STRATEGY HANDBOOK

FONDSRENTE Investportfolio Balance

Table of Contents

1	٥v	verview	/	. 4				
2	Sti	Strategy Calculation						
	2.1	Port	folio Structure	. 4				
	2.2	Port	folio Components	. 5				
	2.3	Inve	stportfolio Balance Base Portfolio	. 9				
	2.4	Sub-	Strategy 1: Faktor Strategie Traditionell	. 9				
	2.5	Sub-	Strategy 2: Faktor Strategie Alternativ	10				
	2.5	5.1	Metric Definitions	12				
	2.5	5.2	Faktor Strategie Trend (TSMOM) Sub-Index	13				
	2.5	5.3	Faktor Strategie Ertrag (TSCAR) Sub-Index	14				
	2.5	5.4	Faktor Strategie Trend (XSMOM) Sub-Index	14				
	2.5	5.5	Faktor Strategie Ertrag (XSCAR) Sub-Index	15				
	2.6	RC S ¹	trategy	16				
	2.7	Inve	stportfolio Balance	16				
	2.7	7.1	Strategy	16				
	2.7	7.2	Costs	17				
	2.7	7.3	Strategy Calculation	17				
	2.8	Accu	iracy	17				
3	Sti	rategy F	Principles	17				
4	Sti	rategy (Owner	17				
5	Ad	lministr	rator / Calculation Agent	17				
6	Ca	lculatio	on during Market Disruption Events and Strategy Adjustments	18				
	6.1	Over	rsight Committee	18				
	6.2	Marl	ket Disruption Event	18				
	6.3	Strat	tegy Adjustments	18				
7	His	storical	Data	19				
8	Со	ntact		20				
	8.1	Strat	tegy User	20				
	8.2	Strat	tegy Owner	20				
	8.3	Adm	inistrator	20				
	8.4	Calcu	ulation Agent	20				
9	Ris	sk Provi	isions	20				
	9.1	Natu	re of the Strategy	21				
	9.2	Pote	ential Conflicts of Interest	21				
	9.3	Risks	s associated with an investment in instruments linked to the Strategy	21				
10)	DISCLA	IMER	22				

Page **3** of **22** pages

Version history

#1 1 September 2024 Strategy launch and document release

1 Overview

The **Investportfolio Balance** (the **"Strategy"**) is a EUR denominated investment strategy with an embedded monthly protection level of 80% (the **"Portfolio Protection**"). The **Strategy** holds a long position in the **Investportfolio Balance RC Strategy** (the **"RC Strategy**") and a long position in a 1-month European put option (the "Put"), which is renewed on a monthly basis and providing an overall protection level of 80%. The **RC Strategy** is a risk-controlled version of the **Investportfolio Balance Base Portfolio** (the **"Performance Asset**").

The **Performance Asset** consists of 2 **Sub-Strategies**. The first **Sub-Strategy** (the "**Faktor Strategie Traditionell**" or "**FST**") represents a global equity beta exposure. The second **Sub-Strategy** (the "**Faktor Strategie Alternativ**" or "**FSA**") represents an investment strategy based on alternative risk premia using liquid exchange-listed instruments.

"Strategy Calculation Days" are all weekdays except Munich¹ holidays. In case of a holiday on a relevant exchange (as defined in section "Portfolio Components" below) which is not a Munich holiday, the stale price from the prior available Strategy Calculation Day is used for the respective constituent. "Strategy Business Days" are all Strategy Calculation Days, on which all Portfolio Components are tradeable and their exchanges (fully or at least partially) open for business. In the case a contract payoff is partially or fully linked to the Index, the related contract exposure can only be adjusted on Strategy Business Days. On all remaining Strategy Calculation Days, the Strategy Level is published for information purposes only.

The **Strategy** is calculated on a total return basis. The value of the **Strategy** is calculated on each **Strategy Calculation Day** t, and shall reflect the **Portfolio Components'** prices as of market close in Asia. Hence, for non-Asian **Portfolio Components**, the price as of **Strategy Business Day** t is actually the price of the relevant **Portfolio Component** as of the its respective previous **Trading Day**.

