager thereunder with respect to the Index.*

Terms used in this section and not otherwise defined shall have the meanings set forth elsewhere in this document.

The following list of risk factors does not purport to be a complete enumeration or explanation of all the risks associated with the Notes, the Index and/or the Constituents of the Index.

### GENERAL RISKS

#### ***No tax gross-up on payments***

Repayment of all or any part of the Notes and payment at maturity of any additional amount due under the terms of the Notes will be made subject to applicable withholding taxes (if any). Consequently, the Issuer will not be required to pay any further amounts in respect of the Notes in the event that any taxes are levied on such repayment or payment.

#### ***UYU related Disruption Events and Index Disruption Events may operate to postpone Maturity Date***

In the event that the Last Scheduled Final UYU Valuation Date or the Final Index Valuation Date is postponed as set forth in the Final Terms, the Maturity Date of the Notes will be postponed by one Business Day for each Business Day that the Last Scheduled Final UYU Valuation Date or the Final Index Valuation Date is postponed, and therefore may be postponed by a number of Business Days up to the number of Business Days occurring during the period of 30 calendar days after the Last Scheduled Final UYU Valuation Date (in respect of an FX Disruption) or ten Business Days after the Scheduled Final Index Valuation Date (in respect of an Index Disruption Event). No interest or other payment will be payable because of any such postponement of the Maturity Date.

#### ***Possible Amendment Event***

As set out in Term 22 of the Final Terms (*Amendment Event*), in the event of the occurrence of the events described in Term 22 of the Final Terms, the Issuer will be required to make a payment (which may be zero) as soon as practicable after the Mandatory Amendment Date. In respect of each Specified Denomination, such payment will be equal to the Amendment Amount as of the Accelerated Final Index Determination Date. As a result, the Noteholders will not benefit from any appreciation in the Index as of the Accelerated Final Index Determination Date.

An Amendment Event includes an Index Cancellation, an Index Modification, a Successor Index Event, an Index Management Agreement Termination, an Index Disruption Event that continues for a certain number of days and an event which results in early termination of the Associated Swap Transaction by the Swap Counterparty (including as a result of an Additional Disruption Event) or the

Issuer. An Index Cancellation, an Index Modification, a Successor Index Event, an Index Management Agreement Termination or a continuing Index Disruption Event may occur due to a broad range of events beyond the control of the Issuer, including by decision of the Index Calculation Agent, the Index Administrator or the Index Manager. An Additional Disruption Event, following which the Associated Swap Transaction may be terminated by the Swap Counterparty, consists of a Change in Law, a Hedging Disruption or an Increased Cost of Hedging. A Change in Law could occur in response to the enactment of new laws or the implementation of existing laws (including, without limitation, any tax law). A Hedging Disruption could occur if the Swap Counterparty was unable, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transactions or assets that it deems necessary to hedge the price risk of entering into and performing its obligations with respect to the Associated Swap Transaction or (ii) realise, recover or remit the proceeds of any such transactions or assets. An Increased Cost of Hedging could occur if the Swap Counterparty would incur a materially increased amount of taxes or costs in dealing in any transactions it deems necessary to hedge the price risk of performing its obligations under the Associated Swap Transaction. These could occur due to changes in legal or tax regimes.

***Uruguayan peso vs. U.S. dollar***

Payment of principal upon maturity will be in USD and is based on the exchange rate of UYU to USD. Changes in the exchange rate of UYU to USD may result in a decrease in the effective yield of the Notes. For example, if, on any Final UYU Valuation Date, UYU has appreciated in value against USD, the payment in USD will be higher. Conversely, a depreciation in value of UYU against USD will have the opposite impact. Furthermore, since the Noteholders will receive payments on the Notes only on the Maturity Date, the Noteholders will not benefit from favorable changes in exchange rates at any other time during the term of the Notes before the Final UYU Valuation Dates. Currency exchange rates may be volatile and are the result of numerous factors. A Noteholder's net exposure will depend on the extent to which the payment currency (USD) strengthens or weakens against the denominated currency (UYU).

However, for the same reasons, the Notes can be considered to be principal protected (when expressed in UYU), because the UYU value of the USD Principal Amount to be paid by IBRD under the Notes upon maturity will always be equal to the UYU value of the USD amount of the Issue Price of the Notes upon issuance.

In addition, the Noteholders whose financial activities are denominated principally in a currency (the "**Investor's Currency**") other than any of the Specified Currencies will also be exposed to currency exchange rate risk that are not associated with a similar investment in a security denominated or paid in that Investor's Currency. For more information, please see "Risk Factors—Notes are subject to exchange rate and exchange control risks if the investor's currency is different from the Specified Currency" in the Prospectus.

***Payment at maturity depends on interplay of the USD/UYU FX Rate and the performance of the Index***

The payment that the Noteholder will receive at maturity will depend on both the change in the rate of exchange between UYU and USD and the Index Return. The interplay of these two factors means that the Notes are a more complex investment than an instrument linked to a single underlying factor. It is not possible to predict how the two factors to which the Note's performance payout is tied may perform. A relatively positive Index Return may be offset by a decline in the value of UYU in USD terms. UYU may appreciate relative to USD without any appreciation in the Index. There can be no assurance that either factor's performance will correlate with the other's performance.

***The Notes are subject to market risks***

The price at which Noteholders will be able to sell their Notes prior to maturity may be at a substantial discount from the principal amount of the Notes, even in cases where the level of the Index has increased since the Trade Date. Embedded costs, including expected profit and costs of hedging, in the original Issue Price will likely be reflected in a diminution in any repurchase price of the Notes relative to their original Issue Price. Assuming no change in market conditions or any other relevant factors, that price will likely be lower than the original Issue Price, because the original Issue Price included the cost of hedging the Swap Counterparty's obligations, which includes an estimated profit component. IBRD's Swap Counterparty is Citibank, N.A. Noteholders should not expect the price at which the Issuer or the Dealer is willing to repurchase the Notes to vary in proportion to changes in the level of the Index.

Prior to maturity, the value of the Notes will be affected by a number of economic and market factors that may either offset or magnify each other. It is expected that, generally, the level of the Index on any day will affect the value of the Notes more than any other single factor. Other relevant factors include: the expected volatility of the Index; the time to maturity of the Notes; the interest and yield rates in the market; the economic, financial, political, regulatory or judicial events that affect the various components represented by the Index from time to time, as well as stock, bond, foreign exchange, commodity, exchange traded fund and futures markets generally and which may affect the Index Level for the Final Index Valuation Date; and the creditworthiness of the Issuer. The USD/UYU fixing rate as well as the illiquidity of the instruments used to hedge the Issuer into USD will also have an effect on secondary market valuations.

The Notes are intended to be a hold-to-maturity instrument. Noteholders will receive at least 100% of the nominal amount of the Notes (expressed in UYU only) if they hold their Notes to maturity. If Noteholders sell their Notes prior to maturity, however, they will not receive principal protection or any minimum total return on the portion of their Notes sold. Noteholders should be willing to hold their Notes until maturity.

The future performance of the Index cannot be predicted based on the historical performance of the Index. Past performance is not an indication of future results.

***The Notes are not liquid instruments***

The Notes will not be actively traded in any financial market and there may exist at times only a very limited, if any, market for the Notes, resulting in low or non-existent volumes of trading in the Notes. Therefore an investment in the Notes will be characterized by a lack of liquidity and price volatility. Although the Issuer or the Dealer, at its respective sole discretion, may provide a repurchase bid price for the Notes if requested, neither the Issuer nor the Dealer is under any obligation to do so and, in any event, as a result of market conditions may be unwilling or unable to provide a repurchase bid price if requested. Because liquidity in the Notes may be effectively limited to Issuer repurchase, an investment in the Notes is intended for Noteholders that intend to hold the Notes to maturity.

***An investment in the Notes is subject to risks associated with non-U.S. securities markets, including emerging markets.***

Some or all of the equity securities that are held by or comprise the Constituents of the Index have been issued by non-U.S. issuers. Investments in securities linked to the value of non-U.S. securities involve risks associated with the securities markets in those countries, including risks of volatility in those markets, governmental intervention in those markets and cross shareholdings in companies in certain countries. Also, there is generally less publicly available information about companies in some of these jurisdictions than about U.S. companies that are subject to the reporting requirements of the Securities and Exchange Commission (the "SEC"), and generally non-U.S. companies are subject to accounting,

auditing and financial reporting standards and requirements and securities trading rules different from those applicable to U.S. reporting companies.

The prices of equity securities in non-U.S. markets may be affected by political, economic, financial and social factors in such markets, including changes in a country's government, economic and fiscal policies, currency exchange laws or other laws or restrictions. Moreover, the economies of these countries may differ favourably or unfavourably from the economy of the United States in such respects as growth of gross national product, rate of inflation, capital reinvestment, resources and self-sufficiency. These countries may be subjected to different and, in some cases, more adverse economic environments.

The economies of emerging market countries in particular face several concerns, including relatively unstable governments that may present the risks of nationalization of businesses, restrictions on foreign ownership and prohibitions on the repatriation of assets, and which may have less protection of property rights than more developed countries. These economies may also be based on only a few industries, be highly vulnerable to changes in local and global trade conditions and may suffer from extreme and volatile debt burdens or inflation rates. In addition, local securities markets may trade a small number of securities and may be unable to respond effectively to increases in trading volume, potentially making prompt liquidation of holdings difficult or impossible at times.

Some or all of these factors may influence the value of the relevant Constituents, and therefore, the Index. The impact of any of the factors set forth above may enhance or offset some or all of any change resulting from another factor or factors. Investors cannot predict the future performance of such Constituents based on their historical performance. The value of any such Constituents may decrease, resulting in a decrease in the level of the Index, which may adversely affect the value of the Notes.

***Potential conflicts of interest***

There is a potential for conflicts of interest in the structure and operation of the Index and by virtue of the normal business activities of the Calculation Agent for the Notes, the Calculation Agent for the Associated Swap Transaction, the Index Administrator and any of their affiliates or any of its or its affiliates' respective directors, officers, employees or agents.

The Index Administrator and its affiliates are acting or may act in a number of capacities in connection with the Index. The Index Administrator and, as applicable, its affiliates, shall each have only the duties and responsibilities expressly set out for such entity in the Index Conditions and shall not, by virtue of its or any of its respective affiliates acting in any other capacity, be deemed to have other duties or responsibilities or be deemed to hold a standard of care other than as expressly provided with respect to each such capacity.

Various potential and actual conflicts of interest may arise from the overall investment activity of the Calculation Agent for the Notes, the Calculation Agent for the Associated Swap Transaction, the Index Administrator and their respective affiliates. The Calculation Agent for the Notes, the Calculation Agent for the Associated Swap Transaction, the Index Administrator and their respective affiliates and/or their directors, officers and employees may each have, or may each have had, interests or positions, or may buy, sell or otherwise trade positions, in or relating to the Index and/or Constituents of the Index, or may have invested, or may engage in transactions relating to any Constituent, either for its own account or the account of others, may publish research reports or otherwise express views with respect to such transactions or regarding expected movements in price or volatility of the Constituents (which may or may not be consistent with any decision by the Index Manager to include a particular component in the Index). The Calculation Agent for the Notes, the Calculation Agent for the Associated Swap Transaction, the Index Administrator and their respective affiliates may act with respect to such transactions in the same manner as if the Index did not exist and without regard to

whether any such action might have an adverse effect on the Index. Such transactions may or may not be different from the transactions referenced by the Index and may involve events or circumstances which result in a need for the Index Administrator or any of its affiliates to exercise its or their discretion under the Index Conditions. Such activity may, or may not, affect the value of the Constituents, but those considering taking any economic exposure by reference to the Index should be aware that a conflict may arise. See also “*Adjustments and Determinations of Index Administrator*” below.

The Index has been developed with the possibility of any entity affiliated with the Index Administrator issuing, entering into, promoting, offering or selling transactions or investments (structured or otherwise) linked, in whole or in part, to the Index and hedging such transactions or investments in any manner that they see fit. Accordingly, it should be assumed that the Index Conditions would be analysed from this point of view.

Additionally, the Index Administrator and its affiliates may serve as agent or underwriter for other issuances of potential components and are or may be engaged in trading, brokerage and financing activities, as well as providing investment banking and financial advisory services.

Investor should note that, although certain amounts under the Conditions of the Notes are determined by reference to the value of certain components of the Associated Swap Transaction, the Notes do not represent a claim against the Swap Counterparty and investors will have no recourse to the Swap Counterparty under the Associated Swap Transaction. However, a termination of the Associated Swap Transaction (including by reason of the occurrence of an Event of Default (as defined in the ISDA Master Agreement) by the Swap Counterparty) will result in an Amendment Event and investors are therefore exposed to the credit of the Swap Counterparty (as defined in Term 22 of the Final Terms (*Amendment Event*)).

## **RISKS RELATING TO THE INDEX**

### ***The Index Conditions are separate to the terms and conditions of the Notes***

Investors should note that the Conditions of the Notes are separate to, and do not incorporate by reference, the Index Conditions. In the event of the occurrence of an Index Disruption Event or the occurrence of any Amendment Event relating to the Index, the fallback provisions set out in the Conditions will determine the relevant action to be taken and not the Index Conditions. The Index Conditions are attached for informational purposes only and should not be relied upon by the Noteholder or any prospective investor in the Notes. Although the return on the Notes is based on the performance of the Index, a Note will not represent a claim against the Index Administrator or the Index Calculation Agent and a Noteholder will not have recourse under the terms of the Notes to any asset comprising the Index. The exposure to the Index is notional and an investment in the Notes is not an investment in the Index or any asset comprising the Index from time to time. The Index Conditions can be modified from time to time without requiring an amendment of the Conditions of the Notes.

### ***The Index Calculation Agent and the Index Administrator may adjust the Index in a way that affects its level, and the Index Calculation Agent and the Index Administrator have no obligation to consider the interests of the holders of the Notes when doing so.***

As of the date of the Final Terms, the Index Administrator appointed Standard & Poor’s financial Services LLC as the Index Calculation Agent, which will be responsible for calculating and publishing the Index and making certain determinations and adjustments regarding the Index in accordance with the Index Conditions. The Index Administrator will have authority over the rules, guidelines and policies governing the Index. It is entitled to exercise residual discretion in relation to the Index, including but not limited to circumstances in which the calculation of the Index Level is suspended or discontinued and cancelled due to the occurrence of certain events (as described more fully in the Index

Conditions). Changes in the published Index Level may affect the Final Index Level for purposes of the Notes, and, in turn, the Note Return Amount (or the Amendment Amount) payable on the Notes. Policies and judgments for which the Index Calculation Agent is responsible could have an impact, positive or negative, on the Index Level and thus the Final Index Level and thus, the return on, and value of, the Notes. In certain circumstances the Index Administrator may also modify the Index Conditions in its discretion or discontinue and cancel the Index without notice.

Although judgments, policies and determinations concerning the Index are made by the Index Administrator and the Index Calculation Agent, these entities have no obligation to consider the interests of the Noteholders in taking any actions that might affect the return on, and value of, the Notes and may have economic interests that are adverse to those of the Noteholders. Furthermore, the inclusion of the relevant components in the Index is not an investment recommendation by any person of that component, or of any index, fund or security tracked by any such component, securities referenced or contained in any such component or futures contract underlying or tracking any such component. See also "*Adjustments and Determinations of Index Administrator*" below.

***If the market value of the Constituents changes, the market value of the Index or the Notes may not change in the same manner.***

Owning the Notes is not the same as owning each of the Constituents composing the Index. Accordingly, changes in the market value of the Constituents may not result in a comparable change in the market value of the Index or the Notes.

***The Constituents comprising the Index may be changed in the event of the occurrence of certain extraordinary events.***

Following the occurrence of certain extraordinary events with respect to a Constituent as provided in the Index Conditions, the affected Constituent may be either replaced by a substitute or removed from the Index. A replacement Constituent would be chosen by the Index Calculation Agent, exercising discretion. If no replacement is deemed available, the Index may continue without the removed Constituent or any replacement.

The changing or removal of a Constituent may affect the performance of the Index, and therefore, the return on the Notes, as the replacement Constituent may perform significantly better or worse than the affected Constituent. Circumstances in which such a replacement may occur include the cancellation of a Constituent or a material change in the composition or calculation of a Constituent, as described more fully in the Index Conditions. No assurance can be provided that one of such events may occur to one or more of the initial Constituents.

#### ***Methodology Limitations***

The Index has been developed by the Index Administrator and the Index Manager solely for the purposes of determining all or part of the redemption amounts payable in respect of the Notes.

As of the date of this Final Terms, the Index is exposed to the performance of a Core Index composed of up to 62 Constituents, 34 of which are linked to futures contracts (linked to equities, currencies and fixed income) (together, the "**Futures Constituents**"), 18 of which are exchange traded funds (linked to equities and fixed income) (the "**ETF Constituents**"), 7 of which are linked to commodity indices (the "**Commodity Futures Index Constituents**"), and 3 of which are linked to fixed income indices (the "**Bond Futures Index Constituents**"), each selected by the Index Manager from time to time. Investors are exposed to equity price risk and foreign exchange risk through the Futures Constituents and equity price risk through the ETF Constituents, commodity price risk through the Commodity Index Constituents and US government debt risk through the Bond Futures Index Constituents, and are therefore subject to the risks of equity investing, currency investing, commodity investing and fixed

income investing. Investors should be familiar with indices, futures and exchange traded funds generally. All Constituents are selected by the Index Manager. Additional constituents of the same asset class as the existing constituents may be added by the Index Manager, subject to certain parameters and process requirements.

The weights of the Constituents may be changed at the discretion of the Index Manager on dates selected on a discretionary basis by the Index Manager. Exposure to a Constituent of the Index may be long or short or zero at any time, as selected by the Index Manager (subject to pre-determined minimum and maximum weightings for each Constituent, although maximum weightings may be subject to increase at the request of the Index Manager). If the Index Manager has not selected the weights of the Constituents as of the date of this Final Terms, then the Core Index shall comprise 62 Constituents, weighted equally.

The performance of the Index may be volatile. The potential performance of the Index should be assessed by each potential investor in the Notes on the basis of the calculations that compose the Index Level and the Core Index Level of the Index. The Index Administrator makes no representations as to the ability of the Index to perform in a certain manner. The benefits of the Index strategy – as determined by the Index Manager in its discretion - may only become apparent over a long period.

The Index uses a rules-based methodology which contains fixed parameters. For example, (i) the realized volatility (for the purpose of determining the exposure of the Index to the Core Index) is calculated by reference to the volatility of the Core Index Level over a fixed number of days (being 60 Index Business Days over a period of 62 Index Business Days), and (ii) the Volatility Target of the Index (at 10 per cent.) is deemed to be indicative of the limits beyond which the realized volatility of the Core Index Level will hinder the performance objective of the Index, and (iii) the maximum exposure of the Index to the Core Index Level is set at 150 per cent (i.e. 1.5 times). The Index methodology (as set out in the Index Conditions) assumes that these parameters and the other fixed parameters used in the calculation of the Index are reasonable in the context of the Index. However, alternative parameters (for instance, more or less frequent rebalancing, a longer or shorter period for calculating realized volatility) could have a positive effect on the performance of the Index.

Investors in the Notes should be aware of these limitations in considering their investment decision.

#### ***Index Manager Role***

The Index Manager is República AFAP, S.A., a third party that is not affiliated with CGML or any of its affiliates. The Index Administrator has a contractual relationship with the Index Manager to provide management functions for the purposes of the Index pursuant to the Index Management Agreement. However, the Index Manager is not an agent of the Index Administrator. The Index Manager acts only as an independent contractor and has not been appointed by the Index Administrator as a sub-advisor in respect of the Index or the Notes.

The Index Manager has the right but not an obligation, pursuant to the Index Management Agreement, to adjust the weightings of any of the Constituents at any time and if it decides not to make any such adjustments, the Index may be adversely affected. Similarly, if the Index Manager fails to follow the specified process for adjustment of the weights of the Constituents as set out in the Index Management Agreement and Part D (*Calculation of the Index Level*) of the Index Conditions, the new percentage weights of the Constituents as proposed by the Index Manager will not be used and instead the Index will not be rebalanced. This may also have an adverse effect on the Index performance and consequently the return on the Notes.

The Index Management Agreement may terminate for a number of reasons, including if the Index Manager breaches that Agreement and will terminate automatically upon (i) redemption of the Notes, (ii) conversion of the Notes to a fixed rate return or other type of return that is not linked to the Index,



or (iii) transfer of any Note to a person other than the Initial Purchaser or an affiliate of the Initial Purchaser or another person advised by the Initial Purchaser or an affiliate of such person.

If the Index Management Agreement is terminated then no replacement Index Manager will be appointed and the Index will be discontinued. This may have an adverse effect on the Notes.

#### ***Index Manager Discretion***

The Index is developed by the Index Administrator and the Index Manager. However the Constituents and their respective initial weightings and any subsequent adjustments to those weightings will be determined by the Index Manager in its sole discretion in accordance with the Index Management Agreement. The Index Manager is solely responsible for determining the Constituents and their respective Percentage Weights in respect of each Selection Date (as defined in the Index Conditions) to be applied from the rebalancing of the Index on each Rebalancing Date, subject to certain specified maximum and minimum weights for each of the Constituents. Additional constituents of the same asset class as the existing Constituents may be added by the Index Manager, subject to certain parameters and process requirements, as set out in Part D (*Calculation of the Index Level*).

Accordingly, the performance of the Index and the return on the Notes will depend not only on the Index methodology (as set out in the Index Conditions) but also on weighting and rebalancing determinations made by the Index Manager as well as the addition of new Constituents by the Index Manager. Weighting decisions that run counter to market trends will result in the Index Level declining or not increasing in line with market benchmarks. The Index Manager may select a bullish position in a small number of Constituents and concentrate notional investment in those Constituents, and such concentrations may run counter to market trends and result in losses for investors in the Notes. There is no guarantee that the Index Manager will act rationally in its selection and weighting decisions. Therefore, the success or failure of the Index or any Constituent of the Index to achieve any investment or hedging objective or any particular performance is solely affected by the abilities of, and determinations made by, the Index Manager and certain key individuals employed by the Index Manager.

The Index Administrator has no responsibility for making any such determinations or monitoring the Index, the Constituents or their respective weightings and does not approve, endorse or recommend any rebalancing or adjustment instruction given by the Index Manager to the Index Calculation Agent in respect of the Index.

There can be no assurance that the Index Manager will be successful in its selection of Constituents in the Index, selecting and/or adjusting the weights of the Constituents from time to time, rebalancing of the Index or generating positive returns, and the loss of one or more key individuals at the Index Manager may have a material adverse impact on the performance of the Index and the return on the Notes. Accordingly, the Notes are intended to be held only by República AFAP, S.A. as Initial Purchaser, which is also acting as Index Manager in respect of the Index. The Index is not designed for, and is not expected to be used or referenced by, any index linked product other than the Notes nor is it expected that there will be any holder of the Notes other than República AFAP, S.A. as the Initial Purchaser, or an affiliate of the Initial Purchaser, or another person advised by the Initial Purchaser or an affiliate of such person. The Index is intended to be personal to the selections and expertise of the Index Manager.

#### ***Volatility target***

The exposure of the Index to the Core Index is adjusted, potentially on a daily basis, in accordance with a formula which seeks to maintain an overall specified annualized volatility level for the Core Index Level as close as practicable to a target level of 10% (the Volatility Target). The exposure is determined by reference to the recent volatility of both the Core Index Level and the Index. Although



the volatility of the Core Index Level and the exposure of the Index thereto is determined and may be adjusted daily, the volatility targeting mechanism used to construct the Index may not be successful in causing the volatility to approximate the Volatility Target and will not prevent a decline in the Index. The actual volatility of the Index may be greater or less than the Volatility Target.

Further, the application of the Volatility Target is based on 60 Index Business Days' historical volatility of the Core Index Level (over a period of 62 Index Business Days) before making any adjustment to the exposure of the Index. This means there may be a significant period of time before the Index reduces exposure to account for any increase in volatility; this could result in a lower Index Level than would prevail if the exposure had been adjusted more quickly.

During periods when the realized volatility of the Core Index Level is higher than the Volatility Target, particularly in bull markets, the volatility targeting mechanism may lead the Index to underperform relative to the Core Index Level and/or compared with indices that do not use such a mechanism, and the performance of the Constituents and their respective weightings selected by the Index Manager may not be fully reflected by the Index performance.

There is also no guarantee that the Index will outperform the Core Index or any alternative volatility adjusted index that might be constructed by reference to the Constituents.

#### ***Use of Leverage***

The Volatility Target may result in the Index having an exposure to the Core Index of up to 150% (the maximum exposure). It should be noted that whenever the exposure exceeds 100%, the Index will have a leveraged exposure to the Core Index (i.e. the non-volatility weighted version of the Index). In these circumstances, the performance of the Core Index or change in value, either positive or negative, will be magnified at the level of the Index. The use of leverage will magnify the adverse effect on the level of the Index if the Core Index Level declines in value, which may increase the risk of loss on the Notes.

The Volatility Target may result in the Index having an exposure of substantially less than 100% of the Core Index (i.e. the non-volatility weighted version of the Index), which may limit or reduce gains on any investment linked to the Index. The use of leverage also means that the level of the Index could fall to zero even if the Core Index Level does not fall to zero. If the level of the Index falls to zero, the level of the Index will remain at zero and will never regain any positive performance.

Therefore the volatility targeting mechanism may have an adverse effect on the performance of the Index and consequently the return on the Notes.

#### ***Short positions***

The exposure of the Core Index to certain Constituents may be negatively weighted (effectively reflecting a short position), as selected by the Index Manager, and positive performance of such Constituents will have a negative impact on the level of the Index. Unlike long positions, short positions are subject to unlimited risk of loss because there is no limit on the amount by which the price that the relevant asset may appreciate before the short position is closed. It is possible that any short position included in the Index may appreciate substantially with an adverse impact on the level of the Index and consequently the return on the Notes.

#### ***Futures constituents***

In either a "contango" market (upward-sloping futures curve) or a "backwardation" market (downward-sloping futures curve) (as further discussed in Part D (*Calculation of the Index Level*) of the Index Conditions), as the expiration date of a futures contract nears, the price of the futures contract will generally trend to the spot price of the underlying asset or financial instrument. Therefore a contango market may affect adversely the performance of the underlying asset or financial instrument and therefore the level of the related futures contract. The Index may be negatively impacted if an

equity index futures curve flips from a contango market to a backwardation market, or vice versa, during the course of a month. Sudden and unexpected changes in the shape of the futures curve may adversely affect the Core Index, and consequently, the Index.

The Index may be disrupted if market trading in its constituent futures contracts is suspended or disrupted.

In bullish equity markets longer-dated futures contracts may rally more slowly than near-term futures contracts.

***FX Risk***

The currency of the Index is U.S. Dollars, whereas a number of the Constituents of the Index are denominated in other currencies. Accordingly, in calculating the Index Level, the Index Calculation Agent is required to convert the relevant level or price of the Constituent into U.S. Dollars using the specified exchange rate in respect of the relevant Valuation Date, as described in Part D (*Calculation of Index Level*) of the Index Conditions. This means that an Investor in the Notes may be subject to exchange rate risk in respect of a number of the Constituents. Movements in the exchange rate may be such that, on the one hand, U.S. Dollars may become stronger and/or on the other hand, other relevant global currencies may become weaker, in which case the exchange rate in respect of the conversion may be less favourable to the investor and the Index Level may be adversely affected. In particular, if the exchange rate in respect of a particular Constituent does become significantly less favourable to the Investor, such change in the exchange rate may negate, in whole or in part, any positive performance of that Constituent and/or the other Constituents and/or the Index as a whole.

***Performance risk***

The Index may underperform certain equities, foreign currencies, commodities or fixed income bonds underlying the Constituents of the Index, the Core Index, and/or other indices with the same constituents, where those other indices employ a different scheme to rebalance weights and manage volatility. The Index does not seek to outperform any other equity, foreign currency, commodity or fixed income benchmark in absolute terms and may not outperform at all.

Correlation is the extent to which the values of the Constituents increase or decrease to the same degree at the same time. The values of the Constituents may or may not be correlated and if the correlations among the Constituents change, the level of the Index may be adversely affected. High correlation during periods of negative returns among Constituents representing one asset type (e.g. the Futures Constituents that represent equities) which have a substantial percentage weighting in the Core Index Level could limit the performance of the Index, and underperformance by one or more of the Constituents of the Index may reduce the performance of the Index as a whole.

The Notes, based on the Index, cannot and do not guarantee absolute returns in any situation.

***No physical investment***

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

Consequently, a Noteholder will not have any claim against any of the Constituents that comprise the Index.

The Index is not a substitute for physical equities, commodities or fixed income bonds and returns of the Index may not reflect the returns that could be obtained by owning the components that are included in the Index.

***Rebalancing frequency Limitations***

The frequency of rebalancing the Index is at the sole discretion of the Index Manager pursuant to the terms of the Index Management Agreement. The Constituents of the Index and their percentage weights are determined on each Selection Date and given effect on each Rebalancing Date. A higher frequency of rebalancing will incur greater notional costs, and a lower frequency of rebalancing may mean that the Index Manager is unable to take advantage of market movements and market trends. Either of these effects may negatively impact the performance of the Index compared to alternatives without discretionary rebalancing. The decisions and expertise of the Index Manager in this respect will be significant influencing factor in respect of the performance of the Index.

#### ***Effect of notional costs***

Switching the percentage weights of the Constituents of the Index, adding new Constituents and/or varying the level of exposure of the Index to the Core Index on an algorithmic basis as function of the volatility targeting mechanism requires certain notional trading costs and replication costs to be taken into account for the Index to be an accurate measure the strategy's effectiveness. There is also a notional cost to "rolling" the futures contracts forward as the Index sells the current active contracts and then adds the next month's contracts, and it should be noted that the performance of the ETF Constituents is presented as the return above overnight interest on USD cash whereby 3-month USD LIBOR is deducted from the closing price of an exchange traded fund to determine the level of the relevant ETF Constituent.

The Index Level will be further reduced because the Index calculation formula takes into account synthetic reinvestment 'net' at 70%, rather than 100% of the value of distributions made in respect of exchange traded funds to reflect notional withholding taxes by each of the ETF Constituents of the Index.

Investors in the Notes are advised to scrutinize and understand the various notional costs set out in the Index Conditions because all of them will ultimately serve to act as a drag on the Index Level and will restrict the return available (if any) under the Notes. The cumulative effect of these notional costs may be significant and will adversely affect the performance of the Index and the return on the Notes.

