



**INTERNATIONAL BANK FOR RECONSTRUCTION AND  
DEVELOPMENT**

**Global Debt Issuance Facility**

**No. 4143**

**USD 80,000,000 Notes linked to UYU/USD FX and the Republica  
AFAP Dynamic Risk Controlled Index due 2018**

**JPMorgan**

## **The date of these Final Terms is March 19, 2013**

This document sets out the Final Terms (the “**Final Terms**”) of the International Bank for Reconstruction and Development (“**Issuer**” or “**IBRD**”) USD 80,000,000 Notes linked to UYU/USD FX and to Republica AFAP Dynamic Risk Controlled Index (the “**Notes**”). Prospective investors should read this document together with the Issuer’s Prospectus dated May 28, 2008, 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 35. 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 7 of this document, and “Risk Factors” beginning on page 14 of the Prospectus.**

**The return on, and the value of, the Notes is based on the performance of the Index. The performance of the Index, in turn, will be based on the periodic selections of the Index Allocation Agent. Therefore, the Notes are intended to be purchased and held by the Index Allocation Agent and by discretionary accounts managed by the Index Allocation Agent.**

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of these Final Terms)

## 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>                  | USD 80,000,000 Notes linked to UYU/USD FX and to the Republica AFAP Dynamic Risk Controlled Index (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>    | USD 80,000,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Issue Price:</b>                 | 100%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Denomination:</b>                | USD 1,000,000 and integral multiples of USD 10,000 in excess thereof                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Issue Date:</b>                  | March 22, 2013                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Trade Date:</b>                  | March 08, 2013                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Scheduled Maturity Date</b>      | March 22, 2018                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Maturity Date:</b>               | The Scheduled Maturity Date, subject to postponement if either the UYU Valuation date is postponed pursuant to Term 18 of the Final Terms and/or the Final Valuation Date is postponed pursuant to Term 19 of the Final Terms.                                                                                                                                                                                                                                                                                                                                                   |
| <b>Interest Basis:</b>              | Zero Coupon                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Business Day:</b>                | New York and Montevideo subject to postponement in accordance with the provisions set forth in Terms 18 and 19 of the Final Terms.                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Calculation Amount:</b>          | USD 10,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Participation Rate:</b>          | 100%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Final Redemption Amount:</b>     | <p>If no Mandatory Amendment Event has occurred, the Final Redemption Amount, calculated per Calculation Amount, on the Maturity Date will be an amount in USD equal to the sum of (i) the UYU Linked Principal and (ii) the Supplemental Payment Amount, if any, as set forth under Term 17 of the Final Terms (“Final Redemption Amount of each Note (Condition 6)”).</p> <p>If a Mandatory Amendment Event has occurred, the Final Redemption Amount, calculated per Calculation Amount, on the Maturity Date will be an amount in USD equal to the UYU Linked Principal.</p> |
| <b>UYU Linked Principal:</b>        | An amount in USD equal to the UYU Amount divided by the UYU Rate.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Supplemental Payment Amount:</b> | An amount in USD, calculated per Calculation Amount, equal to the greater of (i) the product of the Calculation Amount, the Index Return and the Participation Rate, and (ii) zero.                                                                                                                                                                                                                                                                                                                                                                                              |

|                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
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| <b>Mandatory Amendment:</b>     | <p>In the event of the occurrence of the events described in Term 22 “Mandatory Amendment”, the Issuer will be required to make a payment in respect of each Calculation Amount (which may be zero) equal to the Early Contingent Payment Amount as of the Mandatory Amendment Date.</p> <p>The occurrence of a Mandatory Amendment Event shall not affect the Issuer’s obligation to pay the UYU Linked Principal per Calculation Amount on the Maturity Date.</p> <p>A Mandatory Amendment Event includes an Index Cancellation, an Index Modification, a Hedging Disruption Event, a Change in Law, a Bankruptcy in respect of JPMorgan, a termination of the Associated Swap Transaction, each as described in Term 22 of the Final Terms (“Mandatory Amendment”).</p> |
| <b>UYU Rate:</b>                | The UYU/USD fixing rate, expressed as the amount of UYU per one USD as determined on the UYU Valuation Date.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>UYU Amount:</b>              | UYU 1,526,800,000 (equivalent to USD 80,000,000 at the UYU rate of 19.085)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <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> $(\text{Final Index Level} - \text{Initial Index Level}) / \text{Initial Index Level}$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Index:</b>                   | <p>The Republica AFAP Dynamic Risk Controlled Index (Bloomberg Ticker Symbol: JPZMUYU1).</p> <p>The Index will track, with certain adjustments described herein, a basket of reference components chosen and rebalanced periodically by the Index Allocation Agent. As a result, the return on the Index will be dependent in large part on the allocation selections made by the Index Allocation Agent.</p>                                                                                                                                                                                                                                                                                                                                                              |
| <b>Index Allocation Agent:</b>  | Republica AFAP, S.A.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Index Sponsor:</b>           | J.P. Morgan Securities plc                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Index Calculation Agent:</b> | Markit Indices Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>UYU Valuation Date:</b>      | March 8, 2018, subject to postponement in accordance with the provision set forth under Term 18 of the Final Terms (“UYU Related Disruption Events and Fallbacks”).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Initial Index Level:</b>     | 100 (namely, the Index’s published Closing Level on the Initial Valuation Date).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Initial Valuation Date</b>   | March 08, 2013 (the “Trade Date”)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Final Index Level:</b>       | <p>Index’s Closing Level for the Final Valuation Date as determined by the Calculation Agent.</p> <p>In the event that the Index’s Closing Level for the Final Valuation Date is corrected by the Index Calculation Agent within three New York business days of the Final Valuation Date, such corrected value will be the Final Index Level.</p>                                                                                                                                                                                                                                                                                                                                                                                                                         |

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|--------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Final Valuation Date:</b>                                                                                                         | March 8, 2018, subject to postponement pursuant to the provisions set forth under Term 19 of the Final Terms (“Index Disruption Events”).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Index Disruption Event:</b>                                                                                                       | If on the scheduled Final Valuation Date, the Calculation Agent is prevented from observing the Closing Level for the Index because either the Index is not published by the Index Calculation Agent or the Index Sponsor, or such date is not a Scheduled Index Valuation Date, an Index Disruption Event will be deemed to have occurred on such date and the Calculation Agent will delay calculating the Index Return as set forth in Term 19 of the Final Term (“Index Disruption Events”).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Dealer:</b>                                                                                                                       | J.P. Morgan Securities plc                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Calculation Agent:</b>                                                                                                            | JPMorgan Chase Bank, N.A.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <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 their 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 Allocation Agent or accounts managed by Index Allocation Agent; Purchaser Acknowledgement:</b> | <p>The amount of the Supplemental Payment Amount, if any, or the Early Contingent Payment 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 Allocation Agent made under the terms of the Index Allocation Agreement (as defined in the Final Terms). Therefore, the Notes are intended to be held by the Index Allocation Agent and by discretionary accounts managed by the Index Allocation Agent. 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 Allocation Agent and by discretionary account managed by the Index Allocation Agent.</p> <p>Neither IBRD nor the Global Agent will have any responsibility for the contents of the Index Allocation Agreement or for the choices and allocations made by the Index Allocation Agent thereunder.</p> |
| <b>Risk factors:</b>                                                                                                                 | Noteholders should consider carefully the factors set out under “Additional Risk Factors” in this document and in the Prospectus before reaching a decision to buy the Notes.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

## 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 Allocation Agent made under the terms of the Index Allocation Agreement. Therefore, the Notes are intended to be held by the Index Allocation Agent and by discretionary accounts managed by the Index Allocation Agent. Neither IBRD nor the Global Agent will have any responsibility for the contents of the Index Allocation Agreement or for the choices and allocations made by the Index Allocation Agent thereunder.*

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 and/or the Index.

### ***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.

### ***Non-U.S. Holders - Additional Tax Consideration***

Non-U.S. Holders should note that recently proposed Treasury regulations, if finalized in their current form, could impose a withholding tax at a rate of 30% (subject to reduction under an applicable income tax treaty) on amounts attributable to U.S.-source dividends (including, potentially, adjustments to account for extraordinary dividends) that are paid or “deemed paid” after December 31, 2013 under certain financial instruments, if certain other conditions are met. While significant aspects of the application of these proposed regulations to the Notes are uncertain, if these proposed regulations were finalized in their current form, we (or other withholding agents) might determine that withholding is required with respect to Notes held by a non-U.S. Holder or that the non-U.S. Holder must provide information to establish that withholding is not required. Non-U.S. Holders should consult their tax advisers regarding the potential application of these proposed regulations. If withholding is so required, we will not be required to pay any additional amounts with respect to amounts so withheld.

### ***UYU Related Disruption Events and Index Disruption Events may postpone Maturity Date***

In the event that the UYU Valuation Date or the Final 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 UYU Valuation Date or Final Valuation Date is postponed, and therefore may be postponed up to 30 calendar days (UYU related disruption) or five Business Days (Index related



disruption). No interest or other payment will be payable because of any such postponement of the Maturity Date.

#### ***Possible Mandatory Early Amendment***

As set out in Term 22 of the Final Terms (“Mandatory Amendment”), in the event of the occurrence of the events described in Term 22, the Issuer will be required to make a payment (which may be zero) in respect of each Calculation Amount equal to the Early Contingent Payment Amount as of the Mandatory Amendment Date, and no Supplemental Payment Amount will be payable on the Maturity Date. As a result, the holders will not benefit from any appreciation in the Index after the Mandatory Amendment Date.

A Mandatory Amendment Event includes an Index Cancellation, an Index Modification, a Hedging Disruption Event, a Change in Law, a Bankruptcy in respect of JPMorgan, a termination of the Associated Swap Transaction, as notified by the Calculation Agent to the Issuer, the Global Agent and the Noteholders. An Index Cancellation may occur due to a broad range of events beyond the control of the Issuer, including by decision of the Index Calculation Agent or the Index Sponsor. A Change in Law could occur in response to the enactment of new laws or the implementation of existing laws, including laws relating to the functioning of commodity markets, such as position limit and prohibited transaction rules, tax laws and financial system regulations, including implementation of the “Volcker Rule” regarding limitations on the sponsorship of certain investment vehicles. A Hedging Disruption Event could occur if the Swap Counterparty is unable to hedge its obligations to the Issuer under the Associated Swap Transaction. This could occur due to market changes or disruptions, changes in legal or tax regimes or other aspects of participations in the markets for financial products applicable to U.S. financial institutions and their affiliates.

#### ***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. Currency exchange rates may be volatile and will affect the amount of USD paid by IBRD upon maturity to the holder of the Notes.

However, for the same reasons, the Notes can be considered to be principal protected expressed in UYU, because the UYU value of the amount of USD 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.

#### ***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 JPMorgan, an affiliate of the Dealer. 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 dividend or distribution rates on the exchange-traded funds held in the synthetic portfolio tracked by the Index from time to time; 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, commodity, bond and futures markets generally and which may affect the Closing Level for the Index on the Final Valuation Date; and the creditworthiness of the Issuer. The UYU/USD exchange 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 principal amount of the Notes 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.

***The Index Calculation Agent and the Index Sponsor may adjust the Index in a way that affects its level, and the Index Calculation Agent and the Index Sponsor 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 Sponsor has appointed Markit Indices Limited as the Index Calculation Agent, which will be responsible for calculating the Index and making certain determinations regarding the Index. The Index Sponsor will have authority over the guidelines and policies governing the Index. It is entitled to exercise discretion in relation to the published level of the Index, including but not limited to circumstances in which the calculation of the Index's Closing Level is disrupted due to the occurrence of market disruption events (as described more fully in Schedule 1 to the Final Terms). Changes in the published Closing Level of the Index will affect the Final Index Level for purposes of the Notes, and, in turn, the Supplemental Payment Amount, if any, (or the Early Contingent Payment Amount, if any) payable on the Notes. Policies and judgments for which the Index Calculation Agent is responsible could have an impact, positive or negative, on the Closing Level of the Index and thus the Final Index Level and thus, the return (if any) on, and value of, the Notes. The Index Sponsor may also amend the Rules governing the Index in its discretion.

Although judgments, policies and determinations concerning the Index are made by the Index Sponsor 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. Furthermore, the inclusion of the Component Underlyings (as defined in the Index Rules and described more fully in Schedule 1 to the Final Terms) in the Index is not an investment recommendation by any person of those Component Underlyings, or of any index, commodity or security tracked by a Component Underlying, securities referenced or contained in a Component Underlying or futures contract underlying or tracking a Component Underlying.

***The selections of the Index Allocation Agent will be the most important factor influencing the return on the Index.***

The initial selection among the Component Underlyings to be included in the Index, and their relative weightings, will be made by the Index Allocation Agent (as defined above in the Final Terms), and the Index Allocation Agent will be charged with revising these selections and weights on scheduled dates for the rebalancing of the Index, as well as on additional rebalancing dates chosen on a discretionary basis by the Index Allocation Agent. Although the Index's formula includes weighting constraints, apart from such constraints, the Index Allocation Agent will have total discretion over its selections and weightings. Selections that run counter to market trends will result in the Index Level declining or not increasing in line with market benchmarks. The Index allows the Index Allocation Agent to select components for the synthetic portfolio tracked by the Index from an extensive and diverse set of Underlying Components. The Index Allocation Agent may select a bullish position on a few market sectors and concentrate synthetic investments in those sectors. Such concentrations may run counter to market trends and result in losses.

As a result, the success of the Index will depend largely upon the abilities of the Index Allocation Agent and certain key individuals employed by the Index Allocation Agent. There can be no assurance that the Index Allocation Agent will be successful in the rebalancing of the Index and the loss of one or more such key individuals may have a material adverse impact on the performance of the Index. The Notes are therefore intended to be held only by the Index Allocation Agent and by discretionary accounts managed by the Index Allocation Agent.

***The Index Allocation Agent will have no duties under the Notes to any third parties***

The Index Allocation Agent does not have any obligations or duties to the investors in the Notes under the terms of the Notes. The Notes are therefore intended to be held only by the Index Allocation Agent and by discretionary accounts managed by the Index Allocation Agent, to whom the Index Allocation Agent may have duties under law or contract. It is also not expected that any instrument, other than the Notes, will reference the performance of the Index. The Index is intended to be personal to the selections and expertise of the Index Allocation Agent.

***The termination of Republica AFAP, S.A. as Index Allocation Agent could adversely affect the Notes***

Upon the termination of Republica AFAP, S.A. as Index Allocation Agent in accordance with the provisions of the Index Allocation Agreement, no successor Index Allocation Agent will be appointed and the Index shall cease to exist. This may have an adverse effect on anyone who has taken economic exposure to the Index by investing in any product that references it. In addition, in the event the Index ceases to exist, a Mandatory Amendment shall be deemed to exist with the risks set

forth above under ***“Possible Mandatory Early Amendment”***.

The Index Allocation Agent would cease to serve as such in the event of the termination of the Index Allocation Agent Agreement. A termination could occur for a variety of reasons, including by discretionary choice of the Index Allocation Agent or the Index Sponsor, as well as due to events that could bear negatively on the reputation of either party, due to non-performance by either party or due to a change in business on the part of the Index Allocation Agent. See “Schedule 1 – Index Summary Description - Republica AFAP Dynamic Risk Controlled Index” attached to the Final Terms.

***The Index may not achieve its target volatility, which could adversely affect the performance of the Index.***

Although the Index is calculated based on a formula that potentially reduces exposure to the selected synthetic portfolio of Component Underlyings in order to adhere to a 20% target volatility constraint, there can be no assurance that the Index will actually exhibit volatility at the target level. The Index’s volatility constraint mechanism is based on an analysis of backward-looking data over a finite period, and such data may understate or overstate current or future volatility and will likely be unable to avoid exposure to severe volatility in the event of brief, pronounced market swings. Higher than expected volatility exposes the Index to potentially large losses and lower than expected volatility could limit gains by limiting the Index’s exposure to the synthetic portfolio during periods of market upswings.

***The Index’s volatility control mechanism could reduce the Index’s exposure to the selected synthetic portfolio of Component Underlyings.***

The Index’s calculation formula employs a volatility constraint mechanism that functions by reducing the Index’s exposure to the synthetic portfolio of Component Underlyings selected by the Index Allocation Agent. Exposure to the synthetic portfolio will never exceed 100% and may be substantially lower based on historical volatility experienced by the selected portfolio. Because of this constraint, the selections of the Index Allocation Agent may not be fully reflected by the Index’s performance.

***If the market value of the Component Underlyings 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 Component Underlyings composing the Index. Accordingly, changes in the market value of the Component Indices may not result in a comparable change in the market value of the Index or the Notes.

***The Index comprises notional assets and liabilities.***

The exposures to the Component Underlyings are purely notional and will exist solely in the records maintained by the Index Calculation Agent. There is no actual portfolio of assets to which any person is entitled or in which any person has any ownership interest. Consequently, a Notcholder will not have any claim against any of the reference assets which comprise the Index. The strategy tracks the excess returns of a notional dynamic basket of assets over a cash investment. As such, where any portion of the synthetic portfolio of Component Underlyings allocated to the J.P. Morgan Three-Month USD Cash Index under the terms of the Index Rules will result in this portion of the portfolio effectively not being invested for purposes of performance calculations.

***The Index is new and will perform based on the selections of the Index Allocation Agent, and thus its performance cannot be anticipated.***

The Index has no performance history, and thus there is no historical record available to evaluate its past performance. Moreover, the Index will be weighted and rebalanced based on the Index Allocation Agent's discretionary choices over time. No assurance can be given that the selection methodologies employed by the Index Allocation Agent in relation to selecting the Weights to the Component Underlyings will result in the Index matching or outperforming any market benchmark, and the Index could lag such benchmarks, including by experiencing long-term declines.

***The Index Level will be reduced due to an Adjustment factor subtraction and due to only partial recognition of distributions received from exchange-traded funds***

The Index Level will be reduced each day by application of an "Adjustment" subtraction included in the calculation formula. This Adjustment will be based on (i) the change in exposure to the Component Underlyings included in the synthetic portfolio tracked by the Index on the relevant Index Valuation Day (as defined in the Index Rules); (ii) the Weight (as defined in the Index Rules) assigned to each such Component Underlying within the selected synthetic portfolio of Component Underlyings tracked by the Index; (iii) the Transaction Cost (as defined in the Index Rules) associated with that Component Underlying; and (iv) the Index Level (as defined in the Index Rules). The Index Rules set out the Transaction Cost associated with each Component Underlying, ranging from 0.01% to 0.025%. This Adjustment will be calculated and deducted on a daily basis from the Index Level. The Index Return will be further reduced because the Index calculation formula takes into account for synthetic reinvestment 70%, rather than 100% of the value of distributions made by exchange-traded funds held in the synthetic portfolio tracked by the Index. These reductions will reduce the performance of the Index, relative to that which would have been realized if they had not been made. The aggregate amount of the reductions cannot be predicted in advance but will depend on the selections made by the Index Allocation Agent because certain Component Underlyings are subject to a higher cost subtraction than others, and because selections in Component Underlyings that are exchange traded funds that make distributions will be subject to larger potential reductions through unrealized distributions.

***The Component Underlyings 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 Component Underlying as provided in the Rules, the affected Component Underlying may be either replaced by a substitute or removed from the Index. A replacement Component Underlying would be chosen by the Index Sponsor, exercising discretion. If no replacement is deemed available, the Index may continue without the removed Component Underlying or any replacement.

The changing or removal of a Component Underlying may affect the performance of the Index, and therefore, the return on the Notes, as the replacement Component Underlying may perform significantly better or worse than the affected Component Underlying. Circumstances in which such a replacement may occur include the replacement by a Component Underlying by a successor, a failure by the relevant sponsor of the Component Underlying to calculate its value for an extended period, the cancellation of a Component Underlying, a material change in the composition or calculation of a Component Underlying or the occurrence of an extraordinary currency event with respect to a currency relevant to the Component Underlying. See "Schedule 1 – Index Summary Description -



Republica AFAP Dynamic Risk Controlled Index” attached to the Final Terms. No assurance can be provided that one of such events may occur to one or more of the initial Component Underlyings.