The **Strategy** time-series starts on 2 January 2008 (the "**Strategy Start Date**"). The **Strategy** has an initial value of 100 EUR on its respective **Strategy Start Date**. The "**Strategy Live Date**", which is the day the **Calculation Agent** began calculating the **Strategy**, is 1 September 2024.

The value of the **Strategy**, as determined by the **Calculation Agent**, will be reported on Bloomberg via the page IPBLNC <Index> or any successor financial information service as defined by the **Administrator** (as defined below) in its sole and absolute discretion.

2 Strategy Calculation

This sections explains how the Investportfolio Balance and the included Sub-Strategies are calculated.

2.1 Portfolio Structure

The **Investportfolio Balance** is a guarantee portfolio offering a monthly protection of 80% on the risk-controlled **Investportfolio Balance RC Strategy**. Its **Performance Asset**, the **Investportfolio Balance Base Portfolio**, combines two **Sub-Portfolio** (at the level of the **Performance Asset**) into one portfolio. Where applicable, all funded **Portfolio Components** are converted to unfunded exposure and an excess return perspective.

While the **FST** is exposed to the excess performance of a global equity index, the **FSA** is an aggregation of different alternative risk premia investment strategies.

¹ New Year's Day, Epiphany, Shrove Tuesday, Good Friday, Easter Monday, Labour Day, Ascension Day, Whit Monday, Corpus Christi Day, Assumption Day, Day of German Unity, All Saints' Day, Christmas Eve, Christmas Day, Christmas Holiday (St. Stephen's Day), New Year's Eve.



Figure 1: Portfolio-structure IPBLNC

The Strategy Handbook starts with the description of the investment- and continues with the risk-management-related part of the **Investportfolio Balance** investment strategy:

- Firstly, the **Performance Asset** and its two **Sub-Portfolios**, namely **Faktor Strategie Traditionell** and **Faktor Strategie Alternativ** (including its four **Sub-Strategies**, two of which belong to "**Faktor Strategie Trend**" and "**Faktor Strategie Ertrag**"; where TSMOM = time-series momentum, TSCAR = time-series carry, XSMOM = cross-sectional momentum, XSCAR = cross-sectional carry).
- Second, the Risk Control Strategy and the Portfolio Protection as the risk management overlay.

2.2 Portfolio Components

Currently funded and unfunded instruments are eligible as **Strategy Components**. The current and historical holdings are listed in the below **Strategy Components** table. The components on this list and the number of components may change in the future in accordance with this handbook.

INDEX	ACCET	INDEX					FSA				
COMPO- NENT	CLASS	COMPONENT NAME	PREFIX ⁱⁱ	EXTENSION ²	FX RATE	TC ³	FST	TSMOM	XSMOM	TSCAR	XSCAR
#1	со	NYMEX WTI Light Sweet Crude Oil	CL	Comdty	USD/EUR	1 tick	N	Y	Y	Y	Y
#2	со	ICE Brent Crude Oil	СО	Comdty	USD/EUR	1 tick	N	Y	Y	Y	Y
#3	СО	COMEX Gold	GC	Comdty	USD/EUR	1 tick	N	Y	Y	Y	Y
#4	CO	COMEX Copper	HG	Comdty	USD/EUR	2 ticks	N	Y	Y	Y	Y
#5	со	NYMEX NY Harbor ULSD	НО	Comdty	USD/EUR	2 ticks	N	Y	Y	Y	Y
#6	со	NYMEX Natural Gas	NG	Comdty	USD/EUR	2 ticks	N	Y	Y	Y	Y
#7	CO	NYMEX Platinum	PL	Comdty	USD/EUR	2 ticks	N	Y	Y	Y	Y
#8	со	ICE Low Sulphur Gasoil	QS	Comdty	USD/EUR	2 ticks	N	Y	Y	Y	Y
#9	со	COMEX Silver	SI	Comdty	USD/EUR	2 ticks	N	Y	Y	Y	Y
#10	со	NYMEX RBOB Gasoline	ХВ	Comdty	USD/EUR	2 ticks	N	Y	Y	Y	Y
#11	EQ	Euronext CAC 40	CF	Index	1	2 ticks	N	Y	Y	Y	Y
#12	EQ	CME E-mini DJIA	DM	Index	USD/EUR	1 tick	N	Y	Y	N	N
#13	EQ	CME E-mini S&P 500	ES	Index	USD/EUR	1 tick	N	Y	Y	Y	Y
#14	EQ	CME E-mini S&P MidCap 400	FA	Index	USD/EUR	2 ticks	N	Y	Y	Y	Y

² Ticker as currently available on the market information service by Bloomberg L.P.