#### ***Adjustments and Determinations of Index Administrator***

The Index Administrator is responsible for developing the rules and policies governing the Index and may modify the methodology in certain circumstances in accordance with these Index Conditions or discontinue the Index without notice. Any of these calculations or determinations may have an impact, positive or negative, on the Index Level. In making these calculations or determinations, the Index Administrator is not acting as an advisor to, and is under no obligation to consider the interests of, the holders of the Notes, and may have economic interests that are adverse to those of the holders of the Notes.

#### ***Limited Operating History***

The Index has limited historical information; historical levels of comparable indices should not be taken as an indication of the future performance of the Index over any period. Moreover the Index will be weighted and rebalanced based on the Index Manager's discretionary choices over time. No assurance can be given that the selection methodology employed by the Index Manager in relation to selecting the Constituents of the Index and/or the Percentage Weights of the Constituents will result in the Index matching or outperforming any market benchmark and the Index could underperform such benchmarks, including by experiencing long term declines. The Index was launched by the Index Administrator on the Index Launch Date specified in the Index Conditions and has been calculated by the Index Calculation Agent for the period from the specified Index Start Date. Any back-testing or similar performance analysis performed by any person in respect of the Index must be considered

illustrative only and may be based on estimates or assumptions not used by the Index Calculation Agent when determining the Index Level.

**This list of risk factors in respect of the Index is not intended to be exhaustive. All persons should seek such advice as they consider necessary from their professional advisors, investment, legal, tax or otherwise, without reliance on the Index Administrator, the Index Calculation Agent, any of their respective Affiliates or any of their respective directors, officers, employees, representatives, delegates and agents.**

Final Terms dated July 5, 2016

**International Bank for Reconstruction and Development**  
**Issue of UYU 1,467,024,000 Notes linked to the República Active Multi-Asset Index due 2026**  
**(payable in United States dollars)**  
**under the Global Debt Issuance Facility**

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the “**Conditions**”) set forth in the Prospectus dated May 28, 2008. This document constitutes the Final Terms of the Notes described herein and must be read in conjunction with such Prospectus. Certain additional investment considerations are set forth under “Additional Risk Factors” above.

**SUMMARY OF THE NOTES**

- |   |   |
|---|---|
| 1. Issuer:  | International Bank for Reconstruction and Development (“ <b>IBRD</b> ”)   |
| 2. (i) Series Number:                                 | 4572  |
| (ii) Tranche Number:                                  | 1   |
| 3. Specified Currency or Currencies (Condition 1(d)): | Uruguayan Peso (“ <b>UYU</b> ”) provided that all payments in respect of the Notes will be made in United States Dollars (“ <b>USD</b> ”)   |
| 4. Aggregate Nominal Amount:                          |   |
| (i) Series:   | UYU 1,467,024,000   |
| (ii) Tranche:   | UYU 1,467,024,000   |
| 5. (i) Issue Price:                                   | 100 per cent. of the Aggregate Nominal Amount payable in USD as set out in Term 5(ii) below   |
| (ii) Net Proceeds:                                    | USD 48,000,000 (equivalent to the Aggregate Nominal Amount exchanged into USD at the Initial USD/UYU FX Rate, as defined in Term 19 ( <i>Additional Definitions with regard to the USD/UYU FX Rate</i> )) |
| 6. Specified Denominations (Condition 1(b)):          | UYU 1,467,024   |

If after the Trade Date and on or before the Maturity Date, Uruguay has lawfully eliminated, converted, redenominated or exchanged its currency in effect on the Trade Date (the “**Original Currency**”), then for purposes of the Specified Denomination set forth herein, such Original Currency amounts will be converted to the successor currency (the “**Successor Currency**”) by the Calculation Agent by multiplying the amount of the Original Currency by a ratio of the Successor Currency to the Original Currency, which ratio will be calculated on the basis of the exchange rate set forth by Uruguay for converting the Original Currency into the Successor Currency on the date on which the elimination, conversion, redenomination or exchange took place (the “**Conversion Rate**”). If there is more than one such date, the

date closest to the Maturity Date will be selected by the Calculation Agent for the purposes of determining the Conversion Rate.

7. Issue Date: July 13, 2016
8. Maturity Date (Condition 6(a)): July 13, 2026 (the “**Scheduled Maturity Date**”), unless either the Last Scheduled Final UYU Valuation Date is postponed pursuant to Term 18 (*UYU Related FX Disruption and Disruption Fallbacks*) and/or the Final Index Valuation Date is postponed pursuant to Term 20 (*Index Disruption Events*), in which case the Maturity Date shall be postponed as described therein.

For the avoidance of doubt, no additional amounts shall be payable by IBRD in the event that the Scheduled Maturity Date is postponed due to postponement of the Last Scheduled Final UYU Valuation Date due to the operation of Term 18 (*UYU Related FX Disruption and Disruption Fallbacks*) or the postponement of the Final Index Valuation Date due to the operation of Term 20 (*Index Disruption Events*).

9. Interest Basis (Condition 5): Zero Coupon. The Notes do not bear or pay any interest.
10. Redemption/Payment Basis (Condition 6): Currency-linked redemption and Index-linked redemption as set out in Term 17 (*Final Redemption Amount of each Note (Condition 6)*)
11. Change of Interest or Redemption/Payment Basis: *Change of Redemption/Payment Basis*: Upon the occurrence of an Amendment Event, as set out in Term 22 (*Amendment Event*)
12. Call/Put Options (Condition 6): Not Applicable
13. Status of the Notes (Condition 3): Unsecured and unsubordinated
14. Listing: Luxembourg Stock Exchange
15. Method of distribution: Non-syndicated

#### **PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

16. Zero Coupon Note Provisions(Condition 5(c)): Applicable for the purposes of Condition 5(c) only, provided that the Early Redemption Amount shall be determined in accordance with Term 24 (*Early Redemption Amount (Condition 6(c))*)
- (i) Amortisation Yield: Solely for the purposes of calculating the Rate of Interest for any overdue principal for the purposes of Condition 5(c), the Amortisation Yield shall be 7.50 per cent. per annum
- (ii) Day Count Fraction: Solely for the purposes of calculating the Rate of Interest for any overdue principal for the purposes of Condition 5(c), the Day Count Fraction will be 30/360
- (iii) Any other formula/ basis of determining amount payable: Not Applicable

## PROVISIONS RELATING TO REDEMPTION

17. Final Redemption Amount of each Note (Condition 6):
- If no Amendment Event has occurred prior to the Maturity Date, the Final Redemption Amount, calculated per Specified Denomination, payable on the Maturity Date shall be an amount in USD calculated by the Calculation Agent in accordance with the following:

### ***USD Principal Amount + Note Return Amount***

If an Amendment Event has occurred prior to the Maturity Date, the Final Redemption Amount, calculated per Specified Denomination, payable on the Maturity Date will be an amount in USD equal to the USD Principal Amount.

Whereby:

“**Amendment Event**” has the meaning given to it in Term 22 (*Amendment Event*);

“**Index**” means the República Active Multi-Asset Index (Bloomberg Ticker Symbol: CIXBARIU <Index>);

“**Index Return**” means the performance of the Index from the Initial Index Level to the Final Index Level expressed as a percentage and calculated as follows:

$$\frac{(\text{Final Index Level} - \text{Initial Index Level})}{\text{Initial Index Level}};$$

“**Participation Rate**” means 505%;

“**Note Return Amount**” means an amount in USD, calculated per Specified Denomination, equal to the product of (a) the USD Calculation Amount, (b) the greater of (x) the Index Return and (y) zero and (c) the Participation Rate;

“**USD Calculation Amount**” means an amount in USD, calculated per Specified Denomination, equal to the Specified Denomination divided by the Initial USD/UYU FX Rate; and

“**USD Principal Amount**” means an amount in USD, calculated per Specified Denomination, equal to the Specified Denomination divided by the Final USD/UYU FX Rate.

See Terms 19 (*Additional Definitions with regard to the USD/UYU FX Rate*) and 21 (*Additional Definitions with regard to the Index*) for additional definitions

18. UYU Related FX Disruption and Disruption Fallbacks:
- In the event of the occurrence of an FX Disruption or an Unscheduled Holiday on any UYU Valuation Date, the Calculation Agent shall apply each of the following paragraphs (each a “**Disruption Fallback**”) for the determination of the USD/UYU FX Rate for the relevant UYU Valuation Date, in the order set out below, until the relevant USD/UYU FX Rate can be determined in accordance with this Term 18.

- (1) *Valuation Postponement*: the relevant Scheduled UYU Valuation Date shall be postponed (a) following the occurrence of an FX Disruption, to the Business Day which is not an Unscheduled Holiday first following the day on which the FX Disruption ceases to exist or (b) following the occurrence of an Unscheduled Holiday where no FX Disruption has occurred, to the Business Day which is not an Unscheduled Holiday first following the relevant Scheduled UYU Valuation Date, as applicable, and such day shall be the relevant UYU Valuation Date. If such relevant UYU Valuation Date has not occurred on or before the 30th consecutive calendar day after the relevant Scheduled UYU Valuation Date (any such period being a “**Deferral Period**”), the relevant UYU Valuation Date shall be the next day after the Deferral Period that is a Business Day or would have been a Business Day but for the occurrence of an Unscheduled Holiday (the “**Postponed UYU Valuation Date**”) and the relevant USD/UYU FX Rate will be determined on such Postponed UYU Valuation Date in accordance with the next applicable Disruption Fallback.
- (2) *Fallback Reference Price*: the relevant USD/UYU FX Rate will be determined by the Calculation Agent on the relevant Postponed UYU Valuation Date pursuant to the Dealer Poll. If the relevant USD/UYU FX Rate cannot be determined pursuant to the Dealer Poll then the relevant USD/UYU FX Rate will be determined in accordance with the next applicable Disruption Fallback.
- (3) *Calculation Agent Determination*: the relevant USD/UYU FX Rate (or a method for determining such USD/UYU FX Rate) will be determined by the Calculation Agent on the relevant Postponed UYU Valuation Date taking into consideration all available information that it deems relevant.

The Calculation Agent shall notify the Issuer as soon as reasonably practicable if a USD/UYU FX Rate is to be determined as specified in this Term 18.

In the event that any Scheduled Final UYU Valuation Date, other than the Last Scheduled Final UYU Valuation Date, is postponed as set forth above, each succeeding Final UYU Valuation Date shall then be the next Business Day following the preceding Final UYU Valuation Date as postponed.

In the event that the Last Scheduled Final UYU Valuation Date is postponed as set forth above, the Maturity Date shall be postponed by one Business Day for each Business Day that the last occurring Final UYU Valuation Date is postponed,



provided that any such postponement will be concurrent with any postponement of the Maturity Date caused by operation of Term 20 (*Index Disruption Events*).

For the avoidance of doubt, no additional amounts shall be payable by IBRD in the event that the Maturity Date is postponed due to postponement of any UYU Valuation Date due to the operation of this Term 18.

19. Additional Definitions with regard to the USD/UYU FX Rate:

“**Dealer Poll**” means that the relevant USD/UYU FX Rate in respect of a Postponed UYU Valuation Date will be the USD/UYU fixing rate, expressed as the amount of UYU per one USD, as determined by the Calculation Agent on the basis of quotations provided by the Reference Dealers on such date.

The Calculation Agent will request each Reference Dealer to provide a firm quotation of the USD/UYU fixing rate. If four quotations are provided, the relevant USD/UYU FX Rate for the relevant Postponed UYU Valuation Date will be the arithmetic mean of such quotations without regard to the highest and lowest such quotations. For this purpose, if more than one quotation has the same highest and lowest value, then only one of such quotations shall be disregarded. If two (2) or three (3) quotations are provided, the USD/UYU FX Rate for the relevant Postponed UYU Valuation Date will be the arithmetic mean of such quotations. If fewer than two (2) quotations are provided, it will be deemed that the relevant USD/UYU FX Rate for the relevant Postponed UYU Valuation Date cannot be determined pursuant to the Dealer Poll.

“**Reference Dealers**” means the Montevideo office of each of Banco Santander Uruguay S.A., Banco Itau Uruguay S.A., BBVA Uruguay S.A. and Scotiabank Uruguay S.A. In the event that any of the Reference Dealers shall cease to operate in Uruguay, such Reference Dealer shall be substituted by the Calculation Agent for purposes of completing the Dealer Poll.

“**Final USD/UYU FX Rate**” means the arithmetic average of the USD/UYU FX Rate on each of the Final UYU Valuation Dates.

“**Final UYU Valuation Date**” means the Business Day falling 10 Business Days prior to the Scheduled Maturity Date and each of the two following Business Days, expected to be June 29, 2026, June 30, 2026 and July 1, 2026 (each, a “**Scheduled Final UYU Valuation Date**”, and July 1, 2026 also referred to as the “**Last Scheduled Final UYU Valuation Date**”), in each case, subject to postponement in accordance with the provisions set forth in Term 18 (*UYU Related FX Disruption and Disruption Fallbacks*) if an FX Disruption or an Unscheduled Holiday occurs on any such

date.

**“FX Disruption”** means, in the determination of the Calculation Agent, any action, event or circumstance whatsoever which, from a legal or practical perspective makes it impossible for the Calculation Agent to obtain a USD/UYU FX Rate on a UYU Valuation Date.

**“Initial USD/UYU FX Rate”** means 30.563, being the arithmetic average of the USD/UYU FX Rate on each of the Initial UYU Valuation Dates.

**“Initial UYU Valuation Date”** means the Trade Date and each of the two following Business Days, being June 28, 2016, June 29, 2016 and June 30, 2016 (each a **“Scheduled Initial UYU Valuation Date”**), in each case, subject to postponement in accordance with the provisions set forth in Term 18 (*UYU Related FX Disruption and Disruption Fallbacks*) if an FX Disruption or an Unscheduled Holiday occurs on any such date.

**“Montevideo Business Day”** means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in Montevideo.

**“Scheduled UYU Valuation Date”** means each Scheduled Initial UYU Valuation Date and each Scheduled Final UYU Valuation Date.

**“Trade Date”** means June 28, 2016.

**“Unscheduled Holiday”** means a day that is not a Business Day and the market was not aware of such fact (by means of a public announcement or by reference to other publicly available information) until a time later than 9:00 a.m. Montevideo time two Montevideo Business Days prior to the relevant Scheduled UYU Valuation Date.

**“USD/UYU FX Rate”** means, for any UYU Valuation Date, the USD/UYU fixing rate, expressed as the amount of UYU per one USD, as published by the Uruguayan Central Bank on Bloomberg page “URINUSCA <CRNCY> HP <GO>” (or such other page or service as may replace that page or service for the purpose of displaying such exchange rate) on such UYU Valuation Date. If such Bloomberg page no longer reports such rate or such rate is no longer available and has not been replaced by any other page or service, the Calculation Agent shall be entitled to obtain such rate as reported by the Uruguayan Central Bank from any other screen or information source that it deems appropriate.

**“UYU Valuation Date”** means each Initial UYU Valuation

Date and each Final UYU Valuation Date.

20. Index Disruption Events:

If the Scheduled Final Index Valuation Date occurs on a day in respect of which the Calculation Agent has determined that an Index Disruption Event (as defined in Term 21 below (*Additional Definitions with regard to the Index*)) has occurred or is continuing, then the Final Index Valuation Date will be postponed until the next succeeding Index Business Day in respect of which the Calculation Agent determines that an Index Disruption Event has neither occurred nor is continuing; *provided* that if the Final Index Valuation Date has not occurred on or before the tenth Business Day following the Scheduled Final Index Valuation Date (the “**Valuation Cut-off Date**”), an Amendment Event shall be deemed to have occurred and the provisions set out in Term 22 (*Amendment Event*) below shall apply.

In the event that the Scheduled Final Index Valuation Date is postponed as set forth above, the Maturity Date shall be postponed by one Business Day for each Business Day that the Scheduled Final Index Valuation Date is postponed as set forth above, provided that any such postponement will be concurrent with any postponement of the Maturity Date caused by operation of Term 18 (*UYU Related FX Disruption and Disruption Fallbacks*) above.

For the avoidance of doubt, no additional amounts shall be payable by IBRD in the event that the Maturity Date is postponed due to the postponement of the Scheduled Final Index Valuation Date due to the operation of this Term 20.

21. Additional Definitions with regard to the Index:

“**Final Index Level**” means the Index Level for the Final Index Valuation Date as determined by the Calculation Agent.

In the event that the Index Level for the Final Index Valuation Date is corrected by the Index Calculation Agent on or prior to the date falling three Business Days after the Final Index Valuation Date, such corrected value will be the Final Index Level.

“**Final Index Valuation Date**” means June 29, 2026 or, if such date is not an Index Business Day, the immediately succeeding Index Business Day (the “**Scheduled Final Index Valuation Date**”), subject to postponement pursuant to the provisions set forth under Term 20 (*Index Disruption Events*).

“**Index Business Day**” means a day on which the Index Calculation Agent is scheduled to calculate and publish the level of the Index.

“**Index Calculation Agent**” means Standard & Poor’s Financial Services LLC, or any other third party replacement index calculation agent as appointed by the Index Administrator.

“**Index Disruption Event**” means the Index Calculation Agent fails to calculate and announce the Index on the Final Index Valuation Date.

“**Index Level**” on any Index Business Day will equal the official level of the Index published by the Index Calculation Agent in respect of that Index Business Day on Bloomberg Page: CIXBARIU <Index>.

“**Index Conditions**” means the República Active Multi-Asset Index Conditions, as in effect from time to time. A copy of the Index Conditions as constituted as of the date hereof is set out in Schedule 1.

“**Index Administrator**” means Citigroup Global Markets Limited, including its successors and assigns.

“**Initial Index Level**” means 100 (being the Index Level for the Initial Index Valuation Date). In the event that the Index Level on the Initial Index Valuation Date is corrected by the Index Calculation Agent on or prior to the date falling three Business Days after the Initial Index Valuation Date, such corrected value will be the Initial Index Level.

“**Initial Index Valuation Date**” means June 30, 2016.

22. Amendment Event:

In the event of the occurrence of an Amendment Event, the Issuer shall be required to pay an amount (which may be zero) as soon as practicable after the Mandatory Amendment Date, calculated per Specified Denomination, equal to the Amendment Amount calculated as of the Accelerated Final Index Determination Date. For the avoidance of doubt, the occurrence of an Amendment Event shall not alter the Issuer’s obligation to pay the USD Principal Amount per Specified Denomination on the Maturity Date.

The term “**Amendment Event**” means the occurrence of any of the following events:

- (i) an Index Cancellation;
- (ii) an Index Modification;
- (iii) a Successor Index Event;
- (iv) an Index Management Agreement Termination;
- (v) the occurrence or continuance of an Index Disruption Event, by reason of which the Final Index Valuation Date has not occurred on or before the Valuation Cut-off Date pursuant to the provisions of Term 20 (*Index Disruption Events*) above;
- (vi) the Associated Swap Transaction is terminated under the terms of the ISDA Master Agreement

pursuant to which such Associated Swap Transaction was entered into as the result of the occurrence of an “Event of Default” or “Credit Event Upon Merger” or “Additional Termination Event” thereunder with respect to which the Swap Counterparty is the sole “Defaulting Party” or “Affected Party”, as applicable;

- (vii) the Associated Swap Transaction is terminated by the Swap Counterparty as a result of an Additional Disruption Event; or
- (viii) the Associated Swap Transaction is terminated under the terms of the ISDA Master Agreement pursuant to which such Associated Swap Transaction was entered into, other than under the circumstances set forth in paragraphs (vi) or (vii) above.

Upon the occurrence of an Amendment Event:

- (i) in the event that the relevant Amendment Event is an event described in paragraphs (i), (ii), (iii), (iv), (v), (vii) or (viii) thereof, the Calculation Agent; or
- (ii) in the event that the Amendment Event is an event described in paragraph (vi) thereof, the Issuer,

shall forthwith give a notice (the “**Mandatory Amendment Notice**”) to the Issuer (where applicable), the Global Agent and the Noteholders of the occurrence of an Amendment Event and the Amendment Amount shall be determined as set out below.

The “**Amendment Amount**” per Specified Denomination shall be an amount in USD, equal to the greater of (i) the value of the equity option embedded in each Note (the “**Equity Component**”) per Specified Denomination of the Notes expressed in USD, as determined by the Determining Person, and (ii) zero. For the calculation of the value of the Equity Component, the Determining Person: (i) will take into account (a) the observed Index Level as of the Accelerated Final Index Determination Date or the most recent Index Business Day preceding such date, (b) the Initial Index Level, and (c) an implied volatility of 10%, an implied dividend yield of 0% and interest rates of 0%; and (ii) may take into account prevailing market prices and/or proprietary pricing models (including the cost to the Issuer of unwinding any hedging arrangements related to such embedded equity option, as determined by the Determining Person in its sole and absolute discretion) as of the Accelerated Final Index Determination Date, or where these pricing models may not yield a commercially reasonable result, such estimates as at

which it may arrive in a commercially reasonable manner and the Associated Costs as of the Accelerated Final Index Determination Date.

The Determining Person will make the determinations set forth in the previous paragraphs in good faith and in a commercially reasonable manner.

In addition, the following terms shall have the following meanings:

**“Additional Disruption Event”** means each of a Change in Law, a Hedging Disruption or an Increased Cost of Hedging.

**“Accelerated Final Index Determination Date”** means in the event that the relevant Amendment Event consists of an event set forth in:

- (A) paragraphs (i), (ii), (iii), (iv) and (v) of the definition of Amendment Event, the date on which such Amendment Event occurred, as determined by the Determining Person;
- (B) paragraphs (vii) and (viii) of the definition of Amendment Event, the date on which such Amendment Event is effective; and
- (C) paragraph (vi) of the definition of Amendment Event, the last Business Day of the month that precedes the month in which such Amendment Event occurs.

**“Associated Cost”** means an amount determined by the Calculation Agent in its reasonable discretion equal to the sum of (without duplication) all costs (including, without limitation, cost of funding), losses, expenses, tax and duties incurred by the Issuer in connection with the termination and liquidation of any hedging arrangements related to the Equity Component.

**“Associated Swap Transaction”** means the swap transaction entered into in connection with the issue of the Notes between the Issuer and the Swap Counterparty and documented under the ISDA Master Agreement dated as of September 20, 1995 (as amended from time to time) between Citibank, N.A. and the Issuer (the **“ISDA Master Agreement”**).

**“Change in Law”** means that, the Calculation Agent determines that on or after the Trade Date (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), 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 law or regulation (including any action taken by a taxing authority), it has become illegal for

the Swap Counterparty or any affiliate thereof to hold, acquire or dispose of any relevant asset it deems necessary to hedge the price risk associated with the Associated Swap Transaction (in whole or in part).

The term “**Determining Person**” means (x) in respect of an Amendment Event that consists of a termination of the Associated Swap Transaction set forth in paragraph (vi) of the definition of Amendment Event, the Issuer, and (y) in respect of any other Amendment Event, the Calculation Agent.

“**Hedging Disruption**” means that the Calculation Agent determines that the Swap Counterparty or any affiliate thereof is unable, after using commercially reasonable efforts to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) that it deems necessary to hedge the price risk of entering into and performing its obligations with respect to the Associated Swap Transaction; or (ii) realize, recover or remit the proceeds of any such transaction(s) or asset(s).

“**Index Manager**” means República AFAP, S.A.

“**Index Management Agreement**” means the agreement between the República AFAP, S.A. and CGML relating to the Index dated as of June 13, 2016 under the terms of which the Index Manager independently provides certain selections in accordance with the terms of the Index Conditions in connection with the Index Manager’s investment management activities and strategy for itself or for certain accounts managed by it.

“**Index Management Agreement Termination**” means the Index Management Agreement is terminated for any reason.

“**Index Cancellation**” means the Index Administrator permanently cancels the Index.

“**Increased Cost of Hedging**” means that the Calculation Agent determines that the Swap Counterparty or any affiliate thereof would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risk of entering into and performing its obligations with respect to the Associated Swap Transaction, or (B) realize, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Swap Counterparty or such affiliate shall not be deemed an Increased Cost of Hedging.

**“Index Modification”** means the Index Administrator announces that it will make a change in the formula for or the method of calculating the Index which the Calculation Agent determines is material or, in the determination of the Calculation Agent, in any other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in its constituents and other routine events).

**“Mandatory Amendment Date”** means either:

(A) if the Amendment Event consists of a termination of the Associated Swap Transaction set forth in paragraph (vi) of the definition of Amendment Event, the 5th Business Day after the date upon which the Amendment Event has occurred; or

(B) if the Amendment Event consists of any other Amendment Event, the 10th Business Day after the date on which the Mandatory Amendment Notice (as defined above) is received or deemed received by the Issuer and Global Agent (whichever date is later).

**“Successor Index Event”** means either (a) (i) the Index is not calculated and announced by the Index Calculation Agent but is calculated and announced by a successor index calculation agent or (ii) the Index Administrator is replaced by a successor Index Administrator or (b) the Index replaced by a successor index.

**“Swap Counterparty”** means Citibank, N.A.

23. Additional Definitions -  
General:

**“Business Day”** means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London, New York and Montevideo.

**“Calculation Agent”** means Citibank, N.A., New York Branch.

24. Early Redemption Amount  
(Condition 6(c)):

The Early Redemption Amount payable in respect of each Note, upon it becoming due and payable as provided in Condition 9, shall be determined by the Calculation Agent taking into account the value of the USD Principal Amount component thereof and (except where the Notes are redeemed early as provided in Condition 9 after the occurrence of an Amendment Event) the value of the Equity Component thereof. The value of the USD Principal Amount component of the Notes will be priced by taking into account prevailing interest rate or amortization yields of zero coupon securities denominated in UYU having terms similar to the terms of the Notes (but disregarding for such purposes the Note Return



Amount component of the Notes) as well as the prevailing USD/UYU exchange rate. The value of the Equity Component of the Notes will be determined based on the methodology specified under the definition of “Amendment Amount” in Term 22 (*Amendment Event*) except that the residual value of the Equity Component shall be based on relevant prevailing rates as of the last Business Day of the month that precedes the month in which the relevant default occurs.

#### **GENERAL PROVISIONS APPLICABLE TO THE NOTES**

25. Form of Notes (Condition 1(a)): Registered Notes:  
Global Registered Certificate available on Issue Date
26. New Global Note: No
27. Financial Centre(s) or other special provisions relating to payment dates (Condition 7(h)): London, New York and Montevideo
28. Governing law (Condition 14): English
29. Other final terms: Disclaimer of Liabilities and Representations by Prospective Investors of the Notes:  
*Determinations:*  
The Issuer and the Calculation Agent shall make determinations in respect of the Notes in good faith and in a commercially reasonable manner.  
*Disclaimers:*  
(i) The Index Conditions are attached to this Final Terms as Schedule 1. All information contained in this Final Terms regarding the Index, including, without limitation, the information set forth in Schedule 1, its make-up, method of calculation and changes in its components, is derived from, and based solely upon, information provided by the Index Administrator and is for informational purposes only and should not be relied upon by the Noteholder or any prospective investor. As such, neither the Issuer nor the Global Agent assumes any responsibility for the accuracy or completeness of such information, or for such information being up to date. In addition, neither Issuer nor the Global Agent accepts responsibility for the calculation or other maintenance of, or any adjustments to, the Index. Neither IBRD nor the Global Agent will have any responsibility for good faith errors or omissions in calculating or disseminating information regarding the Index or as to modifications, adjustments or calculations by the Index Administrator, Index Calculation Agent or Index Manager in order to arrive at the value of the Index. The most recent

version of the Index Conditions is published by the Index Administrator and accessible at <http://icg.citi.com/icg/euprospectus.jsp>

- (ii) Neither IBRD nor the Global Agent will have any responsibility for the contents of the Index Management Agreement or for the choices and allocations made by the Index Manager thereunder.
- (iii) By investing in the Notes each investor of the Notes represents that:
  - (a) it has made its own independent decision to invest in the Notes based upon its own judgment and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the Issuer, the Index Administrator, the Calculation Agent, or the Dealer as investment advice or as a recommendation to invest in the Notes, it being understood that information and explanations related to the terms and conditions of the Notes shall not be considered to be investment advice or a recommendation to invest in the Notes. No communication (written or oral) received from the Issuer, the Calculation Agent, the Index Administrator or the Dealer shall be deemed to be an assurance or guarantee as to the expected results of the investment in the Notes;
  - (b) it is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts the terms and conditions and the risks of the investment in the Notes, including but not limited to the risks set out in this Final Terms (which are not, and do not intend to be, exhaustive). It is also capable of assuming, and assumes, the risks of the investment in the Notes;
  - (c) it has fully considered the market risk associated with an investment linked to the Index. Each Noteholder understands that none of the Issuer, the Calculation Agent, the Dealer, the Index Administrator or the Index Calculation Agent purports to be a source of information on market risks with respect to the Index. Each Noteholder

confirms that it has read and understood the Index Conditions, which have been provided for information purposes only and are not to be used or reproduced for any other purpose or used or considered as any advice or recommendation with respect to such Index;

- (d) it understands and acknowledges that the performance of the Index is based on the periodic selections of the Index Manager and hence the Notes are intended to be purchased and held by the Index Manager and by discretionary accounts managed by the Index Manager only; and
- (e) it understands that: (A) the Index Conditions (i) have been provided for information purposes only and are not to be used or reproduced for any other purpose or used or considered as any advice or recommendation with respect to such Index, and (ii) are only up to date as of the date of these Final Terms; and (B) such information in the Index Conditions may be amended from time to time.

**DISTRIBUTION**

- 30. (i) If syndicated, names of Managers and underwriting commitments: Not Applicable
- (ii) Stabilizing Manager(s) (if any): Not Applicable
- 31. If non-syndicated, name of Dealer: Citigroup Global Markets Limited

**OPERATIONAL INFORMATION**

- 32. ISIN Code: XS1440700893
- 33. Common Code: 144070089
- 34. Any clearing system(s) other than Euroclear Bank S.A./N.V., Clearstream Banking, *société anonyme* and The Depository Trust Company and the relevant identification number(s): Not Applicable
- 35. Delivery: Delivery against payment
- 36. Registrar and Transfer Agent (if any): Citibank, N.A., London Branch

37. Additional Paying Agent(s) (if any): Not Applicable
38. Intended to be held in a manner which would allow Eurosystem eligibility: No

***GENERAL INFORMATION***

IBRD's most recent Information Statement was issued on September 17, 2015.

