

## GUIDELINES

### Trajectoire Alpha Premia Index

Version 1.0 dated August 15<sup>th</sup>, 2017



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This document contains the underlying principles and regulations regarding the structure and the operating of the Trajectoire Alpha Premia Index (the “Index”). Solactive AG shall make every effort to implement 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 is 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 Index by Solactive AG is no 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.

# Introduction

This document is to be used as a guideline with regards to the composition, calculation and management of the Index. Any changes made to the guideline are initiated by the Committee specified in section 1.6. The Index is administrated by Solactive AG (the “Index Administrator”). The name “Solactive” is copyrighted.

## Index summary

The AlphaPremia Index is derived from the HedgePremia Index (TCGHP Index) and aims at providing an absolute return profile with negative correlation to Equities. The Index is a systematic monthly rebalancing of SPX Futures (50%) and the HedgePremia Index (100%).

## 1 Index specifications

The Trajectoire Alpha Premia Index (the “Index”) is an Index of Trajectoire Capital Group SA and is administrated by Solactive AG.

The Index is calculated and published in US Dollars.

### 1.1 Short name and ISIN

The Index is distributed under ISIN DE000SLA3ZK3; the WKN is SLA3ZK. The Index is published in Bloomberg under the code <TCGAP Index>.

### 1.2 Initial value

The Index is based on 100.00 at the close of trading on the 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 he will distribute/display the Index via his information systems.

### 1.4 Prices and calculation frequency

The value of the Index is calculated on each Trading Day. Futures prices are based on the settlement prices on the respective exchange on which they are listed. The most recent settlement prices of all futures are used.

For the index the closing value is used. The most recent closing value for the index is used.

The Index is calculated once a Trading Day for the previous Trading Day. In the event that data cannot be provided to Bloomberg or to the pricing services of Boerse Stuttgart AG on any given calendar day, the Index will not be distributed for that calendar day.

Any incorrect calculation will be adjusted on a retrospective basis.

## **1.5 Weighting**

The Weighting of the futures in the index will be calculated in accordance with Section 2.

## **1.6 Decision-making bodies**

A Committee composed of staff from Solactive AG is responsible for decisions regarding the composition of the Index as well as any amendments to the rules (in this document referred to as the “Committee” or the “Index Committee”).

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

## **1.7 Publication**

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

## **1.8 Historical data**

Historical data is available from the Index Base Date. The Index is calculated live as of the Index Live Date.

## **1.9 Licensing**

Licences to use the Index are issued to stock exchanges, banks, financial services providers and investment houses by Trajectoire Capital Group SA.

## 2 Calculation of the Index

### 2.1 Rolling Future Strategy Level

The section is detailing the construction of a systematic short future S&P 500 E-mini index where the roll would be performed a given number of Trading Days (eg. 6) before the Future expiry. At each roll, the previous exposure with the old Future contract is maintained with the new Future contract. The number of Future units is then changing at each roll but the same exposure is maintained.

The Rolling Future Strategy Level on Trading Day  $t$  is calculated in accordance with the following formula:

$$S_t = S_{t-1} + u_{t-1}^F \cdot (F_t^{k(t-1)} - F_{t-1}^{k(t-1)}) \quad \text{for } t > t_0^F$$

$$S_t = 100 \quad \text{for } t = t_0^F$$

With:

$$k(t) = \begin{cases} LTD(t) & \text{if } t = t_{Roll}^F \\ k(t-1) & \text{otherwise} \end{cases}$$

And:

$$u_t^F = \begin{cases} S_{t-1} / F_{t-1}^{k(t)} & \text{if } t = t_{Roll}^F \text{ and } t > t_0^F \\ u_{t-1}^F & \text{if } t \neq t_{Roll}^F \text{ and } t > t_0^F \end{cases}$$

$$u_t^F = S_t / F_t^{k(t)} \quad \text{if } t = t_0^F$$

Where:

$t$  = Trading Day  $t$

$t-1$  = Trading Day immediately preceding Trading Day  $t$

$S_t$  = Rolling Future Strategy Level on Trading Day  $t$

$u_t^F$  = Number of Future Units in respect of the Future Component and Trading Day  $t$

$F_t^{k(t)}$  = Settlement Price in respect of the Future Component with Last Trading Day  $k(t)$  and Trading Day  $t$

$LTD(t)$  = Last Trading Day of the Future Component which expiry is the closest to the following Trading Day  $t$