³ TC means "transaction costs"; "tick(s)" means "number of ticks" for the respective futures market, "bps" means "number of basis points" for the respective instrument

#15	EQ	Eurex DAX	GX	Index	1	1 tick	N	Y	Y	Y	Y
#16	EQ	HKFE Hang Seng	ні	Index	HKD/EUR	1 tick	N	Y	Y	Y	Y
#17	EQ	Munich Re ESG Optimized NTR Index	MRESGO	Index	1	5 bps	Y	N	N	N	N
#18	EQ	CME E-mini NASDAQ-100	NQ	Index	USD/EUR	1 tick	N	Y	Y	N	N
#19	EQ	CME E-mini Russell 2000	RTY	Index	USD/EUR	2 ticks	N	Y	Y	Y	Y
#20	EQ	Eurex SMI	SM	Index	CHF/EUR	2 ticks	N	Y	Y	Y	Y
#21	EQ	OSE Topix	ТР	Index	JPY/EUR	1 tick	N	Y	Y	Y	Y
#22	EQ	Eurex EURO STOXX 50	VG	Index	1	1 tick	N	Y	Y	Y	Y
#23	EQ	ICE FTSE 100	Z	Index	GBP/EUR	1 tick	N	Y	Y	Y	Y
#24	FI	Canada 10Y Govt Bonds	CN	Comdty	CAD/EUR	2 ticks	N	Y	Y	Y	Y
#25	FI	Switzerland 10Y Govt Bonds	FB	Comdty	CHF/EUR	2 ticks	N	Y	Y	Y	Y
#26	FI	UK 10Y Govt Bonds	G	Comdty	GBP/EUR	1 tick	N	Y	Y	Y	Y
#27	FI	Italy 10Y Govt Bonds	ІК	Comdty	1	1 ticks	N	Y	Y	Y	Y
#28	FI	Japan 10Y Govt Bonds	JB	Comdty	JPY/EUR	1 tick	N	Y	Y	Y	Y
#29	FI	Spain 10Y Govt Bonds	КОА	Comdty	1	2 ticks	N	Y	Y	Y	Y
#30	FI	France 10Y Govt Bonds	OAT	Comdty	1	1 tick	N	Y	Y	Y	Y
#31	FI	Germany 10Y Govt Bonds	RX	Comdty	1	1 tick	N	Y	Y	Y	Y

#32	FI	USA 10Y Govt Bonds	TY	Comdty	USD/EUR	1 tick	N	Y	Y	Y	Y
#33	FI	Germany 30Y Govt Bonds	UB	Comdty	1	2 ticks	N	Y	Y	N	N
#34	FI	USA 30Y Govt Bonds	US	Comdty	USD/EUR	1 tick	N	Y	Y	N	N
#35	FX	AUD/USD	AD	Curncy	USD/EUR	2 ticks	N	Y	Y	Y	Y
#36	FX	GBP/USD	BP	Curncy	USD/EUR	2 ticks	N	Y	Y	Y	Y
#37	FX	CAD/USD	CD	Curncy	USD/EUR	2 ticks	N	Y	Y	Y	Y
#38	FX	EUR/USD	EC	Curncy	USD/EUR	1 tick	N	Y	Y	Y	Y
#39	FX	JPY/USD	ΥL	Curncy	USD/EUR	1 tick	N	Y	Y	Y	Y
#40	FX	NOK/USD	NO	Curncy	USD/EUR	2 ticks	N	Y	Y	Y	Y
#41	FX	NZD/USD	NV	Curncy	USD/EUR	2 ticks	N	Y	Y	Y	Y
#42	FX	SEK/USD	SE	Curncy	USD/EUR	2 ticks	N	Y	Y	Y	Y
#43	FX	CHF/USD	SF	Curncy	USD/EUR	2 ticks	N	Y	Y	Y	Y

Table 1: Investment universe

All **Portfolio Components** which are traded on an exchange take into account the holidays of their local exchange. For **Portfolio Component #17**, the relevant exchanges for the holiday calendar are currently EUREX, CME (Chicago Mercantile Exchange) and OSE (Osaka Exchange).