***CONFLICT OF INTEREST***

CGML will serve as the Index Administrator of the Index. As a result, the determinations made by CGML in its discretion as Index Administrator may affect the level of the Index and, in turn, amounts payable under the Notes. Neither CGML nor any of its affiliates has any obligation to consider the Noteholders' interests in taking any action or making any determination that might adversely affect the level of the Index or the Notes.

Citibank, N.A. ("CBNA") (an affiliate of CGML) will also be Calculation Agent under the Notes and will be IBRD's counterparty in a related swap transaction entered into by IBRD in order to hedge its obligations under the Notes. The existence of such multiple roles and responsibilities for CGML and its affiliates creates possible conflicts of interest. For example, the amounts payable by CBNA to IBRD under the related swap transaction are expected, as of the Issue Date, to be calculated on the same basis as the amounts payable by IBRD under the Notes. As a result, the determinations made by CBNA in its discretion as Calculation Agent for the Notes may affect the amounts payable by it under the related swap transaction, and, in making such determinations, CBNA may have economic interests adverse to those of the Noteholders. The Noteholders shall be deemed to acknowledge that although IBRD will enter into the related swap transaction with CBNA as swap counterparty in order to hedge its obligations under the Notes, IBRD's rights and obligations under the related swap transaction will be independent of its rights and obligations under the Notes, and Noteholders will have no interest in the related swap transaction or any payment to which IBRD may be entitled thereunder.

***LISTING APPLICATION***

This Final Terms comprises the final terms required for the admission to the Official List of the Luxembourg Stock Exchange and to trading on the Luxembourg Stock Exchange's regulated market of the Notes described herein issued pursuant to the Global Debt Issuance Facility of International Bank for Reconstruction and Development.

**RESPONSIBILITY**

IBRD accepts responsibility for the information contained in this Final Terms.

Signed on behalf of IBRD:

By: 

.....  
Name: AKHCHAN JAIN  
Title:

Duly authorized

## SCHEDULE 1

### INDEX CONDITIONS - REPÚBLICA ACTIVE MULTI-ASSET INDEX

*Set out below is the methodology of the República Active Multi-Asset Index (the “Index”). The methodology (the “Index Conditions”) as at the date of this Final Terms are attached for informational purposes only and should not be relied upon by the Noteholder or any prospective investor in the Notes. The Index Conditions from time to time are published by the Index Administrator and accessible at <http://icg.citi.com/icg/euprospectus.jsp>. The Index Conditions, as published by the Index Administrator from time to time will govern the operation and calculation of the Index. Potential purchasers of the Notes are urged to read carefully the Index Conditions in their entirety. All disclosure contained in this document or referred to in this document, regarding the Index, including, without limitation, the Index Conditions, its make-up, method of calculation and changes in its components, is derived from, and based solely upon, information provided by the Index Administrator. As such, the Issuer does not assume any responsibility for the accuracy or completeness of such information or any duty to update such information. In addition, the Issuer accepts no responsibility for the calculation or other maintenance of, or any adjustments to, the Index.*

# República Active Multi-Asset Index

## Index Conditions

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Citi Investment Strategies

## Part A: Introduction

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This document constitutes the "**Index Conditions**" in respect of the República Active Multi-Asset Index (the "**Index**").

These Index Conditions are made available by Citigroup Global Markets Limited in its capacity as the Index Administrator.

Full information in respect of any Index Linked Product (as defined in Part J (*Definitions*)) is only available on the basis of a combination of these Index Conditions and the confirmation, prospectus or offering document (however described) in respect of such Index Linked Product. Particular attention is drawn to the important risk factors and disclaimers contained in these Index Conditions.

No use of the Index or these Index Conditions is permitted unless such use is authorised, whether (1) through buying, or otherwise entering into, an Index Linked Product from or with the Index Administrator or the Index Calculation Agent or one of their Affiliates; or (2) under the terms of a written licence granted by the Index Administrator.

These Index Conditions may be amended from time to time in the circumstances described in Part L (*Miscellaneous*). Copies of these Index Conditions are available from the Index Administrator.

These Index Conditions comprise the following Parts.

Part A	Introduction
Part B	Key Information
Part C	Overview of the Index
Part D	Calculation of the Index Level
Part E	Data
Part F	Valuation of Constituents
Part G	Adjustment of dates
Part H	Adjustments, disruption and cancellation
Part I	Provisions relating to Constituents
Part J	Definitions
Part K	Risk Factors
Part L	Miscellaneous
Part M	Notices



## Part B: Key Information

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Index: República Active Multi-Asset Index.

Summary of strategy: Citigroup Global Markets Limited and the Index Manager have developed the Index solely for the purposes of determining all or part of the redemption amount payable in respect of the UYU Notes linked to the República Active Multi-Asset Index due 2026 (payable in United States Dollars) issued by the International Bank for Reconstruction and Development ("**IBRD**") with a Trade Date on or around the date of these Index Conditions (the "**Notes**"). The initial purchaser of the Notes is República AFAP, S.A. (the "**Initial Purchaser**"), which is also acting as Index Manager in respect of the Notes.

The Index is a volatility-targeted index which provides long or short exposure to a customised underlying notional portfolio (or Core Index) of different equity, currency, commodity and fixed income assets, each selected by the Index Manager. The Core Index, as at the Index Start Date and the date of these Index Conditions, is composed of a universe of 62 constituents, 34 of which are linked to futures contracts (linked to equities, currencies and fixed income), 18 of which are exchange traded funds (linked to equities and fixed income), 7 of which are linked to commodity indices, and 3 of which are linked to fixed income indices. Additional constituents of the same asset class as the existing constituents may be added by the Index Manager, subject to certain parameters and process requirements.

The Index Manager, in its sole discretion, selects the weights of the constituents (which may be long or short or zero) from time to time as of each selection date, subject to specified maximum and minimum percentage weight allocations. The maximum weight may be increased by agreement between the Index Manager and the Index Administrator. Selection dates may potentially occur on every London business day (subject to certain limitations) at the discretion of the Index Manager pursuant to an Index Management Agreement. The Index is rebalanced on each rebalancing date corresponding to a selection date. If the Index Manager has not selected the weights of the Constituents by the Index Start Date, the Core Index shall comprise all 62 Constituents in the universe set out in Part E (*Data*), weighted equally.

The exposure of the Index to the Core Index is adjusted, potentially on a daily basis, so that the annualised volatility of the Index is maintained as close as practicable to a target level of 10%, as determined with reference to the recent volatility of the Core Index and the Index. The exposure of the Index to the Core Index is designed not to exceed 150%.

Upon the occurrence of certain Index Termination Events (including, among other things, redemption of the Notes and termination of the Index Management Agreement), the Index will be discontinued.

Upon the occurrence of an Adjustment Event in respect of a constituent, the affected constituent may be reweighted or replaced

and/or the Index may be adjusted and/or discontinued and/or the publication of the Index Level may be delayed.

Upon the occurrence of an Additional Adjustment Event in respect of a constituent, the affected constituent may be removed from the Index without replacement and the Index extraordinarily rebalanced and/or the Index may be adjusted and/or discontinued and/or the publication of the Index Level may be delayed.

Index Administrator:	Citigroup Global Markets Limited.
Index Calculation Agent:	S&P Dow Jones Indices LLC and/or its subsidiaries.
Index Manager:	República AFAP S.A. (" <b>República</b> ") (Uruguay) is the Index Manager pursuant to an Index Management Agreement
Index Management Agreement:	<p>The index management agreement entered into between Citigroup Global Markets Limited as Index Administrator and República as the Index Manager (as an independent contractor) dated on or about the Trade Date of the Notes.</p> <p>The Index Management Agreement may terminate for a number of reasons, including if the Index Manager breaches that Agreement and will terminate automatically upon (i) redemption of the Notes, (ii) conversion of the Notes to a fixed rate return or other type of return that is not linked to the Index, or (iii) transfer of any Note to a person other the Initial Purchaser or an affiliate of the Initial Purchaser or another person advised by the Initial Purchaser or an affiliate of such person. If the Index Management Agreement terminates then the Index will be discontinued and no alternative Index Manager will be appointed.</p>
Index Base Currency:	United States dollar (" <b>USD</b> ").
Index Launch Date:	30 June 2016.
Index Start Date:	30 June 2016. The Index Start Date shall be deemed to be an Index Business Day and a Rebalancing Date
Index Start Level:	100
Core Index Start Date:	<p>1 December 2015</p> <p>The Core Index Start Date shall be deemed to be an Index Business Day and a Rebalancing Date.</p>
Core Index Start Level:	100.
Index Fees and Costs:	<p>Index fees are not applicable, but note the overall index cost deducted on a daily basis from the Index Level, which includes the notional transaction costs in respect of the constituents in relation to changes in exposure of the Index to the Core Index as a result of the volatility target mechanism. In addition, note the notional hedging costs in respect of the constituents, the notional roll costs in respect of certain constituents represented by futures contracts and the deduction of 3 month USD LIBOR from the official closing price of certain constituents represented by exchange traded funds (ETFs) to determine the level of the relevant ETF constituent. All costs are accounted for in Part D (<i>Calculation of the Index Level</i>)</p>

and Part E (*Data*) below.

Frequency of calculation of the Index Level:

Daily, on each Index Business Day.

Frequency of rebalancing:

On each Rebalancing Date (which may be daily or less frequently), corresponding to a Selection Date as may be determined by the Index Manager pursuant to the terms of the Index Management Agreement, and subject also to any extraordinary rebalancing that may occur as a result of, for example, a Regulatory Event in respect of a constituent.

Index Ticker:

Bloomberg page CIXBARIU <Index>.

*The Index was launched by the Index Administrator on the Index Launch Date. The Index has been calculated by the Index Calculation Agent for the period from the Index Start Date. Any simulated past performance (back-testing) or similar performance analysis undertaken by any person in respect of the Index for any reason must be considered illustrative only and may be based on assumptions or estimates not used by the Index Calculation Agent when determining the Index Level (for example, the assumption that no market disruption events and no extraordinary events occurred). Any simulated past performance should not be regarded as an indication of future performance. Moreover the Index will be constituted, weighted and rebalanced based on the Index Manager's discretionary choices over time. No assurance can be given that the selection methodology employed by the Index Manager in relation to selecting the weights of the Constituents will result in the Index matching or outperforming any market benchmark and the Index could underperform such benchmarks, including by experiencing long term declines. Any Index Linked Product may bear additional fees which will reduce the overall returns of such Index Linked Product as compared with any past performance of the Index.*

***The Index is not designed for, and is not expected to be used or referenced by, any Index Linked Product other than the Notes nor is it expected that there will be any holder of the Notes other than the Initial Purchaser, or an affiliate of the Initial Purchaser, or another person advised by the Initial Purchaser or an affiliate of such person. The Index is intended to be personal to the selections and expertise of the Index Manager.***

## Part C: Overview of the Index

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### Calculation

#### 1. CALCULATION OF THE INDEX

Subject to the occurrence or existence of a Disrupted Day, the Index Level shall be calculated by the Index Calculation Agent as of the Index Valuation Time on each Index Business Day. The Index Level as of each Index Business Day shall be published on the Index Ticker, generally on the following Index Business Day. This should be considered the official source for the Index Level and a level obtained from any other source (electronic or otherwise) must be considered unofficial. The Index Level is the closing level of the Index for the relevant Index Business Day. The Index Calculation Agent may also, but is not obliged to, calculate the level of the Index in respect of any other valuation time on any Index Business Day or any other day with the consent of the Index Administrator. The detailed procedures for the calculation of the Index Level in respect of each Index Business Day are set out in Part D (*Calculation of the Index Level*) below.

#### 2. INDEX ADMINISTRATOR AND INDEX CALCULATION AGENT

The Index Administrator is Citigroup Global Markets Limited. As at the date of these Index Conditions, the Index Administrator has appointed S&P Dow Jones Indices LLC and/or its subsidiaries as Index Calculation Agent to calculate and publish the Index in accordance with the Index Conditions. The Index Administrator may, in its sole discretion and without notice, appoint an alternative Index Calculation Agent at any time which may be any of a third party, the Index Administrator or one of its Affiliates.

The Index Administrator does not assume the obligations of an "Administrator" within the meaning and for the purposes of the "Principles for Financial Benchmarks", the Final Report published by the Board of the International Organization of Securities Commissions (IOSCO) (FR07/13, July 2013).

### Brief description

#### 1. INTRODUCTION

The brief description set out in this Part C is a summary only of these Index Conditions, of which this Part C is a part. These Index Conditions as a whole govern the Index, the calculation of the Index Level (as defined in Part D (*Calculation of the Index Level*) below), and the determinations made in connection with the maintenance of the Index. In the case of any inconsistency between this brief description in this Part C and the remainder of these Index Conditions, the remainder of these Index Conditions shall prevail.

The Index Level reflects the daily change in value of the Constituents that constitute the Index from Rebalancing Date to Rebalancing Date.

#### 2. General Overview

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

The Index is a notional rules-based proprietary index developed by the Index Administrator and the Index Manager solely for the purposes of determining all or part of the redemption amount payable in

respect of the UYU Notes linked to the República Active Multi-Asset Index due 2026 (payable in United States Dollars) issued by the International Bank for Reconstruction and Development ("IBRD") with a Trade Date on or around the date of these Index Conditions (the "Notes"). The initial purchaser of the Notes is República AFAP, S.A., which is also acting as Index Manager in respect of the Index.

The Index is a notional rules-based proprietary index developed by the Index Administrator and the Index Manager, where each of the universe of Constituents of the Index (listed in Table 1 of Part E (*Data*)), the initial Constituents of the Index and their respective weights and the subsequent Constituents and their respective weights are selected by the Index Manager, at its sole discretion, from time to time, pursuant to and in accordance with the Index Management Agreement.

The Index is described as replicating notional positions in the Constituents because there is no actual portfolio of assets to which any person is entitled or in which any person has any ownership interest. The Index simply references certain investment positions the performance of which is used as a reference point for the purpose of calculating the Index Level from time to time.

The Index Level is calculated in US Dollars as the Index Base Currency by the Index Calculation Agent as of every Index Business Day (as defined in Part E (*Data*) below) and is generally published on the following Index Business Day. The Index has been calculated on a live basis since the Index Launch Date and has been calculated by the Index Calculation Agent for the period since the Index Start Date.

As at the Index Start Date (and the Core Index Start Date) and the date of these Index Conditions, the Index provides exposure to the weighted performance of up to 62 underlying Constituents comprising futures contracts (linked to equities, currencies and fixed income), exchange traded funds (linked to equities and fixed income), commodities indices and fixed income indices. Additional new Constituents of the same asset classes as the existing Constituents may be added to the universe of Constituents set out in Table 1 from time to time, subject to the parameters and procedures set out in paragraph 2.8 (*Constituent Adjustments*) of Part D (*Calculation of the Index Level*).

The methodology of the Index is designed such that the Index Manager may, in its sole discretion, select the Constituents of the Index and their respective Percentage Weights as of the Index Start Date and may reselect the Constituents of the Index and/or adjust and their respective Percentage Weights on any subsequent Selection Date by giving an instruction to the Index Calculation Agent and the Index Administrator no later than the specified cut-off time in respect of the relevant Selection Date. Upon receiving such an instruction the Index Calculation Agent will determine whether the percentage weights proposed by the Index Manager satisfy certain specified conditions (as described in paragraph 6 (*Determination of Percentage Weights of Constituents and addition of new Constituents*) below).

If a valid instruction is duly received from the Index Manager by the Index Calculation Agent and Index Administrator, and the specified conditions are satisfied, then the Index Calculation Agent shall accept the Index Manager's proposed Percentage Weights as the new Percentage Weights for the purposes of the relevant Rebalancing Date and the Index will be rebalanced accordingly on the related Rebalancing Date.

If, however, either (i) a valid instruction is not received from the Index Manager by the Index Calculation Agent and the Index Administrator, or (ii) any of the specified conditions are not satisfied, then proposed Percentage Weights shall be disregarded and the Index shall not be rebalanced in accordance with such instructions.

The Max Weight applicable to the Percentage Weight of any Constituent may, upon request of the Index Manager be increased subject to the parameters and procedures set out in paragraph 2.8 (*Constituent Adjustments*) of Part D (*Calculation of the Index Level*).

The Index Manager's functions in respect of selection of Constituents and their respective percentage weights are set out in the Index Management Agreement entered into with the Index Administrator, as described in Part B (*Key Information*).

The Index features a volatility control mechanism, which means that the Exposure (as defined in Part D (*Calculation of the Index Level*)) of the Index to the Core Index Level is adjusted, up or down proportionately to target on an annualized volatility level of the Index of 10 per cent., subject to an Exposure cap of 150 per cent. The Exposure of the Index to the Core Index is determined on each Index Business Day by reference to the volatility of the Core Index as measured over a fixed number of days (being 60 Index Business Days over a period of 62 Index Business Days).

Notional costs representing (i) the transaction costs and hedging costs notionally incurred in increasing or reducing the Exposure and rebalancing the weights of the Constituents, (ii) the costs incurred in rolling the Constituents that are ETD Contracts, and (iii) the deduction of 3 month USD LIBOR from the official closing price of ETF Shares to generate an "excess return" in respect of their performance are applied in the calculation of the Index Level, the Core Index Level and the Index Constituent Levels. These notional costs will reduce the Index Level overall (see paragraphs 1.1, 2.1, 2.2.1, 2.2.2, 2.6 and 2.7 of Part D (*Calculation of the Index Level*) below).

Upon the occurrence of certain Index Termination Events (including, among other things, redemption of the Notes and termination of the Index Management Agreement), the Index will be discontinued by the Index Administrator.

**The República Active Multi-Asset Index uses an Index Manager to determine weights for the Constituents on a discretionary basis, pursuant to the Index Management Agreement such that the Index will be exposed to different proportions of the Constituents from time to time. The Index is subject to a variety of market risks. The methodology on which the Index is based may not be successful.**

### 3. Volatility Targeting

A volatility target is placed upon the Exposure of the Index to the Core Index Level whereby the Exposure of the Index to the Core Index Level is proportionately increased or decreased, potentially on a daily basis, with the objective that the annualized volatility of the Index is maintained as close as practicable to a target level of the Index of 10 per cent. The Exposure that the Index can have to the Core Index is capped at 150 per cent.

### 4. Rebalancings

The Index may be rebalanced on any day as directed by the Index Manager as set out in paragraph 2.5 (*Constituent Percentage Weight Determination; Selection and Rebalancing instructions*) of Part D (*Calculation of the Index Level*) pursuant to and in accordance with the terms of the Index Management Agreement.

Subject to the occurrence or existence of a non-Scheduled Trading Day (i.e. holiday) or a Disrupted Day in respect of a relevant Constituent, the Index is rebalanced as of each Rebalancing Date (as defined in Part E (*Data*) below) corresponding to a Selection Date.

As of the Index Start Date, the Index Manager will determine the Constituents and their respective Percentage Weights to be included in the Index (from the universe of Constituents as specified in Table 1 of Part E (*Data*)) with effect from the initial Rebalancing Date occurring on the Core Index Start Date and as of each subsequent Selection Date the Index Manager may adjust the Percentage Weights of the Constituents to take effect from the related Rebalancing Date, subject to certain conditions being satisfied (as described in paragraph 6 (*Determination of Percentage Weights of Constituents and addition of new Constituents*) below), by providing an instruction to the Index Calculation Agent and the Index Administrator in accordance with the terms of these Index Conditions and the Index Management Agreement. See also paragraph 6 (*Determination of Percentage Weights of Constituents and addition of new Constituents*) and paragraph 7 (*Determination of Weights*) below.

The Index Level from, and including, the Index Business Day following the Rebalancing Date will be calculated by the Index Calculation Agent using the new Percentage Weights determined as of the related Selection Date.



## 5. Replacement of Constituents and Termination of Index

If an Adjustment Event occurs in respect of a Constituent of the Index then, in certain circumstances, the Index Calculation Agent may select a replacement for that Constituent provided that the replacement has substantially similar characteristics to the Constituent that is being replaced, having regard to the manner in which such Constituent is used in the calculation of the Index, and the Index Calculation Agent will have residual discretion to determine the effective date of such replacement, and make such adjustments to the Index Conditions as it determines appropriate to account for the effect on the Index of such replacement.

If a Regulatory Event or a Constituent Licensing Event (i.e., an Additional Adjustment Event) occurs in respect of a Constituent of the Index, that Constituent may be removed from the Index without replacement and the Index will be extraordinarily rebalanced accordingly and/or the Index may be adjusted and/or discontinued and/or the publication of the Index Level may be delayed.

Upon the occurrence of certain Index Termination Events (as defined in the section headed "*Additional Adjustment Events*" of Part D (*Calculation of the Index*)) (including, among other things, redemption of the Notes and termination of the Index Management Agreement), the Index will be discontinued.

## 6. Determination of Percentage Weights of Constituents and addition of new Constituents

The Index Manager may, on any London Business Day, propose a rebalancing of the Percentage Weights of the individual Constituents that are included in the Index by giving an instruction to the Index Calculation Agent and the Index Administrator. Upon receiving such an instruction, the Index Calculation Agent will determine the corresponding Selection Date and Rebalancing Day and will determine whether the weights proposed by the Index Manager satisfy the following conditions.

- (A) the Index Manager's proposed Percentage Weight of each Constituent must be (i) greater than or equal to the relevant minimum weight specified for each such Constituent in Part E (*Data*) below, and (ii) lower than or equal to the relevant maximum weight specified for each such Constituent in Part E (*Data*) below; and
- (B) the sum of the absolute values of the Index Manager's proposed Percentage Weights must be equal to or lower than 100 per cent.

If a valid instruction is received by the Index Calculation Agent from the Index Manager and the conditions described above are satisfied, then the Index Manager's proposed Percentage Weights will be treated as the new Percentage Weights to be effected on the corresponding Rebalancing Date and the Index will be rebalanced accordingly.

However, if a valid instruction is not so received from the Index Manager, or any of the conditions described above are not satisfied, then the Index Manager's proposed Percentage Weights will be disregarded and the Index shall not be rebalanced in accordance with such instructions in respect of such Selection Date.

The Index Manager may also propose revisions to the Max Weight applicable to any Constituent or may request that new Constituents of the same asset class be added to the universe of Constituents set out in Table 1, subject to the parameters and procedures set out in paragraph 2.8 (*Constituent Adjustments*) of Part D (*Calculation of the Index Level*). Any such changes will be implemented and shall come into effect no sooner than the third Index Business Day following the date of the Index Administrator's confirmation of the request.

Once the Percentage Weights have been determined in accordance with the applicable procedure, they will then be applied to the current Core Index Level and the Index Constituent Levels on the relevant Rebalancing Date to determine their Weights (as defined in Part D (*Calculation of the Index Level*) below), so that the Core Index Level, using the new Weights, and the Index Level can then be calculated in the same way as every other Index Business Day.

If the Index Management Agreement does not select the initial Percentage Weights of the Constituents

in respect of the Index Start Date, the Core Index will comprise all 62 Constituents in the universe and they will be positively equally weighted in the Index and the sum of the values will be equal to 100%.

## 7. Determination of Weights

As of each Index Business Day, the Index Calculation Agent determines the Current Percentage Weight (as defined in (as defined in Part D (*Calculation of the Index Level*) below) of each Constituent within the Index as of such Rebalancing Date. The Current Percentage Weight is the proportion that the relevant Constituent has in the Core Index Level as a whole prior to the rebalancing, expressed as a percentage.

As of each Rebalancing Date corresponding to a Selection Date, the Index Calculation Agent determines the Weight of each selected Constituent as a function of its Percentage Weight and the Core Index Level (i.e., the Core Index Level is split into that proportion attributable to the Percentage Weight of each selected Constituent), which is then divided by the Index Constituent Level of the relevant selected Constituent.

To the extent that the absolute value of the Percentage Weight of a Constituent is higher than or less than the absolute value of the Current Percentage Weight of such Constituent, a Notional Transaction Cost (as defined in Part E (*Data*) below) will be applied to the difference between these two percentages. The Notional Transaction Cost is a fixed percentage that represents estimated notional transactional costs that would be incurred by a hypothetical investor notionally purchasing or selling units of the relevant Constituent and serves to reduce the Core Index Level. Overall, this reduction will lower the Index Level from the level it would otherwise have occupied if notional transactional costs had not been taken into account. See also paragraph 2 (*General Overview*) above for a description of other notional costs relating to the Index.

The difference between "weight" and "percentage weight" can be understood as the difference between the notional investment in a constituent in an index (the weight) and the proportion that each constituent has to the overall level of the index (the percentage weight). The weight of a constituent is determined in respect of a rebalancing date by reference to the designated percentage weight of the constituent, the level of the index and the level of the constituent as of the rebalancing date. The weight of each constituent remains fixed between rebalancing dates save for adjustments as a result of changes to the constituents or extraordinary events. Unlike percentage weight, which is a snapshot of the proportion that a certain constituent has within the index as a whole, weight assesses the synthetic investment value of that constituent within the index. Because constituent levels fluctuate, the proportion that each constituent contributes to the index on any day depends on the relative performance of that constituent compared with the performance of the index as a whole. As such, the percentage weight of a constituent in an index can vary from day to day. On the other hand, a constituent included within an index on a certain rebalancing date, and having a certain percentage weight as of that day, will be represented by a weight which is fixed until the next rebalancing date.

The Weights of the Constituents will remain constant between Rebalancing Dates, save for adjustments to take account of certain adjustment events and extraordinary events, as described in detail in Part D (*Calculation of the Index Level*), Part H (*Adjustments, disruption and cancellation*) and Part I (*Provisions relating to Constituents*).



## Part D: Calculation of the Index Level

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The calculations and determinations in this Part D are subject to the occurrence of, and adjustments made as a consequence of, Dividend Adjustment Events, Share Split Adjustment Events, Stock Dividend Adjustment Events, Extraordinary Dividend Adjustment Events, Rights Issue Adjustment Events and Additional Adjustment Events (each as described below in this Part D), Disrupted Days (as described in Part G (*Adjustment of dates*)) and Adjustment Events (as described in both Part H (*Adjustments, disruption and cancellation*) and Part I (*Provisions relating to Constituents*)).

### 1. DAILY INDEX CALCULATION

#### 1.1 Index Level

The "**Index Level**" in respect of the Index Start Date shall be the Index Start Level.

The "**Index Level**" in respect of each Index Business Day  $t$  (following the Index Start Date) shall be an amount determined by the Index Calculation Agent as of the Index Valuation Time on such Index Business Day  $t$  in accordance with the formula set out below. The formula takes account of the variable Exposure (as defined below) of the Index to the Core Index Level.

$$\text{IndexLevel}_t = \text{IndexLevel}_{t-1} \times \left( 1 + \text{Exposure}_{t-1} \times \left( \frac{\text{CIL}_t}{\text{CIL}_{t-1}} - 1 \right) \right) - \text{IndexCost}_{t-1}$$

provided that  $\text{IndexLevel}_t$  shall never be less than zero (0). If the formula above would result in a negative amount for the Index Level in respect of any Index Business Day  $t$ , the Index Level in respect of such Index Business Day  $t$  shall be deemed to be zero (0). **If the Index Level in respect of any Index Business Day  $t$  is equal to, or is deemed to be equal to, zero (0), the Index Level will cease to be calculated and the Index will be discontinued and cancelled.**

where:

$\text{IndexLevel}_t$	=	Index Level in respect of Index Business Day $t$
$\text{IndexLevel}_{t-1}$	=	Index Level in respect of the Index Business Day immediately preceding Index Business Day $t$
$\text{Exposure}_{t-1}$	=	Exposure (as defined in paragraph 1.2 ( <i>Exposure</i> ) below) of the Index to the Core Index Level (as defined in paragraph 2.1 ( <i>Core Index Level</i> ) below) in respect of the Index Business Day immediately preceding Index Business Day $t$
$\text{CIL}_t$	=	Core Index Level in respect of Index Business Day $t$ , as determined in accordance with paragraph 2.1 ( <i>Core Index Level</i> ) below
$\text{CIL}_{t-1}$	=	Core Index Level in respect of the Index Business Day immediately preceding Index Business Day $t$
$\text{IndexCost}_{t-1}$	=	The notional cost in respect of any change in the Exposure of the Index to the Core Index Level in respect of the Index Business Day immediately preceding Index Business Day $t$ as determined pursuant to paragraph 2.6 ( <i>Index Cost</i> ) below

## 1.2 Exposure

The Exposure of the Index to the Core Index Level (as defined in paragraph 2.1 (*Core Index Level*) below) is determined in respect of each Index Business Day  $t$  by reference to the realised volatility of the Core Index over a fixed number of 60 Index Business Days (over a period of 62 Index Business Days) up to, and including, the second Index Business Day immediately preceding such Index Business Day  $t$ . The Exposure of the Index to the Core Index Level will never be more than 150%.

The "**Exposure**" in respect of each Index Business Day  $t$  is determined in accordance with the following formula:

$$\text{Exposure}_t = \begin{cases} \text{If } RV_{t-2} \text{ is equal to zero, } 150\%; \text{ and} \\ \text{Otherwise, } = \text{Min} \left( \text{VAF}_{t-2} \times \frac{\text{Volatility Target}}{RV_{t-2}}, 150\% \right) \end{cases}$$

where:

Exposure <sub>t</sub>	=	The Exposure of the Index to the Core Index in respect of Index Business Day $t$
Min	=	The lower of the amounts separated by a comma within the set of brackets immediately following the "Min" symbol
RV <sub>t-2</sub>	=	Realized Volatility of the Core Index in respect of the second Index Business Day immediately preceding Index Business Day $t$
Volatility Target	=	The Volatility Target (as specified in Part E ( <i>Data</i> ) below)
VAF <sub>t-2</sub>	=	Volatility Adjustment Factor in respect of the second Index Business Day immediately preceding Index Business Day $t$

## 1.3 Realized Volatility of the Core Index

The "**Realized Volatility**" of the Core Index in respect of any Index Business Day  $t$  for purposes of calculating Exposure is determined according to the following formula:

$$RV_t = \sqrt{\sum_{i=t-59}^t \left( \frac{1}{60} \times \left( \ln \left( \frac{CIL_i}{CIL_{i-3}} \right) \times \sqrt{\frac{365}{dc(i, i-3)}} \right)^2 \right)}$$

where:

RV <sub>t</sub>	=	Realized Volatility in respect of Index Business Day $t$
$\sum_{i=t-59}^t$	=	The sum of the series of values achieved by calculating the formula following such symbol for each $i$ from Index Business Day $t - 59$ to Index Business Day $t$ (inclusive), such that, for example:  $\sum_{i=t-59}^t (i + y) = [((t-59) + y) + ((t-58) + y) + ((t-57) + y) \dots ((t) + y)]$
$i$	=	In respect of an Index Business Day $t$ , represents each of the 60 consecutive Index Business Days in the sequence from, and including, the 59 <sup>th</sup> Index Business Day prior to such Index Business Day $t$ to, and including, such Index Business Day $t$

$CIL_i$	=	Core Index Level in respect of Index Business Day i
$CIL_{i-3}$	=	Core Index in respect of the third Index Business Day immediately preceding Index Business Day i
$dc(i,i-3)$	=	The number of calendar days in the period from, and including, Index Business Day i-3 (being the third Index Business Day immediately preceding Index Business Day i) to, but excluding, Index Business Day i
$\ln$	=	The natural logarithmic function

#### 1.4 Volatility Adjustment Factor

The "**Volatility Adjustment Factor**" in respect of any Index Business Day t that (i) is the first or second Index Business Day preceding any Observation Date, or (ii) falls on any Observation Date, shall be 1.

