

# INDEX GUIDELINE

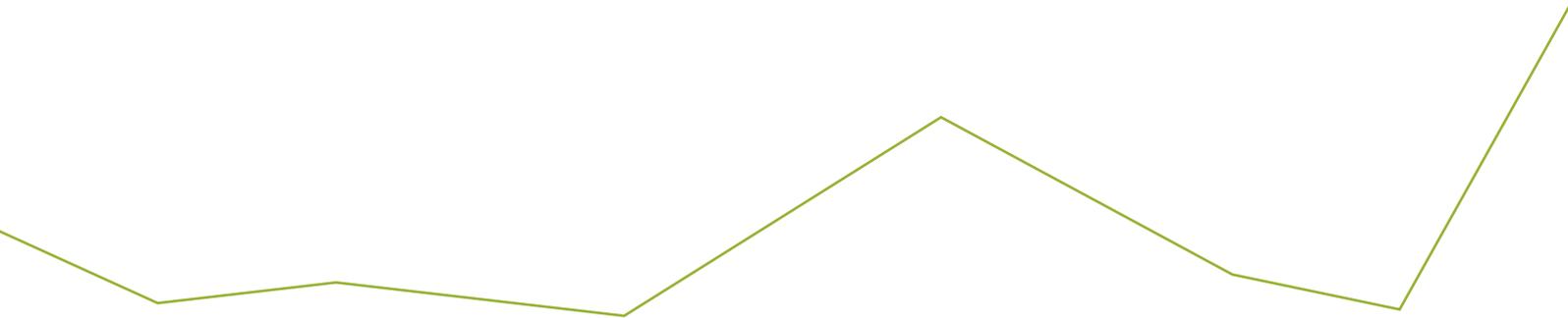
RBC Global Tactical Equity Total Return Index

Version 1.0

06 February 2019

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## INTRODUCTION

This document (the "Guideline") is to be used as a guideline with regard to the composition, calculation and maintenance of the Index Family. Any changes made to the Guideline are initiated by the Committee specified in Section 1.5. The Index is calculated and published by Solactive AG. The name "Solactive" is trademarked.

It contains the underlying principles and rules regarding the structure and operation of the RBC Global Tactical Equity Total Return Index (the "Index"). Solactive AG shall make every effort to implement the applicable regulations. Solactive AG does not offer any explicit or tacit guarantee or assurance, neither pertaining to the results from the use of the Index nor the Index value at any certain point in time nor in any other respect. The Index are merely calculated and published by Solactive AG and it strives to the best of its ability to ensure the correctness of the calculation. There is no obligation for Solactive AG – irrespective of possible obligations to issuers – to advise third parties, including investors and/or financial intermediaries, of any errors in the Index. The publication of the Indices by Solactive AG does not constitute a recommendation for capital investment and does not contain any assurance or opinion of Solactive AG regarding a possible investment in a financial instrument based on this Index.



## 1 INDEX SPECIFICATIONS

- > RBC Global Tactical Equity Total Return Index is an Index of RBC Capital Markets and is calculated and distributed by Solactive AG.
- > The Index is a multi-asset and multi-geography index using futures contracts and is offered in a total return format. The Index is composed of 4 Underlying Indices allocated based on Target Weights and is rebalanced on an annual basis. The 4 Underlying Indices provide equity exposure through front month futures contracts. On a monthly basis, each of the 4 Underlying Indices has either of the 2 allocations below:
  - Corresponding front month futures contract and the US Federal Funds Effective Rate (equity – total return component), or;
  - US Federal Funds Effective Rate only (fixed income component)
- > The monthly allocation of each of the Underlying Indices is based on a Tactical Trigger, calculated based on the Moving Average of the futures contracts corresponding ETF. On a monthly basis, if the level of the corresponding ETF is greater than its Moving Average, the Underlying Index will be allocated to the equity – total return component; otherwise, it will be allocated to the fixed income component.

### 1.1 SHORT NAME AND ISIN

The Index is distributed under ISIN DE000SLA6UJ9, the WKN is SLA6UJ. The index is published in Reuters under the code .RBCEGTUT and in Bloomberg under the code RBCEGTUT Index.

### 1.2 INITIAL VALUE

The Index is based on 100 on the Index Base Date.

### 1.3 DISTRIBUTION

The Index is published via the price marketing services of Boerse Stuttgart AG and is distributed to all affiliated vendors. Each vendor decides on an individual basis as to whether it will distribute/display the Index via its information systems.

### 1.4 PRICES AND CALCULATION FREQUENCY

The Index is calculated on each Trading Day based on the value of the respective Underlying Indices. The most recent value of all Underlying Indices is used.

The Index is calculated once a Business Day. In the event that data cannot be provided to the pricing services of Boerse Stuttgart AG the Indices cannot be distributed.

### 1.5 OVERSIGHT

A Committee composed of staff from Solactive AG (the "Committee" or the "Index Committee") is responsible for decisions regarding the composition of the Indices as well as any amendments to the rules.