$t_{Roll}^F$  = Future Component Roll Day

$t_0^F$  = Rolling Futures Strategy Base Date

## 2.2 Index Closing Level

The Index Closing Level on Trading Day t is calculated in accordance with the following formula:

$$ICL_t = ICL_{t-1} + U_{t-1}^H \cdot (H_t - H_{t-1}) + U_{t-1}^S \cdot (S_t - S_{t-1}) \quad \text{for } t > t_0^I$$
$$ICL_t = 100 \quad \text{for } t = t_0^I$$
$$ICL_t = ICL_{t-1} \quad \text{if } ICL_{t-1} < 20$$

With:

$$U_t^H = \begin{cases} ICL_{t-1} / H_{t-1} & \text{if } t = t^R \text{ and } t > t_0^I \\ U_{t-1}^H & \text{if } t \diamond t^R \text{ and } t > t_0^I \end{cases}$$

$$U_t^H = ICL_t / H_t \quad \text{if } t = t_0^I$$

And:

$$U_t^S = \begin{cases} 0.5 \cdot ICL_{t-1} / S_{t-1} & \text{if } t = t^R \text{ and } t > t_0^I \\ U_{t-1}^S & \text{if } t \diamond t^R \text{ and } t > t_0^I \end{cases}$$

$$U_t^S = 0.5 \cdot ICL_t / S_t \quad \text{if } t = t_0^I$$

Where:

$t_0^I$  = Index base date

$t^R$  = Index Rebalancing Day immediately preceding Trading Day t

$U_t^H$  = Underlying Index Units on Trading Day t

$H_t$  = Underlying Index value on Trading Day t

## 2.11 Accuracy

The Index Closing Level will be rounded to 2 decimal places.

## **3 Disruption Events, Modification and Recalculation**

### **3.1 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](#).

### **3.2 Disruption Events**

In periods of market stress Solactive AG calculates its indices following predefined and exhaustive arrangements set out in its publicly available [Disruption Policy](#).

### **3.3 Modification**

Any Modification to the rules and any extraordinary decision by the Index Committee will be published on the Solactive website.

## 4 Definitions

“**Exchange**” means the Chicago Mercantile Exchange.

“**Future Contract Roll Day**” is the Trading Day which is six Trading Days prior to the last Trading Day of the future contract with the closest Expiry Date after the current Trading Day.

“**Future Component**” means the SPX E-mini futures contract having a last trading day in the quarterly cycle Mar-Jun-Sep-Dec, available for trading on the Exchange, as published on Reuters.

“**Future Units**” means the portion or number of future contracts

“**Index Base Date**” is December 31, 2007.

The “**Index Administrator**” is Solactive AG or any other appropriately appointed successor in this function.

“**Index Closing Level**” has the meaning attributed to it in Section 2.10.

“**Index Component**” are any Future Component currently included in the Index and the Underlying Index.

“**Index Constituents**” mean the securities or indices which are taken into account for the index calculation

The “**Index Currency**” is USD.

“**Index Live Date**” is the 15<sup>th</sup> August 2017.

“**Index Rebalancing Day**” is the Index Base Date and thereafter the last Trading Day of each calendar month that is not a Disruption Day. In the event the last Trading Day of a given calendar month is also a Disruption Day, the Index Rebalancing Day shall be the immediately following Trading Day that is not a Disruption Day.

“**Index Value**” means the level of the index (beginning with of 100 as of the base date).

“**Rolling Future Strategy Base Date**” is January 3, 2000.

“**Rolling Future Strategy Level**” has the meaning attributed to it in Section 2.1.

“**Underlying Index**” is the Trajectoire Hedge Premia Index (ISIN DE000SLA3N70).

A “**Trading Day**” is any calendar day on which the Exchange is scheduled to be open for trading in SPX E-mini futures and the CBOE is scheduled to be open for trading in SPX index options.



## **5 Appendix**

### **5.1 Contact data**

#### **Information regarding the Index administration**

Solactive AG  
Guiollettstr. 54  
60325 Frankfurt  
Germany

#### **Information regarding the Index licensing**

Trajectoire Capital Group SA  
Quai du Mont-Blanc 3  
1201 Geneva  
Switzerland

### **5.2 Calculation of the Index – change in calculation method**

The application by the Index Administrator of the method described in this document is final and binding. The Index Administrator 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 Administrator may also make changes to the terms and conditions of the Index and the method applied to calculate the Index, which 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 Administrator is not obliged to provide information on any such modifications or changes. Despite the modifications and changes the Index Administrator will take the appropriate steps to ensure a calculation method is applied that is consistent with the method described above.