***Correlation of performances among the Component Underlyings may reduce the performance of the Notes.***

Performances amongst the Component Underlyings may become highly correlated from time to time during the term of the Notes, including, but not limited to, a period in which there is a substantial decline in a particular sector or asset type represented by the selected synthetic portfolio of Component Underlyings tracked by the Index and which has a higher weighting in the Index relative to any of the other sectors or asset types, as determined by the Index Allocation Agent’s selection. High correlation during periods of negative returns among Component Underlyings representing any one sector or asset type which have a substantial percentage weighting in the Index could limit any return on the Notes.

***The Index is an excess return index that tracks the return of the synthetic portfolio of Component Underlyings over the return from a short-term cash investment.***

The Index is an excess return index that tracks the return of the synthetic portfolio of Component Underlyings over the return from a short-term cash investment. As an “excess return” index, the Index calculates the return from an investment in the synthetic portfolio of Component Underlyings in excess of the return from an equal investment in a short-term cash investment (as represented by the JPMorgan Cash Index USD 3 Month), noting that some of the Component Underlyings are in themselves excess return indices. Thus the return of the Index will be based on the return of the Component Underlyings less the return from the JPMorgan Cash Index USD 3 Month. Accordingly, the Index will underperform another index that tracks the return of the same synthetic portfolio but does not deduct the return of a short-term cash investment.

***The Notes will be subject to currency exchange risk.***

Because the prices of some or all of the securities, futures contracts or assets included in seven of the twenty two Component Underlyings of the Index (the “Component Securities”) are converted into USD for the purposes of calculating the value of the Index, holders of the Notes will be exposed to currency exchange rate risk with respect to each of the currencies in which the Component Securities trade. An investor’s net exposure will depend on the extent to which such currencies strengthen or weaken against the USD and the relative weight of the Component Securities in the relevant Component Underlyings denominated in each such currency. If, taking into account such weighting, the USD strengthens against such currencies, the value of the relevant Component Underlyings will be adversely affected and the Supplemental Payment Amount, if any, due under the Notes may be reduced.

***The Index may be composed in part of “short” positions, which carry substantial risks.***

The Index Allocation Agent may implement notional short positions in the Component Underlyings that are U.S. Treasury bond futures trackers. Short positions could equal a maximum of 50% of the aggregate weight of the weights allocated to the Component Underlyings at any given time. A short position (i.e., a position taken against a rise in value of an asset) is distinct from a long position (or an investment in the potential appreciation of an asset) in that a short position is subject to unlimited risk of loss because there is no limit on the amount by which the price of the relevant asset may appreciate before the short position is closed. It is possible that any notional short position implemented may be

placed against an asset that appreciates substantially and quickly, with a substantial adverse impact on the level of the Index. The Index Rules require that any short position taken against the U.S. Treasury bond futures trackers be accompanied by a long position in another U.S. Treasury futures tracker, however, such positions may not offset or otherwise act as loss mitigants.

***Suspension or disruptions of market trading in the commodity and related futures markets may adversely affect the level of the S&P GSCI Commodity Index (which is one of the Component Underlyings available for selection within the Index) and therefore the return on, and value of, the Notes.***

The commodity markets are subject to temporary distortions or other disruptions due to various factors, including the lack of liquidity in the markets, the participation of speculators and government regulation and intervention. In addition, U.S. futures exchanges and some foreign exchanges have regulations that limit the amount of fluctuation in futures contract prices that may occur during a single business day. These limits are generally referred to as “daily price fluctuation limits” and the maximum or minimum price of a contract on any given day as a result of these limits is referred to as a “limit price.” Once the limit price has been reached in a particular contract, no trades may be made at a different price. Limit prices have the effect of precluding trading in a particular contract or forcing the liquidation of contracts at disadvantageous times or prices. These circumstances could adversely affect the level of the S&P GSCI Commodity Index (which is one of the Component Underlyings available for selection within the Index) and therefore, the level of the Index and return on, and the value of, the Notes.

***The commodity futures contracts underlying the S&P GSCI Commodity Index are subject to legal and regulatory regimes that may change in ways that could have an adverse effect on the level of the Index and/or could lead to the early redemption of the Notes.***

Futures contracts and options on futures contracts markets, including those future contracts underlying the S&P GSCI Commodity Index, are subject to extensive statutes, regulations, and margin requirements. The U.S. Commodity Futures Trading Commission (“CFTC”) and the exchanges on which such futures contracts trade, are authorized to take extraordinary actions in the event of a market emergency, including, for example, the retroactive implementation of speculative position limits or higher margin requirements, the establishment of daily limits and the suspension of trading. Furthermore, certain exchanges have regulations that limit the amount of fluctuations in futures contract prices which may occur during a single five-minute trading period. These limits could adversely affect the market prices of relevant futures contracts and forward contracts. The regulation of commodity transactions in the U.S. is subject to ongoing modification by government and judicial action. In addition, various national governments have expressed concern regarding the disruptive effects of speculative trading in the commodity markets and the need to regulate the derivative markets in general. The effects of any future regulatory change on the value of the Notes is impossible to predict, but could be substantial and adverse to the interests of holders of the Notes.

Notably, with respect to agricultural and exempt commodities as defined in the Commodity Exchange Act (generally, physical commodities such as agricultural commodities, energy commodities and metals), the Dodd-Frank Act, which was enacted on July 21, 2010, requires the CFTC to establish limits on the amount of positions, other than bona fide hedge positions, that may be held by any person in futures contracts, options on futures contracts and other related derivatives, such as swaps, that are economically equivalent to those contracts. The Dodd-Frank Act also requires the CFTC to establish limits for each month, including related hedge exemption positions, on the aggregate number

or amount of positions in contracts based upon the same underlying commodity, as defined by the CFTC, which may be held by any person, including any group or class of traders. In addition, designated contract markets and swap execution facilities, as defined in the Dodd-Frank Act, are required to establish and enforce position limits or position accountability requirements on their own markets or facilities, which must be at least as stringent as the CFTC's where CFTC limits also apply.

Pursuant to the Dodd-Frank Act requirements, on October 18, 2011 the CFTC adopted final rules to establish position limits that will apply to any one of 28 futures and options contracts and that are traded on U.S. futures exchanges and to futures, options and swaps that are economically equivalent to those contracts, as described in the rules. The limits will apply to a person's combined position across those related products. The limits cover a number of commodity futures contracts to which the Notes may be directly or indirectly linked, such as CBOT Soybeans, Soybean Meal and Wheat futures; ICE Futures US Cotton No. 2, Sugar No. 11 and Sugar No. 16 futures; NYMEX Light Sweet Crude Oil, NY Harbor No. 2 Heating Oil, NY Harbor Gasoline Blendstock and Henry Hub Natural Gas futures; and COMEX Gold, Silver and Copper futures and NYMEX Palladium and Platinum futures. The rules also narrow the existing exemption for hedge positions.

The above-mentioned rules may interfere with an entity's ability to enter into or maintain hedge positions in respect of Component Underlyings available for selection in the synthetic portfolio tracked by the Index. Upon the occurrence of legal or regulatory changes having such an effect, a determination may be made by the Calculation Agent under the Notes that a Change in Law Event or a Hedging Disruption Event has occurred and a Mandatory Amendment Event with respect to the Notes may be triggered under Term 22 of the Final Terms. Any such Mandatory Amendment Event could limit or eliminate the potential for a positive return on the Notes.

***Commodity prices may change unpredictably, affecting the level of the S&P GSCI Commodity Index (which is one of the Component Underlyings available for selection within the Index) and therefore the return on, and value of, the Notes in unforeseeable ways.***

Trading in futures contracts underlying the S&P GSCI Commodity Index is speculative and can be extremely volatile. A decrease in the price of any of the commodities upon which the futures contracts that compose the S&P GSCI Commodity Index are based may have a material adverse effect on the return on, and value of, the Notes. Market prices of the commodities on which such futures contracts are based may fluctuate rapidly based on numerous factors, including: changes in supply and demand relationships; governmental programs and policies, national and international political and economic events, changes in interest and exchange rates, speculation and trading activities in commodities and related contracts, general weather conditions, and trade, fiscal, monetary and exchange control policies; agriculture; trade; disease; and technological developments. Many commodities are also highly cyclical. These factors, some of which are specific to the market for each such commodity may cause the value of the different commodities upon which the futures contracts that compose the S&P GSCI Commodity Index are based, as well as the futures contracts themselves, to move in inconsistent directions at inconsistent rates. This, in turn, will affect the return on, and value of, the Notes. It is not possible to predict the aggregate effect of all or any combination of these factors.



***Higher future prices of the futures contracts constituting the Component Underlyings that refer to the various J.P. Morgan Futures Trackers and the S&P GSCI Commodity Index (the “Futures Based Component Underlyings”) relative to their current prices may decrease the amount payable at maturity.***

The Futures Based Component Underlyings are composed of futures contracts on various underlyings such as physical commodities, government bonds, equity indices (the “**Reference Underlyings**”). Unlike equities, which typically entitle the holder to a continuing stake in a corporation, futures contracts normally specify a certain date for delivery of the Reference Underlyings. As the exchange traded futures contracts that compose the Futures Based Component Underlyings approach expiration, they are replaced by contracts that have a later expiration. Thus, for example, a contract purchased and held in August may specify an October expiration. As time passes, the contract expiring in October is replaced by a contract for delivery in November. This process is referred to as “rolling.” If the market for these contracts is (putting aside other considerations) in “backwardation,” that is where the prices are lower in the distant delivery months than in the nearer delivery months, the sale of the October contract would take place at a price that is higher than the price of the November contract, thereby creating a “roll yield.” While some futures contracts have historically exhibited consistent periods of backwardation, backwardation will most likely not exist at all times. Moreover, certain Reference Underlyings, such as gold, have historically traded in “contango” markets. Contango markets are those in which the prices of contracts are higher in the distant delivery months than in the nearer delivery months. The presence of contango could result in negative “roll yields,” which could adversely affect the level of the Futures Based Component Underlyings and, therefore, the level of the Index and the return on, and value of, the Notes.

***The Futures Based Component Underlyings may underperform a cash purchase of the Reference Underlyings, potentially by a significant amount.***

Because the Futures Based Component Underlyings are made up of futures contracts, there will be a cost to “rolling” the contracts forward as the index sells the current contracts and then adds the next month’s contracts. As some futures contracts tend to have positively sloping forward curves, commonly known as “contango,” the Futures Based Component Underlyings’ returns experience a negative drag when they sell cheaper contracts and purchases more expensive contracts. As a result, it is likely that the Futures Based Component Underlyings will underperform a direct investment in a similarly weighted basket of Reference Underlyings over the life of the Notes.

***The sponsors of the Component Underlyings that are indices (each a “Component Index”) may adjust such Component Index in a way that affects its level, and such sponsor has no obligation to consider the interests of the holders of the Notes.***

The sponsor of a Component Index is responsible for calculating and maintaining such Component Index. Such sponsor can add, delete or substitute the securities underlying such Component Index or make other methodological changes that could change the level of such Component Index. Noteholders should realize that the changing of securities included in such Component Index may affect such Component Index, as a newly added security may perform significantly better or worse than the security or securities it replaces. Additionally, such sponsor may alter, discontinue or suspend calculation or dissemination of such Component Index. Any of these actions could adversely affect the return on, and value of, the Notes. The sponsor of a Component Index has no obligation to consider the interests of Noteholders in calculating or revising such Component Index.

***Credit ratings of the iShares JPMorgan USD Emerging Markets Bond Fund components could adversely affect return on the Notes.***

The iShares JPMorgan Emerging Markets Bond Fund (which is one of the Component Underlyings that may be included in the selected synthetic portfolio tracked by the Index) tracks the value of bonds and loans that are rated “Baa1” or below by Moody’s Investor Services, Inc. and “BBB+” or below by Standard & Poor’s, a division of the McGraw Hill Companies, which meet the rules for inclusion in the J.P. Morgan Emerging Markets Bond Index EMBI Global Core Index, which is the index tracked by the iShares J.P. Morgan Emerging Markets Bond Fund, a Component Underlying, and are issued by countries deemed to be emerging markets. Emerging markets issuers of the bonds and loans included in the index tracked by the above-mentioned exchange-traded fund with such ratings are considered by the major credit ratings agencies to have a comparatively high risk of default. If one or more of such issuers does in fact default, the level of this exchange-traded fund could decrease, which, if the exchange traded-fund is selected for inclusion from time to time in the synthetic portfolio of Component Underlyings tracked by the Index, may adversely affect the level of the Index and the return on, and value of, the Notes.

***The Notes are subject to significant risks associated with fixed-income securities, including interest rate-related risks.***

Ten of the Component Underlyings, which we collectively refer to as the “Bond Component Indices”, are underlyings that attempt to track the performance of indices composed of fixed income securities. These Component Underlyings are: J.P. Morgan U.S. Treasury Futures Tracker; (ii) J.P. Morgan Two-Year Treasury Note Futures Tracker; (iii) J.P. Morgan U.S. Treasury Bond 30-Year Futures Tracker; (iv) J.P. Morgan Euro Bund Futures Tracker; (v) J.P. Morgan Euro Schatz Futures Tracker; (vi) J.P. Morgan UK Gilt Futures Tracker; (vii) J.P. Morgan JGB Futures Tracker; (viii) iShares J.P. Morgan Emerging Markets Bond Index Fund; (ix) iShares Iboxx \$ High Yield Corporate Bond Index Fund; and (x) iShares Iboxx \$ Investment Grade Corporate Bond Index Fund.

Investing in the Notes linked indirectly to these Bond Component Indices differs significantly from investing directly in bonds to be held to maturity as the values of the Bond Component Indices change, at times significantly, during each trading day based upon the current market prices of their underlying bonds. The market prices of these bonds are volatile and significantly influenced by a number of factors, particularly the yields on these bonds as compared to current market interest rates and the actual or perceived credit quality of the issuer of these bonds.

***The Notes are subject to significant risks associated with fixed-income securities, including credit risk.***

The prices of the Bond Component Indices which may be selected from time to time for inclusion in the synthetic portfolio tracked by the Index may be significantly influenced by the creditworthiness of the issuers of the bonds included or referenced in such indices. The bonds underlying the Bond Component Indices may have their credit ratings downgraded, including in the case of the bonds included in the iShares® iBoxx \$ Investment Grade Corporate Bond Index Fund, a downgrade from investment grade to noninvestment grade status, or have their credit spreads widen significantly. Following a ratings downgrade or the widening of credit spreads, some or all of the underlying bonds may suffer significant and rapid price declines. These events may affect only a few or a large number of the underlying bonds.

Further, the iShares® iBoxx \$ High Yield Corporate Bond Index Fund is designed to provide a representation of the U.S. dollar high yield corporate market and is therefore subject to high yield securities risk, being the risk that securities that are rated below investment grade (commonly known as “junk bonds,” including those bonds rated at BB+ or lower by S&P or Fitch or Ba1 by Moody’s) may be more volatile than higher-rated securities of similar maturity. High yield securities may also be subject to greater levels of credit or default risk than higher-rated securities. The value of high yield securities can be adversely affected by overall economic conditions, such as an economic downturn or a period of rising interest rates, and high yield securities may be less liquid and more difficult to sell at an advantageous time or price or to value than higher-rated securities. In particular, high yield securities are often issued by smaller, less creditworthy companies or by highly leveraged (indebted) firms, which are generally less able than more financially stable firms to make scheduled payments of interest and principal.

***The price of gold is volatile and is affected by numerous factors.***

The value of the SPDR® Gold Trust (***which is one of the Component Underlyings available for selection within the Index***) is closely related to the price of gold. A decrease in the price of gold may have a material adverse effect on the value of the Notes and the return on investment in the Notes. Gold is subject to the effect of numerous factors. The following describes some of the factors affecting gold.

The price of gold is primarily affected by the global demand for and supply of gold. The market for gold bullion is global, and gold prices are subject to volatile price movements over short periods of time and are affected by numerous factors, including macroeconomic factors such as the structure of and confidence in the global monetary system, expectations regarding the future rate of inflation, the relative strength of, and confidence in, the U.S. dollar (the currency in which the price of gold is usually quoted), interest rates, gold borrowing and lending rates, and global or regional economic, financial, political, regulatory, judicial or other events. Gold prices may be affected by industry factors such as industrial and jewelry demand as well as lending, sales and purchases of gold by the official sector, including central banks and other governmental agencies and multilateral institutions that hold gold. Additionally, gold prices may be affected by levels of gold production, production costs and short-term changes in supply and demand due to trading activities in the gold market. It is not possible to predict the aggregate effect of all or any combination of these factors.

***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 Component Underlyings have been issued by non-U.S. issuers. In addition, the iShares® iBoxx \$ Investment Grade Corporate Bond Fund and the iShares® iBoxx \$ High Yield Corporate Bond Fund, may include U.S. dollar-denominated bonds of foreign corporations. 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.

Moreover, the bonds held by the iShares® JPMorgan USD Emerging Markets Bond Fund have been issued by 33 countries. Investments in the Notes, which are linked in part to the economic stability and development of such countries, involve risks associated with investments in, or the securities markets in, those countries.

The prices of equity securities and government bonds 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 Component Underlyings, 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. You cannot predict the future performance of such Component Underlyings based on their historical performance. The value of any such Component Underlying 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 Index Sponsor, Index Calculation Agent, the Index Allocation Agent and any of their affiliates or any of its or its affiliates' respective directors, officers, employees or agents.

The Index Allocation Agent, the Index Calculation Agent, Index Sponsor and their respective affiliates are acting or may act in a number of capacities in connection with the Index. The Index Allocation Agent, the Index Calculation Agent and the Index Sponsor (and, as applicable, their respective affiliates) acting in such capacities each shall have only the duties and responsibilities expressly set out in the Index Rules in respect of the relevant capacity 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 Index Allocation Agent, the Index Calculation Agent, the Index Sponsor and their respective affiliates. The Index Allocation Agent, the Index Calculation Agent, the Index Sponsor 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 Component Underlyings, or may have invested, or may engage in transactions relating to any Component Underlyings, 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 Component Underlyings (which may or may not be consistent with any decision by the Index Allocation Agent to include a particular Component Index in the Index). The Index Allocation Agent, the Index Calculation Agent, Index Sponsor 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 Calculation Agent or Index Sponsor to exercise its discretion under the Index Rules, for example, in relation to Extraordinary Events. Such activity may, or may not, affect the value of the Component Underlyings, but those considering taking any economic exposure by reference to the Index should be aware that a conflict may arise.

The Index has been developed with the possibility of any entity affiliated with the Index Sponsor 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 Rules will be analysed from this point of view.

Additionally, the Index Allocation Agent, the Index Calculation Agent, Index Sponsor and their respective affiliates may serve as agent or underwriter for other issuances of potential Component Underlyings and are or may be engaged in trading, brokerage and financing activities, as well as providing investment banking and financial advisory services.



Final Terms dated March 19, 2013

**International Bank for Reconstruction and Development**  
**Issue of USD 80,000,000• Notes linked to UYU/USD FX and to the Republica AFAP Dynamic**  
**Risk Controlled Index due 2018**  
**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 in the Schedule and Annexes hereto.