For any other Index Business Day t, the Volatility Adjustment Factor is calculated as follows:

$$VAF_t = \text{Max} \left( 0.8, \text{Min} \left( 1.2, \sqrt{\frac{\text{Max} \left( 0, db(t_{st+1}, t_{st}) - db(t, t_{st}) \times \left( \frac{VTRV_t}{\text{Volatility Target}} \right)^2 \right)}{db(t_{st+1}, t)}} \right) \right) \right)$$

Where:

$VAF_t$	=	Volatility Adjustment Factor in respect of Index Business Day t
Min	=	The lower of the amounts separated by a comma within the set of brackets immediately following the "Min" symbol
Max	=	The higher of the amounts separated by a comma within the set of brackets immediately following the "Max" symbol
$VTRV_t$	=	Realised Volatility of the Index in respect of Index Business Day t
$db(t_{st+1}, t_{st})$	=	The number of VAF Days in the period from, but excluding, the Observation Date immediately preceding Index Business Day t to, and including, the Observation Date immediately following Index Business Day t
$db(t, t_{st})$	=	The number of VAF Days in the period from, but excluding, the Observation Date immediately preceding Index Business Day t to, and including, the last VAF Day falling on or prior to Index Business Day t
$db(t_{st+1}, t)$	=	The number of VAF Days in the period from, but excluding, the last VAF Day falling on or prior to Index Business Day t to, and including, the Observation Date immediately following Index Business Day t
Volatility Target	=	The Volatility Target (as specified in Part E ( <i>Data</i> ) below)

## 1.5 Realised Volatility of the Index

The Realised Volatility of the Index in respect of any Index Business Day  $t$ , that (i) is the first or second Index Business Day after any Observation Date, shall be 0.1, or (ii) falls on any Observation Date, shall be zero. For any other Index Business Day  $t$ , the Realised Volatility of the Index is determined in accordance with the following formula:

$$VTRV_t = \left\{ \left( db(t-1, t_{st}) \times VTRV_{t-1}^2 + \ln \left( \frac{\text{IndexLevel}_t}{\text{IndexLevel}_{t-3}} \right)^2 \times \frac{365}{dc(t, t-3)} \times \frac{1}{db(t, t_{st})} \right) \right\}^{1/2}$$

Where:

$VTRV_t$  = Realised Volatility of the Index in respect of Index Business Day  $t$

$VTRV_{t-1}$  = Realised Volatility of the Index in respect of the Index Business Day immediately preceding Index Business Day  $t$

$\text{IndexLevel}_t$  = Index Level in respect of Index Business Day  $t$

$\text{IndexLevel}_{t-3}$  = Index Level in respect of the third Index Business Day immediately preceding Index Business Day  $t$

$db(t-1, t_{st})$  = The number of VAF Days in the period from, but excluding, the Observation Date immediately preceding Index Business Day  $t-1$  to, and including, the last VAF Day falling on or prior to Index Business Day  $t-1$

$db(t, t_{st})$  = The number of VAF Days in the period from, but excluding, the Observation Date immediately preceding Index Business Day  $t$  to, and including, the last VAF Day falling on or prior to Index Business Day  $t$

$dc(t, t-3)$  = The number of calendar days in the period from, and including, Index Business Day  $t-3$  (being the third Index Business Day immediately preceding Index Business Day  $t$ ) to, but excluding, Index Business Day  $t$

$\ln$  = The natural logarithmic function

## 2. THE CORE INDEX

### 2.1 Core Index Level

The "**Core Index Level**" in respect of Index Business Day  $t$  is determined in respect of each corresponding Core Date  $d$  (as defined in Part E (*Data*)) (following the Core Index Start Date) and shall be an amount determined by the Index Calculation Agent in accordance with the following formula:

$$\text{CoreIndexLevel}_d = \sum_{i=1}^M \text{ICL}_{i,d} \times \text{Weight}_{i,r} + \text{CoreIndexLevel}_r \times \left( 1 - \sum_{i=1}^M \text{PW}_{i,r} \right) - \text{CoreCost}_d$$

provided that  $\text{CoreIndexLevel}_d$  shall never be less than zero (0). If the formula above would result in a negative amount for the Core Index Level in respect of any Core Date  $d$ , the Core Index Level in respect of

such Core Date d shall be deemed to be zero (0). **If the Core Index Level in respect of any Core Date d is equal to, or is deemed to be equal to, zero (0), the Core Index Level will cease to be calculated and the Index will be discontinued and cancelled.**

Where:

CoreIndexLevel <sub>d</sub>	=	Core Index Level in respect of Core Date d
CoreIndexLevel <sub>r</sub>	=	Core Index Level in respect of the Rebalancing Date immediately preceding Core Date d
ICL <sub>i,d</sub>	=	Index Constituent Level of Constituent i as of Core Date d, as determined in accordance with paragraph 2.2 ( <i>Index Constituent Levels</i> ) below, (or, if such Core Date d is not a Scheduled Trading Day for Constituent i, the last preceding Scheduled Trading Day that was not a Disrupted Day)
Weight <sub>i,r</sub>	=	Unit Weight of Constituent i as of Rebalancing Date r ( <i>after</i> rebalancing on that date) (or the Index Start Date, as applicable) immediately preceding Core Date d, as determined in accordance with paragraph 2.3 ( <i>Constituent Unit Weight Computation</i> ) below
M	=	Total number of Constituents included in the Index as of Core Date d
PW <sub>i,r</sub>	=	Percentage Weight of Constituent i as of Rebalancing Date r ( <i>after</i> rebalancing on that date) (or the Index Start Date, as applicable) immediately preceding Core Date d as determined in accordance with paragraph 2.5 ( <i>Constituent Percentage Weight Determination; Selection and Rebalancing instructions</i> ) below
CoreCost <sub>d</sub>	=	Core Cost as of Core Date d, as determined in accordance with paragraph 2.1.1 ( <i>Core Cost</i> ) below

The Weights and Percentage Weights of the Constituents on the Index Start Date shall be the same on the Core Index Start Date.

The "**Core Index Level**" as of the Core Index Start Date shall be the Core Index Start Level.

On Rebalancing Date r, the Core Index Level is calculated using the respective Unit Weights (as determined on Rebalancing Date r-1) of each Constituent (as selected on the Selection Date corresponding to Rebalancing Date r-1). Beginning with the first Core Date d following Rebalancing Date r, up to, and including, Rebalancing Date r+1 (but prior to the rebalancing of the Index on such Rebalancing Date r+1) the Core Index Level is calculated using the Constituents selected on the Selection Date corresponding to Rebalancing Date r and their respective (new) Unit Weights (as determined in respect of Rebalancing Date r), subject to the occurrence of the events described in the section headed "Dividends, Rights Issues and Stock Splits" in Part D below, the section headed "Additional Adjustment Events" in Part D below, Part H (*Adjustments, disruption and cancellation*) and/or Part I (*Provisions relating to Constituents*).

### 2.1.1 Core Cost

The "**Core Cost**" as of each Core Date d (following the Core Index Start Date) shall be an amount determined by the Index Calculation Agent in accordance with the following formula:

$$\text{CoreCost}_d = \text{CoreTCCost}_{d-1} + \sum_{i=1}^M \text{abs}(\text{Weight}_{i,r}) \times \text{ICL}_{i,d-1} \times \text{NHC}_i \times \frac{dc(d, d-1)}{365}$$

Where:

CoreCost<sub>d</sub> = The total notional cost in respect of the Constituents of the Core Index as of Core Date d

CoreTCCost<sub>d-1</sub> = Core TC Cost as of the Core Date immediately preceding Core Date d, as determined in accordance with paragraph 2.1.2 (*Core TC Cost*) below

abs = The absolute value of the amount within the set of brackets immediately following the "abs" symbol (e.g., abs(1)=1 and abs(-1)=1).

Weight<sub>i,r</sub> = Unit Weight of Constituent i as of Rebalancing Date r (*after* rebalancing on that date) (or the Index Start Date, as applicable) immediately preceding Core Date d, as determined in accordance with paragraph 2.3 (*Constituent Unit Weight Computation*)

ICL<sub>i,d-1</sub> = Index Constituent Level of Constituent i as of the Core Date immediately preceding Core Date d, as determined in accordance with paragraph 2.2 (*Index Constituent Levels*) below, (or, if such Core Date d-1 is not a Scheduled Trading Day for Constituent i, the last preceding Scheduled Trading Day that was not a Disrupted Day)

NHC<sub>i</sub> = Notional Hedging Cost in respect of Constituent i, as specified in Table 1 of Part E (*Data*)

dc(d,d-1) = The number of calendar days in the period from, and including, Core Date d-1 (being the Core Date immediately preceding Core Date d) to, but excluding, Core Date d

M = The total number of Constituents in the Index in respect of Core Date d

The Weights of the Constituents on the Index Start Date shall be the same on the Core Index Start Date.

### 2.1.2 Core TC Cost

The "**Core TC Cost**" is determined as of each corresponding Core Date d (following the Core Index Start Date) and shall be an amount determined by the Index Calculation Agent in accordance with the following formula:

(a) as of each Core Date d that is a Rebalancing Date r:

$$\text{CoreTCCost}_d = \text{CoreIndexLevel}_d \times \left( \sum_{i=1}^M \text{abs}(\text{CPW}_{i,d}) \times \text{NRC}_{i,d} + \sum_{i=1}^M \text{abs}(\text{PW}_{i,d} - \text{CPW}_{i,d}) \times \text{NHC}_i \right)$$

(b) otherwise:

$$\text{CoreTCCost}_d = \text{CoreIndexLevel}_d \times \left( \sum_{i=1}^M \text{abs}(\text{CPW}_{i,d}) \times \text{NRC}_{i,d} \right) + \text{CoreCost}_d$$

Where:

CoreTCCost <sub>d</sub>	=	The notional transaction cost in respect of the Constituents of the Core Index as of Core Date d
CoreIndexLevel <sub>d</sub>	=	Core Index Level as of Core Date d
<i>abs</i>	=	The absolute value of the amount within the set of brackets immediately following the " <i>abs</i> " symbol (e.g., <i>abs</i> (1)=1 and <i>abs</i> (-1)=1).
CPW <sub>i,d</sub>	=	Current Percentage Weight of Constituent i as of Core Date d, as determined in accordance with paragraph 2.4 ( <i>Constituent Current Percentage Weight Determination</i> ) below
NRC <sub>i,d</sub>	=	Notional Roll Cost in respect of Constituent i only, as of any Core Date d, which is intended to reflect the hypothetical costs of unwinding the each Expiring Contract and investing in each New Contract (as defined in Part E ( <i>Data</i> ) below), being either (a) as specified under "Notional Roll Cost" in Table 2 of Part E ( <i>Data</i> ), or (b) if Core Date d is not a Roll Date in respect of Constituent i, zero.
PW <sub>i,d</sub>	=	Percentage Weight of Constituent i as of Core Date d, as determined in accordance with paragraph 2.5 ( <i>Constituent Percentage Weight Determination; Selection and Rebalancing instructions</i> ) below
NTC <sub>i</sub>	=	Notional Transaction Cost in respect of Constituent i, as specified in Table 1 of Part E ( <i>Data</i> )
CoreCost <sub>d</sub>	=	Core Cost as of Core Date d, as determined in accordance with paragraph 2.1.1 ( <i>Core Cost</i> ) above
M	=	The total number of Constituents in the Index in respect of Core Date d

## **2.2 Index Constituent Levels**

### **2.2.1 Index Constituent Level for Constituents that are ETD Contracts**

As of each Index Business Day t (after the Core Index Start Date), the Index Calculation Agent shall calculate the "**Index Constituent Level**" applicable in relation to each Constituent for which the Classification is specified in Table 1 of Part E (*Data*) to be ETD Contract (as defined in Part I), in accordance with the applicable formula below.

Each ETD Contract represents a notional investment in one of the futures contracts specified in Table 1 of Part E (*Data*). The applicable Electronic Page for each such ETD Contract is also specified in Table 1 of Part E (*Data*).

Such ETD Contracts are traded on the relevant Exchange specified in paragraph 2 of Part E (*Data*) and on various types of electronic trading facilities and markets. As of the date of these Index Conditions, each ETD Contract is an exchange-traded futures contract. An exchange-traded futures contract provides for the purchase and sale of a specified type and quantity of an underlying asset or financial instrument during a stated delivery month for a fixed price. A futures contract provides for a specified settlement month in which settlement is made in cash or in which the underlying asset or financial instrument is to be delivered by the seller (whose position is therefore described as "short") and acquired by the purchaser (whose position is



therefore described as "long"). Each ETD Contract in the Index represents a notional long position in the ETD Contract.

Unlike equity securities, futures contracts by their terms have stated expirations. After a date specified by the relevant Exchange (as set forth on the applicable Electronic Page for such contract) (the "**First Notice Date**"), a holder of a futures contract for the current delivery month may be required to take possession (if long) or to deliver (if short) the underlying asset or financial instrument, and trading in that futures contract will cease. As a result, a market participant that wishes to maintain its exposure to a futures contract on a particular asset or financial instrument with the nearest expiration must close out its position in the expiring contract and establish a new position in the contract for the next delivery month—a process referred to as "rolling." For example, a market participant with a long position in a May Hang Seng Index futures contract that wishes to maintain a position in the nearest delivery month will, as the May futures contract nears expiration, sell the May futures contract, which serves to close out the existing long position, and buy a June futures contract. This will "roll" the May position into a June position and, when the May futures contract expires, the market participant will still have a long position in the nearest delivery month (now June).

As the expiration date of a futures contract nears, its price will generally tend toward the spot price of the underlying asset or financial instrument. If the prices of longer-dated futures contracts are higher than the spot price of the underlying asset or financial instrument (a market condition known as "contango" represented by an upward-sloping futures curve), an investor rolling a futures position will be able to purchase fewer new longer-dated contracts than the number of expiring contracts sold to finance such purchase. Conversely, if the prices of longer-dated futures contracts are lower than the spot price of the underlying asset or financial instrument (a market condition known as "backwardation" represented by a downward-sloping futures curve), such a rolling investor will be able to purchase more new contracts than the number of expiring contracts sold. Therefore, rolling an ETD Contract in a contango market will tend to impact negatively the return on the ETD Contract, while rolling such an ETD Contract in a backwardated market will tend to have a positive impact on the return on the ETD Contract.

Each Constituent that is an ETD Contract is notionally invested in the futures contract that is due to expire in the next occurring month set forth in Part E (*Data*). Each ETD Contract will be hypothetically rolled from the expiring ETD Contract (the "**Expiring Contract**") into a new ETD Contract relating to the same Constituent (the "**New Contract**") on the Exchange Business Day (the "**Roll Date**") that is five Scheduled Trading Days prior to the First Notice Date for such Expiring Contract. On each Roll Date for an ETD Contract, each Expiring Contract will be hypothetically unwound and the proceeds will be hypothetically reinvested in a New Contract (being the second nearest ETD Contract to expire in respect of such Roll Date) in order to calculate the Index Constituent Level of the relevant Constituent that is an ETD Contract.

The Index Constituent Level for the ETD Contracts for which FX Adjustment is specified to be "Y" in Table 1 of Part E (*Data*) as of each Index Business Day  $t$  shall be determined (in USD) in accordance with the following formula:

$$\text{IndexConstituentLevel}_{i,t} = \text{IndexConstituentLevel}_{i,t-1} \times \left[ 1 + \left[ \frac{RFCL_{i,t}}{RFCL_{i,t-1}} - 1 \right] + \left[ \frac{RFCL_{i,t}}{RFCL_{i,t-1}} - 1 \right] \right] \times \left[ \frac{FX_t}{FX_{t-1}} - 1 \right]$$

and the Index Constituent Level for the ETD Contracts for which FX Adjustment is specified to be "N" in Table 1 of Part E (*Data*) as of each Index Business Day  $t$  shall be determined in accordance with the following formula:

$$\text{IndexConstituentLevel}_{i,t} = \text{IndexConstituentLevel}_{i,t-1} \times \left[ \frac{\text{ReferenceFuturesConstituentLevel}_{i,t}}{\text{ReferenceFuturesConstituentLevel}_{i,t-1}} \right]$$

Where "**Reference Futures Constituent Level**" (or "**RFCL**") shall be determined in accordance with the following formula:

$$RFCL_{i,ft} = RFCL_{i,Roll} \times \left[ \frac{CL_{i,ft}}{CL_{i,Roll}} \right]$$



where:

IndexConstituent Level <sub>i,t</sub>	=	Index Constituent Level of Constituent i as of Index Business Day t
IndexConstituent Level <sub>i,t-1</sub>	=	Index Constituent Level of Constituent i as of the Index Business Day immediately preceding Index Business Day t
RFCL <sub>i,t</sub>	=	Reference Futures Constituent Level of Constituent i in respect of Index Business Day t
RFCL <sub>i,t-1</sub>	=	Reference Futures Constituent Level of Constituent i in respect of the Index Business Day immediately preceding Index Business Day t
RFCL <sub>i,ft</sub>		Reference Futures Constituent Level of Constituent i in respect of the Futures Business Day ft
RFCL <sub>i,Roll</sub>		Reference Futures Constituent Level of Constituent i in respect of the Roll Date immediately prior to Futures Business Day ft
CL <sub>i,ft</sub>	=	Constituent Level of Constituent i as of the Futures Business Day ft, as determined in accordance with the relevant section of Part I ( <i>Provisions relating to Constituents</i> )
CL <sub>i,Roll</sub>	=	Constituent Level of Constituent i as of the applicable Roll Date immediately preceding Futures Business Day ft (where the Constituent Level shall be in respect of the New Contract for such Roll Date), as determined in accordance with the relevant section of Part I ( <i>Provisions relating to Constituents</i> )
FX <sub>t</sub>	=	FX WMCO Level or the inverse of FX WMCO Level (being the quotient of 1 divided by FX WMCO Level), as applicable in order to convert the relevant currency into the Index Base Currency, in respect of Index Business Day t
FX <sub>t-1</sub>	=	FX WMCO Level or the inverse of FX WMCO Level (being the quotient of 1 divided by FX WMCO Level), as applicable in order to convert the relevant currency into the Index Base Currency, in respect of the Index Business Day immediately preceding Index Business Day t
FX WMCO Level		The applicable "Closing Spot Rate" for the notional exchange of one currency to another currency at approximately 4:00 p.m. (London time), as published by The World Markets Company plc in conjunction Reuters on the relevant Futures Business Day or, as the case may be Index Business Day, or, if such rate is discontinued or unavailable on the relevant day for any reason, such other exchange rate for the conversion of the relevant currency to the Index Base Currency as the Index Calculation Agent shall determine appropriate by reference to an alternative foreign exchange rate service

As of the Core Index Start Date, the Index Constituent Level for each Constituent that is an ETD Contract is 100. As of the Roll Date preceding the Core Index Start Date, the Constituent Level for each ETD Contract is 100.

## 2.2.2 Index Constituent Level for Constituents that are ETF Shares

As of each Index Business Day  $t$  (after the Core Index Start Date), the Index Calculation Agent shall calculate the "Index Constituent Level" applicable in relation to each Constituent for which the Classification is specified in Table 1 of Part E (*Data*) to be ETF Share (as defined in Part I), in accordance with the formula below.

Each ETF Share represents a notional investment in the equity shares of an exchange traded fund as specified in Table 1 of Part E (*Data*). The applicable Electronic Page for each such ETF Share is also specified in Table 1 of Part E (*Data*).

$$\text{IndexConstituentLevel}_{i,t} = \text{IndexConstituentLevel}_{i,t-1} \times \left[ \frac{\text{etfNTR}_{i,t}}{\text{etfNTR}_{i,t-1}} - \frac{\text{USD3M}_{t-1}}{100} \times \left[ \frac{dc(t,t-1)}{365} \right] \right]$$

Where "ETF Net Total Return Level" (or "etfNTR") shall be determined in accordance with the following formula:

$$\text{etfNTR}_{i,et} = \text{etfNTR}_{i,et-1} \times \left[ \frac{\text{CCL}_{i,et}}{\text{CCL}_{i,et-1}} \times \prod \text{AdjFactor}_{i,et} \right]$$

Where:

$\text{IndexConstituent Level}_{i,t}$	=	Index Constituent Level of Constituent $i$ as of Index Business Day $t$
$\text{IndexConstituent Level}_{i,t-1}$	=	Index Constituent Level of Constituent $i$ as of the Index Business Day immediately preceding Index Business Day $t$
$\text{etfNTR}_{i,t}$	=	ETF Net Total Return Level of Constituent $i$ as of Index Business Day $t$
$\text{etfNTR}_{i,t-1}$	=	ETF Net Total Return Level of Constituent $i$ as of the Index Business Day immediately preceding Index Business Day $t$
$\text{etfNTR}_{i,et}$	=	ETF Net Total Return Level of Constituent $i$ as of ETF Business Day $et$
$\text{etfNTR}_{i,et-1}$	=	ETF Net Total Return Level of Constituent $i$ as of the ETF Business Day immediately preceding ETF Business Day $et$
$\text{CCL}_{i,et}$	=	Constituent Closing Level of Constituent $i$ as of ETF Business Day $et$ , as determined in accordance with the relevant section of Part I ( <i>Provisions relating to Constituents</i> )
$\text{CCL}_{i,et-1}$	=	Constituent Closing Level of Constituent $i$ as of the ETF Business Day immediately preceding ETF Business Day $et$ , as determined in accordance with the relevant section of Part I ( <i>Provisions relating to Constituents</i> )
$\prod \text{AdjFactor}_{i,et}$	=	The product of all the Adjustment Factors in respect of Constituent $i$ as of ETF Business Day $et$ , each such Adjustment Factor as determined in accordance with in accordance with the section of this Part D headed "Dividends, Rights Issues and Stock Splits" below; otherwise 1.
$\text{USD3M}_{t-1}$	=	3-month LIBOR observed as of 11:00 a.m. London time as of the Index Business Day immediately preceding Index Business Day $t$ (as displayed on

Bloomberg page <US0003M Index> or such other alternative or successor page), provided that if such rate is unavailable for any reason, the applicable rate shall be the rate prevailing as of the preceding Index Business Day for which such rate is available

dc(t,t-1) = The number of calendar days in the period from, and including, Index Business Day t-1 (being the Index Business Day immediately preceding Index Business Day t) to, but excluding, Index Business Day t

As of the Core Index Start Date, the Index Constituent Level and the ETF Net Total Return Level for each ETF Share is 100.

### 2.2.3 Index Constituent Level for Constituents that are Bond Futures Indices or Commodity Indices

As of each Index Business Day t (after the Core Index Start Date), the Index Calculation Agent shall calculate the "**Index Constituent Level**" applicable in relation to each Constituent for which the Classification is specified in Table 1 of Part E (*Data*) to be Bond Futures Index (as defined in Part I), and each Constituent for which the Classification is specified in Table 1 of Part E (*Data*) to be Commodity Index, in accordance with the formula below.

Each Bond Futures Index represents a notional investment in a bond futures index as specified in Table 1 of Part E (*Data*), and each Commodity Index represents a notional investment in a commodity index as specified in Table 1 of Part E (*Data*). The applicable Electronic Page for each such Bond Futures Index and each such Commodity Index is also specified in Table 1 of Part E (*Data*).

The Index Constituent Level for each Bond Futures Index and each Commodity Index as of each Index Business Day t shall be determined in accordance with the following formula:

$$\text{IndexConstituentLevel}_{i,t} = \text{IndexConstituentLevel}_{i,t-1} \times \left[ \frac{CCL_t}{CCL_{t-1}} \right]$$

where:

IndexConstituent Level<sub>i,t</sub> = Index Constituent Level of Constituent i as of Index Business Day t

IndexConstituent Level<sub>i,t-1</sub> = Index Constituent Level of Constituent i as of the Index Business Day immediately preceding Index Business Day t

CCL<sub>i,t</sub> = Constituent Closing Level of Constituent i as of Index Business Day t, as determined in accordance with the relevant section of Part I (*Provisions relating to Constituents*)

CCL<sub>i,t-1</sub> = Constituent Closing Level of Constituent i as of the Index Business Day immediately preceding Index Business Day t, as determined in accordance with the relevant section of Part I (*Provisions relating to Constituents*)

As of the Core Index Start Date, the Index Constituent Level for each Bond Futures Index and each Commodity Index is 100.

### 2.3 Constituent Unit Weight Computation

The Unit Weight of each Constituent  $i$  with respect to the Core Index Level will be calculated as follows:

- (a) On each Core Date  $d$  that is a Rebalancing Date  $r$ :

$$\text{Weight}_{i,r} = \text{PW}_{i,r} \times \frac{\text{CoreIndexLevel}_r}{\text{IndexConstituentLevel}_{i,r}}$$

- (b) Otherwise, the Unit Weight of each Constituent  $i$  with respect to the Core Index Level will be calculated as follows:

$$\text{Weight}_{i,d} = \text{Weight}_{i,d-1}$$

Where:

$\text{Weight}_{i,r}$	=	Unit Weight of Constituent $i$ as of Rebalancing Date $r$
$\text{Weight}_{i,d}$	=	Unit Weight of Constituent $i$ as of Core Date $d$
$\text{Weight}_{i,d-1}$	=	Unit Weight of Constituent $i$ as of the Core Date immediately preceding Core Date $d$
$\text{PW}_{i,r}$	=	Percentage Weight of Constituent $i$ on Rebalancing Date $r$ (after rebalancing on that date) as determined in accordance with paragraph 2.5 (Constituent Percentage Weight Determination; Selection and Rebalancing instructions) below
$\text{CoreIndexLevel}_r$	=	The relevant Core Index Level as of Rebalancing Date $r$
$\text{IndexConstituent Level}_{i,r}$	=	Index Constituent Level of Constituent $i$ as of Rebalancing Date $r$ as determined in accordance with paragraph 2.2 (Index Constituent Levels) above

### 2.4 Constituent Current Percentage Weight Computation

The Current Percentage Weight (CPW) of a Constituent on any Core Date  $d$  is calculated as the Weight (as determined in accordance with paragraph 2.3 (Constituent Unit Weight Computation) above) which such Constituent had in the Index from, but excluding, the immediately preceding Rebalancing Date  $r$  (or the Core Index Start Date, as the case may be), multiplied by its Index Constituent Level as of such Core Date, divided by the Core Index Level in respect of such Core Date.

On each Core Date  $d$ , the Index Calculation Agent shall calculate the "Current Percentage Weight" in respect of Constituent  $i$  in accordance with the following formula:

$$\text{CPW}_{i,d} = \frac{\text{Weight}_{i,r} \times \text{IndexConstituentLevel}_{i,d}}{\text{CoreIndexLevel}_d}$$

where:

$\text{CPW}_{i,d}$	=	Current Percentage Weight of Constituent $i$ as of Core Date $d$
$\text{Weight}_{i,r}$	=	Weight of Constituent $i$ as of Rebalancing Date $r$

(after rebalancing on that date) (or the Index Start Date, as the case may be) immediately preceding Core Date d, as determined in accordance with paragraph 2.3 (*Constituent Unit Weight Computation*) above

IndexConstituent Level<sub>i,d</sub> = Index Constituent Level of Constituent i as of Core Date d, as determined in accordance with paragraph 2.2 (*Index Constituent Levels*) above, (or, if such Core Date d is not an Index Business Day, the last preceding Index Business Day that was not a Disrupted Day in respect of Constituent i)

CoreIndexLevel<sub>d</sub> = Core Index Level as of Core Date d, as determined in accordance with paragraph 2.1 (*Core Index Level*) above

The Weights of the Constituents on the Index Start Date shall be the same on the Core Index Start Date.

Where Core Date d is itself a Rebalancing Date, then references to Rebalancing Date r in the above formula shall be construed as references to "Rebalancing Date r-1" and references to Core Date d shall be construed as references to "Rebalancing Date r" such that Weight<sub>i,r</sub> and IndexConstituentLevel<sub>i,d</sub> are determined *prior* to the rebalancing taking place on Rebalancing Date r.

## 2.5 **Constituent Percentage Weight Determination; Selection and Rebalancing instructions**

In respect of the Index Start Date, the Percentage Weight of each Constituent (the "**Initial Percentage Weight**") will be as specified by the Index Manager, subject to the Weighting Conditions (as defined below). If there is no selection by the Index Manager or any of the Weighting Conditions is not satisfied, the Initial Percentage Weight shall be equally allocated amongst all 62 Constituents in the universe such that the sum of the Percentage Weight equals 100%. The Percentage Weight of each Constituent in respect of the Core Index Start Date shall be the Initial Percentage Weight.

In respect of any calendar day immediately following the Index Start Date, the Index Manager may select the percentage weights of its choosing for each Constituent of the Index and request a rebalancing of the Index. If the request complies with certain parameters and procedures, the Index Calculation Agent uses the percentage weights so selected to calculate the respective Weights of each Constituent for the purpose of calculating the Core Index Level.

The Percentage Weight of each Constituent and rebalancing process is determined according to the following process:

- (a) On any calendar day, in accordance with the Index Management Agreement, the Index Manager may deliver to the Index Calculation Agent and the Index Administrator a written request to adjust the respective weights of the Constituents of the Index (each, an "**Index Manager Instruction**"). Each Index Manager Instruction will be classified into one of three types, according to the "Region", as specified in Table 1 of Part E (*Data*), of the Constituents covered by such Index Manager Instruction, being an Asia Rebalancing Instruction, a Europe Rebalancing Instruction or a US Rebalancing Instruction. Index Manager Instructions in respect of the three regions may be delivered at separate times or at the same time, and may be grouped together into the same document if delivered at the same time.
- (b) The Index Calculation Agent shall determine when the Proposed Selection Date falls in relation to such calendar day in accordance with that definition. If the Proposed Selection Date is a London Business Day, then such day will be the Selection Date; if the Proposed Selection Date is not a London Business Day then the next London Business Day shall be the Selection Date.