Members of the Committee can recommend changes to the Guideline and submit them to the Committee for approval.

## 1.6 PUBLICATION

All specifications and information relevant for calculating the Index are made available on the <http://www.solactive.com> web page and sub-pages.

## 1.7 HISTORICAL DATA

Historical data will be maintained from the Base Date of the Index.

## 1.8 LICENSING

Licenses to use the Index as the underlying value for derivative instruments are issued to stock exchanges, banks, financial services providers and investment houses by RBC Capital Markets.

# 2 CALCULATION OF THE INDEX

## 2.1 INDEX FORMULA

The Index Value on Trading Day  $t$  is calculated in accordance with the following formula:

$$I(t) = I(t - 1) + I(R) * \sum_{j=1}^n \frac{w(j, R)}{UI(j, R)} * (UI(j, t) - UI(j, t - 1))$$

with:

$I(t)$  = Index Value on Trading Day  $t$

$I(t - 1)$  = Index Value on the Trading Day immediately preceding Trading Day  $t$

$I(R)$  = Index Value on the Rebalancing Day immediately preceding Trading Day  $t$

$n$  = Total Number of Underlying Indices:

$w(j, R)$  = Target Weight of Underlying Index  $j$  on Rebalancing Day  $R$

$UI(j, t)$  = Underlying Index Value on Trading Day  $t$

## 2.2 ACCURACY

> The value of the Index will be rounded to four decimal places for the purpose of the calculation and rounded to two decimals for the purpose of publication.

## 2.3 MARKET DISRUPTION EVENT

From time to time, market disruption events may occur that will result in the postponement of an Index and/or the adjustment of the roll period. A Market Disruption Day will be deemed to have occurred if any of the following events occur:



- i. The Settlement Price of an Index Constituent of an Underlying Index is not published by the Exchange on a Scheduled Trading Day;
- ii. The Settlement Price of an Index Constituent of an Underlying Index is a Limit price (as defined by the applicable Exchange);

If any of these events occur on a non-Rebalancing Day, no immediate action will be taken, but in case of missing Settlement Prices, if the applicable Exchange publishes a Settlement Price later, the Index will be restated for that particular Trading Day. If any of these events occur on a Rebalancing Day, the Rebalancing of the corresponding Underlying Index to its Target Weight will be postponed to the next Trading Day where no Market Disruption have occurred.

If the Market Disruption Event continues over a period of eight Trading Days, then the Committee will determine the necessary action (including but not limited to taking into account the market conditions prevailing at this point in time, the last quoted Prices for each of the Index Components as well as any other conditions that it deems relevant for calculating the Index value) such that the affected securities resulting from the Market Disruption Event are no longer causing such disruption to occur.

## 2.4 MISCELLANEOUS

### 2.4.1 Recalculation

Solactive AG makes the greatest possible efforts to accurately calculate and maintain its indices. However, the occurrence of errors in the index determination process cannot be ruled out. In such cases Solactive AG adheres to its publicly available [Correction Policy](#).

## 3 DEFINITIONS

"Trading Day" means any day on which all Underlying Indices are calculated.

"Rebalancing Day" is the Trading Day two Trading Days preceding the third Friday in December.

"Exchange" means the Chicago Mercantile Exchange or the Intercontinental Exchange.

"Extraordinary Event" is referring to the case if one or more Underlying Indices are not calculated anymore.

The "Index Calculator" is Solactive AG or any other appropriately appointed successor in this function.

The "Index Currency" is USD.

A "Market Disruption Event" is defined in Section 2.3.

An "Underlying Index" is an Index shown in Section 5.

The "Target Weight" of an Underlying Index is shown in Section 5.

The "Index Base Date" is the 16th December 2009.



## 4 CHANGES IN CALCULATION METHOD

The application by the Index Calculator of the method described in this document is final and binding. The Index Calculator shall apply the method described above for the composition and calculation of the Index. However, it cannot be excluded that the market environment, supervisory, legal, financial or tax reasons may require changes to be made to this method. The Index Calculator may also make changes to the terms and conditions of the Index and the method applied to calculate the Index that it deems to be necessary and desirable in order to prevent obvious or demonstrable error or to remedy, correct or supplement incorrect terms and conditions. The Index Calculator is not obliged to provide information on any such modifications or changes. Despite the modifications and changes, the Index Calculator will take the appropriate steps to ensure a calculation method is applied that is consistent with the method described above.

## 4 UNDERLYING INDICES

Name	Identifier	Target Weight
RBC Emerging Market Tactical Equity Total Return Index	.RBCEETUT	15%
RBC International Developed Tactical Equity Total Return Index	.RBCEITUT	25%
RBC Large Cap US Tactical Equity Total Return Index	.RBCELTUT	50%
RBC Small Cap US Tactical Equity Total Return Index	.RBCESTUT	10%

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