**SUMMARY OF THE NOTES**

- |                                                       |                                                                                                                                                                                                                                                                                                                                                                                   |
|-------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Issuer:                                            | International Bank for Reconstruction and Development (“ <b>IBRD</b> ”)                                                                                                                                                                                                                                                                                                           |
| 2. (i) Series Number:                                 | 4143                                                                                                                                                                                                                                                                                                                                                                              |
| (ii) Tranche Number:                                  | 1                                                                                                                                                                                                                                                                                                                                                                                 |
| 3. Specified Currency or Currencies (Condition 1(d)): | United States Dollars (“ <b>USD</b> ”).                                                                                                                                                                                                                                                                                                                                           |
| 4. Aggregate Nominal Amount:                          |                                                                                                                                                                                                                                                                                                                                                                                   |
| (i) Series:                                           | USD 80,000,000                                                                                                                                                                                                                                                                                                                                                                    |
| (ii) Tranche:                                         | USD 80,000,000                                                                                                                                                                                                                                                                                                                                                                    |
| 5. Issue Price:                                       | 100 per cent. of the Aggregate Nominal Amount                                                                                                                                                                                                                                                                                                                                     |
| 6. (i) Specified Denominations (Condition 1(b)):      | USD 1,000,000 and integral multiples of USD 10,000 in excess thereof                                                                                                                                                                                                                                                                                                              |
| (ii) Calculation Amount (Condition 5(j)):             | USD 10,000                                                                                                                                                                                                                                                                                                                                                                        |
| 7. Issue Date:                                        | March 22, 2013                                                                                                                                                                                                                                                                                                                                                                    |
| 8. Maturity Date (Condition 6(a)):                    | March 22, 2018 (the “ <b>Scheduled Maturity Date</b> ”), unless either the UYU Valuation Date is postponed pursuant to Term 18 and/or the Final Valuation Date is postponed pursuant to Term 19, in which case the Maturity Date shall be the date falling ten Business Days after the later to occur of the Postponed UYU Valuation date and the Postponed Final Valuation Date. |
| 9. Interest Basis (Condition 5):                      | Zero Coupon (further particulars specified below)                                                                                                                                                                                                                                                                                                                                 |
| 10. Redemption/Payment Basis (Condition 6):           | Currency-linked Redemption and Index-linked Redemption as set out in Term 17                                                                                                                                                                                                                                                                                                      |
| 11. Change of Interest or Redemption/Payment Basis:   | As set out in Term 22 upon the occurrence of a Mandatory Amendment Event                                                                                                                                                                                                                                                                                                          |

- |                                           |                              |
|-------------------------------------------|------------------------------|
| 12. Call/Put Options<br>(Condition 6):    | Not Applicable               |
| 13. Status of the Notes<br>(Condition 3): | Unsecured and unsubordinated |
| 14. Listing:                              | Luxemburg 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 purpose of Condition 5(c) only provided that the Early Redemption Amount of the Notes shall be calculated as set out in Term 23                  |
| (i) Amortization Yield (Condition 6(c)(ii)):                 | Solely for purposes of calculating the Rate of Interest for any overdue principal under Condition 5(c), the Amortization Yield shall equal 7.5% per cent per annum. |
| (ii) Day Count Fraction (Condition 5(l)):                    | Solely for purposes of calculating the Rate of Interest for any overdue principal under Condition 5(c), the Day Count Fraction shall 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 Mandatory Amendment Event has occurred prior to the Maturity Date, the Final Redemption Amount, calculated per Calculation Amount, payable on the Maturity Date shall be an amount in USD calculated by the Calculation Agent in accordance with the following: |
|---------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

##### ***UYU Linked Principal + Supplemental Payment Amount***

If a Mandatory Amendment Event has occurred prior to the Maturity Date, the Final Redemption Amount per Calculation Amount payable on the Maturity Date will be an amount in USD equal to the UYU Linked Principal.

Whereby,

“**UYU Linked Principal**” means an amount in USD, calculated per Calculation Amount, equal to the UYU Amount divided by the UYU Rate for the relevant UYU Valuation Date;

“**Supplemental Payment Amount**” means an amount in USD equal to the greater of (i) the product of the Calculation Amount, the Index Return and the Participation Rate, and, (ii) zero;

**“Index”** means the Republica AFAP Dynamic Risk Controlled Index (Bloomberg Ticker Symbol: JPZMUYU1)

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

$$(\text{Final Index Level} - \text{Initial Index Level}) / \text{Initial Index Level}.$$

**“Participation Rate”** means 100%; and

**“UYU”** means Uruguayan Peso.

(See Terms 20 and 21 for additional definitions)

18. UYU Related Disruption Events and Fallbacks:

In the event of the occurrence of an Unscheduled Holiday or a Disruption Event on a day which but for such occurrence would have been the UYU Valuation Date, the Calculation Agent shall apply each of the following paragraphs (each a **“Disruption Fallback”**) for the determination of the UYU Rate, in the order set forth below, until the UYU Rate can be determined in accordance with this Term 18.

- (1) *Valuation Postponement*: the UYU Rate will be determined on the first Business Day that is not an Unscheduled Holiday, or on the Business Day first following the day on which the Disruption Event ceases to exist, as applicable, unless the UYU Valuation Date has not occurred on or before the 30<sup>th</sup> consecutive day after the Scheduled UYU Valuation Date (any such period being a **“Deferral Period”**). In such event, the UYU Rate will be determined in accordance with the next applicable Disruption Fallback on the next day after the Deferral Period that would have been a Business Day but for the Unscheduled Holiday, or on the next day after the Deferral Period that is a Business Day in the event of a continuing Disruption Event (the **“Postponed UYU Valuation Date”**).
- (2) *Fallback Reference Price*: the UYU Rate will be determined by the Calculation Agent on the relevant Postponed UYU Valuation Date pursuant to the Dealer Poll. If the UYU Rate cannot be determined pursuant to the Dealer Poll then the UYU Rate will be determined in accordance with the next applicable Disruption Fallback.
- (3) *Calculation Agent Determination*: the UYU Rate (or a method for determining the UYU Rate) will be determined by the Calculation Agent on the Postponed UYU Valuation Date in its sole and absolute discretion.

In the event the Scheduled UYU Valuation Date becomes subject to a Disruption Fallback as set forth above, then the Maturity Date shall be postponed by one Business Day for each day that the Scheduled UYU 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 Condition 19 below.

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 the UYU Valuation Date due to the operation of this Term 18.

The Calculation Agent shall notify the Issuer as soon as reasonably practicable that the UYU Rate is to be so determined.

19. Index Disruption Events /  
Index Cancellation / Index  
Modification:

(1) If the Final Valuation Date occurs on a day on which the Calculation Agent has determined that an Index Disruption Event (as defined below in Term 21) has occurred or is continuing, then the Final Valuation Date will be postponed until the next succeeding Scheduled Index Valuation Date on which the Calculation Agent determines that an Index Disruption Event has neither occurred nor is continuing; *provided* that if the Final Valuation Date has not occurred on or before the fifth Business Day following the Scheduled Final Valuation Date, ("the Valuation Cut-off Date"), the Final Index Level will be determined by the Calculation Agent in its sole and absolute discretion on the next Scheduled Index Valuation Date after the Valuation Cut-off Date (such Scheduled Index Valuation Date being the "**Postponed Final Valuation Date**").

In the event the Scheduled Final Valuation Date becomes subject to postponement as set forth above, then the Maturity Date shall be postponed by one Business Day for each day that the Scheduled Final Valuation Date is postponed as set forth 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 postponement of the Final Valuation Date by operation of this Term 19.

(2) If an Index Cancellation or Index Modification occurs, then the Calculation Agent will (but without prejudice to the occurrence and the consequences of the occurrence of a Mandatory Amendment Event pursuant to Term 22) for the purpose of calculating the Early Redemption Amount compute a substitute level for the Index in accordance with the procedures last used to calculate the level of the Index before any discontinuation but using only those securities that comprised the Index prior to such discontinuation.

An Index Cancellation may occur due to a broad range of events beyond the control of the Issuer, including by decision of the Index Calculation Agent or the Index Sponsor. See "Schedule 1 – Index Summary Description - Republica AFAP Dynamic Risk Controlled Index".

20. Additional Definitions -  
General:

"**Business Day**" means a day 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 New York and Montevideo.

**“Calculation Agent”** means JPMorgan Chase Bank, N.A. (**“JPMorgan”**). For the avoidance of doubt, the Calculation Agent shall make determinations in respect of the Notes in good faith.

**“Dealer Poll”** means that the UYU Rate in respect of a certain date will be the UYU/USD exchange rate for USD, expressed as the amount of UYU per one USD, for settlement on the same day, as determined by the Calculation Agent on the basis of quotations provided by Reference Dealers on such date. The Calculation Agent will request each Reference Dealer to provide a firm quotation of the specified rate as of 4:00 p.m., Montevideo time. If four (4) quotations are provided, the UYU Rate for such UYU Valuation Date will be the arithmetic mean of the specified rates without regard to the specified rates having the highest and lowest value. For this purpose, if more than one quotation has the same highest and lowest value, then the specified rate of only one of such quotations shall be disregarded. If two (2) or three (3) quotations are provided, the UYU Rate for such date will be the arithmetic mean of the specified rates provided. If fewer than two (2) quotations are provided, it will be deemed that the UYU Rate for such date cannot be determined pursuant to the Dealer Poll.

**“Deferral Period”** has the meaning as set forth in Term 18 above.

**“Disruption Event”** means in the sole and absolute 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 the UYU Rate on a UYU Valuation Date.

**“Montevideo Business Day”** means a day 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.

**“Postponed UYU Valuation Date”** has the meaning as set forth in Term 18 above.

**“Reference Dealers”** means the Montevideo office of each of HSBC, Citibank, Banco Itau and Banco Santander. 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 (acting in its sole and absolute discretion) for purposes of completing the Dealer Poll.

**“Supplemental Payment Amount”** has the meaning set forth in Term 17.

**“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 Scheduled UYU Valuation Date.

**“UYU Amount”** means UYU 1,526,800,000 (equivalent to USD 80,000,000 at the UYU rate of 19.085)

**“UYU Linked Principal”** has the meaning set forth in Term 17.

**“UYU Rate”** means the UYU/USD fixing rate, expressed as the amount of UYU per one USD, for settlement on the same day reported by the Uruguayan Central Bank as published at Bloomberg page URINUSCA <Cmcy> on the relevant UYU Valuation Date (or such other page as may replace that page for the purpose of displaying such exchange rate). If the Bloomberg page URINUSCA no longer reports such rate or 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 in its sole and absolute discretion. If the UYU Rate cannot be obtained in the manner referenced in the prior paragraphs in respect of the relevant UYU Valuation Date because of a Disruption Event, then the UYU Rate in respect of the relevant UYU Valuation Date shall be determined by the Calculation Agent in accordance with the provisions set forth above under Term 18 “UYU Related Disruption Events and Fallbacks.”

**“UYU Valuation Date”** means, in respect of the Maturity Date, March 08, 2018 (the **“Scheduled UYU Valuation Date”**), provided however, that, in the event of an Unscheduled Holiday or there has occurred or is subsisting on such date a Disruption Event, the UYU Valuation Date shall be determined by the Calculation Agent in accordance with the provision set forth under Term 18 “UYU Related Disruption Events and Fallbacks”.

21. Additional Definitions with regard to the Index:

**“Closing Level”** on any Scheduled Index Valuation Day will equal the official closing level of the Index published by the Index Sponsor at the regular weekday close of trading on that Scheduled Index Valuation Day.

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

In the event that the Index’s Closing Level for the Final Valuation Date is corrected by the Index Calculation Agent within three New York business days of the Final Valuation Date, such corrected value will be the Final Index Level.

**“Final Valuation Date”** means, in respect of the Maturity Date, March 08, 2018 (the **“Scheduled Final Valuation Date”**), subject to postponement pursuant to the provisions set forth under Term 19 “Index Disruption Events”.

**“Index Calculation Agent”** means Markit Indices Limited or any

successor thereto designated as such pursuant to the Index Rules.

**“Index Cancellation”** means the Index Sponsor discontinues publication of the Index because the Index is terminated, including, without limitation, due to the termination of the Index Allocation Agent Agreement (as defined in the Index Rules), between the Index Allocation Agent and the Index Sponsor.

**“Index Disruption Event”** as determined by the Calculation Agent in its sole and absolute discretion, means with respect to the Final Valuation Date, either that the Closing Level for the Index for such day was not published by the Index Calculation Agent or the Index Sponsor or such date is not a Scheduled Index Valuation Date.

**“Index Modification”** means a material change is made to the formula for or the method of calculating the Index or any other material modification is made to the Index, other than a modification prescribed in the Index Rules for the purpose of maintaining the Index in the event of changes in constituent Component Underlyings (as defined in the Index Rules) and other routine events.

**“Index Rules”** means the Republica AFAP Dynamic Risk Controlled Index Rules, as in effect from time to time. A copy of the Index Rules as currently constituted is attached hereto as Schedule 2.

**“Index Sponsor”** means J.P. Morgan Securities plc or any successor corporation or other entity that (a) is responsible, as Index Sponsor under the Index, for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the Index and (b) announces (directly or through an agent, including the Index Calculation Agent) the level of the Index on a regular basis for each Scheduled Index Valuation Date.

**“Initial Index Level”** means 100 (namely, the Index’s Closing Level on the Initial Valuation Date).

**“Initial Valuation Date”** means March 08, 2013 (the “Trade Date”)

**“Scheduled Index Valuation Date”** means each day on which each of the following exchanges are scheduled to open for trading in their regular trading session: (i) the London Stock Exchange, (ii) the New York Stock Exchange, (iii) the Eurex Exchange and (iv) the Tokyo Stock Exchange.

22. Mandatory Amendment:

In the event of the occurrence of a Mandatory Amendment Event, the Issuer shall be required to pay an amount (which may be zero), calculated per Calculation Amount, equal to the Early Contingent Payment Amount as of the Mandatory Amendment Date. For the

avoidance of doubt, the occurrence of a Mandatory Amendment Event shall not alter the Issuer's obligation to pay the UYU Linked Principal Amount of the Notes on the Maturity Date.

The term "**Mandatory Amendment Event**" means the occurrence of any of the following events:

- (i) an Index Cancellation;
- (ii) an Index Modification;
- (iii) a Change in Law;
- (iv) a Hedging Disruption Event;
- (v) a Bankruptcy (as such term is used in Section 5(a)(vii) of the ISDA Master Agreement dated as of August 10, 1994 (as amended from time to time) between JPMorgan and the Issuer (the "**ISDA Master Agreement**") occurs in relation to JPMorgan; or
- (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.

The "**Early Contingent Payment Amount**" per Calculation Amount shall be an amount in USD equal to the value of the equity component per Calculation Amount of the Notes, as determined by the Calculation Agent or Issuer, as applicable, which may take into account prevailing market prices and/or proprietary pricing models, 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. Notwithstanding the foregoing sentence, such equity component will be priced by the Calculation Agent or Issuer, as applicable, in a commercially reasonable manner on a present value discounted to scheduled maturity basis, taking into account an implied volatility of 20% per cent, a strike price equal to the Initial Index Level and the residual value of the equity option, based on the Closing Level of the Index and relevant prevailing rates as of (x) in the event that the relevant Mandatory Amendment Event is an Index Cancellation, an Index Modification, a Change in Law, or a Hedging Disruption Event, the second Business Day immediately following the date of the Mandatory Amendment Notice, and (y) in the event that the Mandatory Amendment Event is not an Index Cancellation, an Index Modification, a Change in Law, or a Hedging Disruption Event, as of the last Business Day of the month that precedes the month in which the Mandatory Amendment Date occurs.

The Early Contingent Payment Amount will be determined on or as soon as reasonably practicable following the occurrence of the Mandatory Amendment Event, either by the Calculation Agent in the event that the relevant Mandatory Amendment Event is an Index Cancellation, an Index Modification, a Change in Law, or a Hedging Disruption Event, or by the Issuer in the event that the relevant

Mandatory Amendment Event is not an Index Cancellation, an Index Modification, a Change in Law, or a Hedging Disruption Event.

The Early Contingent Payment Amount will be paid by the Issuer as soon as practicable after the relevant Mandatory Amendment Date.

The Calculation Agent or the Issuer, as applicable, will make the determinations set forth in the previous paragraphs in good faith and in a commercially reasonable manner.

Upon the occurrence of a Mandatory Amendment Event, the Calculation Agent shall forthwith give a notice (the “**Mandatory Amendment Notice**”) to the Issuer, the Global Agent and the Noteholders of the occurrence of a Mandatory Amendment Event that consists of an Index Cancellation.

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

“**Associated Swap Transaction**” means the swap transaction entered into in connection with the issue of the Notes between the Issuer and JPMorgan.

“**Change in Law**” means that, the Calculation Agent determines in good faith 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, without limitation, as implemented by the U.S. Commodity Futures Trading Commission or exchange or trading facility or any action taken by a taxing authority), (i) it is (or will be prior to the Maturity Date) contrary to such law, rule, regulation or order for JPMorgan or any affiliate thereof (individually or collectively, and including their respective successors) 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) including (without limitation) if such assets (in whole or in part) are (or, but for the consequent disposal thereof, would otherwise be) in excess of any allowable position limit(s) in relation to any particular exchange(s) or other trading facility, or (ii) JPMorgan or any affiliate thereof is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any asset 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).

“**Hedging Disruption Event**” means that the Calculation Agent has determined that the Swap Counterparty is (or will be) unable, after using commercially reasonable efforts, to (A) acquire, establish, re-

establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity 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).

**“Index Allocation Agent”** means the entity designated as such under the Index Allocation Agreement, initially Republica AFAP S.A.

**“Index Allocation Agreement”**, means the agreement between the Republica AFAP S.A. and J.P. Morgan Securities Plc. relating to the Index dated as of \* 2013 under the terms of which the Index Allocation Agent independently provides certain selections in accordance with the terms of the Index Rules in connection with the Index Allocation Agent’s investment management activities and strategy for itself or for certain accounts managed by it.

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

- (i) if the Mandatory Amendment Event consists of an Index Cancellation, the 10<sup>th</sup> Business Day (as defined in Term 20 above) 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); or
- (ii) if the Mandatory Amendment Event does not consist of an Index Cancellation, the date upon which the Mandatory Amendment Event has occurred.

**“Swap Counterparty”** means JPMorgan Chase Bank, National Association.

23. 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 zero coupon portion thereof and the value of the equity component thereof. The value of the zero-coupon component of the Notes will be priced by taking into account prevailing interest rates or amortization yields of zero coupon securities denominated in UYU having a similar term to that of the Notes. The value of the equity component of the Notes will be determined on the basis, *mutatis mutandis*, as set out under the definition of Early Contingent Payment Amount in Term 22.

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

24. Form of Notes (Condition 1(a)):

Registered Notes:

Global Registered Certificate available on Issue Date

25. New Global Note:

No



26. Financial Centre(s) or other special provisions relating to payment dates (Condition 7(h)):
- London, New York and Montevideo
27. Governing law (Condition 14):
- English
28. Other final terms:  
Disclaimer of Liabilities and Representations by Prospective Investors of the Notes:
- (i) A description of the Index is attached to these Final Terms as Schedule 1. A full copy of the Index Rules is attached to these Final Terms as Schedule 2. All information contained in these Final Terms regarding the Index, including, without limitation, the information set forth in Schedules 1 and 2, its make-up, method of calculation and changes in its components, is derived from, and based solely upon, information provided by the Index Sponsor and is for informational purposes only and should not be relied upon by the Noteholder or prospective investor. As such, neither the Issuer nor 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 Sponsor, Index Calculation Agent or Index Allocation Agent in order to arrive at the value of the Index. The most recent version of the Index Rules is published by the Index Sponsor and accessible at <https://www.jpmmorganindices.com/indexrule/ViewIndexRuleDocument.action> (Reference Id: 2D373137).
- (ii) Neither IBRD nor the Global Agent will have any responsibility for the contents of the Index Allocation Agreement or for the choices and allocations made by the Index Allocation Agent 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 Sponsor, 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 Sponsor 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 the Annex 1 to these 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; and

- (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 Sponsor 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 summary information relating to the Index contained in the Schedule to these Final Terms which has been provided for information purposes only and is not to be used or reproduced for any other purpose or used or considered as any advice or recommendation with respect to such Index. Each Noteholder confirms that it understands that such information is a summary only and is qualified in its entirety by the methodology and policy applied by the Index Sponsor.
- (d) it understands and acknowledges that the performance of the Index is based on the periodic selections of the Index Allocation Agent and hence the Notes are intended to be held by the Index Allocation Agent and by discretionary accounts managed by the Index Allocation Agent only.

#### **DISTRIBUTION**

- 29. (i) If syndicated, names of Managers and underwriting commitments: Not Applicable
- (ii) Stabilizing Manager(s) (if any): Not Applicable
- 30. If non-syndicated, name of Dealer: J.P. Morgan Securities plc

#### **OPERATIONAL INFORMATION**

- 31. ISIN Code: XS0905289392
- 32. Common Code: 090528939
- 33. 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
- 34. Delivery: Delivery against payment

- |                                                                               |                              |
|-------------------------------------------------------------------------------|------------------------------|
| 35. Registrar and Transfer Agent (if any):                                    | Citibank N.A., London Branch |
| 36. Additional Paying Agent(s) (if any):                                      | Not Applicable               |
| 37. 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 19, 2012.