- (c) The Index Calculation Agent shall identify for each Constituent the latest Index Manager Instruction delivered at or prior to the Regional Cut-off Time for such Selection Date and such Constituent, provided that any Index Manager Instruction received on or prior to the previous Rebalancing Date shall not be included (the "**Latest Instruction**").
- (d) The proposed percentage weight in respect of such Selection Date and each Constituent (the "**Index Manager Proposed Percentage Weight**") shall be the proposed percentage weight as stated in the Latest Instruction for such Selection Date and Constituent. If there is no Latest Instruction for such Constituent the Index Manager Proposed Percentage Weight shall be deemed to be zero.
- (e) The Index Calculation Agent shall use the Index Manager Proposed Percentage Weights, together with the Current Percentage Weights, to determine the Relevant Constituents for such Selection Date (being the group of incoming and outgoing Constituents).
- (f) The Index Calculation Agent will determine whether the Index Manager Proposed Percentage Weights for such Selection Date satisfy both of the following conditions (the "**Weighting Conditions**"):
  - (A) the Index Manager Proposed Percentage Weight of each Constituent is (i) greater than or equal to the relevant Min Weight and (ii) lower than or equal to the relevant Max Weight. The Min Weight and the Max Weight for each Constituent are as specified in Table 1 of Part E (*Data*) below ("**Weighting Condition A**"); and
  - (B) the sum of the absolute values of the Index Manager Proposed Percentage Weights must be equal to or lower than 100 per cent. ("**Weighting Condition B**").
- (g) If both of the Weighting Conditions are satisfied, then the Index Calculation Agent will accept the Index Manager Proposed Percentage Weights as the new percentage weights for the purposes of the corresponding Rebalancing Date (the "**Percentage Weights**"), and the Index will be rebalanced accordingly on the related Rebalancing Date (being the Scheduled Rebalancing Date subject to adjustment in accordance with Part G (*Adjustment of dates*)).
- (h) If Weighting Condition A is not satisfied, then the Index Manager Proposed Percentage Weight of each Constituent that results in a breach of Weighting Condition A shall be discarded and the Percentage Weight for each such Constituent shall be deemed to be zero.
- (i) If Weighting Condition B is not satisfied (following the application of paragraph (h) above, where applicable), then the first Index Manager Instruction to be delivered which results in a breach of Weighting Condition B shall be discarded and the Index Manager Proposed Percentage Weights for the Constituents in respect of such Index Manager Instruction shall be deemed to be zero for the purposes of the corresponding Rebalancing Date. This process shall be repeated iteratively until Weighting Condition B is satisfied. In the event that two or more Index Manager Instructions are delivered at the same time and collectively result in the breach of Weighting Condition B, for the purposes of this paragraph the first to be delivered shall be deemed to be the Asia Rebalancing Instruction, followed by the Europe Rebalancing Instruction, followed by the US Rebalancing Instruction, in each case where applicable.

The Index Manager's functions in respect of selection of the respective percentage weights of the Constituents are set out in the Index Management Agreement entered into with the Index Administrator.

For the purposes of these Index Conditions:

"**Asia Constituent**" means a Constituent specified as "Asia" under the heading "Region" in Table 1 of Part E (*Data*).

"**Asia Rebalancing Instruction**" means an Index Manager Instruction containing proposed percentage weights for only Constituents that are Asia Constituents. Asia Constituents that are not assigned a proposed percentage weight shall be deemed to have a proposed percentage weight of zero.

"**Europe Constituent**" means a Constituent specified as "Europe" under the heading "Region" in Table 1 of Part E (*Data*).

"**Europe Rebalancing Instruction**" means an Index Manager Instruction containing proposed percentage weights for only Constituents that are Europe Constituents. Europe Constituents that are not assigned a proposed percentage weight shall be deemed to have a proposed percentage weight of zero.

"**Relevant Constituents**" means, in respect of each Selection Date and the corresponding Index Manager Instruction(s), each Constituent with non-zero Percentage Weight in respect of the Rebalancing Date immediately preceding such Selection Date and each Constituent with a non-zero Index Manager Proposed Percentage Weight as specified in such Index Manager Instruction(s) (i.e., both incoming and outgoing Constituents of the Index).

"**US Constituent**" means a Constituent specified as "US" under the heading "Region" in Table 1 of Part E (*Data*).

"**US Rebalancing Instruction**" means an Index Manager Instruction containing proposed percentage weights for only Constituents that are US Constituents. US Constituents that are not assigned a proposed percentage weight shall be deemed to have a proposed percentage weight of zero.

## 2.6 *Index Cost*

The Index Cost ( $\text{IndexCost}_t$ ) is the notional cost in respect of any change in the Exposure of the Index Level to the Core Index in relation to an Index Business Day  $t$ .

The Index Cost in respect of the Index Start Date is calculated in accordance with the following formula:

$$\text{IndexCost}_t = \text{abs}(\text{Exposure}_t) \times TC_{\text{CoreLevel},t} \times \text{IndexLevel}_t$$

The Index Cost in respect of each Index Business Day following the Index Start Date is calculated in accordance with the following formula:

$$\text{IndexCost}_t = \text{abs}(\text{Exposure}_t - \text{Exposure}_{t-1}) \times TC_{\text{CoreLevel},t} \times \text{IndexLevel}_t$$

$\text{IndexCost}_t$	=	The notional transaction costs in respect of the change in Exposure of the Index to the Core Index in relation to Index Business Day $t$
$\text{abs}$	=	The absolute value of the amount within the set of brackets immediately following the " $\text{abs}$ " symbol (e.g., $\text{abs}(1)=1$ and $\text{abs}(-1)=1$ ).
$\text{Exposure}_t$	=	Exposure of Index to the Core Index in relation to Index Business Day $t$
$\text{Exposure}_{t-1}$	=	Exposure of the Index to the Core Index in relation to the Index Business Day immediately preceding Index Business Day $t$
$\text{IndexLevel}_t$	=	Index Level in relation to Index Business Day $t$
$TC_{\text{CoreLevel},t}$	=	The Core Index Notional Transaction Costs applicable on Index Business Day $t$ , as determined in accordance with paragraph 2.7 ( <i>Core Index Notional Transaction Costs</i> ) below



## 2.7 Core Index Notional Transaction Costs

On any Index Business Day  $t$ , the Index Calculation Agent shall calculate the notional transaction costs in respect of the Core Index Level (the "**Core Index Notional Transaction Costs**") as follows:

$$TC_{\text{CoreLevel},t} = \sum_{i=1}^M \text{abs}(CPW_{i,t}) \times NTC_i$$

where:

$TC_{\text{CoreLevel},t}$  = The notional transaction costs relating to the Constituents of the Core Index Level as of Index Business Day  $t$

$\text{abs}$  = The absolute value of the amount within the set of brackets immediately following the " $\text{abs}$ " symbol (e.g.,  $\text{abs}(1)=1$  and  $\text{abs}(-1)=1$ ).

$CPW_{i,t}$  = The Current Percentage Weight of Constituent  $i$  as of Index Business Day  $t$

$NTC_i$  = Notional Transaction Cost in respect of Constituent  $i$ , as defined in Table 1 of Part E (*Data*)

$M$  = Total number of Constituents included in the Index as of Index Business Day  $t$

## 2.8 Constituent Adjustments

### 2.8.1 New Constituent Request

In accordance with the Index Management Agreement, the Index Manager may (i) request the addition of one or more new Constituents ("**New Constituents**") to the universe of Constituents of the Index and/or (ii) may request an increase of Max Weight (each increase and New Constituent a "**Proposed Change**") by sending to each of the Index Calculation Agent and the Index Administrator a written request on any Index Business Day (a "**Constituent Amendment Request**").

A Constituent Amendment Request received by the Index Calculation Agent at or before 18:00hrs (London time) on an Index Business Day shall be deemed to have been received on such day, otherwise it shall be deemed to have been received on the immediately following Index Business Day (in either case, the "**Request Date**").

### 2.8.2 New Constituent Limitations

The Index Calculation Agent is under no obligation to accept any Proposed Change in a Constituent Amendment Request.

Further, a New Constituent shall only be considered valid if the Index Administrator determines that the following limitations (the "**New Constituent Limitations**") are satisfied in respect of such New Constituent:

- the New Constituent falls within one of the asset classes of the existing Constituents (i.e. ETD Contracts, ETF Shares, Bond Futures Indices or Commodity Indices); and
- if the New Constituent is an ETF Share, Bond Futures Index or Commodity Index, the currency is USD.



### **2.8.3 Proposed Constituent Data**

On or before the first Index Business Day following the Request Date, the Index Administrator shall cause the Index Calculation Agent to send the Index Manager a proposed version of Table 1 and Table 2 of Schedule 1 (*Constituents*) of the Index Management Agreement to indicate the proposed data in respect of those Proposed Changes which the Index Administrator is willing to accept, for the Index Manager to consider. All proposed data shall be selected by the Index Calculation Agent in its sole discretion.

### **2.8.4 Confirmation by Index Manager**

No later than 18:00hrs (London time) on the second Index Business Day following the Request Date (being the "**Confirmation Date**"), the Index Manager shall confirm to the Index Calculation Agent, in writing, which Proposed Changes (sent in accordance with paragraph 2.8.3 (*Proposed Constituent Data*) above) will be effected in respect of the universe of Constituents ("**Agreed Changes**").

### **2.8.5 Implementation**

The Index Calculation Agent shall update the Index to reflect the Agreed Changes in any calculations in respect of the Index with effect from the third Index Business Day following the Confirmation Date. Tables 1 and 2 of Part E (*Data*) shall be deemed amended accordingly. For the avoidance of doubt, the introduction of a New Constituent to the universe or the increase of a Max Weight for a Constituent shall not of itself result in a rebalancing of the Index.

## Dividends, Rights Issues and Stock Splits

Upon the occurrence of a Dividend Adjustment Event, a Share Split Adjustment Event, a Stock Dividend Adjustment Event, an Extraordinary Dividend Adjustment Event or a Rights Issue Adjustment Event (each as defined below), the Index Calculation Agent will make the adjustment(s) specified in respect of such event in this sub-part to Part D to the composition of the Index including, in particular, to the Weights of the Constituents.

For the avoidance of doubt, Dividend Adjustment Event, a Share Split Adjustment Event, a Stock Dividend Adjustment Event, an Extraordinary Dividend Adjustment Event or a Rights Issue Adjustment Event shall only apply to Constituents which are ETF Shares and shall be treated in the manner described in this sub-part to Part D, and will not constitute Adjustment Events.

### 1. DIVIDEND ADJUSTMENT EVENT

Following the declaration by the issuer of any ETF Share of a Cash Dividend (as defined below) (a "**Dividend Adjustment Event**"), the Index Calculation Agent shall calculate the adjustment factor in respect of such Cash Dividend and apply the outcome of the below formula to the product of all Adjustment Factors in accordance with paragraph 2.2.2 (*Index Constituent Level for Constituents that are ETF Shares*) above.

An Adjustment Factor in respect of any Cash Dividend paid in relation to the Constituent shall be determined by the Index Calculation Agent in accordance with the following formula:

$$\text{AdjFactor}_{i,\text{ex}} = \left( 1 + \frac{\text{Dividend Percentage}_i \times \text{Dividend}_{i,\text{ex}}}{\text{Constituent Closing Level}_{i,\text{ex}-1} - \text{Dividend}_{i,\text{ex}}} \right)$$

where:

$\text{AdjFactor}_{i,\text{ex}}$  = Adjustment Factor in respect of any dividend paid in relation to Constituent  $i$  on the applicable Ex-Dividend Date

$\text{Dividend Percentage}_i$  = The Dividend Percentage in respect of a Constituent is 70%

$\text{Dividend}_{i,\text{ex}}$  = Dividend paid in respect of Constituent  $i$  on the applicable Ex-Dividend Date

$\text{Constituent Closing Level}_{i,\text{ex}-1}$  = Constituent Closing Level as of the ETF Business Day immediately preceding the applicable Ex-Dividend Date for Constituent  $i$

"**Cash Dividend**" means, in respect of a Constituent, any regular dividend (in the form of a cash dividend only) declared by the issuer of such Constituent for which the Ex-Dividend Date falls on any day after the Core Index Start Date (excluding any Extraordinary Dividend).

"**Dividend**" shall mean an Extraordinary Dividend, a Regular Cash Dividend or a Regular Non-cash Dividend, as applicable.

"**Ex-Dividend Date**" means, in respect of a share and a dividend payment which has been announced by the issuer of such share, the first day on which a purchaser of such share will not be entitled to receive the relevant dividend payment, as fixed by the issuer of such share and/or the primary exchange on which such share is traded.

"**Regular Cash Dividend**" shall mean, in respect of a Constituent, any regular dividend (in the form of a cash dividend only) declared by the issuer of such Constituent for which the Ex-Dividend Date occurs on any day after the Index Start Date, and excluding any Extraordinary Dividend.

"**Regular Non-cash Dividend**" shall mean, in respect of a Constituent, any regular dividend (in the form of a scrip (stock) dividend only) declared by the issuer of such Constituent for which the Ex-Dividend Date occurs on any day after the Index Start Date, and excluding any Extraordinary Dividend.

## 2. SHARE SPLIT OR STOCK DIVIDEND ADJUSTMENTS

Following the declaration by the issuer of a Constituent of a Share Split (a "**Share Split Adjustment Event**") or a Stock Dividend (a "**Stock Dividend Adjustment Event**"), the Index Calculation Agent shall calculate the adjustment factor in respect of such Share Split or Stock Dividend (as the case may be) in respect of the Ex-Date and apply the outcome of the below formula to the product of all Adjustment Factors in accordance with paragraph 2.2.2 (*Index Constituent Level for Constituents that are ETF Shares*) above.

An Adjustment Factor in respect of a Share Split Event or Stock Dividend Adjustment Event (as the case may be) in relation to the Constituent shall be determined by the Index Calculation Agent in accordance with the following formula:

$$\text{AdjFactor}_{i,\text{ex}} = \left( \frac{B_{i,\text{ex}}}{A_{i,\text{ex}}} \right)$$

where:

- $\text{AdjFactor}_{i,\text{ex}}$  = Adjustment Factor in respect of a Share Split Adjustment Event or Stock Dividend Adjustment Event (as the case may be) in relation to the Constituent i on the applicable Ex-Date
- $B_{i,\text{ex}}$  = The total number of issued shares of Constituent i immediately following the Share Split or Stock Dividend (as the case may be) on the applicable Ex-Date
- $A_{i,\text{ex}}$  = The total number of issued shares of Constituent i immediately preceding the Share Split or Stock Dividend (as the case may be) on the applicable Ex-Date

"**Ex- Date**" means, in respect of a Share Split or a Stock Dividend (as the case may be) in respect of a Constituent, the effective date of such Share Split, as fixed by the issuer of such Constituent and/or the primary exchange on which such Constituent is traded.

"**Share Split**" means, in respect of a Constituent, a share split, subdivision, reverse share split, consolidation or similar reclassification of the share of such Constituent, for which the Ex-Date falls on any day after the Core Index Start Date.

"**Stock Dividend**" means, in respect of a Constituent, a dividend (in the form of a stock dividend) of such Constituent declared by the issuer of such Constituent, for which the Ex-Date falls on any day after the Core Index Start Date (excluding any Extraordinary Dividend).

## 3 EXTRAORDINARY DIVIDEND ADJUSTMENT

Following the declaration by the issuer of a Constituent of an Extraordinary Dividend (as defined below) (an "**Extraordinary Dividend Adjustment Event**"), the Index Calculation Agent shall calculate the adjustment factor in respect of such Extraordinary Dividend in accordance with the formula set out below and apply the outcome of the below formula to the product of all Adjustment Factors in accordance with paragraph 2.2.2

(*Index Constituent Level for Constituents that are ETF Shares*) above. If such Ex-Dividend Date is not an Index Business Day, the adjustment shall be made on the next following Index Business Day.

An Adjustment Factor in respect of any Extraordinary Dividend paid in relation to the Constituent shall be determined by the Index Calculation Agent in accordance with the following formula:

- (a) If an Extraordinary Dividend Adjustment Event has occurred, but no Dividend Adjustment Event (in accordance with paragraph 1 (*Dividend Adjustment Event*) above) has occurred for which the Ex-Dividend Date would fall on the same day, the following formula will be used to calculate the Adjustment Factor in respect of any Extraordinary Dividend:

$$\text{AdjFactor}_{i,\text{ex}} = \left( 1 + \frac{\text{SpecialCash}_{i,\text{ex}}}{\text{CCL}_{i,\text{ex}-1} - \text{SpecialCash}_{i,\text{ex}}} \right)$$

- (b) If an Extraordinary Dividend Adjustment Event and a Dividend Adjustment Event (in accordance with paragraph 1 (*Dividend Adjustment Event*) above) has occurred for which the Ex-Dividend Date shall fall on the same day, the following formula will be used to calculate the Adjustment Factor in respect of any Extraordinary Dividend:

$$\text{AdjFactor}_{i,\text{ex}} = \left( \frac{1 + \frac{\text{Dividend}_{i,\text{ex}} \times \text{Dividend Percentage}_i + \text{SpecialCash}_{i,\text{ex}}}{\text{CCL}_{i,\text{ex}-1} - \text{Dividend}_{i,\text{ex}} - \text{SpecialCash}_{i,\text{ex}}}}{1 + \frac{\text{Dividend}_{i,\text{ex}} \times \text{Dividend Percentage}_i}{\text{CCL}_{i,\text{ex}-1} - \text{Dividend}_{i,\text{ex}}}} \right)$$

where:

$\text{AdjFactor}_{i,\text{ex}}$	=	Adjustment Factor in respect of any Extraordinary Dividend Amount paid in relation to the Constituent <i>i</i> on the applicable Ex-Dividend Date
$\text{CCL}_{i,\text{ex}-1}$	=	Constituent Closing Level of Constituent <i>i</i> as of the ETF Business Day immediately preceding the applicable Ex-Dividend Date
$\text{Dividend}_{i,\text{ex}}$	=	has the meaning given to such term in paragraph 1 ( <i>Dividend Adjustment Event</i> ) above
Dividend Percentage <sub><i>i</i></sub>	=	The Dividend Percentage in respect of a Constituent is 70%
Ex-Dividend Date	=	has the meaning given to such term in paragraph 1 ( <i>Dividend Adjustment Event</i> ) above
$\text{SpecialCash}_{i,\text{ex}}$	=	Extraordinary Dividend Amount paid in respect of the Constituent <i>i</i> on the applicable Ex-Dividend Date

**"Extraordinary Dividend Amount"** means in respect of an Extraordinary Dividend:

- (a) if such Extraordinary Dividend is a cash dividend, 70% of the gross cash dividend per one share as declared by the issuer of the relevant Constituent, before the withholding or deduction of taxes at source by or on behalf of any applicable authority having power to tax in respect of such a dividend (an "**Applicable Authority**"), and shall exclude (A) any imputation or other credits, refunds or deductions granted by an Applicable Authority (together, the "**Credits**"), and (B) any taxes, credits, refunds or benefits imposed, withheld, assessed or levied on the Credits referred to in (A) (converted, if necessary,

at the applicable FX Rate for the conversion of the currency in which the relevant Extraordinary Dividend Amount is denominated into the currency in which the Constituent Closing Level of the relevant Constituent is published).

- (b) if such Extraordinary Dividend is a non-cash dividend, an amount per one share equal to the cash value declared by the issuer of the relevant Constituent (whether or not such non-cash dividend includes shares that are the Constituent) or, if no cash value is declared by the issuer of the relevant Constituent, the cash value of such non-cash dividend as determined by the Index Calculation Agent, calculated by reference, where available, to the closing price of any shares or the Constituent Closing Level (as the case may be) comprising such non-cash dividend on the last trading day immediately preceding the relevant Ex-Dividend Date. The cash value of a non-cash dividend shall be converted, if necessary, at the applicable FX Rate for the conversion of the currency in which the relevant Extraordinary Dividend Amount is denominated into the currency in which the Constituent Closing Level of the relevant Constituent is published.

**"Extraordinary Dividend"** means a dividend or a distribution or portion thereof which is determined by the Index Calculation Agent to be an extraordinary dividend relating to such Constituent having regard to general market consensus and will generally include any dividend (in the form of a cash dividend) which is described as "special", "extra", "irregular" or a "return of capital", for which the applicable Ex-Dividend Date falls on any day after the Core Index Start Date.

**"Ex-Dividend Date"** means, in respect of a share and an Extraordinary Dividend, the first day on which a purchaser of such share will not be entitled to receive the relevant Extraordinary Dividend Amount, as fixed by the issuer of such share and/or the primary exchange on which such share is traded.

**"FX Rate"** means, in respect of the notional exchange of one currency to another currency, the applicable WM/Reuters "Closing Spot Rate" as published by The World Markets Company plc in conjunction with Reuters at approximately 4.00 p.m. (London time) on the Ex-Dividend Date or, if such rate is discontinued or unavailable on the relevant day for any reason, such other exchange rate for the relevant currency conversion as the Index Calculation Agent shall determine appropriate by reference to an alternative widely-used and publicly available third party foreign exchange rate service.

#### 4 RIGHTS ISSUE ADJUSTMENT

Following the declaration by the issuer of a Constituent of a Rights Issue (as defined below) (a **"Rights Issue Adjustment Event"**), the Index Calculation Agent shall calculate the adjustment factor in respect of such Rights Issue on the Ex-Rights Date in accordance with the formula set out below and apply the outcome of the below formula to the product of all Adjustment Factors in accordance with paragraph 2.2.2 (*Index Constituent Level for Constituents that are ETF Shares*) above. If such Ex-Rights Date is not an Index Business Day, the adjustment shall be made on the following Index Business Day.

An Adjustment Factor in respect of a Rights Issue in relation to the Constituent shall be determined by the Index Calculation Agent in accordance with the following formula:

$$\text{AdjFactor}_{i,\text{ex}} = \left( \frac{1 + N_{i,\text{ex}}}{1 + \left( \frac{S_{i,\text{ex}}}{\text{ClosingPrice}_{i,\text{ex}-1}} \right) \times N_{i,\text{ex}}} \right)$$

where:

$\text{AdjFactor}_{i,\text{ex}}$  = Adjustment Factor in respect of a Rights Issue paid in relation to Constituent i on the applicable Ex-Rights Date

$N_{i,\text{ex}}$  = In respect of the applicable Rights Issue and the Ex-Rights

Date, the rights ratio in respect of the new shares entitlement (B) for the existing number of shares (A) in respect of the Constituent i (i.e., the rights ratio is B divided by A)

$S_{i,ex}$  = In respect of the applicable Rights Issue and the Ex-Rights Date, the subscription price per share in the Constituent i

$CCL_{i,ex-1}$  = Constituent Closing Level of Constituent i as of the EFT Business Day immediately preceding the applicable Ex-Rights Date

**"Ex-Rights Date"** means, in respect of a Rights Issue in respect of a Constituent, the first day on which a purchaser of such share would not be entitled to participate in such Rights Issue, as fixed by the issuer of such Constituent and/or the primary exchange on which such Constituent is traded.

**"Rights Issue"** means, in respect of a Constituent, a distribution to existing holders of such Eligible Constituent of any share, rights or warrants to purchase shares of such Constituent, in any case for payment (whether in cash or otherwise) at less than the prevailing market price or any other substantially similar event as determined by the Index Calculation Agent and for which the Ex-Rights Date falls on any day after the Core Index Start Date.

## Additional Adjustment Events

"**Additional Adjustment Event**" means each of a Constituent Licensing Event, a Regulatory Event and an Index Termination Event.

### 1. CONSTITUENT LICENSING EVENT

If, in respect of any Constituent of the Index, any license granted to the Index Administrator and/or the Index Calculation Agent and/or any of their respective Affiliates, to use such Constituent in connection with the Index is terminated, or any such entity's right to use such Constituent in connection with calculating the Index is otherwise disputed, impaired or ceases for any reason (a "**Constituent Licensing Event**"), then:

- (i) the Index Calculation Agent may suspend the calculation, publication and dissemination of the Index and the Index Level until the first succeeding Index Business Day on which such event does not occur or continue to occur; and/or
- (ii) such Constituent (a "**Removed Constituent**") may be removed from the Index on the date (an "**Extraordinary Rebalancing Date**") designated by the Index Calculation Agent or the Index Administrator (in which case the Index Administrator will notify the relevant date to the Index Calculation Agent); and/or
- (iii) the Index Administrator may discontinue and cancel the Index.

On each Extraordinary Rebalancing Date the Constituents of the Index will be rebalanced in accordance with these Index Conditions as if such Extraordinary Rebalancing Date were a Rebalancing Date. For this purpose, the related Selection Date will be the same day as the relevant Extraordinary Rebalancing Date.

### 2. REGULATORY EVENTS

If either:

- (i) the Index Administrator or any of its Affiliates is required (or there is a reasonable likelihood that, within the next 30 Index Business Days, it will be required) by any applicable law or regulation or policy to dispose of any Hedge Position, or it is not permitted (or there is a reasonable likelihood that, within the next 30 Index Business Days, it will not be permitted) to hold, acquire, increase, decrease or dispose of any Hedge Position; and/or
- (ii) due to any applicable law or regulation or policy, the Index Administrator or the Index Calculation Agent is not permitted (or there is a reasonable likelihood that, within the next 30 Index Business Days, it will not be permitted) to continue to sponsor or calculate, as applicable, an index comprising an asset which is a Constituent of the Index,

(each, a "**Regulatory Event**"), then either:

- (A) such Constituent (a "**Removed Constituent**") may be removed from the Index on the date (an "**Extraordinary Rebalancing Date**") designated by the Index Calculation Agent or the Index Administrator (in which case the Index Administrator will notify the relevant date to the Index Calculation Agent); and/or
- (B) the Index Administrator may discontinue and cancel the Index.

On each Extraordinary Rebalancing Date the Constituents of the Index will be rebalanced in accordance with these Index Conditions as if such Extraordinary Rebalancing Date were a Rebalancing Date. For this purpose, the related Selection Date will be the same day as the relevant Extraordinary Rebalancing Date.

"**Hedge Position**" means any one or more of: (i) positions or contracts in, or relating to, securities, options, futures, other derivative contracts or foreign exchange, or (ii) other instruments, contracts, transactions or arrangements (howsoever described) that would be appropriate to hedge, individually or on a portfolio basis, any Index Linked Product.

### 3. INDEX TERMINATION EVENTS

If any of the following events occurs (each an "**Index Termination Event**") the Index Administrator **will** discontinue and cancel the Index:

- (i) redemption of the Notes;
- (ii) conversion of the Notes to a fixed rate return or other return that is not linked to the Index;
- (iii) transfer of any Note to a person other than the Initial Purchaser (as defined in Part B (*Key Information*)) or an affiliate of the Initial Purchaser or another person advised by the Initial Purchaser or an affiliate of such person; or
- (iv) the Index Management Agreement terminates for any reason.



## Part E: Data

### Constituents

#### 1. Universe of Constituents of the Index and particulars

"Table 1" means Table 1 as set out in the Index Management Agreement and as may be amended and restated from time to time to reflect changes to the constituents and their particulars made pursuant to the Index Management Agreement. Table 1 as at the date of this Agreement shall be as set out below.

	Constituent	Currency	BBG Ticker	Classification	Min Weight	Max Weight	Notional Transaction Cost (NTC)	Notional Hedging Cost (NHC)	FX Adjustment	Region
1	S&P 500 E-mini futures	USD	ESA <Index>	ETD Contract	-100%	100%	0.03%	0.00%	N	US
2	NASDAQ 100 E-mini futures	USD	NQA <Index>	ETD Contract	-100%	100%	0.03%	0.00%	N	US
3	Russell 2000 Mini Futures	USD	RTAA <Index>	ETD Contract	-100%	100%	0.03%	0.00%	N	US
4	BRAZIL REAL FUTURES	USD	BRA <Curncy>	ETD Contract	-15%	15%	0.08%	0.00%	N	US
5	MEXICAN PESO FUTURES	USD	PEA <Curncy>	ETD Contract	-15%	15%	0.10%	0.00%	N	US
6	The U.S. Dollar Index Future	USD	DXA <Curncy>	ETD Contract	-50%	50%	0.02%	0.00%	N	US
7	EURO FX CURR FUTURES	USD	ECA <Curncy>	ETD Contract	-100%	100%	0.03%	0.00%	N	US
8	JPN YEN CURR FUTURES	USD	JYA <Curncy>	ETD Contract	-100%	100%	0.03%	0.00%	N	US
9	£ CURRENCY FUTURES	USD	BPA <Curncy>	ETD Contract	-60%	60%	0.03%	0.00%	N	US
10	CHF CURRENCY FUTURES	USD	SFA <Curncy>	ETD Contract	-30%	30%	0.03%	0.00%	N	US
11	AUDUSD Currency Futures	USD	ADA <Curncy>	ETD Contract	-60%	60%	0.03%	0.00%	N	US
12	NEW ZEALAND \$ FUTURES	USD	NVA <Curncy>	ETD Contract	-15%	15%	0.05%	0.00%	N	US

13	C\$ CURRENCY FUTURES	USD	CDA <Curncy>	ETD Contract	-60%	60%	0.03%	0.00%	N	US
14	EuroStoxx 50 futures	EUR	VGA <Index>	ETD Contract	-100%	100%	0.03%	0.00%	Y	Europe
15	Nikkei 225 futures	JPY	NIA <Index>	ETD Contract	-75%	75%	0.03%	0.00%	Y	Asia
16	FTSE 100 futures	GBP	Z A <Index>	ETD Contract	-50%	50%	0.03%	0.00%	Y	Europe
17	DAX futures	EUR	GXA <Index>	ETD Contract	-100%	100%	0.03%	0.00%	Y	Europe
18	CAC 40 futures	EUR	CFA <Index>	ETD Contract	-25%	25%	0.03%	0.00%	Y	Europe
19	Swiss Market futures	CHF	SMA <Index>	ETD Contract	-25%	25%	0.03%	0.00%	Y	Europe
20	IBEX 35 futures	EUR	IBA <Index>	ETD Contract	-10%	10%	0.03%	0.00%	Y	Europe
21	FTSE MIB futures	EUR	STA <Index>	ETD Contract	-25%	25%	0.03%	0.00%	Y	Europe
22	OMXS30 futures	SEK	QCA <Index>	ETD Contract	-10%	10%	0.03%	0.00%	Y	Europe
23	BIST 30 futures	TRY	A5A <Index>	ETD Contract	-5%	5%	0.03%	0.00%	Y	Asia
24	S&P Toronto 60 futures	CAD	PTA <Index>	ETD Contract	-25%	25%	0.03%	0.00%	Y	US
25	ASX SPI 200 futures	AUD	XPA <Index>	ETD Contract	-50%	50%	0.03%	0.00%	Y	Asia
26	FTSE/JSE TOP 40 futures	ZAR	AIA <Index>	ETD Contract	-10%	10%	0.03%	0.00%	Y	Asia
27	MSCI Singapore futures	SGD	QZA <Index>	ETD Contract	-20%	20%	0.03%	0.00%	Y	Asia
28	MSCI Taiwan futures	USD	TWA <Index>	ETD Contract	-5%	5%	0.03%	0.00%	Y	Asia
29	Bovespa mini futures	BRL	XBA <Index>	ETD Contract	-5%	5%	0.03%	0.00%	Y	US
30	Hang Seng futures	HKD	HIA <Index>	ETD Contract	-75%	75%	0.03%	0.00%	Y	Asia
31	2Y Euro Schatz FUTURES	EUR	DUA <Comdty>	ETD Contract	-100%	100%	0.01%	0.00%	Y	Europe
32	10Y Euro Bund FUTURES	EUR	RXA <Comdty>	ETD Contract	-100%	100%	0.02%	0.00%	Y	Europe
33	10Y Japan Bond FUTURES	JPY	JBA <Comdty>	ETD Contract	-100%	100%	0.01%	0.00%	Y	Asia
34	Long Gilt FUTURES	GBP	G A <Comdty>	ETD Contract	-100%	100%	0.02%	0.00%	Y	Europe
35	WisdomTree India Earnings Fund	USD	EPI UP <Equity>	ETF Share	0%	5%	0.00%	0.70%	N	US

	ETF										
36	Market Vectors Russia ETF	USD	RSX <Equity>	UP	ETF Share	0%	10%	0.00%	0.70%	N	US
37	iShares China Large Cap ETF	USD	FXI <Equity>	UP	ETF Share	0%	50%	0.00%	0.70%	N	US
38	iShares MSCI South Korea Capped ETF	USD	EWY <Equity>	UP	ETF Share	0%	10%	0.00%	0.70%	N	US
39	ISHARES MSCI MALAYSIA ETF	USD	EWM <Equity>	UP	ETF Share	0%	5%	0.00%	0.70%	N	US
40	ISHARES MSCI THAILAND CAPPED ETF	USD	THD <Equity>	UP	ETF Share	0%	5%	0.00%	0.70%	N	US
41	iShares MSCI Mexico Capped ETF	USD	EWX <Equity>	UP	ETF Share	0%	10%	0.00%	0.70%	N	US
42	iShares MSCI Chile Capped ETF	USD	ECH <Equity>	UP	ETF Share	0%	5%	0.00%	0.70%	N	US
43	iShares MSCI All Peru Capped ETF	USD	EPU <Equity>	UP	ETF Share	0%	5%	0.00%	0.70%	N	US
44	GLOBAL X MSCI ARGENTINA ETF	USD	ARGT <Equity>	UP	ETF Share	0%	1%	0.00%	0.70%	N	US
45	iShares TIPS Bond ETF	USD	TIP US <Equity>		ETF Share	0%	25%	0.00%	0.70%	N	US
46	iShares iBoxx HY Corpo Bond ETF	USD	HYG <Equity>	US	ETF Share	0%	100%	0.00%	0.70%	N	US
47	iShares iBoxx IG Corpo Bond ETF	USD	LQD <Equity>	US	ETF Share	0%	100%	0.00%	0.70%	N	US
48	SPDR Euro Stoxx 50 ETF	USD	FEZ <Equity>	UP	ETF Share	0%	10%	0.00%	0.70%	N	US
49	WisdomTree Europe Hedged Equity ETF	USD	HEDJ <Equity>	UP	ETF Share	0%	10%	0.00%	0.70%	N	US
50	WisdomTree Japan Hedged Equity ETF	USD	DXJ <Equity>	UP	ETF Share	0%	10%	0.00%	0.70%	N	US

51	ISHARES MSCI Japan ETF	USD	EWJ <Equity>	UP	ETF Share	0%	10%	0.00%	0.70%	N	US
52	ISHARES MSCI United Kingdom ETF	USD	EWU <Equity>	UP	ETF Share	0%	10%	0.00%	0.70%	N	US
53	S&P 2Y US T-Note Fut ER Index	USD	SPUST2P <Index>		Bond Index Futures	-100%	100%	0.01%	0.04%	N	US
54	S&P 10Y US T-Note Fut ER Index	USD	Exposure to 10 Year US Treasuries		Bond Index Futures	-100%	100%	0.01%	0.04%	N	US
55	S&P 30Y US TBOND FUT ER Index	USD	SPUSTBP <Index>		Bond Index Futures	-100%	100%	0.02%	0.08%	N	US
56	S&P GSCI Gold Excess Return Index	USD	SPGCGCP <Index>		Commodity Index	-33%	33%	0.02%	0.15%	N	US
57	S&P GSCI Silver Excess Return Index	USD	SPGCSIP <Index>		Commodity Index	-33%	33%	0.02%	0.15%	N	US
58	S&P GSCI Crude Oil Excess Return Index	USD	SPGCCLP <Index>		Commodity Index	-33%	33%	0.04%	0.15%	N	US
59	S&P GSCI Non Livestock Excess Return Index	USD	SPGCNLP <Index>		Commodity Index	-33%	33%	0.02%	0.18%	N	US
60	S&P GSCI Agri Excess Return Index	USD	SPGCAGP <Index>		Commodity Index	-33%	33%	0.20%	0.25%	N	US
61	S&P GSCI Ind Metal Excess Return Index	USD	SPGCINP <Index>		Commodity Index	-33%	33%	0.05%	0.20%	N	US
62	S&P GSCI Soybean Excess Return Index	USD	SPGCSOP <Index>		Commodity Index	-33%	33%	0.20%	0.25%	N	US

Each Constituent is classified as specified in the column headed "Classification" of the table set out above.

## 2. ETD Contracts

"Table 2" means Table 2 as set out in the Index Management Agreement and as may be amended and restated from time to time to reflect changes to the constituents and their particulars made pursuant to the Index Management Agreement. Table 2 as at the date of this Agreement shall be as set out below.

i	Constituent	Local Exchange Time (relevant local time)		Exchange	Notional Roll Cost (NRC)	Futures Contract
1	S&P 500 E-mini futures	16:00		Chicago Mercantile Exchange	0.03%	H-M-U-Z
2	NASDAQ 100 E-mini futures	16:00		Chicago Mercantile Exchange	0.03%	H-M-U-Z
3	Russell 2000 Mini Futures	16:00		ICE Futures US Indices	0.03%	H-M-U-Z
4	BRAZIL REAL FUTURES	Scheduled Time	Closing	Chicago Mercantile Exchange	0.03%	F-G-H-J-K-M-N-Q-U-V-X-Z
5	MEXICAN PESO FUTURES	Scheduled Time	Closing	Chicago Mercantile Exchange	0.03%	H-M-U-Z
6	The U.S. Dollar Index Futures	Scheduled Time	Closing	ICE Futures US Currencies	0.02%	H-M-U-Z
7	EURO FX CURR FUTURES	Scheduled Time	Closing	Chicago Mercantile Exchange	0.03%	H-M-U-Z
8	JPN YEN CURR FUTURES	Scheduled Time	Closing	Chicago Mercantile Exchange	0.03%	H-M-U-Z
9	£ CURRENCY FUTURES	Scheduled Time	Closing	Chicago Mercantile Exchange	0.03%	H-M-U-Z
10	CHF CURRENCY FUTURES	Scheduled Time	Closing	Chicago Mercantile Exchange	0.03%	H-M-U-Z
11	AUDUSD Currency Futures	Scheduled Time	Closing	Chicago Mercantile Exchange	0.03%	H-M-U-Z
12	NEW ZEALAND \$ FUTURES	Scheduled Time	Closing	Chicago Mercantile Exchange	0.05%	H-M-U-Z
13	C\$ CURRENCY FUTURES	Scheduled	Closing	Chicago Mercantile Exchange	0.03%	H-M-U-Z

		Time			
14	EuroStoxx 50 futures	17:30	Eurex	0.03%	H-M-U-Z
15	Nikkei 225 futures	15:00	Singapore Stock Exchange	0.03%	H-M-U-Z
16	FTSE 100 futures	16:30	ICE Futures Europe	0.03%	H-M-U-Z
17	DAX futures	17:30	Eurex	0.03%	H-M-U-Z
18	CAC 40 futures	17:30	Euronext Derivatives Paris	0.03%	F-G-H-J-K-M-N-Q-U-V-X-Z
19	Swiss Market futures	17:30	Eurex	0.03%	H-M-U-Z
20	IBEX 35 futures	17:30	Mercado Español de Futuros Financieros	0.03%	F-G-H-J-K-M-N-Q-U-V-X-Z
21	FTSE MIB futures	17:30	Borsa Italiana	0.03%	H-M-U-Z
22	OMXS30 futures	17:25	OMX Nordic Exchange Stockholm	0.03%	F-G-H-J-K-M-N-Q-U-V-X-Z
23	BIST 30 futures	17:30	Istanbul Stock Exchange	0.03%	G-J-M-Q-V-Z
24	S&P Toronto 60 futures	16:00	Montreal Stock Exchange	0.03%	H-M-U-Z
25	ASX SPI 200 futures	16:00	Sydney Futures Exchange	0.03%	H-M-U-Z
26	FTSE/JSE TOP 40 futures	17:00	South African Futures Exchange	0.03%	H-M-U-Z
27	MSCI Singapore futures	17:00	Singapore Exchange	0.03%	F-G-H-J-K-M-N-Q-U-V-X-Z
28	MSCI Taiwan futures	13:30	Singapore Exchange	0.03%	F-G-H-J-K-M-N-Q-U-V-X-Z
29	Bovespa mini futures	17:00	BM&F Bovespa	0.03%	G-J-M-Q-V-Z
30	Hang Seng futures	16:00	Hong Kong Futures Exchange	0.03%	F-G-H-J-K-M-N-Q-U-V-X-Z
31	2Y Euro Schatz FUTURES	Scheduled Time	Closing Eurex	0.01%	H-M-U-Z
32	10Y Euro Bund FUTURES	Scheduled Time	Closing Eurex	0.02%	H-M-U-Z
33	10Y Japan Bond FUTURES	Scheduled Time	Closing Osaka Securities Exchange	0.01%	H-M-U-Z

34	Long Gilt FUTURES	Scheduled Time	Closing	ICE Futures Europe Financials	0.01%	H-M-U-Z
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Letter	Contract Expiration
F	JAN
G	FEB
H	MAR
J	APR
K	MAY
M	JUN
N	JULY
Q	AUG
U	SEP
V	OCT
X	NOV
Z	DEC

## Dates, times and other definitions

Core Date:	Every calendar weekday from Monday to Friday.
ETF Business Day:	Means every calendar weekday from Monday to Friday.
Futures Business Day:	Means, in respect of an ETD Contract, each day which is a Scheduled Trading Day in respect of that ETD Contract.
Index Business Day:	Each day (1) on which commercial banks and foreign exchange markets are scheduled to be open for general business (including dealings in foreign exchange and foreign exchange currency deposits) in London and the principal financial centre of the Index Base Currency; and (2) which is a Scheduled Trading Day for each Constituent, subject to adjustment in accordance with Part G ( <i>Adjustment of dates</i> ).
Index Valuation Time:	In respect of an Index Business Day, 11:00 p.m. (London time) on such Index Business Day.
London Business Day:	Means each day on which commercial banks and foreign exchange markets are scheduled to be open for general business (including dealings in foreign exchange and foreign exchange currency deposits) in London.
Max Weight:	Means the percentage weight specified under the column headed "Max Weight" in Table 1 of this Part E ( <i>Data</i> ).
Min Weight:	Means the percentage weight specified under the column headed "Min. Weight" in Table 1 of this Part E ( <i>Data</i> ).
Observation Date(s):	Each of the Core Index Start Date, the Index Start Date, 30 June 2016 and 29 June 2026, or, if any such day is not an Index Business Day, the immediately following Index Business Day (each such date a " <b>Scheduled Observation Date</b> "), subject to adjustment in accordance with Part G ( <i>Adjustment of dates</i> ).
Postponed Rebalancing Date:	Means any day which is a Rebalancing Date pursuant to the provisions of paragraphs 2.1 and/or 2.3 of Part G ( <i>Adjustment of Dates</i> ).
Proposed Selection Date:	Means, (a) any calendar day in respect of which either a US Rebalancing Instruction or a Europe Rebalancing Instruction is delivered by the Index Manager to the Index Administrator, or (b) the first calendar day immediately following the calendar day on which an Asia Rebalancing Instruction is delivered by the Index Manager to the Index Administrator and Index Calculation Agent. For these purposes, an Index Manager Instruction shall be deemed to have been delivered if it is received by the Index Administrator and Index Calculation Agent at or before 6pm (London time) on such day (or in respect of a Europe Rebalancing Instruction, at or before 3pm (London time) on such day), and any Index Manager Rebalancing Instruction received after such time shall be deemed to have been delivered on the immediately following calendar day
Rebalancing Date:	Each Selection Date (a " <b>Scheduled Rebalancing Date</b> "), subject to adjustment for Postponed Rebalancing Dates, non-Scheduled Trading Days and Disrupted Days in respect of the Relevant Constituents for such Rebalancing Date in accordance with Part G ( <i>Adjustment of dates</i> ).



The Core Index Start Date and Index Start Date shall be deemed to be Rebalancing Dates.

Regional Cut-Off Time:	In respect of a London Business Day and a Constituent classified as: <ul style="list-style-type: none"><li>• a US Constituent, 6:00 p.m. (London time) on such London Business Day;</li><li>• a Europe Constituent, 3:00 p.m. (London time) on such London Business Day; and</li><li>• an Asia Constituent, 6:00 p.m. (London time) on the London Business Day immediately preceding such London Business Day.</li></ul>
Selection Date:	Means a Proposed Selection Date, provided that if such day is not a London Business Day, the next London Business Day.
VAF Day:	Each day that is a Scheduled Trading Day for each Constituent, as determined by the Index Calculation Agent as at 30 June 2016 irrespective of (i) any change thereafter in the designation of a Scheduled Trading Day in respect of a Constituent by the relevant Exchange, and (ii) the occurrence of a Disrupted Day in relation to any Constituent in respect of such day.
Valuation Date:	Each Index Business Day (each a " <b>Scheduled Valuation Date</b> "), subject to adjustment in accordance with Part G ( <i>Adjustment of dates</i> ).
Volatility Target:	10%

## Part F: Valuation of Constituents

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### 1. CONSTITUENT CLOSING LEVEL

The Constituent Closing Level of a Constituent on a Valuation Date shall be the level, price, rate or value specified in Part I (*Provisions relating to Constituents*), and determined by the Index Calculation Agent with reference to the Electronic Page specified in respect of such Constituent in Part E (*Data*) under the heading "BBG Ticker".

### 2. CONSTITUENT LEVEL

The Constituent Level of a Constituent on a Valuation Date shall be the level, price, rate or value specified in Part I (*Provisions relating to Constituents*), and determined by the Index Calculation Agent with reference to the Electronic Page specified in respect of such Constituent in Part E (*Data*) under the heading "BBG Ticker".

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

If the level, price, rate or value (as applicable) of any Constituent for any time on any day, that is (1) announced by or on behalf of the person or entity responsible for such publication or announcement; and (2) used for any calculation or determination in respect of the Index, is subsequently corrected, and the corrected level, price, rate or value (as applicable) (the "**Corrected Level**") is published by or on behalf of such person or entity within the Correction Period in respect of such Constituent, then such Corrected Level shall be deemed to be the level, price, rate or value (as applicable) for such Constituent for the relevant time on the relevant day. If the Correction Period does not include a Rebalancing Date, then Index Calculation Agent shall revise the Index Level for such day. If the Correction Period includes a Rebalancing Date, then the Index Calculation Agent may, but shall not be obliged to, make appropriate adjustments to the Index Level for such day.

## Part G: Adjustment of dates

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### 1. ADJUSTMENT OF SCHEDULED VALUATION DATES

#### 1.1 "Holidays": "Look Back"

If a Scheduled Valuation Date (other than a Rebalancing Date) "**svd**" is not a Scheduled Trading Day for any Constituent, then:

- (1) the relevant Valuation Date for each Constituent for which svd is a Scheduled Trading Day shall be svd; and
- (2) the relevant Valuation Date for each Constituent for which svd is not a Scheduled Trading Day shall be the first Index Business Day immediately preceding svd which is both (a) a Scheduled Trading Day for such Constituent; and (b) not a Disrupted Day for such Constituent.

#### 1.2 "Disruptions": "Move In Block"

If a Scheduled Valuation Date (other than a Rebalancing Date) (after any adjustment in accordance with paragraph 1.1) "**svd**" is a Disrupted Day for any Constituent, then the relevant Valuation Date shall be the earlier of (1) the first Index Business Day immediately following svd which is both (a) a Scheduled Trading Day for all Constituents; and (b) not a Disrupted Day for any Constituent; and (2) the fifth Scheduled Trading Day for all Constituents immediately following svd, notwithstanding that such day is a Disrupted Day for any Constituent, in which case the provisions of Part H (*Adjustments, disruption and cancellation*) shall apply.

### 2. ADJUSTMENT OF SCHEDULED REBALANCING DATES

#### 2.1 "Holidays": "Move in Block"

If a Scheduled Rebalancing Date "**srd**" is not a Scheduled Trading Day for any Relevant Constituent, then the relevant Rebalancing Date shall be the first Index Business Day immediately following srd which is a Scheduled Trading Day for all Relevant Constituents for such Scheduled Rebalancing Date.

#### 2.2 "Postponed Rebalancing Date" for prior Selection Date: "Move In Block"

If any Scheduled Rebalancing Date "**srd**" in respect of a Selection Date is a Postponed Rebalancing Date in respect of a prior Selection Date, then the relevant Rebalancing Date shall be the first Index Business Day immediately following srd which is a Scheduled Trading Day for all Relevant Constituents for such Scheduled Rebalancing Date and is not a Postponed Rebalancing Date.

#### 2.3 "Disruptions": "Value What You Can"

If a Scheduled Rebalancing Date (after any adjustment in accordance with paragraph 2.1) "**srd**" is a Disrupted Day for any Relevant Constituent, then:

- (1) the relevant Rebalancing Date for each Relevant Constituent for which srd is not a Disrupted Day shall be srd; and
- (2) the relevant Rebalancing Date for each Relevant Constituent for which srd is a Disrupted Day shall be the earlier of (a) the first Index Business Day immediately following srd which is both (i) a Scheduled Trading Day for such Relevant Constituent; and (ii) not a Disrupted Day for such Relevant Constituent; and (b) the fifth Scheduled Trading Day for such Constituent immediately following srd, notwithstanding that such day is a Disrupted Day for any Constituent, in which case the provisions of Part H (*Adjustments, disruption and cancellation*) shall apply.

### 3. ADJUSTMENT OF SCHEDULED OBSERVATION DATES

#### 3.1 "Holidays": "Move in Block"

If a Scheduled Observation Date "**sd**" is not a Scheduled Trading Day for any Constituent, then the relevant Observation Date shall be the first Index Business Day immediately following **sd** which is a Scheduled Trading Day for all Constituents.

#### 3.2 "Disruptions": "Move in Block"

If a Scheduled Observation Date (after any adjustment in accordance with paragraph 3.1) "**sd**" is a Disrupted Day for any Constituent, then the relevant Observation Date shall be the earlier of (1) the first Index Business Day immediately following **sd** which is both (a) a Scheduled Trading Day for all Constituents; and (b) not a Disrupted Day for any Constituent; and (2) the fifth Scheduled Trading Day for all Constituents immediately following **sd**, notwithstanding that such day is a Disrupted Day for any Constituent, in which case the provisions of Part H (*Adjustments, disruption and cancellation*) shall apply.

### 4. When a Scheduled Date is a "Holiday", a Postponed Rebalancing Date and "Disrupted"

If a Scheduled Valuation Date, a Scheduled Rebalancing Date or a Scheduled Observation Date (each, a "**Scheduled Date**") is both (1) not a Scheduled Trading Day for any Constituent; and (2) a Disrupted Day for any Constituent, then:

- (1) **first**, such Scheduled Date shall be postponed in accordance with paragraph 1.1, paragraph 2.1 or paragraph 3.1 above (as applicable) to adjust for any "holiday"; and then
- (2) **second**, such Scheduled Date after such postponement shall be further adjusted (if necessary) in accordance with paragraph 2.2 above (as applicable) for any "postponed rebalancing"; and then
- (3) **third**, such Scheduled Date after such postponement shall be further adjusted (if necessary) in accordance with paragraph 1.2, or paragraph 2.3, or paragraph 3.2 above (as applicable) for any "disruption".

## Part H: Adjustments, disruption and cancellation

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### 1. ADJUSTMENT EVENTS

If an Adjustment Event occurs in respect of a Constituent (the "**Affected Constituent**"), then:

- (a) the Index Calculation Agent may suspend the calculation, publication and dissemination of the Index and the Index Level until the first succeeding Index Business on which such Adjustment Event does not occur or continue to occur; and/or
- (b) the Index Calculation Agent may (exercising Expert Judgement) replace the Affected Constituent with a replacement constituent which has substantially similar characteristics to the Affected Constituent, having regard to the manner in which the Affected Constituent is used in the calculation of the Index, in which case the Index Calculation Agent will:
  - (i) determine the effective date of such replacement; and
  - (ii) make such adjustment(s) to these Index Conditions as it determines appropriate to account for the effect on the Index of such replacement; and/or
- (c) the Index Administrator may discontinue and cancel the Index.

### 2. DISRUPTED DAYS

If any Index Business Day is a Disrupted Day for any Constituent, then the Index Calculation Agent may:

- (a) publish its good faith estimate of the Index Level for such Index Business Day (notwithstanding the occurrence of a Disrupted Day), using its good faith estimate of the value of the Constituent(s) affected by the occurrence of a Disrupted Day. Any such estimated value may be subject to correction once the relevant event or circumstances giving rise to such Disrupted Day cease; and/or
- (b) suspend the calculation, publication and dissemination of the Index and the Index Level until the first succeeding Index Business Day which is not a Disrupted Day for any Constituent.

### 3. CANCELLATION OF THE INDEX

The Index Administrator may discontinue and cancel the Index at any time and is under no obligation to continue, or to procure the continuation of, the calculation, publication and dissemination of the Index and the Index Level.

## Part I: Provisions relating to Constituents

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### Bond Futures Index

This section of this Part I is applicable only to each Constituent which is classified (in Part E (*Data*) under the heading "*Classification*") as a "Bond Futures Index" (each such Constituent, a "**Bond Futures Index**").

A Bond Futures Index shall also be classified as a Constituent Index for the purposes of the Additional Constituent Index Definitions, which set of additional definitions, is set out at the end of Part I and must be read in conjunction with this section of Part I.

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**Constituent Closing Level:** The official closing level of the relevant Bond Futures Index at the Valuation Time, as displayed on the applicable Electronic Page.

**Scheduled Trading Day:** Any day on which the Constituent Index Sponsor is scheduled to publish the level of the Bond Futures Index.

**Disrupted Day:** Any Scheduled Trading Day on which a Market Disruption Event occurs.

**Adjustment Event:** Each of the following: (1) Constituent Index Cancellation; and (2) Constituent Index Modification.

**Correction Period:** 2 Index Business Days.

---

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

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

- (i) the relevant Constituent Index Sponsor fails to publish the level of such Bond Futures Index; or
- (ii) the occurrence or existence at any time of any event or circumstance in relation to any Constituent Contract which would constitute a "Market Disruption Event" as such term is defined in the section "ETD Contract (exchange-traded derivative contract" under Part I (*Provisions relating to Constituents*) and applied for these purposes only to such Constituent Contract as if it were an ETD Contract.

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

## ETD Contract (exchange-traded derivative contract)

This section of this Part I is applicable only to each Constituent which is classified (in Part E (*Data*) under the heading "*Classification*") as an "ETD Contract" (each such Constituent, an "**ETD Contract**").

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Constituent Level:	The Fixing Price of the relevant ETD Contract, as published or otherwise made available by the relevant Exchange.
Scheduled Trading Day:	Any day on which the relevant Exchange is scheduled to be open for its regular trading session.
Disrupted Day:	Any Scheduled Trading Day on which an Exchange Disruption occurs in respect of the relevant ETD Contract.
Adjustment Event:	Each of the following: (1) ETD Contract Cancellation; and (2) ETD Contract Modification.
Correction Period:	2 Index Business Days.

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"**ETD Contract Cancellation**" shall mean, in respect of an ETD Contract, trading in such ETD Contract is permanently discontinued on the relevant Exchange.

"**ETD Contract Modification**" shall mean, in respect of an ETD Contract, the relevant Exchange makes a material change to either (1) the content, composition or constitution of such ETD Contract; or (2) the formula for and method of calculating the Settlement Price of such ETD Contract.

"**Exchange**" shall mean, in respect of an ETD Contract, the primary exchange, trading system or quotation system ("**Trading Venue**") in respect of such ETD Contract, or any successor to such Trading Venue, or any substitute Trading Venue to which trading in such ETD Contract has temporarily relocated, provided that, in the determination of the Index Calculation Agent, there is comparable liquidity in such ETD Contract on such temporary substitute Trading Venue as on the original Trading Venue.

"**Exchange Disruption**" shall mean, in respect of an ETD Contract:

- (1) the relevant Exchange fails to open for trading during its regular trading session; or
- (2) the occurrence or existence at any time during the one hour period which ends at the end of the Scheduled Closing Time (on the relevant Exchange) of any suspension of or limitation imposed (for any reason, including movements in price exceeding permitted limits) on the trading on the relevant Exchange; or
- (3) the occurrence or existence at any time during the one hour period which ends at the end of the Scheduled Closing Time (on the relevant Exchange) of any other event (other than an event described in sub-paragraph (4)) which disrupts or impairs the ability of market participants in general on the relevant Exchange to effect transactions in or to obtain market values for such ETD Contract; or
- (4) the closure on any Scheduled Trading Day of the relevant Exchange prior to the relevant Scheduled Closing Time (on the relevant Exchange) at least one hour prior to the earlier of (a) the actual closing for the regular trading session of the relevant Exchange on such day; and (b) the deadline for the submission of orders to be entered into the Exchange system for execution at the relevant Scheduled Closing Time (on the relevant Exchange) on such day; or
- (5) the Settlement Price of such ETD Contract has increased or decreased by an amount equal to the

maximum permitted price change for the previous day's Settlement Price; or

- (6) the Settlement Price of such ETD Contract is not published or otherwise made available by or on behalf of the relevant Exchange.

**"Fixing Price"** shall mean, in respect of the relevant ETD Contract, the intra-day price of such ETD Contract as of the Relevant Valuation Time, as published or otherwise made available by the relevant Exchange.

**"Scheduled Closing Time"** shall mean, in respect of a Scheduled Trading Day and an Exchange, the scheduled weekday closing time on such Exchange on such Scheduled Trading Day, without regard to after-hours trading or other trading outside the hours of the regular trading session on such Exchange.

**"Relevant Valuation Time"** shall mean, in respect of an ETD Contract, a Scheduled Trading Day and an Exchange, the time when the level of such ETD Contract is determined during such Scheduled Trading Day as selected by the Index Calculation Agent and as such time is specified under the heading "Local Exchange Time" in Table 2 of Part E (*Data*).

**"Settlement Price"** shall mean, in respect of the relevant ETD Contract, the daily settlement price or the final settlement price (as the case may be, and however described by the relevant Exchange) of such ETD Contract, as published or otherwise made available by the relevant Exchange.



## Commodity Index

This section of this Part I is applicable only to each Constituent which is classified (in Part E (*Data*) under the heading "*Classification*") as a "Commodity Index" (each such Constituent, a "**Commodity Index**").

A Commodity Index shall also be classified as a Constituent Index for the purposes of the Additional Constituent Index Definitions, which set of additional definitions, is set out at the end of Part I and must be read in conjunction with this section of Part I.

**Constituent Closing Level:** The official closing level at the Valuation Time (or, where the level of such Commodity Index is only published once a day), the level of such Commodity Index, as displayed on the applicable Electronic Page

**Scheduled Trading Day:** Any day on which the Constituent Index Sponsor is scheduled to publish the level of the Commodity Index.

**Disrupted Day:** Any Scheduled Trading Day on which a Market Disruption Event occurs.

**Adjustment Event:** Each of the following: (1) Constituent Index Cancellation; and (2) Constituent Index Modification.

**Correction Period:** 30 calendar days.

**"Commodity Index"** shall mean each Constituent classified as such in in Table 1 of Part E (*Data*).

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

**"Exchange"** shall mean, in respect of a Commodity Index and each relevant Component, the primary exchange, trading system or quotation system in respect of such Component or any successor to such exchange, trading system or quotation system, or any substitute exchange, trading system or quotation system to which trading in such Component has temporarily relocated (PROVIDED THAT, in the determination of the Index Calculation Agent, there is comparable liquidity relative to such Component on such temporary exchange, trading system or quotation system as on the original exchange, trading system or quotation system).