### ***CONFLICT OF INTEREST***

J.P. Morgan Securities plc will serve as the Index Sponsor of the Index. As a result, the determinations made by J.P. Morgan Securities plc in its discretion as Index Sponsor may affect the level of the Index and, in turn, amounts payable under the Notes. J.P. Morgan Securities plc and certain of its affiliates are also the sponsors or calculation agents under certain indices included as potential components of the basket referenced by the Index. In all such cases, neither J.P. Morgan plc 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.

JPMorgan Chase Bank, N.A., ("JPMorgan") the parent company of J.P. Morgan Securities plc will be Calculation Agent under the Notes and will also 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 JPMorgan creates possible conflicts of interest. For example, the amounts payable by JPMorgan 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 JPMorgan in its discretion as Calculation Agent for the Notes may affect the amounts payable by JPMorgan under the related swap transaction, and, in making such determinations, JPMorgan may have economic interests adverse to those of the Noteholders. The Noteholder understands that although IBRD will enter into the related swap transaction with JPMorgan 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***

These Final Terms comprise 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 these Final Terms.

Signed on behalf of IBRD:

By:



Name: SEGUN

Title:

Duly authorized

## SCHEDULE 1

### INDEX SUMMARY DESCRIPTION- REPUBLICA AFAP DYNAMIC RISK CONTROLLED INDEX

*Set out below is a summary description of Republica AFAP Dynamic Risk Controlled Index (the “Index”). This summary description is by its nature limited and an overview for informational purposes only and should not be relied upon by the Noteholder or any prospective investor in the Notes. This summary description is qualified in all respects by reference to the full text of The Republica AFAP Dynamic Risk Controlled Index Rules which are published by the Index Sponsor and accessible at <https://www.jpmorganindices.com/indexrule/ViewIndexRuleDocument.action> (Reference Id: 2D373137), a copy of which in the form in effect on the date of these Final terms is attached hereto as Schedule 2 (the “Index Rules”) for informational purposes only. The Index Rules, as published by the Index Sponsor from time to time, and not this summary description, will govern the operation and calculation of the Index. Potential purchasers of the Notes are urged to read carefully the Index Rules in their entirety. All disclosure contained in this document or referred to in this document, regarding the Index, including, without limitation, the Index Rules, its make-up, method of calculation and changes in its components, is derived from, and based solely upon, information provided by the Index Sponsor. As such, 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.*

*Capitalised terms used and not defined in this Schedule 1 or in the Final Terms have the meanings given to them in the Index Rules.*

#### **The Index; Constitution and Governance**

The Republica AFAP Dynamic Risk Controlled Index (the “**Index**”) was developed by J.P. Morgan Securities plc, which acts as Index Sponsor for the Index (in such capacity the “**Index Sponsor**”). The Index is rules-based, meaning that the operation and calculation of the Index is governed by the terms of the Index Rules. Under the Index Rules, various responsibilities are accorded to the Index Sponsor, the Index Calculation Agent and the Index Allocation Agent.

The Index is the intellectual property of J.P. Morgan Securities plc (the “**Index Sponsor**”), and J.P. Morgan Securities plc reserves all rights with respect to its ownership of the Index. The Issuer has been granted a license for the use of the Index for the purposes of the Notes.

The Index Sponsor has certain key responsibilities and rights with respect to the Index. These rights and responsibilities include:

- documentation of the Index Rules,
- certain rights to make determination regarding the occurrence and continuation of Market Disruption Events (as defined below) with respect to Component Underlyings potentially included in the synthetic portfolio tracked by the Index, Disrupted Days, Component Underlying Adjustment Events;



- determination of whether Proposed Synthetic Allocation Requests are timely submitted and comply with the Allocation Restrictions, and may thus be implemented in connection with scheduled or additional Index component rebalancings;
- the right to terminate and replace the Index Calculation Agent;
- the right to amend the Index Rules in accordance with the amendment provisions of the Index Rules; and
- the right to replace Component Underlyings with a replacement benchmark in the event of the occurrence of a disruption event, material change or change in law, affecting a Component Underlying.

The Index Sponsor is obliged to act in good faith and in a commercially reasonable manner in making determinations under the Index Rules.

Markit Indices Limited will be the initial calculation agent for the Index (the “**Index Calculation Agent**”). The Rules require the Index Calculation Agent to calculate the Index Level in respect of each Index Valuation Day, as well as determine (subject to prior agreement with the Index Sponsor) if a Market Disruption Event and / or a Disrupted Day has occurred and / or is continuing, and the related consequences and adjustments in accordance with the Rules. The Index Sponsor may terminate and replace the Index Calculation Agent.

The Index Calculation Agent is obliged to act in good faith and in a commercially reasonable manner in making determinations under the Index Rules. Republica AFAP S.A. shall act as the Index Allocation Agent (in such capacity, the “**Index Allocation Agent**”). The Index Allocation Agent will act under an agreement with the Index Sponsor providing the Index Allocation Agent with the right and obligation to make choices with respect to the composition of the Index.

#### **The Index is Notional; Excess Return-Based; and Risk Controlled**

The Index is a notional, dynamic basket that tracks the excess returns of a synthetic portfolio consisting of 22 indices, exchange traded funds and a cash index (each a “**Component Underlying**” collectively the “**Component Underlyings**”). The indices represent a diverse range of asset classes and geographic region exposures.

The Index is described as “notional” and as tracking a “synthetic” portfolio because no actual shares, positions or other assets are held in respect of the Index. Rather, calculations are made based on an assumed investment in the relevant Component Underlyings.

The Index employs an “excess return” mechanism within its calculation formula. This mechanism acts to subtract an assumed cash return from the Underlying Component’s return to derive a cash-excess figure. To the extent that a Component Underlying is not a futures tracker, it is associated with an assumed cash component, which will be used as the basis for the subtraction. Underlying Components that are futures trackers are not subject to a subtraction to arrive at an excess return figure.

The Index is also subject to a “risk control” feature. This feature has the effect of potentially reducing the Index’s day-to-day exposure to the synthetic portfolio. On each Index Valuation Day, the Index Calculation Agent will determine the Index’s “Exposure” to the synthetic portfolio. The Exposure will never exceed 100%, and will be reduced to the extent necessary to limit the observed historical volatility of the selected Underlying Components contained in the synthetic portfolio to

20%. This volatility control mechanism is a formula based on the assumption that the recent realized volatility is a good indicator of current and future volatility, however, future volatility could always diverge from observed historical volatility, and thus the Index's volatility could exceed 20%, even though the Exposure function has the effect of reducing the extent to which the Index tracks the synthetic portfolio.

The level of the Index (the "**Index Level**") will be calculated by the Calculation Agent on each Index Valuation Day, based on the weighted excess returns of the Component Underlyings contained in the synthetic portfolio, multiplied by the Exposure fraction, and reduced by the Adjustment (as described below).

#### **Deductions to the Index Level through Adjustments and Subtractions from Exchange-Traded Fund Distributions**

The Index Level will be reduced each day by application of an "Adjustment" subtraction included in the calculation formula. This Adjustment will be based on (i) the change in exposure to the Component Underlyings included in the synthetic portfolio tracked by the Index on the relevant Index Valuation Day; (ii) the Weight assigned to each such Component Underlying within the synthetic portfolio; (iii) the Transaction Cost associated with that Component Underlying; and (iv) the Index Level. The Adjustment will be calculated and deducted on a daily basis from the Index Level. The Index Rules set out the Transaction Cost associated with each Component Underlying, ranging from 0.01% to 0.025%. The Index Return will be further reduced because the Index calculation formula takes into account for synthetic reinvestment 70%, rather than 100%, of the value of distributions made by exchange-traded funds held in the synthetic portfolio tracked by the Index.

#### **The Index Allocation Agent and Rebalancings**

The Index Allocation Agent will select from the list of Component Underlyings, such Component Underlyings as it wishes to comprise the synthetic basket tracked by the Index, as well as the relative weights ("**Weights**") within the synthetic basket of the selected Component Underlyings. The Index Allocation Agent will add and remove Component Underlyings from the list of potential, selections and adjust proposed weights on each Rebalancing Date. As a result, the Index Allocation Agent's selections will be the most important variable in determining the performance of the Index. The Index Allocation Agent will act with complete discretion, subject to the Allocation Restrictions contained in the Index Rules. The Notes are intended to be held only by the Index Allocation Agent and by discretionary accounts managed by the Index Allocation Agent, and by no other person.

In respect of each Scheduled Rebalancing Date (commencing April 2, 2013) and occurring once each month thereafter, the Index Allocation Agent shall provide its intended Component Underlying selections and Weights by the Latest Notification Date (being the third Business Day prior to the Scheduled Rebalancing Date). So long as the proposed selections and Weights adhere to the Allocation Restrictions (described below), as confirmed by the Index Sponsor, the Index shall be rebalanced with effect as of the Scheduled Rebalancing Date. Note that the Index's exposure to the synthetic portfolio will be reduced, potentially, by the Exposure mechanism described above, as the Exposure mechanism is applied on a day-to-day basis, even though a selected portfolio complies with the Allocation Restrictions.

The Index Allocation Agent is generally limited to "long" positions in the Index's Component Underlyings, provided that substantial "short" positions in U.S. Treasury bond futures trackers may be selected, subject to certain constraints as described below under "Allocation Restrictions".

The Index Allocation Agent will be able to further rebalance the synthetic portfolio up to four additional times per year. In respect of each such “**Additional Rebalancing Date**”, if any, the Index Allocation Agent shall provide intended weights to the Component Underlyings by the Additional Rebalancing Notification Date (such date being chosen by the Index Allocation Agent in its discretion). So long as the selected Weights adhere to the Allocation Restrictions (as confirmed by the Index Sponsor), the Index will be rebalanced with effect as of the Additional Rebalancing Date, being the second Index Valuation Day after the Additional Rebalancing Notification Date.

### **The Allocation Restrictions**

The following restrictions (the “**Allocation Restrictions**”) will apply to the Weight that the Index Allocation Agent may allocate to each Component Underlying on each Rebalancing Date:

- (i) each Component Underlying may have a Weight no greater than the maximum specified in the chart set forth under “The Component Underlyings of the Index” below;
- (ii) the sum of the Weights of all EM Equities Component Underlyings shall be no greater than 60%;
- (iii) each Component Underlying, other than the US Bond Trackers (i.e., the Component Underlyings set forth in positions 6, 7 and 8 in the chart set forth under “The Component Underlyings of the Index”, below), shall have a minimum Weight of 0%;
- (iv) a positive or negative Weight may be applied to one or two of the US Bond Trackers; provided that the sum of the negative Weights applied to the US Bond Trackers may not exceed 50% in absolute value (i.e., -50%);
- (v) the sum of the Weights assigned to all US Bond Trackers shall be greater than or equal to zero; (For the avoidance of doubt, if a negative Weight is applied to one or two of the US Bond Trackers, a positive Weight must be assigned to at least one of the remaining US Bond Tracker(s), sufficient to cause the sum of the Weights assigned to all US Bond Trackers to be greater than or equal to zero); and
- (vi) in respect of all the Component Underlyings, the sum of all the positive Weights of all the Component Underlyings shall be less than or equal to 100%.

### **The Component Underlyings of the Index**

Subject to the occurrence of a Component Underlying Adjustment Event (as determined pursuant to the Rules), the Component Underlyings are set out in the Table below. The Table also contains the Bloomberg ticker for each Component Underlying for ease of identification, as well as the Component Underlying Sponsor of the relevant constituent (each, a “**Component Underlying Sponsor**”) and currency in which each of the Component Underlying is reported.

|   | <b>Component Underlying</b>           | <b>Component Sponsor</b> | <b>Currency</b> | <b>Component Underlying Bloomberg Code</b> | <b>FX Reference Bloomberg Code</b> | <b>Cash Component</b> | <b>Weight Class</b> | <b>Transaction Cost</b> | <b>Type of Index</b> | <b>Maximum Weight</b> |
|---|---------------------------------------|--------------------------|-----------------|--------------------------------------------|------------------------------------|-----------------------|---------------------|-------------------------|----------------------|-----------------------|
| 1 | J.P. Morgan US Equity Futures Tracker | J.P. Morgan              | USD             | FTJPUSEE                                   | N/A                                | N/A                   | DM Equities         | 0.010%                  | Proprietary Index    | 50%                   |
| 2 | J.P. Morgan Japanese Equity           | J.P. Morgan              | JPY             | FTJPJPEE                                   | JPY WMCO Currency                  | N/A                   | DM Equities         | 0.010%                  | Proprietary Index    | 50%                   |

|    |                                                  |                            |     |          |                 |                                 |             |        |                   |        |
|----|--------------------------------------------------|----------------------------|-----|----------|-----------------|---------------------------------|-------------|--------|-------------------|--------|
|    | Futures Tracker                                  |                            |     |          |                 |                                 |             |        |                   |        |
| 3  | J.P. Morgan European Equity Futures Tracker      | J.P. Morgan                | EUR | FTJPEUEE | EUR WMCO Curncy | N/A                             | DM Equities | 0.010% | Proprietary Index | 50%    |
| 4  | J.P. Morgan UK Equity Futures Tracker            | J.P. Morgan                | GBP | FTJPUKEE | GBP WMCO Curncy | N/A                             | DM Equities | 0.010% | Proprietary Index | 50%    |
| 5  | S&P GSCI Commodity Index                         | Standard and Poor's        | USD | SPGSCIP  | N/A             | J.P. Morgan 3mth USD Cash Index | Commodities | 0.025% | Commodity Index   | 25%    |
| 6  | J.P. Morgan US Treasury Note Futures Tracker     | J.P. Morgan                | USD | RFJPUSBE | N/A             | N/A                             | DM Bonds    | 0.010% | Proprietary Index | +/-50% |
| 7  | J.P. Morgan US Treasury Note 2Y Futures Tracker  | J.P. Morgan                | USD | FTJPUS2E | N/A             | N/A                             | DM Bonds    | 0.010% | Proprietary Index | +/-50% |
| 8  | J.P. Morgan US Treasury Bond 30Y Futures Tracker | J.P. Morgan                | USD | FTJMUTBE | N/A             | N/A                             | DM Bonds    | 0.010% | Proprietary Index | +/-50% |
| 9  | J.P. Morgan Euro Bund Futures Tracker            | J.P. Morgan                | EUR | RFJPEUBE | EUR WMCO Curncy | N/A                             | DM Bonds    | 0.010% | Proprietary Index | 25%    |
| 10 | J.P. Morgan Euro Schatz Futures Tracker          | J.P. Morgan                | EUR | FTJPEU2E | EUR WMCO Curncy | N/A                             | DM Bonds    | 0.010% | Proprietary Index | 25%    |
| 11 | J.P. Morgan UK Gilt Futures Tracker              | J.P. Morgan                | GBP | RFJPUKBE | GBP WMCO Curncy | N/A                             | DM Bonds    | 0.010% | Proprietary Index | 25%    |
| 12 | J.P. Morgan JGB Futures Tracker                  | J.P. Morgan                | JPY | RFJPJPBE | JPY WMCO Curncy | N/A                             | DM Bonds    | 0.010% | Proprietary Index | 25%    |
| 13 | JPMorgan 3mth USD Cash Index                     | J.P. Morgan                | USD | JPCAUS3M | N/A             | J.P. Morgan 3mth USD Cash Index | Cash        | 0.000% | Proprietary Index | 75%    |
| 14 | iShares MSCI Brazil Index Fund                   | Blackrock Global Investors | USD | EWZ UP   | N/A             | J.P. Morgan 3mth USD Cash Index | EM Equities | 0.025% | ETF               | 50%    |
| 15 | iShares MSCI Mexico Index Fund                   | Blackrock Global Investors | USD | EWX UP   | N/A             | J.P. Morgan 3mth USD Cash Index | EM Equities | 0.025% | ETF               | 50%    |
| 16 | iShares J.P. Morgan Emerging Markets             | Standard and Poor's        | USD | EMB UP   | N/A             | J.P. Morgan 3mth USD Cash Index | EM Bonds    | 0.025% | ETF               | 25%    |

|    |                                            |                                   |     |        |     |                                 |             |        |     |     |
|----|--------------------------------------------|-----------------------------------|-----|--------|-----|---------------------------------|-------------|--------|-----|-----|
|    | Bond Index Fund                            |                                   |     |        |     |                                 |             |        |     |     |
| 17 | iShares FTSE China 25 Index Fund           | Blackrock Global Investors        | USD | FXI UP | N/A | J.P. Morgan 3mth USD Cash Index | EM Equities | 0.025% | ETF | 50% |
| 18 | Market Vectors Russia ETF                  | Wisdom Tree A.M.                  | USD | RSX UP | N/A | J.P. Morgan 3mth USD Cash Index | EM Equities | 0.025% | ETF | 25% |
| 19 | Wisdom Tree India Earnings Fund            | Blackrock Global Investors        | USD | EPI UP | N/A | J.P. Morgan 3mth USD Cash Index | EM Equities | 0.025% | ETF | 25% |
| 20 | iShares Iboxx HY Corporate Bond Index Fund | Blackrock Global Investors        | USD | HYG UP | N/A | J.P. Morgan 3mth USD Cash Index | DM Bonds    | 0.025% | ETF | 25% |
| 21 | iShares Iboxx IG Corporate Bond Index Fund | Standard and Poor's               | USD | LQD UP | N/A | J.P. Morgan 3mth USD Cash Index | DM Bonds    | 0.025% | ETF | 25% |
| 22 | SPDR Gold Shares US                        | State Street Bank & Trust Company | USD | GLD UP | N/A | J.P. Morgan 3mth USD Cash Index | Commodities | 0.025% | ETF | 25% |

### Publication of Index Levels

Subject to the occurrence of a Market Disruption Event, Disrupted Day, Component Underlying Adjustment Event, and/or Currency Extraordinary Event; the Index Calculation Agent will calculate and publish the Index Level in respect of each Index Valuation Day at or before approximately 10:00 a.m., London time, on the first London Business Day following such Index Valuation Day on Bloomberg page JPZMUYU1<Index>, or any successor page or another recognised financial information provider should the need arise. All Index Levels that are published shall be rounded to two decimal places, although the Index Calculation Agent shall retain a higher precision for the purposes of on-going calculation. The Index Calculation Agent may publish the Index Level on any alternative or successor publication source if the Bloomberg page becomes unavailable from time to time for any reason.

The term “Index Valuation Day” is defined as each day on which each of the following exchanges are scheduled to open for trading in their regular trading session: (i) the London Stock Exchange, (ii) the New York Stock Exchange, (iii) the Eurex Exchange and (iv) the Tokyo Stock Exchange.

### Market Disruption Event Provisions

If an Index Valuation Day is a Disrupted Day for any Current Component Underlying (or a Current Cash Component), then the Index Calculation Agent will either:

- calculate the Index Level for such Index Valuation Day, using its good faith estimate of the disrupted Current Component Underlying for the Index Valuation Day, subject to subsequent correction; or



- suspend the calculation and publication of the Index Level until the first succeeding Index Valuation Day that is not a Disrupted Day in respect of any Current Component Underlying.

In order to determine the volatility metric for a constituent on a day that is not a Scheduled Trading Day, the Index Calculation Agent will select the official closing level for the constituent from the immediately preceding Scheduled Trading Day.

### **Disrupted Days**

If a Rebalancing Date is a Disrupted Day in respect of any Component Underlying or any cash component, then the relevant Rebalancing Date shall remain as the Scheduled Rebalancing Date and the Index Calculation Agent shall determine, in consultation with the Index Sponsor, the closing level of the disrupted component in good faith and a commercially reasonable manner.

The term “**Disrupted Day**”, is defined in the Index Rules for each type of Component Underlying.

- Equity indices

In respect of each equity index, a Disrupted Day means any Scheduled Trading Day on which (i) the sponsor of the equity index fails to publish the closing level of index; (ii) any relevant exchange fails to open for trading during its regular trading session; or (iii) a Market Disruption Event has occurred, which term generally refers to a (i) material disruption in trading, a disruption to the relevant exchange or an early closure of a relevant exchange, where any of such events affects 20% or more of the level of the equity index or (ii) analogous disruptions in trading or exchanges or an early closure of exchanges with respect to futures or options contracts relating to the equity index.

- Proprietary indices

In respect of each proprietary index, a Disrupted Day means any Scheduled Trading Day on which a Market Disruption Event has occurred, which term generally refers to the failure by the sponsor of the proprietary index to calculate and publish the closing level of the index within the scheduled timeframe for publication or (ii) a determination by the Index Sponsor that the published level reflects manifest error.

- Commodity indices

In respect of a commodity index, the occurrence on a Scheduled Trading Day of a Market Disruption Event for the index, which term generally refers to (i) a material limitation, suspension, or disruption of trading in one or more of the futures contracts included in the commodity index which results in a failure by the exchange on which such futures contract is traded to report a closing price for such futures contract on the day on which such event occurs or any succeeding day on which it continues; (ii) the closing price for any futures contract included in the commodity index is a "limit price", which means that the closing price for such futures contract for a day has increased or decreased from the previous day's closing price by the maximum amount permitted under applicable exchange rules; or (iii) a failure by the applicable exchange or other price source to announce or publish the closing price for any futures contract included in the commodity index.

- Exchange-traded funds

In respect of an exchange-traded fund, a Disrupted Day means any Scheduled Trading Day on which a

Market Disruption Event has occurred, which term generally refers to (i) the occurrence or existence of a suspension or absence of trading of the shares of the exchange-traded fund on its primary exchange or the material limitation of trading of the shares; (ii) a breakdown or failure in the price and trade reporting systems of the primary exchange for the shares of the exchange-traded fund as a result of which the reported trading prices for such shares are materially inaccurate; (iii) the occurrence or existence of a suspension, absence or material limitation of trading on the primary exchange or market for trading in futures or options contracts related to the shares of the exchange-traded fund; (iv) the net asset value of the exchange-traded fund is not calculated or is not announced by the fund's sponsor; (v) the fund sponsor suspends creations or redemptions of shares of the exchange-traded fund; or (vi) any event occurs that disrupts or impairs the ability of market participants to generally effect transactions in the exchange-traded fund.

### Corrections

If, in respect of a Component Underlying, a Cash Component or an FX Rate, the Index then, The Index Calculation Agent, if practicable and if it considers such correction material, may correct the Index Level and publish a corrected Index Level if it determines that a relevant level, value, price or other variable is found to have been incorrect or otherwise has grounds for adjustment and a correction or adjustment is published, or if the Index Calculation Agent identifies an error or omission in any of its calculations or determinations.

### Component Underlying Adjustment Events

A Component Underlying Adjustment Event and the consequences attending the occurrence of such an event are set forth in Section 7 of the Index Rules. The following table summarizes these events and the associated consequences.

|   | <b>Component Underlying Adjustment Event</b>                                                                                                                                             | <b>Consequence</b>                                                                                                                                             |
|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | A change in the Component Sponsor or the succession of a Component Underlying by a successor acceptable to the Index Sponsor                                                             | Such successor underlying shall replace the affected Component Underlying                                                                                      |
| 2 | A Component Disruption Event (i.e., a failure by the Component Sponsor to calculate and publish the Closing Level of a Component Underlying for five consecutive Scheduled Trading Days) | The Index Sponsor shall select a replacement Component Underlying possessing similar characteristics                                                           |
| 3 | A material change in the way the Component Underlying is calculated or composed                                                                                                          | The Index Sponsor shall select a replacement Component Underlying possessing similar characteristics                                                           |
| 4 | A Component Underlying Cancellation or a cancellation of the license granted to the Index Sponsor to use the Component Underlying within the Index                                       | The Index Sponsor shall select a replacement Component Underlying (if it is able to do so) or, if not, make adjustments to the Rules to account for such event |

|   |                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                   |
|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 5 | A Currency Extraordinary Event, i.e. in respect of a currency relevant to a Component Underlying, a lawful elimination, conversion, redenomination or exchange of such currency into a new currency | the Index Sponsor shall make adjustments that it determines to be appropriate to the Rules in relation to the relevant Component Underlying to account for such event including without limitation determining that the Component Underlying shall cease to exist |
|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

### **Amendments to the Index Rules**

The Index Sponsor may amend the Index Rules where it considers such amendment necessary (i) to comply with applicable law or regulation, including any changes in applicable law or regulation or in the interpretation thereof, and/or (ii) to correct any errors, omissions or ambiguities identified by the Index Calculation Agent or Index Sponsor as the case may be. The Index Sponsor may also amend the Rules to vary the Component Underlyings in the event of the occurrence of certain Component Underlying Adjustment Events as described above. Prior to the coming into force of any amendment, the Index Sponsor shall inform the proposed amendments to the Index Allocation Agent. The Index Allocation Agent will have a fifteen Business Days period to analyze such amendments. If the Index Allocation Agent does not make observations to the proposed amendments within that period, such proposed amendments shall be deemed accepted. While the Index Sponsor shall consider any observations made by the Index Allocation Agent in respect to such amendment, the ultimate decision on amendment of the Index Rules shall reside with the Index Sponsor and shall be binding and conclusive. The Index Sponsor must reasonably consider the Index Allocation Agent observations to the proposed amendments, being obliged to act in good faith and in a commercially reasonable manner.

### **Termination of the Index**

The Index will be terminated in the event that the Index Allocation Agreement under which the Index Allocation Agent serves as such is terminated. A termination can occur under the following circumstances:

Upon 60 days' notice of either the Index Allocation Agent or the Index Sponsor;

Upon the occurrence of certain bankruptcy-related events with respect to either the Index Allocation Agent or the Index Sponsor;

Either the Index Allocation Agent or the Index Sponsor determines that the other is involved in regulatory or legal proceedings that materially affect its ability to perform its obligations under the Index Allocation Agreement, or such regulatory or legal proceedings would result in the continued performance of the terminating party's obligations under the Index Allocation Agreement being materially adverse to the reputation of the terminating party;

The Index Sponsor may terminate the Index Allocation Agreement if at any time the Index Allocation Agent no longer holds all necessary licences, approvals, registrations, authorisations and permissions required to fulfill its obligations under the Index Allocation Agreement or to hold the Notes, or if the ability of the Index Allocation Agent to fulfill its obligations under this Agreement is substantially curtailed by any competent legal or regulatory authority;

The Index Sponsor may terminate the Index Allocation Agreement if the Index Allocation Agent fails to provide complete and conforming selections for scheduled periodic Index rebalancing and the same is not remedied within 21 calendar days of notice of such failure being given by the Index Sponsor;

The Index Allocation Agreement may be terminated by the Index Allocation Agent or the Index Sponsor with immediate effect should the other party fail to comply with any material obligation under the Index Allocation Agreement; provided that such other party has not remedied such breach within 15 calendar days after receiving notice from such terminating party requiring the breach to be remedied; and

The Index Allocation Agreement would terminate immediately if the Index Allocation Agent announces that it intends to cease to be engaged in the business of investment management services.

No assurance can be given that the investment strategy used to construct the Index will be successful or that the Index will outperform any alternative basket or strategy that might be constructed from the Component Underlyings.

The rebalancing of the Component Underlyings of the Index will be made by the Index Allocation Agent. As a result, the success of the Index will depend largely upon the decisions and abilities of the Index Allocation Agent and certain key individuals employed by the Index Allocation Agent. There can be no assurance that the Index Allocation Agent will be successful in the rebalancing of the Index and the loss of one or more such key individuals may have a material adverse impact on the performance of the Index.

Furthermore, no assurance can be given that the Index will achieve its volatility target of 20%. The actual realized volatility of the Index may be greater or less than 20%.

The Index is described as a "notional" or synthetic portfolio or basket of assets 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 merely references certain assets, the performance of which will be used as a reference point for calculating the Index Level.

**Schedule 2**

**The Republica AFAP Dynamic Risk Controlled Index Rules**

# **Index Rules**

**J.P.Morgan**

**March 8, 2013**

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## **PART A**

### **General Rules**

## **2. This Document**

### **2.1 Introduction**

This document comprises the rules (the "**Index Rules**") of the Republica AFAP Dynamic Risk Controlled Index (the "**Index**") a notional, rule-based proprietary index.

### **2.2 Publication and availability of the Index Rules**

The Index Rules are published by J.P. Morgan Securities plc in its capacity as Index Sponsor of the Index.

Copies of the Index Rules may be obtained by holders or potential holders of investments linked to the Index free of charge on request to the Index Sponsor.

### **2.3 Amendments**

The Index Sponsor may, acting reasonably, at any time and from time to time amend the Index Rules where it considers such amendment necessary (i) to comply with applicable law or regulation, including any changes in applicable law or regulation or in the interpretation thereof, and/or (ii) to correct any errors, omissions or ambiguities identified by the Index Calculation Agent or Index Sponsor as the case may be.

### **2.4 No offer of securities**

The Index Rules does not constitute (i) an offer to sell securities (ii) a solicitation of offers to purchase or sell securities or (iii) an offer to enter into any transaction, nor specific advice of whatever form (including, without limitation, tax, legal, accounting or regulatory) in respect of any investment strategy or investment that may be linked to the Index.

## **3. Index is synthetic**

The Index is constructed on notional or synthetic exposure to the Component Underlyings referenced in the Index because there is neither actual portfolio of Component Underlyings, nor assets to which any person is entitled or in which any person has any ownership interest. The Index merely identifies certain Component Underlyings, the performances of which are used as a reference point for the purposes of calculating the level of the Index.

## **4. Index Sponsor, Index Calculation Agent and Index Allocation Agent**

### **4.1 Identity**

J.P. Morgan Securities plc is the sponsor of the Index (the "**Index Sponsor**"). The Index Allocation Agent is Republica AFAP, S.A..

The Index Sponsor may at any time and for any reason terminate the appointment of an Index Calculation Agent and appoint an alternative entity as the replacement Index Calculation Agent.

The Index Calculation Agent is responsible for:

- (i) calculating the Index Level in respect of each Index Valuation Day in accordance with the Index Rules including checking that the Proposed Synthetic Allocations complies with the Allocation Restrictions; and
- (ii) determining (subject to prior agreement of the Index Sponsor) if a Market Disruption Event and / or a Disrupted Day (or other similar event) has occurred and/or is continuing and the related consequences and adjustments in accordance with the Index Rules.

As of the Index Base Date (the "**Index Base Date**"), the Index Sponsor has appointed Markit Equities Limited as the Index Calculation Agent (the "**Index Calculation Agent**").

If the Index Sponsor determines that a Market Disruption Event, Disrupted Day, Component Underlying Adjustment Event (or other similar event) has occurred in respect of an Index Valuation Day, or that there needs to be a correction in respect of the Index, and, if the Index Calculation Agent fails to make that determination, then the Index Sponsor may instruct the Index Calculation Agent that such an event has occurred and instruct the Index Calculation Agent as to the consequences or adjustments that should be made to take account of such event. To the extent that the Index Calculation Agent and the Index Sponsor disagree about a particular determination, calculation or adjustment, the determination, calculation or adjustment of the Index Sponsor shall prevail.

#### **4.2 Index Sponsor and Index Calculation Agent standards**

The Index Sponsor and the Index Calculation Agent shall each act in good faith and in a commercially reasonable manner in respect of determinations made by it pursuant to the Index Rules.

#### **4.3 Index Sponsor and Index Calculation Agent determinations**

All calculations, determinations and interpretations of the Index Sponsor and the Index Calculation Agent pursuant to the Index Rules shall be final, conclusive and binding and no person shall be entitled to make any claim against the Index Sponsor, the Index Calculation Agent or any of the Relevant Persons in respect thereof. None of the Index Sponsor, the Index Calculation Agent or any Relevant Person shall:

- (i) be under any obligation to reconsider or revise any determination, interpretation or calculation made or action taken for any reason in connection with the Index or the Index Rules; or
- (ii) have any responsibility to any person (whether as a result of negligence or otherwise) for any determinations made or anything done (or omitted to be determined or done) in respect of the Index, the Index Rules or in respect of the publication of any Index Level (or failure to publish such level) or any use to which any person may put the Index or the Index Levels.

### **5. Calculation of Index Levels**

#### **5.1 Index Base Level and Index Base Date**

The level of the Index shall be 100 (the "**Index Base Level**") at the commencement of the Index on 08-March-2013 (the "**Index Base Date**").

## 5.2 Publication of Index Levels

Subject to the occurrence of a Market Disruption Event, Disrupted Day, Component Underlying Adjustment Event, and/or Currency Extraordinary Event; the Index Calculation Agent shall calculate and publish the Index Level in respect of each Index Valuation Day at or before approximately 10:00 a.m., London time, on the first London Business Day following such Index Valuation Day on Bloomberg page JPZMUYU1 <Index>, or any successor page or another recognised financial information provider should the need arise. All Index Levels that are published shall be rounded to 2 decimal places, although the Index Calculation Agent shall retain a higher precision for the purposes of on-going calculation. The Index Calculation Agent may publish the Index Level on any alternative or successor publication source if the Bloomberg page becomes unavailable from time to time for any reason.

## 6. Corrections in respect of the Index

If, in respect of a Component Underlying, a Cash Component or an FX Rate, the Index Calculation Agent determines that:

- (i) the level, value or price of any Component Underlying, Cash Component or FX Rate, or any other variable, input or other matter which is used for any calculation relevant to the Index Level of any Index Valuation Day is subsequently found to have been incorrect or otherwise has grounds for adjustment and a correction or adjustment is published by the relevant Component Sponsor or any other relevant information source; or
- (ii) the Index Calculation Agent identifies an error or omission in any of its calculations or determinations including, without limitation in respect of the determination of the Index Level in respect of any Index Valuation Day,

then, the Index Calculation Agent, if practicable and if it considers such correction material, may correct the Index Level for such Index Valuation Day, and/or each other relevant subsequent Index Valuation Day, and, in all cases, publish (in such manner determined by the Index Calculation Agent) such corrected Index Level(s) as soon as reasonably practicable.

## 7. Market Disruption Event Provisions

### 7.1 Consequences of Disrupted Days in respect of an Index Valuation Day (including, for the avoidance of doubt, a Rebalancing Date)

If any Index Valuation Day (the "**Relevant Index Valuation Day**") is a Disrupted Day for any Current Component Underlying (or a Current Cash Component) (each such Current Component Underlying or Current Cash Component Underlying, a "**Disrupted Current Component Underlying**"), then the Index Calculation Agent shall either:

- (i) calculate the Index Level for such Index Valuation Day, using its good faith estimate of the Disrupted Current Component Underlying in respect of such Index Valuation Day. Any such estimated level may be subject to correction on the first succeeding

Index Valuation Day that is not a Disrupted Day in respect of such Affected Basket Constituent; or

- (ii) suspend the calculation and publication of the Index Level until the first succeeding Index Valuation Day that is not a Disrupted Day in respect of any Current Component Underlying.

## **7.2 Consequences of Disrupted Days in respect of an Rebalancing Date**

If any Rebalancing Date (the "**Scheduled Rebalancing Date**") is a Disrupted Day in respect of any Current Component Underlying or any Current Cash Component (each such item a "**Disrupted Component Underlying**"), then the relevant Rebalancing Date shall remain as the Scheduled Rebalancing Date and the Index Calculation Agent shall determine, in consultation with the Index Sponsor, the Closing Level of the Disrupted Component Underlying in good faith and a commercially reasonable manner. Such Closing Level shall be used in the calculation of the Index Basket Level and Index Level as further specified in Part B below.

## **7.3 Consequences of non-Scheduled Trading Days in respect of a Current Component Underlying or a Current Cash Component for the purpose of determining the Index Basket Realised Volatility**

If, to determine the Index Basket Realised Volatility in respect of any Relevant Index Valuation Day for which a Component Underlying or a Cash Component level is required to be determined and such day is not a Scheduled Trading Day for one or more constituents, then the Index Calculation Agent shall select the official closing level for such constituents from the immediately preceding Scheduled Trading Day.

## **7.4 Consequences of Disrupted Days for the purposes of determining the Closing TR Level in respect of an ETF**

For the purposes of determining the Closing TR Level for an ETF for any Scheduled Trading Day, if the immediately preceding Scheduled Trading Day ("**Prior Trading Day**") for such ETF was a Disrupted Day then, in the formula for determining the Closing TR Level for such Scheduled Trading Day (as specified in Part B Section 7), (i) the Closing TR Level for that Prior Trading Day shall be replaced with the Closing TR Level on the immediately preceding Scheduled Trading Day that was not a Disrupted Day (the "**Prior Non-Disrupted Trading Day**") for such ETF, (ii) the Closing Price for that Prior Trading Day shall be replaced with the Closing Price on the Prior Non-Disrupted Trading Day for such ETF, and (iii) the Net Dividend Amount of the ETF in respect of such Scheduled Trading Day shall be replaced with the sum of the Net Dividend Amounts of the ETF in respect of all days from, and excluding, the Prior Non-Disrupted Trading Day to, and including, such Scheduled Trading Day.

## **8. Component Underlying Adjustment Events**

### **8.1 Successor Component Underlyings or Cash Component**

If any Component Underlying or Cash Component is either:

- (i) not calculated and is not announced by the applicable Component Sponsor but is calculated and announced by a successor sponsor acceptable to the Index Sponsor;

or

- (ii) replaced by a successor index using, in the determination of the Index Calculation Agent, the same or substantially similar formula, for and method of calculation as used in the calculation of, that Component Underlying or Cash Component,

then that Component Underlying or Cash Component will be deemed to be the successor index so calculated and announced by that successor sponsor or that successor Component Underlying or Cash Component, as the case may be, with effect from a date determined by the Index Sponsor who may make such adjustment (including, without limitation, modifying the relevant Cash Component and FX Rate, if applicable) to each applicable Annex as it determines in good faith to account for such change.

## **8.2 Component Underlying Disruption**

If paragraph 7.1(ii) above applies, and a Component Disruption Event has occurred, the Index Sponsor, may select a replacement Component Underlying or cash component, acting in good faith and in a commercially reasonable manner, that possesses similar characteristics to the Component Underlying or Cash Component being replaced, in its discretion. If the Index Sponsor does not or is unable to make any such substitution, then the Index Sponsor shall allocate the amount synthetically allocated to such Component Underlying or Cash Component to a non-interest bearing synthetic cash balance and make such adjustment that it determines to be appropriate to any variable, calculation methodology, valuation or other terms of the Index to account for such event.

## **8.3 Material Changes**

If, on or prior to any Index Valuation Day, any Component Sponsor makes a material change in the formula for or the method of calculating a Component Underlying or Cash Component or in any other way materially modifies that Component Underlying or Cash Component (other than a modification prescribed in that formula or method to maintain that Component Underlying or Cash Component in the event of routine events), then the Index Sponsor shall either:

- (i) select a replacement Component Underlying or cash component, acting in good faith and in a commercially reasonable manner, that possesses similar characteristics to the Component Underlying or Cash Component being replaced, in its discretion; or
- (ii) select the JPMorgan USD Cash Index 3-Month (*Bloomberg code: JPCAUS3M Index*) to replace such Component Underlying or Cash Component.

## **8.4 Component Underlying Cancellation**

If, on or prior to any Index Valuation Day (each of the following events being a "**Component Underlying Cancellation**");

- (i) any Component Sponsor permanently cancels any Component Underlying or Cash Component and no successor index exists; or
- (ii) the license granted (if required) to the Index Sponsor or the Index Calculation Agent (or its affiliates) to use any Component Underlying for the purposes of the Underlying terminates, or the Index Sponsor's or the Index Calculation Agent's rights to use the Component Underlying for the purpose of the Underlying is otherwise disputed,



impaired or ceases (for any reason),

the Index Sponsor may, in good faith, make such adjustment(s) that it determines to be appropriate to any variable, calculation methodology, valuation terms or any other rule in relation to the relevant Component Underlying or Cash Component to account for such Component Underlying Cancellation which may include, without limitation, selecting a replacement Component Underlying or cash component.