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

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

- (i) the relevant Constituent Index Sponsor fails to publish the level of such Commodity Index; or
- (ii) any relevant Exchange or any relevant Related Exchange fails to open for trading during its regular trading session; or
- (iii) the occurrence or existence at any time during the one hour period which ends at the relevant Valuation Time of any material suspension of or limitation imposed (whether by reason of movements in price exceeding permitted limits or otherwise) on the trading on (i) any relevant Exchange, of Components which in aggregate comprise 20 per cent. or more of the level of such

Commodity Index; or (ii) any relevant Related Exchange, of futures contracts or options contracts relating to such Commodity Index; or

- (iv) the occurrence or existence at any time during the one hour period which ends at the relevant Valuation Time of any other event (other than an event described in Sub-paragraph (v) or Sub-paragraph (vi) of this definition) which materially disrupts or impairs the ability of market participants in general (i) (on any relevant Exchange) to effect transactions in or to obtain market values for Components which in aggregate comprise 20 per cent. or more of the level of such Commodity Index; or (ii) (on any relevant Related Exchange) to effect transactions in or to obtain market values for futures contracts or options contracts relating to such Commodity Index; or
- (v) the closure (which has a material effect on the Index) on any Exchange Business Day of any relevant Exchange in respect of Components which in aggregate comprise 20 per cent. or more of the level of such Commodity Index prior to its Scheduled Closing Time (unless such earlier closing time is announced by such Exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange on such Exchange Business Day; and (ii) the deadline for the submission of orders to be entered into such Exchange system for execution at the Scheduled Closing Time on such Exchange Business Day); or
- (vi) the closure (which has a material effect on the Index) on any Exchange Business Day of any relevant Related Exchange in respect of futures contracts or options contracts relating to such Commodity Index prior to its Scheduled Closing Time (unless such earlier closing time is announced by such Related Exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Related Exchange on such Exchange Business Day; and (ii) the deadline for the submission of orders to be entered into such Related Exchange system for execution at the Scheduled Closing Time on such Exchange Business Day).

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

**"Related Exchange"** shall mean, in respect of a Commodity Index, each exchange, trading system or quotation system in respect of futures contracts or options contracts relating to such Commodity Index or any successor to such exchange, trading system or quotation system, or any substitute exchange, trading system or quotation system to which trading in futures contracts or options contracts relating to such Commodity Index has temporarily relocated (PROVIDED THAT, in the determination of the Index Calculation Agent, there is comparable liquidity relative to such futures contracts or options contracts relating to such Commodity Index on such temporary substitute exchange, trading system or quotation system as on the original exchange, trading system or quotation system). Where "All Exchanges" is specified in Table 1 of Part E (*Data*) as the applicable Related Exchange in respect of a Commodity Index, then **"Related Exchange"** shall mean each exchange, trading system or quotation system where trading has a material effect on the overall market for futures contracts or options contracts relating to such Commodity Index.

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

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

(B) in all other circumstances, the time when the official closing level of such Commodity Index for such day is calculated and published by the relevant Constituent Index Sponsor.

## ETF Share (exchange-traded fund share)

This section of this Part I is applicable only to each Constituent which is classified (in Part E (*Data*) under the heading "*Classification*") as an "ETF Share" (each such Constituent, an "**ETF Share**").

An ETF Share shall also be classified as (1) a Fund Interest (for the purposes of the Additional Fund Definitions); and (2) a Security (for the purposes of the Additional Exchange-traded Security Definitions), each of which set of additional definitions is set out at the end of Part I and must be read in conjunction with this section of Part I.

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**Constituent Closing Level:** The official closing price of the relevant ETF Shares on the relevant Exchange at the Scheduled Closing Time on the relevant Exchange.

**Scheduled Trading Day:** Any day on which the relevant Exchange and each relevant Related Exchange are scheduled to be open for trading for their respective regular trading sessions.

**Disrupted Day:** Any Scheduled Trading Day on which an Exchange Disruption occurs in respect of the relevant ETF Shares.

**Adjustment Event:** Each of the following: (1) Adviser Resignation Event; (2) Delisting; (3) Fund Insolvency; (4) Fund Insolvency Event; (5) Fund Modification; (6) Merger Event; (7) Regulatory Action; (8) Reporting Disruption; (9) Strategy Breach; and (10) Tender Offer.

**Correction Period:** 2 Index Business Days.

## Additional Exchange-traded Security Definitions

The following definitions constitute the "**Additional Exchange-traded Security Definitions**".

"**Delisting**" shall mean that any relevant Exchange announces that, pursuant to its rules, the relevant Securities cease (or will cease) to be listed, traded or publicly quoted on such Exchange for any reason (other than a Merger Event or a Tender Offer) and are not (or will not be) immediately re-listed, re-traded or re-quoted on either: (1) an exchange or quotation system located in either (a) the same country as such Exchange; or (b) if such Exchange is located within the European Union, any member state of the European Union; or (2) another exchange or quotation system (that is acceptable to the Index Calculation Agent) located in another country (that is acceptable to the Index Calculation Agent); or (3) if such Exchange is located in the United States, any of the New York Stock Exchange, the American Stock Exchange, or the NASDAQ National Market System (or their respective successors).

"**Exchange**" shall mean, in respect of the relevant Securities, the primary exchange, trading system or quotation system ("**Trading Venue**") in respect such relevant Securities, or any successor to such Trading Venue, or any substitute Trading Venue to which trading in such relevant Securities has temporarily relocated, provided that, in the determination of the Index Calculation Agent, there is comparable liquidity in such relevant Securities on such temporary substitute Trading Venue as on the original Trading Venue.

"**Exchange Business Day**" shall mean any Scheduled Trading Day for the relevant Securities on which each relevant Exchange and each relevant Related Exchange is open for trading during its respective regular trading session, notwithstanding any such Exchange or any such Related Exchange closing prior to its Scheduled Closing Time.

"**Exchange Disruption**" shall mean:

- (1) any relevant Exchange or any relevant Related Exchange fails to open for trading during its regular trading session; or
- (2) the occurrence or existence at any time during the one hour period which ends at the relevant Valuation Time of any suspension of or limitation imposed (by reason of movements in price exceeding permitted limits or otherwise) on the trading on (a) any relevant Exchange; or (b) any relevant Related Exchange; or
- (3) the occurrence or existence at any time during the one hour period which ends at the relevant Valuation Time of any other event (other than an event described in (4) or (5) below) which disrupts or impairs the ability of market participants in general to effect transactions in or to obtain market values for: (a) (on any relevant Exchange) the relevant Securities; or (b) (on any relevant Related Exchange) any Securities Derivative; or
- (4) the closure on any Exchange Business Day of any relevant Exchange prior to its Scheduled Closing Time, unless such earlier closing time is announced by such Exchange at least one hour prior to the earlier of (a) the actual closing time for the regular trading session on such Exchange on such Exchange Business Day; and (b) the deadline for the submission of orders to be entered into such Exchange for execution at the relevant Valuation Time on such Exchange Business Day; or
- (5) the closure on any Exchange Business Day of any relevant Related Exchange prior to its Scheduled Closing Time, unless such earlier closing time is announced by such Related Exchange at least one hour prior to the earlier of (a) the actual closing time for the regular trading session on such Related Exchange on such Exchange Business Day; and (b) the deadline for the submission of orders to be entered into such Related Exchange for execution at the relevant Valuation Time on such Exchange Business Day.

"**Issuer**" shall mean, in respect of the relevant Securities, the issuer of such relevant Securities.

"**Issuer Insolvency**" shall mean, in respect of an Issuer, an Insolvency (as defined in the Additional Insolvency Definitions set out at the end of Part I) in respect of such Issuer.

**"Merger Event"** shall mean any:

- (1) reclassification or change of the relevant Securities which results in a transfer of or an irrevocable commitment to transfer all the relevant Securities outstanding to another entity or person; or
- (2) consolidation, amalgamation, merger or binding share exchange of the relevant Issuer with or into another entity (other than a consolidation, amalgamation, merger or binding share exchange in which it is the continuing entity and which does not result in a reclassification of all the relevant Securities outstanding); or
- (3) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the relevant Securities outstanding for the relevant Issuer, which results in a transfer of or an irrevocable commitment to transfer all such Securities (other than those owned or controlled by such entity or person); or
- (4) consolidation, amalgamation, merger or binding share exchange of the relevant Issuer or its subsidiaries with or into another entity in which such Issuer is the continuing entity, and which does not result in the reclassification or change of all of the relevant Securities outstanding, but results in the relevant Securities outstanding (other than those owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the relevant Securities outstanding immediately following such event.

**"Nationalization"** shall mean that all the Securities or all or substantially all the assets of an Issuer are nationalized, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

**"Related Exchange"** shall mean, in respect of the relevant Securities, each exchange, trading system or quotation system ("**Trading Venue**") in respect of any futures contract or option contract ("**Securities Derivatives**") relating to such relevant Securities, or any successor to such Trading Venue, or any substitute Trading Venue to which trading in the relevant Securities Derivatives has temporarily relocated, provided that, in the determination of the Index Calculation Agent, there is comparable liquidity in the relevant Securities Derivatives on such temporary substitute Trading Venue as on the original Trading Venue.

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

**"Security"** shall mean each Constituent classified as such.

**"Tender Offer"** shall mean a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person which results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the voting shares outstanding of the relevant Issuer, as assessed with reference to the filings made with governmental or self-regulatory agencies or such other reasonably relevant information.

**"Valuation Time"** shall mean the Scheduled Closing Time on the relevant Exchange.

## Additional Fund Definitions

The following definitions constitute the "**Additional Fund Definitions**".

"**Adviser Resignation Event**" shall mean, in respect of any Fund Interest, (1) the resignation, termination or replacement of the Fund Adviser of the related Reference Fund; or (2) the resignation, termination or replacement of the Fund Administrator, the management company, the custodian (if any) or the depository (if any) of the related Reference Fund.

"**Fund Administrator**" shall mean, in respect of a Reference Fund, the fund administrator, manager, trustee or similar person with the primary administrative responsibility for such Reference Fund.

"**Fund Adviser**" shall mean, in respect of a Reference Fund, any person appointed in the role of discretionary investment manager or non-discretionary investment adviser (including a non-discretionary investment adviser to a discretionary investment manager or to another non-discretionary investment adviser) for such Reference Fund.

"**Fund Documents**" shall mean, in respect of any Fund Interest, the constitutive and governing documents, subscription agreements, other agreements and offering documents however described of the related Reference Fund (including any prospectus and any offering memorandum), specifying the terms and conditions relating to such Fund Interest.

"**Fund Insolvency**" shall mean, in respect of any Fund Interest, an Insolvency (as defined in the Additional Insolvency Definitions set out at the end of Part I) in respect of the related Reference Fund.

"**Fund Insolvency Event**" shall mean, in respect of any Fund Interest, an Insolvency Event (as defined in the Additional Insolvency Definitions set out at the end of Part I) in respect of the related Reference Fund, the Fund Administrator of such related Reference Fund and any Fund Service Provider of such related Reference Fund.

"**Fund Interest**" shall mean each Constituent classified as such.

"**Fund Modification**" shall mean, in respect of any Fund Interest, any change or modification of the Fund Documents of the related Reference Fund which could reasonably be expected to affect the value of such Fund Interest or the rights and remedies of holders of such Fund Interest from those prevailing on the Index Start Date.

"**Fund Service Provider**" shall mean, in respect of a Reference Fund, any person who is appointed to provide services, directly or indirectly, for such Reference Fund, including any administrator, custodian, depository, domiciliary agent, Fund Administrator, Fund Adviser, management company, operator, prime broker, registrar, transfer agent and trustee.

"**Reference Fund**" shall mean, in respect of the relevant Fund Interest, the issuer of, or other legal arrangement giving rise to, such Fund Interest.

"**Regulatory Action**" shall mean, in respect of any Fund Interest, (1) the cancellation, suspension or revocation of the registration or approval of such Fund Interest or the related Reference Fund by any relevant governmental, legal or regulatory authority; (2) any change in the accounting, legal, regulatory or tax treatments of the related Reference Fund or its Fund Adviser that is reasonably likely to have an adverse impact on the value of such Fund Interest or on any investor therein; or (3) the related Reference Fund or any of its Fund Administrator or Fund Adviser becoming subject to any investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving the alleged violation of applicable law for activities relating to or resulting from the operation of such Reference Fund, Fund Administrator or Fund Adviser.

"**Reporting Disruption**" shall mean, in respect of any Fund Interest, (1) the occurrence of any event affecting such Fund Interest which would make it impossible or impracticable for the Index Calculation Agent to determine the value of such Fund Interest for the foreseeable future; (2) any failure of the related Reference Fund to deliver, or cause to be delivered, (a) information that such Reference Fund has agreed to

deliver or cause to be delivered; or (b) information that has been previously delivered in accordance with the normal practice of such Reference Fund or its authorized representative, which enable such Reference Fund's compliance with any investment guideline, asset allocation methodology or other similar policy to be monitored.

**"Strategy Breach"** shall mean, in respect of any Fund Interest, any breach or violation of any strategy or investment guideline stated in the Fund Documents of the related Reference Fund which could reasonably be expected to affect the value of such Fund Interest or the rights and remedies of holders of such Fund Interest from those prevailing on the Index Start Date.



## Additional Insolvency Definitions

The following definitions constitute the "**Additional Insolvency Definitions**".

"**Insolvency**" shall mean, in respect of any entity "**X**", that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding up of (or any analogous proceeding) affecting X (1) all the securities of X are required to be transferred to an Insolvency Officer; or (2) holders of the securities of X become legally prohibited from transferring or redeeming such securities.

"**Insolvency Event**" shall mean, in respect of any entity, "**X**":

- (1) X is dissolved or has a resolution passed for its dissolution, winding-up or official liquidation (other than pursuant to a consolidation, amalgamation or merger); or
- (2) X makes a general assignment or arrangement with or for the benefit of its creditors; or
- (3) X either (a) institutes, or has instituted against it by a Competent Official, a proceeding seeking an Insolvency Judgement, or a petition is presented for its winding-up or liquidation by it or by such Competent Official; or (b) has instituted against it a proceeding seeking an Insolvency Judgement, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person not described in (a) above and either (i) results in an Insolvency Judgement or the entry of an order for relief or the making of an order for its winding-up or liquidation; or (ii) is not dismissed, discharged, stayed or restrained, in each case within 15 days of the institution or presentation thereof; or
- (4) X seeks or becomes subject to the appointment of an Insolvency Officer of all or substantially all of its assets; or
- (5) X has a secured party take possession of all or substantially all of its assets (and such secured party maintains possession for not less than 15 days thereafter); or
- (6) X has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets (and such process is not dismissed, discharged, stayed or restrained within 15 days thereafter); or
- (7) the holders of securities issued by X become legally prohibited from transferring such securities; or
- (8) X causes or is subject to any event which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events described in (1) to (7) above.

For these purposes, "**Competent Official**" shall mean, in respect of an entity, a regulator, supervisor or other similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organization or in the jurisdiction of its head office or home office; "**Insolvency Law**" shall mean any bankruptcy law, insolvency law or other similar law affecting creditors' rights; and "**Insolvency Judgement**" shall mean any judgement of insolvency or bankruptcy or any other relief under Insolvency Law.

"**Insolvency Officer**" shall mean an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official.

## Additional Constituent Index Definitions

The following definitions constitute the "**Additional Constituent Index Definitions**".

"**Constituent Index**" shall mean each Constituent classified as such.

"**Constituent Index Cancellation**" shall mean, in respect of any Constituent Index, that the relevant Constituent Index Sponsor permanently cancels such Index.

"**Constituent Index Modification**" shall mean, in respect of any Constituent Index, that the relevant Constituent Index Sponsor announces that it will make a material change in the formula for or method of calculating such Constituent Index or in any other way materially modifies such Constituent Index (other than a modification prescribed in that formula or method to maintain such Constituent Index in the event of routine events).

"**Constituent Index Sponsor**" shall mean, in respect of any Constituent Index, the corporation or entity which (1) is responsible for setting and reviewing the rules and procedures and methods of calculations and adjustments, if any, related to such Constituent Index; and (2) announces (directly or through an agent) the level of such Constituent Index on a regular basis.

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### SUCCESSOR CONSTITUENT INDEX AND SUCCESSOR CONSTITUENT INDEX SPONSOR

If the relevant Constituent Index is (1) not calculated and announced by the relevant Constituent Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Index Calculation Agent; or (2) replaced by a successor index using, in the determination of the Index Calculation Agent, the same or a substantially similar formula for or method of calculation as used in the calculation of such Constituent Index, then in each case that index will be deemed to be such Constituent Index with effect from the date determined by the Index Calculation Agent, who may (but is not obliged to) make such adjustment(s) to these Index Conditions as it determines appropriate to account for such change.

## Part J: Definitions

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**"Adjustment Event"** shall, in respect of a Constituent, have the meaning given to it in the relevant section of Part I (*Provisions relating to Constituents*).

**"Affiliate"** shall mean, in respect of a person "X", any entity controlled (directly or indirectly) by X, any entity which controls (directly or indirectly) X or any entity (directly or indirectly) under common control with X. For this purpose, **"control"** of any person or entity shall mean the ownership or a majority of the voting power of such person or entity.

**"Citi"** shall mean Citigroup Inc. and its Affiliates.

**"Constituent"** shall mean each constituent of the Index, as specified in Part E (*Data*). Each Constituent shall be identified by a unique serial number, denoted by "i", as specified in Part E (*Data*). Part E (*Data*) also sets out the classification of each Constituent.

**"Constituent Closing Level"** shall have the meaning given to it in Part F (*Valuation of Constituents*).

**"Constituent Level"** shall have the meaning given to it in Part F (*Valuation of Constituents*).

**"Constituent Licensing Event"** shall mean, in respect of a Constituent, that (1) any licence granted to the Index Administrator and/or the Index Calculation Agent and/or any of their respective Affiliates to use such Constituent in connection with the Index is terminated; or (2) any such person's right to use such Constituent in connection with the Index is otherwise disputed, impaired or ceases for any reason.

**"Correction Period"** shall, in respect of a Constituent, have the meaning given to it in the relevant section of Part I (*Provisions relating to Constituents*).

**"Disrupted Day"** shall, in respect of a Constituent, have the meaning given to it in the relevant section of Part I (*Provisions relating to Constituents*).

**"Electronic Page"** shall mean, in respect of a datum, (1) an electronic page or source specified in respect of such datum in these Index Conditions; or (2) if no such electronic page or source has been so specified, such Bloomberg page or Reuters page or other widely-recognized source of financial data as the Index Calculation Agent may determine appropriate; or (3) in any case, any successor electronic page or source that has been designated by either (a) the sponsor of the original electronic page or source; or (b) the relevant information vendor or provider of the original electronic page or source; or (4) any alternative electronic page or source that may be designated by the Index Calculation Agent, provided that such electronic page or source is widely recognized by participants in the relevant market.

**"Expert Judgement"** shall have the meaning given to it in Part L (*Miscellaneous*).

**"Index Administrator"** shall mean the person specified as such in Part B (*Key Information*) or any successor to such person or any assignee of such person.

**"Index Base Currency"** shall mean the currency specified as such in Part B (*Key Information*).

**"Index Business Day"** shall mean each day specified as such in Part E (*Data*).

**"Index Calculation Agent"** shall mean the person specified as such in Part B (*Key Information*) and appointed by the Index Administrator, any successor to such person, or any alternative calculation agent appointed by the Index Administrator.

**"Index Launch Date"** shall mean the day specified as such in Part B (*Key Information*).

**"Index Level"** shall mean, in respect of an Index Business Day, the closing level of the Index as of the Index Valuation Time on such Index Business Day. The Index Level shall be an amount expressed in the Index Base Currency.

**"Index Linked Product"** shall mean any security, contract or other financial product the return of which is linked, in whole or in part, to the performance of the Index.

**"Index Start Date"** shall mean the date specified as such in Part B (*Key Information*).

**"Index Start Level"** shall mean the Index level on the Index Start Date, as specified in Part B (*Key Information*).

**"Index Ticker"** shall mean the Electronic Page specified as such in Part B (*Key Information*).

**"Index Valuation Time"** shall mean the time specified as such in Part E (*Data*).

**"Part"** shall mean a part of these Index Conditions.

**"Rebalancing Date"** shall mean each day specified as such in Part E (*Data*).

**"Scheduled Rebalancing Date"** shall mean each day specified as such in Part E (*Data*).

**"Scheduled Trading Day"** shall, in respect of a Constituent, have the meaning given to it in the relevant section of Part I (*Provisions relating to Constituents*).

**"Scheduled Valuation Date"** shall mean each day specified as such in Part E (*Data*).

**"Valuation Date"** shall mean each day specified as such in Part E (*Data*).

## Part K: Risk Factors

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The discussion of risks in this Part K comprises a discussion of specific risk factors, followed by a discussion of general risk factors.

### Specific Risk Factors

#### METHODOLOGY LIMITATIONS

The Index has been developed by the Index Administrator and the Index Manager solely for the purposes of determining all or part of the redemption amount payable in respect of the Notes (as defined in Part C (*Overview of the Index*)).

As of the Index Start Date and the date of these Index Conditions, the Index is exposed to the performance of a Core Index composed of a universe of 62 constituents, 34 of which are linked to futures contracts (linked to equities, currencies and fixed income), 18 of which are exchange traded funds (linked to equities and fixed income), 7 of which are linked to commodity indices, and 3 of which are linked to fixed income indices, each selected by the Index Manager from time to time. The Index Manager may request the addition of other constituents of the same asset classes, which the Index Administrator may add to the universe of constituents at its sole discretion. Investors are exposed to equity price risk, foreign exchange rate risk and interest rate risk through the ETD Contracts, equity risk and interest rate risk through the ETF Shares, commodity price risk through the Commodity Indices and interest rate risk and US government debt risk through the Bond Futures Indices, and are therefore subject to the risks of equity investing, currency investing, commodity investing and fixed income investing. Investors should be familiar with indices, futures and exchange traded funds generally. All Constituents are selected by the Index Manager.

The weights of the Constituents may be changed at the discretion of the Index Manager on dates selected on a discretionary basis by the Index Manager. Exposure to a Constituent of the Index may be long or short or zero at any time, as selected by the Index Manager (subject to pre-determined minimum and maximum weightings for each Constituent, although maximum weightings may be subject to increase at the request of the Index Manager). If the Index Manager has not selected the weights of the Constituents as of the Index Start Date, then the Core Index shall comprise all 62 Constituents in the universe, weighted equally.

The performance of the Index may be volatile. The potential performance of the Index should be assessed by each potential investor on the basis of the calculations that compose the Index Level and the Core Index Level of the Index. The Index Administrator makes no representations as to the ability of the Index to perform in a certain manner. The benefits of the Index strategy - as determined by the Index Manager in its discretion - may only become apparent over a long period.

The Index uses a rules-based methodology which contains fixed parameters. For example, (i) the realized volatility (for the purpose of determining the Exposure of the Index to the Core Index) is calculated by reference to the volatility of the Core Index Level over a fixed number of days (being 60 Index Business Days over a period of 62 Index Business Days), (ii) the Volatility Target is deemed to be indicative of the limits beyond which the realized volatility of the Core Index Level will hinder the performance objective of the Index, and (iii) the maximum exposure of the Index to the Core Index Level is set at 150 per cent (i.e. 1.5 times). The methodology of the Index assumes that these parameters and the other fixed parameters used in the calculation of the Index are reasonable in the context of the Index. However, alternative parameters (for instance, more or less frequent rebalancing, a longer or shorter period for calculating realized volatility) could have a positive effect on the performance of the Index.

Investors in the Notes and any Index Linked Products should be aware of these limitations in considering their investment decision.

#### INDEX MANAGER ROLE

The Index Manager is República AFAP, S.A., a third party that is not affiliated with Citi. The Index Administrator has a contractual relationship with the Index Manager to provide management functions for the

purposes of the Index pursuant to the Index Management Agreement. However, the Index Manager is not an agent of the Index Administrator. The Index Manager acts only as an independent contractor and has not been appointed by the Index Administrator as a sub-advisor in respect of the Index or the Notes.

The Index Manager has the right but not an obligation, pursuant to the Index Management Agreement, to adjust the weightings of any of the Constituents at any time and if it decides not to make any such adjustments the Index may be adversely affected. Similarly, if the Index Manager fails to follow the specified process for adjustment of the weights of the Constituents as set out in the Index Management Agreement and paragraph 2.5 (*Constituent Percentage Weight Determination; Selection and Rebalancing instructions*) of Part D (*Calculation of the Index Level*) above, the Index will not be rebalanced. This may also have an adverse effect on the Index performance.

The Index Management Agreement may terminate for a number of reasons, including if the Index Manager breaches that Agreement and will terminate automatically upon (i) redemption of the Notes, (ii) conversion of the Notes to a fixed rate return or other type of return that is not linked to the Index, or (iii) transfer of any Note to a person other than the Initial Purchaser or an affiliate of the Initial Purchaser or another person advised by the Initial Purchaser or an affiliate of such person.

If the Index Management Agreement is terminated then no replacement Index Manager will be appointed and the Index will be discontinued. This may have an adverse effect on the Notes and on any Index Linked Product referencing the Index.

## **INDEX MANAGER DISCRETION**

The Index is developed by the Index Administrator and the Index Manager. However the Constituents and their respective initial weightings and any subsequent adjustments to those weightings will be determined by the Index Manager in its sole discretion in accordance with the Index Management Agreement. The Index Manager is solely responsible for determining the Constituents and their respective Percentage Weights in respect of each Selection Date to be applied from the rebalancing of the Index on each Rebalancing Date, subject to certain specified maximum and minimum weights for each of the Constituents. Additional constituents of the same asset class as the existing constituents may be added, subject to certain parameters and process requirements.

Accordingly, the performance of the Index will depend not only on the methodology of the Index but also on weighting and rebalancing determinations made by the Index Manager as well as the requests to add new Constituents. Weighting decisions that run counter to market trends will result in the Index Level declining or not increasing in line with market benchmarks. The Index Manager may select a bullish position in a small number of Constituents and concentrate notional investment in those Constituents, and such concentrations may run counter to market trends and result in losses for investors in the Notes or other Index Linked Products. There is no guarantee that the Index Manager will act rationally in its selection and weighting decisions. Therefore, the success or failure of the Index or any Constituent of the Index to achieve any investment or hedging objective or any particular performance is solely affected by the abilities of, and determinations made by, the Index Manager and certain key individuals employed by the Index Manager.

The Index Administrator has no responsibility for making any such determinations or monitoring the Index, the Constituents or their respective weightings and does not approve, endorse or recommend any Index Manager Instruction (as defined in paragraph 2.5 (*Constituent Percentage Weight Determination; Selection and Rebalancing instructions*) above).

There can be no assurance that the Index Manager will be successful in its selection of Constituents in the Index, selecting and/or adjusting the weights of the Constituents from time to time, rebalancing of the Index or generating positive returns and the loss of one or more key individuals at the Index Manager may have a material adverse impact on the performance of the Index. Accordingly, the Notes are intended to be held only by República AFAP, S.A. as Initial Purchaser, which is also acting as Index Manager in respect of the Index. The Index is not designed for, and is not expected to be used or referenced by, any Index Linked Product other than the Notes, nor is it expected that there will be any holder of the Notes other than the Initial Purchaser, or an affiliate of the Initial Purchaser, or another person advised by the Initial Purchaser or an affiliate of such person. The Index is intended to be personal to the selections and expertise of the Index Manager.

## **VOLATILITY TARGET**

The Exposure of the Index to the Core Index is adjusted, potentially on a daily basis, in accordance with a formula which seeks to maintain an overall specified annualized volatility level for the Core Index Level as close as practicable to a target level of 10% (the Volatility Target). The Exposure is determined by reference to the recent volatility of both the Core Index Level and the Index. Although the volatility of the Core Index Level and the Exposure of the Index thereto is determined and may be adjusted daily, the volatility targeting mechanism used to construct the Index may not be successful in causing the volatility to approximate the Volatility Target and will not prevent a decline in the Index. The actual volatility of the Index may be greater or less than the Volatility Target.

Further, the application of the Volatility Target is based on 60 Index Business Days' historical volatility of the Core Index Level (over a period of 62 Index Business Days) before making any adjustment to the Exposure of the Index. This means there may be a significant period of time before the Index reduces Exposure to account for any increase in volatility; this could result in a lower Index Level than would prevail if the Exposure had been adjusted more quickly.

During periods when the realized volatility of the Core Index Level is higher than the Volatility Target, particularly in bull markets, the volatility targeting mechanism may lead the Index to underperform relative to the Core Index Level and/or compared with indices that do not use such a mechanism, and the performance of the Constituents and their respective weightings selected by the Index Manager may not be fully reflected by the Index performance.

There is also no guarantee that the Index will outperform the Core Index or any alternative volatility adjusted index that might be constructed by reference to the Constituents.

## **USE OF LEVERAGE**

The Volatility Target may result in the Index having an Exposure to the Core Index of up to 150% (the maximum Exposure). It should be noted that whenever the Exposure exceeds 100%, the Index will have a leveraged exposure to the Core Index (i.e. the non-volatility weighted version of the Index). In these circumstances, the performance of the Core Index or change in value, either positive or negative, will be magnified at the level of the Index. The use of leverage will magnify the adverse effect on the level of the Index if the Core Index Level declines in value, which may increase the risk of loss on any Index Linked Product.

The Volatility Target may result in the Index having an exposure of substantially less than 100% of the Core Index (i.e. the non-volatility weighted version of the Index), which may limit or reduce gains on any investment linked to the Index. The use of leverage also means that the level of the Index could fall to zero even if the level of the Core Index Level does not fall to zero. If the level of the Index falls to zero, the level of the Index will remain at zero and will never regain any positive performance.

Therefore the volatility targeting mechanism may have an adverse effect on the performance of the Index.

## **SHORT POSITIONS**

The exposure of the Core Index to certain Constituents may be negatively weighted (effectively reflecting a "short" position), as selected by the Index Manager, and positive performance of such Constituents will have a negative impact on the level of the Index. Unlike long positions, short positions are subject to unlimited risk of loss because there is no limit on the amount by which the price that the relevant asset may appreciate before the short position is closed. It is possible that any short position included in the Index may appreciate substantially with an adverse impact on the level of the Index and therefore the value of any Index Linked Product.

## **FUTURES CONSTITUENTS**

In either a "contango" market (upward-sloping futures curve) or a "backwardation" market (downward-sloping futures curve) (as further discussed in paragraph 2.2.1 of Part D (*Calculation of the Index Level*) above), as



the expiration date of a futures contract (or ETD Contract) nears, the price of the futures contract will generally trend to the spot price of the underlying asset or financial instrument. Therefore a contango market may affect adversely the performance of the underlying asset or financial instrument and therefore the level of the related futures contract. The Index may be negatively impacted if an equity index futures curve flips from a contango market to a backwardation market, or vice versa, during the course of a month. Sudden and unexpected changes in the shape of the futures curve may adversely affect the Core Index, and consequently, the Index.

The Index may be disrupted if market trading in its constituent futures contracts is suspended or disrupted.

In bullish equity markets longer-dated futures contracts may rally more slowly than near-term futures contracts.