#### **8.5 Currency Extraordinary Events**

If any currency relevant to a Component Underlying is eliminated, converted, redenominated or exchanged (such event, a "**Currency Extraordinary Event**") into a new currency ("**Successor Currency**") pursuant to the laws or regulations of the country issuing the currency in question, then the currency affected by such elimination, conversion, redenomination or exchange shall be deemed replaced by such Successor Currency with effect from a date determined by the Index Sponsor who may make such adjustment to these rules as it determines in good faith to account for such Currency Extraordinary Event.

To the extent that any such elimination, conversion, redenomination or exchange results in the currency of such Component Underlying being the United States dollar, the Index Sponsor shall, in good faith, make such adjustment(s) that it determines to be appropriate to any variable, calculation methodology, valuation terms or any other rule in relation to the relevant Component Underlying to account for such event including without limitation determining that the Component Underlying shall cease to exist.

#### **8.6 Extraordinary Events in respect of ETFs**

If, an Extraordinary Event occurs in respect of any ETF (an "**ETF Extraordinary Event**"), the Index Sponsor acting in good faith and in a commercially reasonable manner, shall select a substitute for such ETF. Such substitute shall be an exchange-traded fund or index that the Index Sponsor determines, in its discretion, possesses substantially similar characteristics or provides a substantially similar exposure (as considered prior to the occurrence of such Extraordinary Event, with the understanding that an exchange-traded fund can be substantially similar to an index and vice versa) as compared to the ETF that is being replaced (such substitute ETF or index being referred to herein as a "**substitute ETF**" or "**substitute index**", respectively); in such a case, the Index Sponsor shall, in good faith, make such adjustment(s) that it determines to be appropriate to any variable, calculation methodology, valuation terms or any other rule in relation to the Index. If the Index Sponsor determines that no suitable replacement for such affected ETF exists, such affected ETF shall be removed from the Index and the Index Sponsor shall in good faith, make such adjustment(s) that it determines to be appropriate to any variable, calculation methodology, valuation terms or any other rule in relation to the Index to account for such removal.

For the purposes of this section 7.6, an Extraordinary Event will be deemed to have occurred with respect to an ETF if:

- (i) the sponsor of the relevant Reference Index of the ETF makes a material change in the formula for or the method of calculating that Reference Index of the ETF or

in any other way materially modifies that Reference Index of the ETF (other than a modification prescribed in that formula or method to maintain that Reference Index of the ETF in routine circumstances);

- (ii) the Component Underlying Sponsor replaces the Reference Index of the ETF with a successor index that does not, in the determination of the Index Sponsor, use the same or a substantially similar formula for and method of calculation as used in the calculation of the replaced Reference Index of the ETF;
- (iii) the ETF is de-listed from the Primary Exchange for such ETF, liquidated, or otherwise terminated; or
- (iv) a Lock-In Event occurs in respect of an ETF and

a "**Lock-In Event**" shall be deemed to occur when one or more of the following events occur, and the Index Sponsor determines in its discretion that such event or combination of events is material (although, for the avoidance of doubt, the Index Sponsor has no obligation to monitor actively whether or not any of the following events has occurred):

- (a) there is an amendment, variation or modification to the constitutive or offering documents of an ETF, that, in the reasonable determination of the Index Sponsor, would materially adversely affect the ability of market participants to trade in shares of the ETF;
- (b) the Average Daily Trading Volume of an ETF declines below U.S.\$ 50 million;
- (c) the Market Capitalisation of an ETF declines below U.S.\$ 500 million;
- (d) the net asset value of an ETF is not calculated or is not announced by the relevant Component Sponsor for 5 consecutive Scheduled Trading Days for such ETF;
- (e) The relevant sponsor of the Reference Index of any ETF fails to calculate and publish the closing level for such index for 5 consecutive Scheduled Trading Days; or
- (f) The Component Sponsor of any ETF suspends creations or redemptions of shares of such ETF for 5 consecutive Scheduled Trading Days or announces a suspension of unlimited duration of such creations or redemptions.

## **8.7 Change in Law**

If a Change in Law occurs in respect of any Component Underlying or Reference Index, the Index Sponsor acting in good faith and in a commercially reasonable manner, shall select a substitute for such Component Underlying. Such substitute shall be an exchange-traded fund or index that the Index Sponsor determines, in its discretion, possesses substantially similar characteristics or provides a substantially similar exposure (as considered prior to the occurrence of such Change In Law, with the understanding that an exchange-traded fund can be substantially similar to an index and vice versa) as compared to the Component Underlying that is being replaced (such substitute ETF or index being referred to herein as a "substitute ETF" or "substitute index", respectively); in such a case, the Index Sponsor shall, in good faith, make such adjustment(s) that it determines to be appropriate to any variable, calculation methodology, valuation terms or any other rule in relation to the Index. If the Index Sponsor determines that no suitable replacement for such

affected Component Underlying exists, such affected Component Underlying shall be removed from the Index and the Index Sponsor shall in good faith, make Component Underlyings such adjustment(s) that it determines to be appropriate to any variable, calculation methodology, valuation terms or any other rule in relation to the Index to account for such removal.

A "**Change in Law**" occurs when, on or after the Index Base Date, due to either:

- (a) the adoption of, or any change in, any applicable law, regulation or rule (including, without limitation, any tax law); or
- (b) the promulgation of, or any change in, the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law, rule, regulation or order (including, without limitation, as implemented by the U.S. Commodity Futures Trading Commission or any exchange or trading facility),

the Index Sponsor determines in good faith that (x) it is contrary to such law, rule, regulation or order for any market participants that are brokers or financial intermediaries (individually or collectively) to hold, acquire or dispose of (in whole or in part) any Component Underlying, any transaction referencing any Component Underlying or any component of any Component Underlying or of any Reference Index of any ETF or, (y) holding a position in any Component Underlying, any transaction referencing any Component Underlying or any component of any Component Underlying or of any Reference Index of any ETF is (or, but for the consequent disposal or termination thereof, would otherwise be) in excess of any allowable position limit(s) applicable to any market participants that are brokers or financial intermediaries (individually or collectively) under any such law, rule or regulation in relation to such Component Underlying, transaction referencing the Component Underlying or component of the Component Underlying or of the Reference Index of the ETF, including in any case traded on any exchange(s) or other trading facility (including, without limitation, any relevant exchange).

## **8.8 Anti-Dilution Adjustment**

With respect to each ETF, the Index Calculation Agent will make anti-dilution adjustments to the Closing Price of such ETF only (a) if the shares of an ETF are subject to a share split or reverse share split, once such split has become effective, and (b) if an ETF is subject to (i) an issuance of additional shares of such ETF that is given ratably to all or substantially all holders of shares of such ETF or (ii) a distribution of shares of such ETF as a result of the triggering of any provision of the corporate charter of such ETF, once the dividend or distribution has become effective and the shares of such ETF are trading ex-dividend. The Index Calculation Agent will be solely responsible for the determination and calculation of any such anti-dilution adjustments and any related determinations and calculations, and its determinations and calculations with respect thereto will be conclusive in the absence of manifest error.

## **9. Index Allocation Agent and Rebalancing**

### **9.1 Rebalancing on a Scheduled Rebalancing Date**

On or prior to 5 p.m., London time, on the Latest Notification Date (the "**Latest Notification Date**") in respect of a Scheduled Rebalancing Date, the Index Allocation

Agent shall provide the Proposed Synthetic Allocations to the Index Calculation Agent and Index Sponsor (for the purposes of this Section 8 the "**Parties**") by e-mail to the e-mail address as may be agreed between the Index Allocation Agent and the Index Sponsor from time to time, or such other method as may be agreed between the Index Allocation Agent and the Index Sponsor from time to time. If the Proposed Synthetic Allocations are provided by such time on such Latest Notification Date and the Index Sponsor confirms (in writing) to the Index Allocation Agent receipt of such Proposed Synthetic Allocations in respect of a Scheduled Rebalancing Date, the Index Sponsor shall, on the Determination Date (the "**Determination Date**") in respect of a Scheduled Rebalancing Date, determine in its discretion whether the Proposed Synthetic Allocations satisfy the Allocation Restrictions.

If:

- (i) the Index Sponsor determines on the Determination Date in respect of a Scheduled Rebalancing Date that the Proposed Synthetic Allocations satisfy the Allocation Restrictions, then (A) the Index Sponsor shall provide written notice of such determination to the Index Allocation Agent (including, but not limited to electronic mail) and (B) such Proposed Synthetic Allocations shall be the Synthetic Allocations (the "**Synthetic Allocations**") in respect of such Scheduled Rebalancing Date, and the Weights of the Component Underlyings shall be rebalanced in accordance with the Synthetic Allocations on such Scheduled Rebalancing Date; or
- (ii) the Index Sponsor determines on the Determination Date in respect of a Scheduled Rebalancing Date that the Proposed Synthetic Allocations do not satisfy the Allocation Restrictions, then the Index Sponsor shall, by such means as they determine appropriate, notify in writing (including, but not limited to, electronic mail) the Index Allocation Agent that the Proposed Synthetic Allocations do not satisfy the Allocation Restrictions at least by 2 p.m. London time, and the Index Allocation Agent shall thereupon provide revised Proposed Synthetic Allocations (the "**Revised Synthetic Allocations**") by 5 p.m., London time, on the Determination Date. If the Index Sponsor determines that the Revised Synthetic Allocations satisfy the Allocation Restrictions, then then (A) the Index Sponsor shall provide written notice of such determination to the Index Allocation Agent (including, but not limited to electronic mail) and (B) such Revised Synthetic Allocations shall be the Synthetic Allocations in respect of such Scheduled Rebalancing Date, and the Weights of the Component Indices shall be rebalanced in accordance with such Synthetic Allocations on such Scheduled Rebalancing Date.

If the Index Sponsor determines:

- (i) that no Proposed Synthetic Allocations have been provided by 5 p.m., London time, on the Latest Notification Date in respect of a Scheduled Rebalancing Date;
- (ii) that the Proposed Synthetic Allocations was provided by 5 p.m., London time, on the Latest Notification Date in respect of a Scheduled Rebalancing Date, but that such Proposed Synthetic Allocations did not satisfy the Allocation Restrictions, and no

Revised Synthetic Allocations have been provided by 5 p.m., London time, on the Determination Date in respect of a Scheduled Rebalancing Date; or

- (iii) Revised Synthetic Allocations were provided by 5 p.m., London time, on the Determination Date in respect of a Scheduled Rebalancing Date, but such Revised Synthetic Allocation did not comply with the Allocation Restrictions,

then, in respect of such Scheduled Rebalancing Date, rebalancing shall take place, but the Weights of the Component Underlyings on the Index Valuation Day following such Scheduled Rebalancing Date shall remain unchanged from the Weights of the Component Underlyings as of the previous Scheduled Rebalancing Date.

## **9.2 Rebalancing on an Additional Rebalancing Date**

On any Business Day falling after the Index Base Date, the Index Allocation Agent may, at its election, prior to 12 noon, London time, on such Business Day, notify (such notification, an **"Additional Rebalancing Notification"**) the Parties that it wishes to effect a rebalancing of the Weights of the Component Underlyings by providing the Proposed Synthetic Allocations to the Parties by e-mail to the e-mail address as may be agreed between the Index Allocation Agent and the Parties from time to time, or such other method as may be agreed between the Index Allocation Agent and the Parties from time to time), provided that if such Proposed Synthetic Allocations are provided on a day which is not a Business Day or at or after 12 noon, London time, on a Business Day, then such Proposed Synthetic Allocations shall be deemed to be provided prior to 12 noon, London time, on the next following Business Day (and such Business Day on which the Proposed Synthetic Allocations are provided (or deemed to be provided) prior to 12 noon, London time, shall be an **"Additional Rebalancing Notification Date"**). On each Additional Rebalancing Notification Date, the Parties shall, at or prior to 3 p.m., London time, on such Additional Rebalancing Notification Date, determine in their discretion whether the Proposed Synthetic Allocations satisfy the Allocation Restrictions. Provided that the Parties confirm receipt (in writing) of such Additional Rebalancing Notification to the Index Allocation Agent, then if:

- (i) the Index Sponsor determines on such Additional Rebalancing Notification Date that the Proposed Synthetic Allocations satisfy the Allocation Restrictions, then (A) the Index Sponsor shall provide written notice of such determination to the Index Allocation Agent (including, but not limited to electronic mail) and (B) the second Index Valuation Day following such Additional Rebalancing Notification Date shall be an **"Additional Rebalancing Date"**, and the Weights of the Component Underlyings shall be rebalanced in accordance with such Synthetic Allocations on such Additional Rebalancing Date; or
- (ii) the Index Sponsor determines on such Additional Rebalancing Notification Date that the Proposed Synthetic Allocations do not satisfy the Allocation Restrictions, then the second Index Valuation Day following such Additional Rebalancing Notification Date shall not be an Additional Rebalancing Date and then, in respect of such Scheduled Rebalancing Date, no rebalancing shall take place, and the Weights of the Component Underlyings on the Index Valuation Day following such Additional Rebalancing Notification Date shall remain unchanged from the Weights of the



Component Underlyings on the Additional Rebalancing Notification Date.

The following restrictions shall apply to Additional Rebalancings:

- (i) a maximum of four Additional Rebalancing Dates may take place in each 12 month period commencing from (but excluding) the Index Base Date and ending on (and including) the anniversary of the Index Base Date, or commencing on (but excluding) the anniversary of the Index Base Date and ending on (and including) the next following anniversary of the Index Base Date;
- (ii) any Additional Rebalancing Notification given in a 12 month period referred to in paragraph (i) above in which four Additional Rebalancing Dates have already occurred as of such date shall be void and of no effect; and
- (iii) there shall be a minimum of five Index Valuation Days between (i) any two Additional Rebalancing Notification Dates or (ii) a Scheduled Rebalancing Date and an Additional Rebalancing Notification Date.

### 9.3 Allocation Restrictions

The following restrictions (the "**Allocation Restrictions**") will apply to the Weight that the Index Allocation Agent may allocate to each Component Underlying on each Rebalancing Date:

- (i) each Component Underlying may have a Weight no greater than the maximum specified as such in Annex 1;
- (ii) the sum of the Weights of all EM Equities Component Underlyings shall be no greater than 60%;
- (iii) each Component Underlying, other than the US Bond Trackers, shall have a minimum Weight of 0%;
- (iv) a positive or negative Weight may be applied to one or two of the US Bond Trackers; provided that the sum of the negative Weights applied to the US Bond Trackers may not exceed 50% in absolute value (i.e., -50%);
- (v) the sum of the Weights assigned to all US Bond Trackers shall be greater than or equal to zero; (For the avoidance of doubt, if a negative Weight is applied to one or two of the US Bond Trackers, a positive Weight must be assigned to at least one of the remaining US Bond Tracker(s), sufficient to cause the sum of the Weights assigned to all US Bond Trackers to be greater than or equal to zero); and
- (vi) in respect of all the Component Underlyings, the sum of all the positive Weights of all the Component Underlyings shall be less than or equal to 100%.

### 10. Definitions

In respect of the Index, the capitalised terms defined below have the following meanings in the Index Rules:

**"Average Daily Trading Volume"** means, with respect to an ETF and an Index Valuation Day, the product of (a) the average volume of trading in the shares of such ETF on all

exchanges over the preceding 3 month period, as reported by Bloomberg (or another recognized financial information provider) using the function ETF Ticker US HP and selecting a 3 month range or another information provider selected by the Index Calculation Agent and (b) the closing level of such ETF on such Index Valuation Day.

**"Business Day"** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London.

**"Cash Component"** means, in respect of each Component Underlying for which the "Cash Component" column in the Component Underlyings Table is not specified to be "N/A", the index specified in such column in respect of such Component Underlying.

**"Closing Price"** means, in respect of an ETF, and a Scheduled Trading Day, the last reported sale price, regular way (or, in the case of The NASDAQ Stock Market, the official closing price) of the principal trading session on such Scheduled Trading Day on the principal U.S. securities exchange registered under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), on which such ETF is listed or admitted to trading.

**"Closing Level"** means, (i) for any Component Underlying that is not an ETF and a relevant Scheduled Trading Day, the official closing level published in respect of that Component Index by the Component Sponsor in respect of that Scheduled Trading Day and (ii) for any Component Underlying that is an ETF, the Closing TR Level.

**"Closing TR Level"** means an amount calculated by the Index Calculation Agent in accordance Part B, Section 7.

**"Commodity Index Sponsor"** means, for any Commodity Index, the Component Sponsor.

**"Commodity Index Sponsor Business Centre"** means, for any Commodity Index, the location in which the Commodity Index Sponsor calculates the Commodity Index.

**"Commodity Indices"** mean each Component Underlying in the Component Underlyings Table for which the "Type of Index" is specified to be "Commodity Index".

**"Component Disruption Event"** means, in respect of a Component Underlying, five consecutive Scheduled Trading Days on which the relevant Component Sponsor fails to calculate and publish the Closing Level of the Component Underlying.

**"Component Underlying Adjustment Event"** See Section 7.

**"Component Underlyings"** mean each index specified in the Component Underlyings Table in the column entitled "Component Underlying".

**"Component Underlyings Table"** means the "Component Underlyings Table" appearing at Annex 1.

**"Component Sponsor"** means the sponsor of each Component Underlying as specified in Annex 1 below.

**"Currency Extraordinary Event"** has the meaning as set out in section 7.5 above.

**"Current Cash Component"** means, in respect of any Index Valuation Day and a Component Underlying, the Cash Component (if any) corresponding to a Current Component Underlying for such Index Valuation Day.

**"Current Component Underlying"** means, in respect of a Component Underlying and:

- (i) for the purpose of determining the Index Basket Level on an Index Valuation Day, a Component Underlying for which the Weight is not zero on (i) such Index Valuation Day or (ii) owing to Proposed Synthetic Allocations made by the Index Allocation Agent, not zero on the immediately following scheduled Index Valuation Day; or
- (ii) for the purpose of determining the Index Basket Realised Volatility in respect of any Index Valuation Day (the **"Relevant Index Valuation Day"**), in respect of each Index Valuation Day preceding such Relevant Index Valuation Day for which the level of such Component Underlying is required to be determined for the purpose of calculating the Index Basket Realised Volatility for the Relevant Index Valuation Day, a Component Underlying for which the Weight is not zero on such Relevant Index Valuation Day.

**"Determination Date"** means, in respect of a Scheduled Rebalancing Date, the second Business Day prior to such Scheduled Rebalancing Date.

**"Disrupted Day"** means:

- (i) in respect of an Equity Index, as specified in Annex 2 (*Equity Indices*);
- (ii) in respect of a Proprietary Index, as specified in Annex 3 (*Proprietary Indices*);
- (iii) in respect of a Commodity Index, the occurrence of a Market Disruption Event on a Scheduled Trading Day for such Commodity Index.
- (iv) in respect of an ETF, as specified in Annex 4 (*ETFs*);

**"Ex-Dividend Date"** means, with respect to a dividend or other distribution for an ETF, the first Scheduled Trading Day on which transactions in the shares of such ETF trade on the relevant exchange without the right to receive that dividend or other distribution.

**"Equity Indices"** mean each Component Underlying in the Component Underlyings Table for which the "Type of Index" is specified to be "Equity Index".

**"ETF"** mean each Component Underlying in the Component Underlyings Table for which the "Type of Index" is specified to be "ETF".

**"Futures Trading Day"** means, in respect of a Commodity Index and a futures contract comprised therein, each day on which the exchange on which such futures contract is open for trading.

**"FX Price Source"** means, in respect of each Component Underlying for which the "FX Reference Bloomberg Code" column in the Component Underlyings Table is not specified to be "N/A", the Bloomberg page specified in such column for such Component Underlying.

**"FX Rate"** means, in respect of each Component Underlying for which the "FX Reference Bloomberg Code" column in the Component Underlyings Table is not specified to be "N/A", in respect of any relevant day, the exchange rate of one currency for USD, expressed as a number of units of the first currency (or fractional amounts thereof) per 1.00 USD, which appears on the FX Price Source on such day, provided that, if, in respect of such day, it becomes impossible or impracticable to obtain such FX Rate on such day from the FX Price Source, then the FX Rate for such Component Underlying for such day will be

determined by the Index Calculation Agent (or a method for determining such FX Rate), taking into consideration all available information that in good faith it deems relevant.

**"Index Allocation Agent"** means Republica AFAP, S.A..

**"Index Basket Base Date"** means the 93<sup>rd</sup> Index Valuation Day (determined by reference to the Current Component Underlyings on the Index Base Date) falling prior to the Index Base Date.

**"Index Valuation Day"** means each day on which each of the following exchanges are scheduled to open for trading in their regular trading session: (i) the London Stock Exchange, (ii) the New York Stock Exchange, (iii) the Eurex Exchange and (iv) the Tokyo Stock Exchange

**"Latest Notification Date"** means, in respect of a Scheduled Rebalancing Date, the third Business Day prior to such Scheduled Rebalancing Date.

**"London Business Day"** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London.

**"Market Capitalization"** means, with respect to an ETF and an Index Valuation Day, the market capitalization of the ETF as provided by Bloomberg on the "DES" page and which can be viewed on the Component Sponsor's website or by another information provider selected by the Index Calculation Agent for such ETF on such Index Valuation Day.

**"Market Disruption Event"** means:

- (i) in respect of an Equity Index, as specified in Annex 2 (*Equity Indices*);
- (ii) in respect of a Proprietary Index, as specified in Annex 3 (*Proprietary Indices*);
- (iii) in respect of a Commodity Index, the occurrence of any one or more of the following circumstances:
  - (a) a material limitation, suspension, or disruption of trading in one or more of the futures contracts included in the Commodity Index which results in a failure by the exchange on which such futures contract is traded to report a closing price for such futures contract on the day on which such event occurs or any succeeding day on which it continues;
  - (b) the closing price for any futures contract included in the Commodity Index is a "limit price", which means that the closing price for such futures contract for a day has increased or decreased from the previous day's closing price by the maximum amount permitted under applicable exchange rules; or
  - (c) a failure by the applicable exchange or other price source to announce or publish the closing price for any futures contract included in the Commodity Index;
- (iv) in respect of an ETF as specified in Annex 4 (ETFs)

**"Net Dividend Amount"** means, in respect of an ETF and an Ex-Dividend Date for such ETF, 70% of the gross cash dividend or other distribution per share of the ETF declared by the Constituent Sponsor to holders of record of a share immediately prior to that Ex-

Dividend Date, as determined by the Index Calculation Agent in its discretion as (x) the amount of any cash dividend paid or other cash distribution made and (y) the fair market value of any distribution of shares of capital stock, evidences of indebtedness or other assets or property of such ETF (other than share dividends or distributions referred to in the Anti-Dilution Adjustments). If a portion of such distribution consists of property traded on the Ex-Dividend Date on a U.S. national securities exchange, the fair market value of such portion will equal the closing price of such distributed property on such Ex-Dividend Date.

**"Proposed Synthetic Allocations "** means, in respect of each Rebalancing Date, the Weights of the Component Underlyings which the Index Allocation Agent proposes to the Index Calculation Agent should apply to each Component Underlying from (and including) the Index Valuation Day immediately following such Rebalancing Date.

**"Proprietary Indices"** mean each Component Underlying in the Component Underlyings Table for which the "Type of Index" is specified to be "Proprietary Index", and each index specified in the column entitled "Cash Component".

**"Rebalancing Date"** means each Additional Rebalancing Date and each Scheduled Rebalancing Date.

**"Reference Index"** means with respect to an ETF, the index underlying such ETF as defined by the ETF.

**"Relevant Persons"** means any affiliate or subsidiary of the Index Sponsor or the Index Calculation Agent or their respective directors, officers, employees, representatives, delegates or agents.

**"Scheduled Rebalancing Date"** means the 1st calendar day of each month falling after the Index Base Date, or, in each case, if such day is not an Index Valuation Day, the next following Index Valuation Day.

**"Scheduled Trading Day"** means:

- (i) in respect of Equity Indices, as specified in Annex 2 (*Equity Indices*);
- (ii) in respect of Proprietary Indices, as specified in Annex 3 (*Proprietary Indices*);
- (iii) in respect of Commodity Indices, means a day on which the Commodity Index Sponsor is open for business in Commodity Index Sponsor Business Centre, and the exchanges of all futures contracts included in the Commodity Index are open for trading; and
- (iv) in respect of an ETF, as specified in Annex 4 (*ETFs*).

**"Synthetic Allocations"** means, in respect of each Rebalancing Date, the Weights of the Component Underlyings which the Index Calculation Agent determines have satisfied the Allocation Restrictions and which should apply to each Component Underlying from, and including, the Index Valuation Day immediately following such Rebalancing Date.

**"US Bond Tracker"** means each of J.P. Morgan US Treasury Note Futures Tracker (for current identification purposes, RFJPGUSBE); J.P. Morgan US Treasury Note 2-Year Futures Tracker (for current identification purposes, FTRFJPUS2E); and J.P. Morgan US



Treasury Bond 30-Year Futures Tracker (for current identification purposes, FTJMFUTBE).

**"Weight"** means, in respect of each Component Underlying:

- (i) in respect of each Index Valuation Day falling on or prior to the second Business Day following the Index Base Date, the Initial Weight (as defined in table in Annex 1) of such Component Underlying; and
- (ii) each Index Valuation Day falling after the second Business Day following the Index Base Date, the Weight determined by reference to the Synthetic Allocation in respect of the Rebalancing Date falling immediately prior to such Index Valuation Day.

## Notices, Disclaimers and Conflicts

The Index Rules have been developed with the possibility of the Index Sponsor, the Index Calculation Agent or any of the Relevant Persons entering into or promoting, offering or selling transactions or investments (structured or otherwise) linked to the Index and the hedging of such transactions or investments in any manner that they see fit.

### **Conflicts of interest; Use of J.P. Morgan Internal Pricing Sources**

The construction of the JPMorgan USD Cash Index 3-Month (*Bloomberg code: JPCAUS3M Index*) is based in whole, or in part, on J.P. Morgan internal pricing sources. A purchaser of a financial product or counterparty to a transaction (as applicable), synthetically linked to, or that references, the Index must agree and acknowledge that the internal data so used may give rise to potential, and in some cases, actual conflicts of interest.

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**THIS DOCUMENT IS IMPORTANT. YOU SHOULD NOT INVEST IN A PRODUCT LINKED TO THE INDEX UNLESS YOU HAVE ENSURED THAT YOU FULLY UNDERSTAND THE NATURE OF SUCH AN INVESTMENT AND THE RISKS INVOLVED AND ARE SATISFIED THAT THE INVESTMENT IS SUITED TO YOUR CIRCUMSTANCES AND OBJECTIVES. IF YOU ARE IN ANY DOUBT ABOUT THIS YOU SHOULD TAKE ADVICE FROM AN APPROPRIATELY QUALIFIED ADVISER. UNLESS YOU ARE A HIGHLY SOPHISTICATED INVESTOR WHO REGULARLY TRANSACTS IN PRODUCTS LINKED TO INDICES OF THIS TYPE YOU ARE STRONGLY ADVISED TO TAKE SUCH ADVICE IN ANY EVENT.**

**Dependence on the Index Allocation Agent:** The rebalancing of the Component Underlyings of the Index will be made by the Index Allocation Agent. As a result, the success of the Index will depend largely upon the decisions and abilities of the Index Allocation Agent and certain key individuals employed by the Index Allocation Agent. There can be no assurance that the Index Allocation Agent will be successful in the rebalancing of the Index and the loss of one or more such key individuals may have a material adverse impact on the performance of the Index.

**Termination of Republica AFAP, S.A. as Index Allocation Agent:** Upon the termination of Republica AFAP, S.A. as Index Allocation Agent in accordance with the provisions of the Index Allocation Agreement, no successor Index Allocation Agent will be appointed and the Index shall cease to exist. This may have an adverse effect on anyone who has taken economic exposure to the Index by investing in any product that references it.

**Index Allocation Agent Discretion:** The Index Allocation Agent is solely responsible for selecting the Component Underlyings that comprise the Index from time to time and ensuring that they comply with the Index Rules including, without limitation, the Allocation Restrictions. The returns products linked to the Index will depend on the Index Allocation Agent's asset allocation decisions and abilities. There can be no assurance that the Index Allocation Agent will cause the

Index to produce positive returns or returns that outperform any other basket selected by another person or by any other method. Under the Index Rules, the Index Allocation Agent has broad discretion in the rebalancing and management of the Component Underlyings referenced by the Index. The exercise of such discretion may have an adverse impact on the performance of the Index.

**Index Allocation Agent's Responsibility to Monitor Compliance with Index Rules:** It is the Index Allocation Agent's responsibility to ensure that the Index complies with the Index Rules as at each Rebalancing Date. Neither the Index Calculation Agent nor any other person owes any obligation to the Index Allocation Agent or any other person to monitor the Index's compliance with the Index Rules other than to check that any Rebalancing Notice meets the Allocation Restrictions or to take any remedial action whatsoever in relation to any breach with the Index Rules including, without limitation, to notify the Index Allocation Agent or any other person of such breach.

**NEITHER THE INDEX CALCULATION AGENT NOR ANY INDEX CALCULATION AGENT RELEVANT PERSON NOR ANY MEMBER OF THE J.P. MORGAN GROUP HAS ANY RESPONSIBILITY FOR THE SELECTION OF THE COMPONENT UNDERLYINGS AND THE WEIGHTS ALLOCATED TO THE COMPONENT UNDERLYINGS AND NO LIABILITY WHATSOEVER SHALL ATTACH TO THE INDEX CALCULATION AGENT OR ANY INDEX CALCULATION AGENT RELEVANT PERSON OR ANY MEMBER OF THE J.P. MORGAN GROUP AS A RESULT OF THE COMPOSITION OR ANY RE-COMPOSITION OF THE INDEX BY THE INDEX ALLOCATION AGENT. NONE OF THE INDEX CALCULATION AGENT RELEVANT PERSONS (INCLUDING THE J.P. MORGAN GROUP) HAS ANY RESPONSIBILITY FOR ANY ACTS OR OMISSIONS OF, OR BREACH OF ANY OBLIGATIONS OR DUTIES BY, THE INDEX ALLOCATION AGENT OR SHALL BE REQUIRED TO TAKE ANY ACTION (INCLUDING LEGAL PROCEEDINGS OR ENFORCEMENT OF ANY RIGHTS) AGAINST ANY THIRD PARTY (INCLUDING THE INDEX ALLOCATION AGENT).**

**UNDER THE INDEX ALLOCATION AGREEMENT, THE INDEX SPONSOR MAY TERMINATE THE INDEX ALLOCATION AGENT IF, AMONG OTHER EVENTS, THERE OCCURS A VOLUNTARY OR INVOLUNTARY BANKRUPTCY, INSOLVENCY OR ANY ANALOGOUS PROCEEDING OCCURS OR EXISTS WITH RESPECT TO THE INDEX ALLOCATION AGENT, IF THE INDEX ALLOCATION AGENT IS INVOLVED IN REGULATORY OR LEGAL PROCEEDINGS WHICH ARE MATERIALLY ADVERSE IN THE CONTEXT OF SUCH AGREEMENT, IF THE INDEX ALLOCATION AGENT BREACHES ANY OF THE BASKET ALLOCATION AGREEMENT'S TERMS, IF THE INDEX ALLOCATION AGENT OR ANY OF ITS DIRECTORS, OFFICERS, EMPLOYEES OR AGENTS (THE "INDEX ALLOCATION AGENT RELATED PERSONS") HAS COMMITTED FRAUD OR CRIMINAL ACTIVITY IN PERFORMING ITS GENERAL BUSINESS ACTIVITIES OR IS BEING CHARGED WITH A CRIMINAL OFFENCE, IF THE INDEX ALLOCATION AGENT OR ANY INDEX ALLOCATION AGENT RELATED PERSON HAVE ANY OF THEIR RESPECTIVE REGISTRATIONS, AUTHORISATIONS, LICENCES OR MEMBERSHIPS WITH ANY ADMINISTRATIVE OR REGULATORY AUTHORITIES REVOKED, SUSPENDED, TERMINATED, LIMITED OR QUALIFIED IN A WAY THAT IMPAIRS THE ABILITY OF THE INDEX ALLOCATION AGENT TO FULFIL ITS OBLIGATIONS UNDER SUCH AGREEMENT, OR IF THE INDEX ALLOCATION AGENT ABILITY TO FULFIL ITS OBLIGATIONS UNDER SUCH AGREEMENT**

**IS SUBSTANTIALY CURTAILED BY ANY COMPETENT LEGAL OR REGULATORY  
AUTHORITY.**

## Part B

### Index Algorithm

#### 1. Introduction

The Index tracks a basket of equity, foreign exchange and commodity indices and exchange traded funds ("ETFs"). The weights of each of these indices may be changed with effect from each Rebalancing Date, resulting in a different exposure of the Index to such underlying indices or ETFs.

Subject to the occurrence of a Market Disruption Event, the Index Calculation Agent will determine the Index Level for each Index Valuation Day by implementing the steps described below.

#### 2. Calculation of the Index Level

**The level of the Index (the "Index Level") shall be:**

- (i) on the Index Base Date, 100; and
- (ii) on each Index Valuation Day following the Index Base Date (such Index Valuation Day being an "**Index Valuation Day(t)**") and the Index Level on such day being "**Index(t)**") shall be determined by the Index Calculation Agent in accordance with the following formula (subject to the occurrence of a Market Disruption Event):

$$\text{Index}(t-1) \times \left[ 1 + E_{t-1} \times \left( \frac{IB_t}{IB_{t-1}} - 1 \right) \right] - \text{Adjustment}_t$$

Where:

"**Adjustment<sub>t</sub>**" means, in respect of each Index Valuation Day(t), the Adjustment on such Index Valuation Day as calculated in Section 6 below;

"**E<sub>t-1</sub>**" means, in respect of each Index Valuation Day(t), the Exposure on the immediately preceding Index Valuation Day, provided that, in respect of the first Index Valuation Day following the Index Base Date, the E<sub>t-1</sub> shall be the Exposure on the Index Base Date;

"**IB<sub>t</sub>**" means, in respect of each Index Valuation Day(t), the Index Basket Level on the such Index Valuation Day;

"**IB<sub>t-1</sub>**" means, in respect of each Index Valuation Day(t), the Index Basket Level on the immediately preceding Index Valuation Day;

"**Index(t-1)**" means, in respect of each Index Valuation Day(t), the Index Level on the immediately preceding Index Valuation Day, provided that, in respect of the first Index Valuation Day following the Index Base Date, the Index(t-1) shall be the Index Level on the Index Base Date, being 100;

#### 3. Calculation of the Index Basket Level

The "**Index Basket Level**" or "**IB<sub>i</sub>**" of the Index shall be:

- (i) on the Index Base Date, one; and
- (ii) (a) on each Index Valuation Day from and excluding Rebalancing Date k to and including the next following Rebalancing Date k+1, an amount determined by the Index Calculation Agent in accordance with the following formula (subject to the occurrence of a Market Disruption Event) (each such Index Valuation Day being an "**Index Valuation Day(i)**"):



$$IB_k \times \left\{ 1 + \sum_{j=1}^N \left[ w_{j,k} \times \left( \frac{S_{j,i}}{S_{j,k}} - \frac{C_{j,i}}{C_{j,k}} \right) \times \frac{FX_{j,i}}{FX_{j,k}} \right] \right\}$$

Where:

"**C<sub>j,i</sub>**" means, in respect of each Index Valuation Day(i), the Closing Level of Cash Component corresponding to Component Underlying (j) on such Index Valuation Day, provided that if there is no Cash Component corresponding to Component Underlying (j), then C<sub>j,i</sub> shall be one;

"**C<sub>j,k</sub>**" means, in respect of each Index Valuation Day(i), the Closing Level of Cash Component corresponding to Component Underlying (j) on the Rebalancing Date k preceding such Index Valuation Day(i), provided that if there is no Cash Component corresponding to Component Underlying (j), then C<sub>j,k</sub> shall be one;

"**FX<sub>j,i</sub>**" means, in respect of each Index Valuation Day(i), the FX Rate corresponding to Component Underlying (j) on such Index Valuation Day, provided that if there is no FX Rate Component corresponding to Component Underlying (j), then FX<sub>j,i</sub> shall be one;

"**FX<sub>j,k</sub>**" means, in respect of each Index Valuation Day(i), the FX Rate corresponding to Component Underlying (j) on the Rebalancing Date k immediately preceding such Index Valuation Day(i), provided that if there is no FX Rate Component corresponding to Component Underlying (j), then FX<sub>j,k</sub> shall be one;

"**IB<sub>k</sub>**" means, in respect of each Index Valuation Day(i), the Index Basket Level on the immediately preceding Rebalancing Date k, provided that, in respect of any Index Valuation Day from and excluding the Index Base Date to and including the next Rebalancing Date, the IB<sub>k</sub> shall be the Index Basket Level on the Index Base Date, being one;

"**j**" means, in respect of each Index Valuation Day(i), a positive integer uniquely corresponding to each Component Underlying;

"**N**" means, in respect of each Index Valuation Day(i), the number of Component Underlyings;

"**S<sub>j,i</sub>**" means, in respect of each Index Valuation Day(i), the Closing Level of Component Underlying (j) on such Index Valuation Day;

"**S<sub>j,k</sub>**" means, in respect of each Index Valuation Day(i), the Closing Level of Component Underlying (j) on the Rebalancing Date k immediately preceding such Index Valuation Day(i); and

"**w<sub>j,k</sub>**" means, in respect of each Index Valuation Day(i), the Weight in respect of each Component Underlying on the Rebalancing Date k immediately preceding Index Valuation Day i, provided that, in respect of each Index Valuation Day following the Index Basket Base Date to, and including, the next Rebalancing Date, the w<sub>j,k</sub> shall be the Weight of each Component Underlying on the Index Base Date, being the Initial Weight of each Component Underlying.