## **FX RISK**

The Index Base Currency is U.S. Dollars, whereas a number of the Constituents of the Index may be denominated in other currencies. Accordingly, in calculating the Index Level, the Index Calculation Agent is required to convert the relevant level of the Constituent into U.S. Dollars using the specified exchange rate in respect of the relevant Valuation Date, as described in paragraph 2.2.1 of Part D (*Calculation of Index Level*). This means that an Investor in an Index Linked Product may be subject to exchange rate risk in respect of a number of the Constituents. Movements in the exchange rate may be such that, on the one hand, U.S. Dollars may become stronger and/or on the other hand, other relevant global currencies may become weaker, in which case the exchange rate in respect of the conversion may be less favourable to the Investor and the Index Level may be adversely affected. In particular, if the exchange rate in respect of a particular Constituent does become significantly less favourable to the Investor, such change in the exchange rate may negate, in whole or in part, any positive performance of that Constituent and/or the other Constituents and/or the Index as a whole.

## **PERFORMANCE RISK**

The Index may underperform certain equities, foreign currencies, commodities or fixed income bonds underlying the Constituents of the Index, the Core Index, and/or other indices with the same constituents, where those other indices employ a different scheme to rebalance weights and manage volatility. The methodology of the Index does not seek to outperform any other equity or commodity benchmark in absolute terms and may not outperform at all.

Correlation is the extent to which the values of the Constituents increase or decrease to the same degree at the same time. The values of the Constituents may or may not be correlated and if the correlations among the Constituents change, the level of the Index may be adversely affected. High correlation during periods of negative returns among Constituents representing one asset type (e.g. the ETD Contracts that represent equities) which have a substantial percentage weighting in the Core Index Level could limit the performance of the Index, and underperformance by one or more of the Constituents of the Index may reduce the performance of the Index as a whole.

Index Linked Products based on these Index Conditions cannot and do not guarantee absolute returns in any situation.

## **NO INVESTMENT**

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

The Index is not a substitute for physical equities, commodities or fixed income bonds and returns of the Index may not reflect the returns that could be obtained by owning the components that are included in the Index.



## **REBALANCING FREQUENCY**

The frequency of rebalancing of the Index is at the discretion of the Index Manager, pursuant to the terms of the Index Management Agreement. The Constituents of the Index and their percentage weights are determined on each Selection Date and effected on each Rebalancing Date. A higher frequency of rebalancing will incur greater costs, and a lower frequency of rebalancing may mean that the Index Manager is unable to take advantage of market movements and market trends. Either of these effects may negatively impact the performance of the Index compared to alternatives without discretionary rebalancing. The decisions and expertise of the Index Manager in this respect will be significant influencing factor in respect of the performance of the Index.

## **EFFECT OF NOTIONAL COSTS**

Switching the percentage weights of the Constituents, adding new Constituents and varying the level of exposure of the Index to the Core Index on an algorithmic basis as a function of the volatility targeting mechanism requires certain notional transaction and replication costs to be taken into account for the Index to be an accurate measure of the strategy's effectiveness. There is also a notional cost to "rolling" the futures contracts forward as the Index sells the current active contracts and then adds the next month's contracts, and it should be noted that the performance of the ETF Shares is presented as the 'excess return' above an overnight rate of interest on USD cash whereby 3-month USD LIBOR is deducted from the closing price of an exchange traded fund to determine the level of the relevant ETF Share. Similarly, any distributions made in respect of exchange traded funds are notionally reinvested 'net' at 70% to reflect notional withholding taxes.

Investors in any Index Linked Product are advised to scrutinize and understand the various notional costs set out in these Index Conditions because all of them will ultimately serve to act as a drag on the Index Level and will restrict the return available (if any) under such Index Linked Product. The cumulative effect of these notional costs may be significant and will adversely affect the performance of the Index.

## **ADJUSTMENTS AND DETERMINATIONS OF INDEX CALCULATION AGENT AND INDEX ADMINISTRATOR**

The Index Administrator has appointed an Index Calculation Agent. In addition to calculating and publishing the level of the Index, the Index Calculation Agent will be responsible for making certain determinations and adjustments in connection with the Index in accordance with these Index Conditions. These determinations and adjustments may include, in certain circumstances, determining whether to replace an existing constituent with a replacement constituent or whether to suspend the calculation and publication of the level of the Index. The Index Administrator is responsible for developing the rules and policies governing the Index and may modify the methodology in certain circumstances in accordance with these Index Conditions or discontinue the Index without notice. Any of these calculations or determinations may have an impact, positive or negative, on the Index Level. In making these calculations or determinations, the Index Calculation Agent and the Index Administrator, is not acting as an advisor to, and is under no obligation to consider the interests of, the holders of the Notes, and may have economic interests that are adverse to those of the holders of the Notes.

## **LIMITED OPERATING HISTORY**

The Index has limited historical information; historical levels of comparable indices should not be taken as an indication of the future performance of the Index over any period. Moreover the Index will be weighted and rebalanced based on the Index Manager's discretionary choices over time. No assurance can be given that the selection methodology employed by the Index Manager in relation to selecting the Percentage Weights of the Constituents will result in the Index matching or outperforming any market benchmark and the Index could underperform such benchmarks, including by experiencing long term declines. The Index was launched by the Index Administrator on the specified Index Launch Date and has been calculated by the Index Calculation Agent for the period from the specified Index Start Date. Any back-testing or similar performance analysis performed by any person in respect of the Index must be considered illustrative only and may be based on estimates or assumptions not used by the Index Calculation Agent when determining the Index Level.

This list of risk factors is not intended to be exhaustive. All persons should seek such advice as they consider necessary from their professional advisors, investment, legal, tax or otherwise, without reliance on the Index Administrator, the Index Calculation Agent, any of their respective Affiliates or any of their respective directors, officers, employees, representatives, delegates and agents.

## General Risk Factors

### 1. INTRODUCTION

The Index Level may go down as well as up, depending on the performance of the Constituents and their effect on the strategy that the Index has been developed to reflect. There can be no assurance as to the future performance of the Index, and the Index Level on any day may not reflect either its past performance or its future performance. The strategy that the Index has been developed to reflect may not be successful, and other strategies using the Constituents and alternative indices and benchmarks may perform better than the Index.

The Index represents the weighted value of its Constituents. The Index has been developed to be "investable", but the methodology set out in these Index Conditions is quantitative, which means that the Index Level is determined according to the rules and the processes set out in these Index Conditions on a purely notional basis, without reference to any actual investment in the Index or any of its Constituents.

The result of any such actual investment may be different to the performance of the Index. In particular, any notional fees or costs deducted in the calculation of the Index Level, and any proportionate amount included in the Index Level of any dividend, distribution or payment in respect of any Constituent, may be different from those arising in respect of any actual investment in any Constituent or any combination of Constituents.

Prospective investors in any Index Linked Product should be familiar with investments in the global financial and commodity markets, financial instruments and indices generally.

### 2. RISKS IN RESPECT OF THE CONSTITUENTS

The performance of the Index is dependent on the performance of all of the Constituents contained in the Index.

Fluctuations in the level, price, rate or value (as applicable) of the Constituents contained in the Index from time to time will directly affect the Index Level. The extent to which fluctuations in the Constituent Closing Level of a particular Constituent will affect the Index Level will, amongst other things, depend on the Weight attributed to that Constituent at the relevant time.

Please refer to the following paragraphs for a discussion of the particular general market risks arising in respect of each classification of Constituent.

- **Bond Futures Index**

Prospective investors in an Index Linked Product linked to an Index containing a Bond Futures Index should be familiar with bond futures indices generally. The level of a Bond Futures Index is generally based on the value of the exchange-traded derivative contracts (i.e. ETD Contracts) contained in the Bond Futures Index, and therefore the risks discussed under the heading "*ETD Contract (exchange-traded derivative contract)*" are also relevant.

*"Rolling" futures contracts*

The trend in the level of a Bond Futures Index may not correlate with the trend in the price of a

particular bond if the Bond Futures Index uses a "roll" mechanism by which exposure in the Bond Futures Index to a futures contract which is approaching delivery/expiry is replaced with an exposure to another futures contract which has a later delivery/expiry date. The level of the Bond Futures Index may not therefore fully reflect any increase or decrease in the price of the relevant bond.

- **Commodity**

Prospective investors in an Index Linked Product linked to an Index which has exposure to a commodity, whether through one or more Constituents each of which is a Commodity Index or one or more Constituents each of which is an exchange-traded derivative contract (i.e. an ETD Contract), should be familiar with commodities generally. Therefore the risks discussed under the headings "*Commodity Index*" and "*ETD Contract (exchange-traded derivative contract)*" are also relevant.

Commodity markets can be highly volatile. In addition to being affected by general economic and market factors, including without limitation (1) weather; (2) governmental, agricultural, commercial and trade programmes and policies introduced to influence commodity prices; (3) global political and economic events; and (4) changes in interest rates, commodity markets are also subject to temporary distortions or other disruptions caused by various factors including (a) changes in supply and demand; (b) any potential lack of liquidity in the market; (c) the participation of speculators; and (d) government regulation and intervention.

- **Commodity Index**

Prospective investors in an Index Linked Product linked to an Index containing a Commodity Index should be familiar with commodity indices generally. The level of a Commodity Index is generally based on the value of the commodities and/or the exchange-traded derivative contracts (i.e. ETD Contracts) contained in the Commodity Index, and therefore the risks discussed under the headings "*Commodity*" and "*ETD Contract (exchange-traded derivative contract)*" are also relevant.

*"Rolling" futures contracts*

The trend in the level of a Commodity Index may not correlate with the trend in the price of a particular commodity if the Commodity Index uses a "roll" mechanism by which exposure in the Commodity Index to a futures contract which is approaching delivery/expiry is replaced with an exposure to another futures contract which has a later delivery/expiry date. The level of the Commodity Index may not therefore fully reflect any increase or decrease in the price of the relevant commodity.

- **ETD Contract (exchange-traded derivative contract)**

Prospective investors in an Index Linked Product linked to an Index containing an ETD Contract (whether a futures contract or an option contract) should be familiar with futures contracts and option contracts generally. The value and price volatility of both the ETD Contracts contained in an Index and of the assets or reference factors underlying such ETD Contracts must be considered.

*Daily Limits*

ETD Contracts are traded on exchanges, and are subject to regulations which limit the extent to which the prices of ETD Contracts can fluctuate during a single trading day. These regulations are commonly referred to as "daily limits". Under these regulations, on a particular trading day, no trades may be executed at prices beyond the daily limits. Once the price of an ETD Contract has increased or decreased by an amount equal to the applicable daily limit, a trader cannot

take a position or liquidate a position unless he or she is willing to effect the trade at or within the applicable daily limit. This could prevent the holder of an ETD Contract from promptly liquidating unfavourable positions and subject him to substantial losses.

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

Prospective investors in an Index Linked Product linked to an Index containing an ETF Share should be familiar with exchange-traded funds generally. The price volatility of ETF Shares contained in an Index must be considered. The value of ETF Shares may go down as well as up, and the value of the ETF Shares on any date may not reflect their performance in any prior period. There can be no assurance as to the future value of the ETF Shares, or as to the continued existence of the ETF Shares.

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

An exchange-traded fund may trade and invest in a broad range of investments such as debt and equity securities, commodities and foreign exchange, and may enter into derivative transactions, including without limitation futures contracts and option contracts. The trend in the Index Level of an Index containing an ETF Share may not correlate with the trend in any market to which the relevant exchange-traded fund creates an investment exposure.

The value of an ETF Share may be affected by the performance of persons providing services to the relevant exchange-traded fund, including the investment manager or the investment adviser to the relevant exchange-traded fund.

- **FX Rate**

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

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

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

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

### **3. PERFORMANCE OF THE INDEX**

#### **3.1 The performance of the Index may be significantly lower than the performance of certain Constituents**

The performance of the Index could be significantly less than the performance of alternative indices and benchmarks with similar risk characteristics, even if some of the Constituents have generated significant positive returns. The levels, prices, rates or values ("**Values**") of the Constituents may move in different directions at different times compared to each other, and underperformance by one or more of the Constituents may reduce the performance of the Index as a whole, even if other Constituents generate positive returns.

#### **3.2 The correlation between the Constituents may change unpredictably**

Correlation is the extent to which the Values of the Constituents increase or decrease to the same degree at the same time. If the correlations among the Constituents change, the level of the Index may be adversely affected.

### **3.3 The Index may be subject to currency rate risk**

The Index may be exposed to currency rate risk because the Values of the Constituents may be converted into the base currency of the Index for the purposes of calculating the level of the Index if those Values are expressed in a different currency. Currency rates may be volatile and move in an unexpected way. Historical currency rates should not be considered indicative of future currency rates.

## **4. NOTIONAL EXPOSURE**

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

### **4.1 No rights**

Investors in Index Linked Products (1) have no legal or beneficial ownership interest in any Constituent and therefore have no recourse to any Constituent; (2) have no right to take delivery of any Constituent; (3) have no voting rights with respect to any Constituent; (4) have no right to receive dividends, distributions or other payments with respect to any Constituent.

### **4.2 No offer**

Nothing in these Index Conditions constitutes an offer to buy or to sell any Constituent or any other asset, commodity, contract or security (including without limitation any asset, contract, commodity or security included in any Constituent).

### **4.3 Reinvestment.**

If the Index is a "total return index", it will include the notional reinvestment of amounts calculated by reference to any dividend, distribution or payment that would be received by a holder of a Constituent. If the Index is not a "total return index", it will not include any such notional reinvestment.

## **5. NO INVOLVEMENT OF PERSONS CONNECTED WITH ANY CONSTITUENT**

The Index does not create any obligation of any person connected with any Constituent (each such person, for the purposes of this paragraph, a "**Relevant Person**"), including without limitation the issuer of any Constituent which is a security, the sponsor or calculation agent of any Constituent which is itself an index, and the provider of any service (such as an investment adviser or an investment manager) to any Constituent which is a fund.

No Relevant Person has participated in the preparation of these Index Conditions or in the arrangement and offer of any Index Linked Product.

## **6. NO INVESTIGATION**

Neither the Index Administrator nor the Index Calculation Agent has made or will make any investigation or enquiry with respect to any Constituent, including with respect to any publicly-available information that is disclosed in these Index Conditions to any Constituent. Consequently there can be no assurance that all events have been disclosed which would affect the performance of the Index or the value of any Index Linked Product.

## **7. EFFECT OF FEES**

The Index Level may include a deduction of notional fees, as described in these Index Conditions. Any such deduction of notional fees will result in the Index underperforming a hypothetical investment

portfolio from which no such deduction is made.

## **8. EFFECT OF NOTIONAL COSTS**

The Index Level may include a deduction of notional costs (which may be referred to as a notional cost, charge, spread or similar term), as described in these Index Conditions. Any such deduction of notional costs will result in the Index underperforming a hypothetical investment portfolio from which no such deduction is made.

## **9. DISRUPTION TO THE INDEX**

Certain events may affect the calculation of the Index and the Index Level. These events, which are described elsewhere in these Index Conditions, may have consequences including:

- (1) the Index Calculation Agent following the process described in Part G (*Adjustment of dates*);
- (2) the Index Calculation Agent exercising certain discretions conferred by these Index Conditions;
- (3) the Index Calculation Agent suspending the calculation, publication and dissemination of the Index and the Index Level;
- (4) the Index Administrator making a modification or change to these Index Conditions; and
- (5) the Index Administrator discontinuing and cancelling the Index.

Unless otherwise stated, the Index Administrator has no obligation to inform any person of the result of any action taken on the occurrence of such events.

The occurrence or existence of Disrupted Days may also result in the calculation, publication and dissemination of the Index being postponed to a later time than as provided in these Index Conditions.

## **10. INDEX ADMINISTRATOR AND THE INDEX CALCULATION AGENT**

These Index Conditions confer on the Index Administrator and the Index Calculation Agent a degree of discretion in making certain determinations and calculations, for example in connection with the occurrence of disruptions and adjustments. Although each of the Index Administrator and the Index Calculation Agent will use Expert Judgement in exercising any discretion, the exercise of any such discretion may have an adverse effect on the Index Level and therefore may have an adverse effect on the value of any Index Linked Product. Please see Part L (*Miscellaneous*) for further important disclosure of additional general risks (1) as to the manner in which the Index is determined; (2) that neither the Index Administrator nor the Index Calculation Agent acts as fiduciary; and (3) as to certain conflicts of interest.



## Conflicts of Interest

The following material conflicts of interest may exist in respect of a swap or other over-the-counter derivative transaction (an "**Index Swap**") which references or is otherwise based on the performance of the Index, where your counterparty to the Index Swap (the "**Swap Dealer**") is either the Index Administrator, the Index Calculation Agent, an affiliate of the Index Administrator, or an affiliate of the Index Calculation Agent.

### 1. DISCRETIONS

As discussed above, the Index Administrator and the Index Calculation Agent are entitled to exercise certain discretions in relation to the Index, including but not limited to the determination of index disruption events. Such determinations may adversely affect the level of the Index and therefore the amount payable under the Index Swap.

### 2. HEDGING

The Swap Dealer expects to hedge its obligations under the Index Swap directly or through one or more of its affiliates. This hedging activity is likely to involve trading in one or more Constituents and Related Instruments. For these purposes, "**Related Instruments**" shall mean the instruments comprising the Constituents and other instruments (such as futures, options and swaps) with returns linked to the performance of the Index, the Constituents or the instruments comprising the Constituents. This hedging activity could affect the value of the Constituents and therefore the level of the Index, and may result in the Swap Dealer or its affiliates receiving a profit, even if the level of the Index declines.

### 3. TRADING ACTIVITIES

The Swap Dealer and its affiliates expect to engage in trading activities related to the Index, the Constituents and Related Instruments, for their own account or for the account of customers, and may exercise remedies or take other action with respect to their interests as they deem appropriate. These trading activities could affect the level of the Index and therefore the value of the Index Swap.

### 4. INDEX FEE

If a fee is deducted in the calculation of the level of the Index (an "**Index Fee**"), the Swap Dealer or its affiliates may receive a payment in addition to any fee payable under the Index Swap. For example, if the Swap Dealer hedges its obligations under the Index Swap by investing (directly or through one of its affiliates) in the Constituents in the same notional amounts as the Index Swap, the amount received by the Swap Dealer in respect of its hedge may exceed the amount payable under the Index Swap by the amount of the Index Fee.

### 5. NOTIONAL TRANSACTION COSTS

If notional transaction costs are deducted in the calculation of the level of the Index ("**Notional Transaction Costs**"), the Swap Dealer or an affiliate may receive a payment in addition to any fee payable under the Index Swap. For example, if the Swap Dealer hedges its exposure under the Index Swap by investing (directly or through one of its affiliates) in the Constituents, and the Notional Transaction Costs exceed the actual cost incurred by the Swap Dealer in adjusting its hedge, the amount received by the Swap Dealer in respect of its hedge may exceed the amount payable under the Index Swap by some or all of the amount of the Notional Transaction Costs.

### 6. VALUATIONS

If the Index references notional over-the-counter swaps or other notional over-the-counter transactions, the terms and prices of such notional transactions may be determined by the Index Calculation Agent, based on its view of the prevailing terms and prices for similar transactions in the relevant markets, which may differ from the views of other market participants. Persons involved in making such determinations may have interests which conflict with your interests, and the Index Calculation Agent will not take the Index Swap or your interests into consideration when making such

determinations.

#### **7. UNAVAILABILITY OF THE INDEX**

In the event that the determination and publication of the Index is suspended or discontinued, or the level of the Index is not available for another reason, the calculation agent of the Index Swap may be required to determine the level of the Index pursuant to the terms of the Index Swap.

#### **8. LICENSING FEE**

If the Index includes a Constituent which is an index sponsored by the Swap Dealer or an affiliate of the Swap Dealer (a "**Sub-Index**"), the potential conflicts discussed above may exist in respect of that Sub-Index. If the Index or a Sub-Index is based on a methodology licensed from the Swap Dealer or an affiliate of the Swap Dealer, the Swap Dealer or its affiliate (as relevant) may receive a licensing fee based on the notional amount of the Index Swap.

#### **9. SHARING PAYMENTS**

Payments received by the Swap Dealer under the Index Swap, or by the Swap Dealer or its affiliates in connection with the Index, may be shared with third parties.

**THE LIST OF RISK FACTORS OUTLINED IN THIS PART K IS NOT INTENDED TO BE EXHAUSTIVE. ANY EVALUATION OF INDEX LINKED PRODUCTS SHOULD BE MADE ONLY AFTER SEEKING ADVICE FROM INDEPENDENT PROFESSIONAL ACCOUNTING, FINANCIAL, INVESTMENT, LEGAL, REGULATORY, TAX AND OTHER ADVISORS.**



## Part L: Miscellaneous

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### 1. CALCULATIONS AND DETERMINATIONS

#### 1.1 Calculations

Unless otherwise specified in the Index Conditions, the Index Calculation Agent will perform all calculations, determinations, rebalancings and adjustments (together, "**Calculations**") in respect of the Index. Neither the Index Calculation Agent nor the Index Administrator will have any responsibility for errors made in good faith or omissions in Calculations or other actions as provided in these Index Conditions.

The Calculations of the Index Calculation Agent shall be performed by it in accordance with these Index Conditions, acting in its sole, absolute and unfettered discretion, but in good faith and in a commercially reasonable manner (having regard in each case to the criteria stipulated in these Index Conditions and, where relevant, on the basis of information provided to or obtained by employees or officers of the Index Calculation Agent responsible for making relevant Calculations). All Calculations shall, in the absence of manifest error, be final, conclusive and binding on any user of the Index, including any holder of, or counterparty to, an Index Linked Product.

#### 1.2 Rounding

Subject as provided in these Index Conditions, any amount, currency amount, level, percentage, price, rate or value ("**Amount**") calculated by the Index Calculation Agent shall be rounded to such number of decimal points and in such manner as the Index Calculation Agent determines is appropriate, acting in a commercially reasonable manner.

#### 1.3 Use of estimates

The Index Calculation Agent will perform the Calculations described in these Index Conditions using the information, data sources or factors specified in these Index Conditions and any Amount (together, "**Information**") and may perform any Calculation and any action required in respect of these Index Conditions in any sequence. However, in the event that the Index Calculation Agent is not able to obtain or use any necessary Information, then (after using reasonable endeavours and after applying any fallback provision specified in these Index Conditions in respect of the relevant Calculation) the Index Calculation Agent may, but shall not be obliged to, use its estimate (made using Expert Judgement) of the relevant Information in performing such Calculation, should the Index Calculation Agent determine that such estimate is reasonably necessary in order to give effect to any provision or to perform any Calculation necessary under these Index Conditions.

#### 1.4 No verification of Information

Although the Index Calculation Agent will obtain Information for inclusion in the Index or for use in performing any Calculation under these Index Conditions from sources that the Index Calculation Agent considers reliable (including databases maintained by the Index Calculation Agent or its Affiliates, and public sources such as Bloomberg and Reuters), the Index Calculation Agent will not publish or independently verify such Information.

#### 1.5 Corrections

Subject to any Correction Period specified, if the Index Calculation Agent becomes aware that any Information used by it in connection with any Calculation under these Index Conditions has subsequently been corrected or adjusted, then the Index Calculation Agent (1) if the Correction Period does not include a Rebalancing Date, shall use such corrected or adjusted Information and as a consequence make any further Calculation that it determines necessary or desirable in order to give effect to or to reflect such corrected or adjusted Information, including without limitation any redenomination, exchange or conversion of any currency into a successor currency; or (2) if the Correction Period includes a rebalancing Date, may, but shall not be obliged to, use such corrected or adjusted Information, and in exercising any such discretion, will act in good faith and in a commercially

reasonable manner which is consistent with the primary objective of the Index.

#### **1.6 Reliance**

In performing any Calculation under these Index Conditions, the Index Calculation Agent may rely upon the opinion of any person who appears to it as being competent to value any asset or instrument of any class, or to perform any other calculation or determination, by reason of any appropriate relevant professional qualification or experience.

#### **1.7 Dates and times of calculations**

Notwithstanding that certain Calculations under these Index Conditions may be expressed to be "as at", "as of", "in respect of" or "on" a certain date or time, or any synonym of each such phrase, the Index Calculation Agent may perform such Calculation in respect of such date or time after such date or time.

#### **1.8 Not acting as fiduciary or agent**

In performing any Calculation or other action in connection with these Index Conditions, each of the Index Administrator and the Index Calculation Agent will act as principal and not as agent of any other person. Neither the Index Administrator nor the Index Calculation Agent owes any duty of care or any fiduciary duty to any investor in any Index Linked Product or to any other person. Each Calculation and other action performed in connection with these Index Conditions by the Index Administrator or the Index Calculation Agent is performed in reliance on this provision and is subject to this provision.

If through performing any such Calculation or other action the Index Administrator or the Index Calculation Agent is rendered an agent or fiduciary of another person under applicable law, then (at the option of the Index Administrator or the Index Calculation Agent, as relevant) the rights and obligations of the Index Administrator or the Index Calculation Agent to perform such Calculation or other action may be suspended (or, if already performed, the application of such Calculation or other action may be suspended) until such time when such Calculation or other action can be performed either by the Index Administrator or the Index Calculation Agent as principal and not as an agent or fiduciary or by an appropriate third party who is both willing and able to perform such Calculation or other action.

#### **1.9 Ambiguities, errors and omissions in these Index Conditions**

Although these Index Conditions are intended to be comprehensive, it is possible that ambiguities, errors and omissions may arise in certain circumstances. The Index Administrator will resolve, using Expert Judgement, any such ambiguity, error or omission, and may amend these Index Conditions to reflect the resolution of such ambiguity, error or omission.

#### **1.10 Expert Judgement**

Each of the Index Administrator and the Index Calculation Agent, as relevant, shall exercise any discretion and make any determination in respect of the Index by using a standard of judgement ("**Expert Judgement**") which shall consist of (1) acting in good faith and in a commercially reasonable manner; (2) to the extent practicable, reflecting the commercial objective of the Index and market practice; and (3) to the extent practicable, promoting consistency in the exercise of discretions and the making of determinations in respect of both the Index and other indices in respect of which it acts, as relevant, as index administrator or index calculation agent.

#### **1.11 Errors in Calculations**

It is possible that errors in Calculations may arise in certain circumstances. The Index Administrator may determine, using Expert Judgement, to restate the Index Level for each day affected by an error in a Calculation.

## 2. CONFLICTS OF INTEREST

Citi entities perform various roles in connection with the Index and Index Linked Products, and conflicts of interest may arise for any such entity as a consequence of any role it performs in connection with the Index or any Index Linked Product or as a consequence of its activities more generally.

During the normal course of their business, the Index Administrator, the Index Calculation Agent, any of their respective Affiliates, directors, officers, employees, representatives, delegates and agents (each, for the purposes of this Part L, a "**Relevant Person**") may enter into, promote, offer or sell securities or contracts (whether or not structured) linked to the Index and/or any Constituent. Any Relevant Person may at any time (1) have long or short principal positions or actively trade (whether or not through making markets to its clients) positions in or relating to the Index or any Constituent; (2) invest in or engage in transactions with or on behalf of other persons relating to the Index and/or any Constituent; (3) undertake hedging transactions (for the purposes of any security or contract) which may adversely affect the level, price or rate or other factor underlying the Index and/or any Constituent; (4) have an investment banking or commercial relationship with the issuer of any Constituent and have access to information from any such issuer; or (5) publish research in respect of any Constituent or the issuer of any Constituent. Such activity may or may not affect the Index Level, but potential investors and counterparties should be aware that a conflict of interest may arise when a person acts in more than one capacity, and such conflict of interest may affect (whether in a positive manner or a negative manner) the Index Level.

## 3. DISCLAIMER

No Relevant Person makes any express or implied representation or warranty as to (1) the advisability of purchasing or entering into any Index Linked Product; (2) the levels of the Index at any particular date or time; (3) the results to be obtained from the use of the Index or any datum included in these Index Conditions for any purpose; or (4) any other matter. Each Relevant Person hereby expressly disclaims, to the fullest extent permitted by applicable law, all warranties of accuracy, completeness, merchantability or fitness for a particular purpose with respect to the Index and any information contained in these Index Conditions. No Relevant Person will have any liability (direct or indirect, special, punitive, consequential or otherwise) to any person even if notified of the possibility of damages.

These Index Conditions have been prepared solely for the purposes of information and nothing in these Index Conditions constitutes (1) an offer to buy or to sell any security or contract, to participate in any transaction or to adopt any investment strategy; or (2) accounting, financial, investment, legal, tax or regulatory advice. Any decision to purchase any Index Linked Product should be based on the information contained in the associated prospectus or offering document (however described). In the case of a prospectus or offering document which contains provisions under the heading "Risk Factors", "Investment Considerations" or the equivalent, please refer to these provisions for a discussion of the factors that must be considered in connection with an investment in the security or contract described therein.

Neither the Index Calculation Agent nor the Index Administrator is under any obligation to continue to calculate, publish or disseminate the Index or the Index Level.

## 4. RESTRICTIONS OF REFERENCES TO CITI

The Initial Purchaser shall not describe, name or refer to Citi or to the Index or any Index data in (1) any offering circular or prospectus (however described) relating to the issue of any units, securities or other instruments ("**Securities**"); (2) any supplement or addendum thereto; (3) any other documentation or communication relating to the Initial Purchaser or any issuer of Securities and/or any agreements, contracts or documents relating to any derivative or other transactions, whether over-the-counter or otherwise, and including without limitation any structured deposits or funds ("**Other Transactions**"); (4) any marketing materials (including without limitation pitch books, key features, intermediary flyers, sales brochures, application forms, terms and conditions, and other sales presentation materials) in relation to the Securities or Other Transactions; or (5) any presentation or

discussion in connection with the issue of Securities or in connection with any Other Transactions, without the prior written consent of the applicable Citi entity. This restriction shall survive the completion, redemption or termination of any Index Linked Product.

## **5. INTELLECTUAL PROPERTY**

The Index and these Index Conditions are the Index Administrator's proprietary and confidential material. No person may reproduce or disseminate the information contained in these Index Conditions, the Index or the Index Level without the prior written consent of the Index Administrator. These Index Conditions are not intended for distribution to or use by any person in a jurisdiction where such distribution is prohibited by applicable law or regulation.

The Index is not in any way sponsored or promoted by any sponsor or issuer, as relevant, of any Constituent.

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## Part M: Notices

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### República Active Multi-Asset Index

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