#### 4. Exposure

The "**Exposure**" of the Index on the Index Base Date and on each Index Valuation Day(t) shall be determined by the Index Calculation Agent in accordance with the following formula:

$$\text{Min}\left(\text{Cap}; \frac{\sigma}{\hat{\sigma}_{t-2}}\right)$$

Where:

"Cap" means 1.00;

"Min" followed by a series of amounts inside brackets, means whichever is the lesser of the amounts separated by a semi-colon inside those brackets;

" $\sigma$ " means the Target Volatility;

" $\hat{\sigma}_{t-2}$ " means, in respect of each Index Valuation Day(t), the Index Basket Realised Volatility in respect of the second Index Valuation Day prior to such Index Valuation Date (t);

"Target Volatility" means 20 per cent;

## 5. Calculation of the Index Basket Realised Volatility

The "Index Basket Realised Volatility" or " $\hat{\sigma}$ " in respect of the Index Base Date and each Index Valuation Day(t) shall be an amount determined by the Index Calculation Agent in accordance with the following formula:

$$\sqrt{252 \times \text{Max}(\text{VarianceST}_t; \text{VarianceLT}_t)}$$

### 5.1 VarianceST

The "VarianceST" means, in respect of each Index Valuation Day(t):

- (i) if such day is an Index Valuation Day(t) prior to or equal to the Index Base Date, the Initial Short Term Variance as specified in Annex 1
- (ii) On each Index Valuation Day t thereafter which is not within the Lag Period, an amount determined by the Index Calculation Agent in accordance with the following formula:

$$(\lambda_{ST} \times \text{VarianceST}_{t-1}) + (1 - \lambda_{ST}) \times R_t^2$$

- (iii) On each Index Valuation Day t which is within the Lag Period, an amount determined by the Index Calculation Agent in accordance with the following formula:

$$\frac{1}{\text{Lookback}_{ST}} \times \sum_{n=t-\text{Lookback}_{ST}+1}^t X_n^2$$

Where:

"Lookback<sub>ST</sub>" means 20;

"n" means, in respect of such Index Valuation Day(t), the number of Index Valuation Days falling in the period commencing on, and including, the 19<sup>th</sup> Index Valuation Day falling prior to such Index Valuation Day(t) and ending on, and including, such Index Valuation Day(t); and

"X<sub>n</sub>" means, in respect of such Index Valuation Day(t), an amount calculated by the Index Calculation Agent in accordance with the following formula:

$$\sum_{j=1}^N \left\{ w_{j,k} \times \left( \frac{S_{j,n}}{S_{j,n-1}} - \frac{C_{j,n}}{C_{j,n-1}} \right) \times \frac{FX_{j,n}}{FX_{j,n-1}} \right\}$$

## 5.2 VarianceLT

The "**VarianceLT**" means, in respect of each Index Valuation Day(t):

- (i) if such day is an Index Valuation Day(t) prior to or equal to the Index Base Date, the Initial Long Term Variance as specified in Annex 1
- (ii) On each Index Valuation Day t thereafter which is not within a Lag Period, an amount determined by the Index Calculation Agent in accordance with the following formula:

$$(\lambda_{LT} \times \text{VarianceLT}_{t-1}) + (1 - \lambda_{LT}) \times R_t^2$$

- (iii) On each Index Valuation Day t which is within a Lag Period, an amount determined by the Index Calculation Agent in accordance with the following formula:

$$\frac{1}{\text{Lookback}_{LT}} \times \sum_{n=t-\text{Lookback}_{LT}+1}^t X_n^2$$

Where:

"**Lookback<sub>LT</sub>**" means 60;

"**n**" means, in respect of such Index Valuation Day(t), the number of Index Valuation Days falling in the period (the "**Lookback<sub>LT</sub> Period**" for such Index Valuation Day(t)) commencing on, and including, the 59<sup>th</sup> Index Valuation Day falling prior to such Index Valuation Day(t) and ending on, and including, such Index Valuation Day(t); and

"**X<sub>n</sub>**" means, in respect of such Index Valuation Day(t), an amount calculated by the Index Calculation Agent in accordance with the following formula:

$$\sum_{j=1}^N \left\{ w_{j,k} \times \left( \frac{S_{j,n}}{S_{j,n-1}} - \frac{C_{j,n}}{C_{j,n-1}} \right) \times \frac{FX_{j,n}}{FX_{j,n-1}} \right\}$$

## 5.3 Relevant definitions

The following terms and symbols shall have the following meanings:

"**Index Valuation Day(n)**" means, in respect of the Index Base Date and each Index Valuation Day(t), an Index Valuation Day(n) falling within the Lookback<sub>ST</sub> Period or Lookback<sub>LT</sub> Period, as is applicable, for the Index Base Date or such Index Valuation Day(t), as is applicable;

"**j**" means, in respect of the Index Base Date and each Index Valuation Day(t), a positive integer uniquely corresponding to each Component Underlying;

"**λ<sub>LT</sub>**" means 0.97;

"**λ<sub>ST</sub>**" means 0.88;

"**Lag Period**" means, in respect of Rebalancing Date(k), the period of 3 Index Valuation Days prior to and including such Scheduled Rebalancing Date.

"**Max**" followed by a series of amounts inside brackets, means whichever is the greater of the amounts separated by a semi-colon inside those brackets;

"**N**" means, in respect of each Index Valuation Day(t), the number of Component Underlyings;

"**R<sub>t</sub>**" means, in respect of such Index Valuation Day(t), an amount calculated by the Index Calculation Agent in accordance with the following formula:

$$\ln\left(\frac{IB_t}{IB_{t-1}}\right)$$

"**IB<sub>t</sub>**" means, in respect of each Index Valuation Day(t), the Index Basket Level in respect of Index Valuation Day(t);

"**IB<sub>t-1</sub>**" means, in respect of each Index Valuation Day(t), the Index Basket Level in respect of Index Valuation Day(t-1);

"**VarianceLT<sub>t-1</sub>**" means, in respect of the Index Base Date and each Index Valuation Day(t), the Variance LT in respect of the Index Valuation Day immediately preceding such Index Valuation Day(t);

"**VarianceST<sub>t-1</sub>**" means, in respect of the Index Base Date and each Index Valuation Day(t), the Variance ST in respect of the Index Valuation Day immediately preceding such Index Valuation Day(t);

"**w<sub>j,k</sub>**" means, in respect of each Index Valuation Day(t), the Weight in respect of each Component Underlying determined in respect of the immediately following Rebalancing Date(k) and which will take effect on the Index Valuation Day immediately following such Rebalancing Date(k).

## 6. Adjustment

The "**Adjustment**" of the Index on each Index Valuation Day(t) shall be determined by the Index Calculation Agent in accordance with the following formula:

$$\sum_{j=1}^N \left\{ \text{ABS} \left[ \left( w_{t,j} \times E_{t-1} \right) - \left( w_{t-1,j} \times E_{t-2} \right) \right] \times TC_j \times \text{Index}(t-1) \right\}$$

Where:

"**ABS**" followed by a formula or amount within brackets, means the absolute value of the amount given by such formula, or such amount;

"**Adjustment<sub>t</sub>**" means, in respect of each Index Valuation Day(t), the Adjustment on such Index Valuation Day;

"**E<sub>t-1</sub>**" means, in respect of each Index Valuation Day(t), the Exposure on the immediately preceding Index Valuation Day, provided that, in respect of the first Index Valuation Day following the Index Base Date, the E<sub>t-1</sub> shall be the Exposure on the Index Base Date;

"**E<sub>t-2</sub>**" means, in respect of each Index Valuation Day(t), the Exposure on the second Index Valuation Day immediately preceding such Index Valuation Day(t), provided that, in respect of the first and second Index Valuation Day following the Index Base Date, the E<sub>t-2</sub> shall be

the Exposure on the Index Base Date;

"**Index(t-1)**" means, in respect of each Index Valuation Day(t), the Index Level on the immediately preceding Index Valuation Day, provided that, in respect of the first Index Valuation Day following the Index Base Date, the Index(t-1) shall be the Index Level on the Index Base Date, being 100;

"**N**" means the number of Component Underlyings;

"**TC<sub>j</sub>**" means, the Transaction Cost of Component Underlying j as specified in Annex 1 below under the column heading "Transaction Cost";

"**w<sub>t,j</sub>**" means, in respect of Index Valuation Day(t), the Weight in respect of each Component Underlying on such Index Valuation Day(t); and

"**w<sub>t-1,j</sub>**" means, in respect of Index Valuation Day(t), the Weight in respect of each Component Underlying on the immediately preceding Index Valuation Day, provided that, in respect first Index Valuation Day(t) following the Index Base Date, the w<sub>t-1,j</sub> shall be the Weight of each Component Underlying on the Index Base Date, being the Initial Weight of each Component Underlying.

## 7. Closing TR Level

With respect to each ETF, and a Scheduled Trading Day t, the Closing TR Level of such ETF Constituent shall be determined by a synthetic re-investment of the dividends of such ETF in accordance with the following formula:

$$\text{Closing TR Level}_t^i = \text{Closing TR Level}_{t-1}^i \times \left( \frac{\text{Closing Price}_t^i + d_t^i}{\text{Closing Price}_{t-1}^i} \right)$$

where:

Closing TR Level<sub>t-1</sub><sup>i</sup> means the Closing TR Level of such ETF on the Scheduled Trading Day immediately preceding Scheduled Trading Day t;

Closing Price<sub>t</sub><sup>i</sup> means the Closing Price of such ETF on Scheduled Trading Day t;

Closing Price<sub>t-1</sub><sup>i</sup> means the Closing Price of such ETF on the Scheduled Trading Day immediately preceding Scheduled Trading Day t;

d<sub>t</sub><sup>i</sup> means:

- (a) If Scheduled Trading Day t is an Ex-Dividend Date for such ETF, the Net Dividend Amount of such ETF in respect of such Ex-Dividend Date;
- (b) otherwise, 0.



## Annex 1 – Component Underlyings Table and Initial Variances

Initial Short Term Variance means:  $4.059986 \times 10^{-5}$

Initial Long Term Variance means:  $5.557963 \times 10^{-5}$

|    | Component Underlying                             | Component Sponsor   | Currency | Component Underlying Bloomberg Code | FX Reference Bloomberg Code | Cash Component                  | Weight Class | Transaction Cost | Type of Index     | Initial Weight | Maximum Weight |
|----|--------------------------------------------------|---------------------|----------|-------------------------------------|-----------------------------|---------------------------------|--------------|------------------|-------------------|----------------|----------------|
| 1  | J.P. Morgan US Equity Futures Tracker            | J.P. Morgan         | USD      | FTJPUSEE                            | N/A                         | N/A                             | DM Equities  | 0.010%           | Proprietary Index | 40%            | 50%            |
| 2  | J.P. Morgan Japanese Equity Futures Tracker      | J.P. Morgan         | JPY      | FTJPJPEE                            | JPY WMCO Curncy             | N/A                             | DM Equities  | 0.010%           | Proprietary Index | 0%             | 50%            |
| 3  | J.P. Morgan European Equity Futures Tracker      | J.P. Morgan         | EUR      | FTJPEUEE                            | EUR WMCO Curncy             | N/A                             | DM Equities  | 0.010%           | Proprietary Index | 0%             | 50%            |
| 4  | J.P. Morgan UK Equity Futures Tracker            | J.P. Morgan         | GBP      | FTJPUKEE                            | GBP WMCO Curncy             | N/A                             | DM Equities  | 0.010%           | Proprietary Index | 40%            | 50%            |
| 5  | S&P GSCI Commodity Index                         | Standard and Poor's | USD      | SPGSCIP                             | N/A                         | J.P. Morgan 3mth USD Cash Index | Commodities  | 0.025%           | Commodity Index   | 0%             | 25%            |
| 6  | J.P. Morgan US Treasury Note Futures Tracker     | J.P. Morgan         | USD      | RFJPUSBE                            | N/A                         | N/A                             | DM Bonds     | 0.010%           | Proprietary Index | 0%             | Per Rule 8.3   |
| 7  | J.P. Morgan US Treasury Note 2Y Futures Tracker  | J.P. Morgan         | USD      | FTJPUS2E                            | N/A                         | N/A                             | DM Bonds     | 0.010%           | Proprietary Index | 0%             | Per Rule 8.3   |
| 8  | J.P. Morgan US Treasury Bond 30Y Futures Tracker | J.P. Morgan         | USD      | FTJTMUTBE                           | N/A                         | N/A                             | DM Bonds     | 0.010%           | Proprietary Index | 0%             | Per Rule 8.3   |
| 9  | J.P. Morgan Euro Bund Futures Tracker            | J.P. Morgan         | EUR      | RFJPEUBE                            | EUR WMCO Curncy             | N/A                             | DM Bonds     | 0.010%           | Proprietary Index | 0%             | 25%            |
| 10 | J.P. Morgan Euro Schatz Futures Tracker          | J.P. Morgan         | EUR      | FTJPEU2E                            | EUR WMCO Curncy             | N/A                             | DM Bonds     | 0.010%           | Proprietary Index | 0%             | 25%            |
| 11 | J.P. Morgan UK Gilt                              | J.P. Morgan         | GBP      | RFJPUKBE                            | GBP WMCO Curncy             | N/A                             | DM Bonds     | 0.010%           | Proprietary       | 0%             | 25%            |

|    |                                                      |                                   |     |          |                 |                                 |             |        |                   |     |     |
|----|------------------------------------------------------|-----------------------------------|-----|----------|-----------------|---------------------------------|-------------|--------|-------------------|-----|-----|
|    | Futures Tracker                                      |                                   |     |          |                 |                                 |             |        | Index             |     |     |
| 12 | J.P. Morgan JGB Futures Tracker                      | J.P. Morgan                       | JPY | RFJPJPBE | JPY WMCO Curncy | N/A                             | DM Bonds    | 0.010% | Proprietary Index | 0%  | 25% |
| 13 | JPMorgan 3mth USD Cash Index                         | J.P. Morgan                       | USD | JPCAUS3M | N/A             | J.P. Morgan 3mth USD Cash Index | Cash        | 0.000% | Proprietary Index | 0%  | 75% |
| 14 | iShares MSCI Brazil Index Fund                       | Blackrock Global Investors        | USD | EWZ UP   | N/A             | J.P. Morgan 3mth USD Cash Index | EM Equities | 0.025% | ETF               | 0%  | 50% |
| 15 | iShares MSCI Mexico Index Fund                       | Blackrock Global Investors        | USD | EWZ UP   | N/A             | J.P. Morgan 3mth USD Cash Index | EM Equities | 0.025% | ETF               | 10% | 50% |
| 16 | iShares J.P. Morgan Emerging Markets Bond Index Fund | Standard and Poor's               | USD | EMB UP   | N/A             | J.P. Morgan 3mth USD Cash Index | EM Equities | 0.025% | ETF               | 0%  | 25% |
| 17 | iShares FTSE China 25 Index Fund                     | Blackrock Global Investors        | USD | FXI UP   | N/A             | J.P. Morgan 3mth USD Cash Index | EM Equities | 0.025% | ETF               | 0%  | 50% |
| 18 | Market Vectors Russia ETF                            | Wisdom Tree A.M.                  | USD | RSX UP   | N/A             | J.P. Morgan 3mth USD Cash Index | EM Equities | 0.025% | ETF               | 10% | 25% |
| 19 | Wisdom Tree India Earnings Fund                      | Blackrock Global Investors        | USD | EPI UP   | N/A             | J.P. Morgan 3mth USD Cash Index | EM Equities | 0.025% | ETF               | 0%  | 25% |
| 20 | iShares Iboxx HY Corporate Bond Index Fund           | Blackrock Global Investors        | USD | HYG UP   | N/A             | J.P. Morgan 3mth USD Cash Index | DM Bonds    | 0.025% | ETF               | 0%  | 25% |
| 21 | iShares Iboxx IG Corporate Bond Index Fund           | Standard and Poor's               | USD | LQD UP   | N/A             | J.P. Morgan 3mth USD Cash Index | DM Bonds    | 0.025% | ETF               | 0%  | 25% |
| 22 | SPDR Gold Shares US                                  | State Street Bank & Trust Company | USD | GLD UP   | N/A             | J.P. Morgan 3mth USD Cash Index | Commodities | 0.025% | ETF               | 0%  | 25% |

## Annex 2 – Equity Indices

For the purpose of this Annex 2, each Component Underlying shall be referred to as a Multiple Exchange Index ("**MEI**").

Exchange: In respect of each component security of the Index (each, a "**Component Security**"), the principal stock exchange on which such Component Security is principally traded, as determined by the Index Calculation Agent.

Related Exchange: All Exchanges.

Scheduled Trading Day: In respect of each MEI, any day on which: (i) the Component Sponsor is scheduled to publish the Closing Level of Index and (ii) the Related Exchange is scheduled to be open for trading for its regular trading session.

Exchange Business Day: In respect of each MEI, any Scheduled Trading Day on which: (i) the Component Sponsor publishes the Closing Level of Index, and, (ii) the Related Exchange is open for trading during its regular trading session, notwithstanding the Related Exchange closing prior to its Scheduled Closing Time.

Market Disruption Event: In respect of each MEI, for the purposes of this Transaction, means either:

- (i) (a) the occurrence or existence, in respect of any Component Security, of:
  - (1) a Trading Disruption in respect of such Component Security, which the Index Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded;
  - (2) an Exchange Disruption in respect of such Component Security, which the Index Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded; OR
  - (3) an Early Closure in respect of such Component Security; AND

- (b) the aggregate of all Component Securities in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20 per cent or more of the level of the Underlying Index; OR
- (ii) the occurrence or existence, in respect of futures or options contracts relating to the Index, of: (a) a Trading Disruption; (b) an Exchange Disruption, which in either case the Index Calculation Agent determines is material, at any time during the one hour period that ends at the Valuation Time in respect of the Related Exchange; or (c) an Early Closure, in each case in respect of such futures or options contracts.

For the purposes of determining whether a Market Disruption Event exists in respect of the Underlying Index at any time, if a Market Disruption Event occurs in respect of a Component Security at that time, then the relevant percentage contribution of that Component Security to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that Component Security to (y) the overall level of the Index, in each case using the official opening weightings as published by the Sponsor as part of the market "opening data".

**Trading Disruption:**

In respect of each MEI, for the purposes of this Transaction, means any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (i) relating to any Component Security on the Exchange in respect of such Component Security; or (ii) in futures or options contracts relating to the Index on the Related Exchange.

**Exchange Disruption:**

In respect of each MEI, for the purposes of this Transaction, means any event (other than an Early Closure) that disrupts or impairs (as determined by the Index Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for: (i) any Component Security on the Exchange in respect of such Component Security; or (ii) futures or options contracts relating to the Index on the Related Exchange.

**Early Closure:**

In respect of each MEI, for the purposes of this Transaction, means the closure on any Exchange Business Day of the Exchange in respect of any Component Security or the Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of: (i) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day; and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day.

**Disrupted Day:**

In respect of each MEI, means any Scheduled Trading Day on which (i) the Component Sponsor fails to publish the Closing Level of Index; (ii) the Related Exchange fails to open for trading during its regular trading session; or (iii) a Market Disruption Event has occurred. The Index Calculation Agent shall, as soon as reasonably practicable under the circumstances, notify the Index Allocation Agent of the occurrence of a Disrupted Day.

### **Annex 3 – Proprietary Indices**

|                          |                                                                                                                                                                                                                                                                                                                                                                              |
|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Disrupted Day:           | Any Scheduled Trading Day on which a Market Disruption Event has occurred (provided that the Index Calculation Agent may, in its discretion, determine that such event instead results in the occurrence of a Component Disruption Event.                                                                                                                                    |
| Market Disruption Event: | The (i) failure by the Component Sponsor to calculate and publish the Closing Level of Index on any Scheduled Trading Day or in respect of such Scheduled Trading Day within the scheduled timeframe for publication or (ii) if the Index Sponsor determines in its discretion that the Closing Level reflects manifest error on the part of the relevant Component Sponsor. |
| Scheduled Trading Day:   | Any day on, or, as the case may be, in respect of, which the Component Sponsor is scheduled to publish the Closing Level of Index.                                                                                                                                                                                                                                           |
| Valuation Time:          | The time at which the Component Sponsor calculates and publishes the official closing level of such Component Underlying.                                                                                                                                                                                                                                                    |



#### Annex 4 – ETFs

Disrupted Day:

Any Scheduled Trading Day on which a Market Disruption Event has occurred.

Market Disruption Event:

- (i) the occurrence or existence of a suspension or absence of trading of the shares of such ETF on the Primary Exchange for any reason (including owing to such day not being a Scheduled Trading Day for such ETF) or the material limitation of trading of the shares of such ETF on the Primary Exchange for such shares for more than two hours of trading during, or during the last one-half hour period preceding the close of, the principal trading session on such Primary Exchange;
- (ii) a breakdown or failure in the price and trade reporting systems of the Primary Exchange for the shares of such ETF as a result of which the reported trading prices for such shares are materially inaccurate for more than two hours of trading during, or during the last one-half hour period preceding the close of, the principal trading session on such Primary Exchange (an "**ETF Non-Publication Event**");
- (iii) if applicable, the occurrence or existence of a suspension, absence or material limitation of trading on the Primary Exchange or market for trading in futures or options contracts related to the shares of such ETF or on any Related Exchange for such ETF for more than two hours of trading during, or during the last one-half hour period preceding the close of, the principal trading session in the applicable exchange or market;
- (iv) the net asset value of such ETF is not calculated or is not announced by the Component Sponsor; or
- (v) the relevant sponsor of any ETF suspends creations or redemptions of shares of such ETF or;
- (vi) any event that disrupts or impairs the ability of market participants to generally effect transactions in the ETF as determined by the Index Calculation Agent in its discretion.

|                        |                                                                                                               |
|------------------------|---------------------------------------------------------------------------------------------------------------|
| Primary Exchange       | means NYSE ARCA                                                                                               |
| Related Exchange       | means All Exchanges                                                                                           |
| Scheduled Trading Day: | Each day on which the New York Stock Exchange is scheduled to open for trading in its regular trading session |
| Valuation Time:        | The time at which the closing price of the ETF is scheduled to be calculated and published by the Exchange.   |

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