Unfunded Portfolio Components

Futures Roll Indices

Portfolio Components which are futures markets are represented as Futures Roll Strategies. These provide a continuous exposure to the underlying. A standard futures roll from the front contract into the next contract is performed two Strategy Business Days before the futures contract's last trade or first notice date, respectively. Each Futures Roll Strategy is denominated in the underlying futures currency. Currently daily settlement prices of the corresponding futures contracts are used to calculate the daily values of the Futures Roll Strategies.

Page 9 of 22 pages

Funded Portfolio Components

Equity Indices

An Equity Index (as defined below) is a continuously held position in the respective Equity Index portfolio. Each Equity Index is denominated in the underlying Equity Index currency. Funded Equity Index instruments may require adding a funding spread, which is applied on the nominal the final **Strategy** is exposed to the Equity **Portfolio Component**.

Funded **Portfolio Components** enter the calculation of the **Strategy** on an excess return basis. Funding costs are considered in the value of the **Strategy**.

2.3 Investportfolio Balance Base Portfolio

The **Investportfolio Balance Base Portfolio** is the **Performance Asset**. It is long-only and implements static target weights, which are rebalanced on a daily basis, if applicable. All non-EUR **Portfolio Components** are hedged into EUR on a daily basis.

The **Performance Asset** aggregates the two **Sub-Indices**, the **Faktor Strategie Traditionell** and the **Faktor Strategie Alternativ**, using notional target weights of 60% and 40%. The portfolio is rebalanced and reweighted on a monthly basis. On top, there is a risk control overlay which is updated on a daily basis.

SUB- STRATEGY	SUB-STRATEGY NAME	CURRENCY	түре	TARGET WEIGHT%	
#1	Faktor Strategie Traditionell ("FST")	EUR	Excess Return	60%	
#2	Faktor Strategie Alternativ ("FSA")	EUR	Excess Return	40%	

Table 2: Sub-Strategies of the Performance Asset

While the **FST** portfolio maintains exposure to a global equity index, the **FSA** portfolio aggregates four different investment strategies based on alternative risk premia. For all these portfolios, the rebalancing process is carried out at the beginning of each calendar month. All non-EUR components are hedged into EUR on a daily basis. Both **Sub-Strategies** aim to realize a target volatility of 5% per annum. The theoretical leverage is capped at a factor of 2.5. An EWMA⁴ based volatility estimator is used to realize the aforementioned volatility level, where lambda equals 0.98 and either uses 19 or 89 return observations, whichever measures the higher volatility.

2.4 Sub-Strategy 1: Faktor Strategie Traditionell

The investment objective of **Faktor Strategie Traditionell** is to track global developed equity markets while aiming to keep a constant volatility level over time. The target weights of its components are provided in Table 3. Rebalancing and reweighting events occur on a monthly basis. The rebalancing process is carried out at the beginning of each calendar month.



Figure 2: Structure of Faktor Strategie Traditionell

The FST is risk-controlled and aims to realize a target volatility of 5% per annum using a theoretical maximum leverage of 1 (i.e. no leverage). An EWMA based volatility estimator is used to realize the aforementioned volatility level, where lambda equals 0.98 and either uses 19 or 89 return observations, whichever measures the higher volatility.

INDEX COMPONENT⁵	INDEX COMPONENT NAME	TICKER PREFIX ⁶	TICKER EXTENSION ⁷	% TARGET WEIGHT
#17	Munich Re ESG Optimized NTR Index	MRESGO	Index	100%

Table 3: FST Sub-Index Allocation

2.5 Sub-Strategy 2: Faktor Strategie Alternativ

The investment objective of **Faktor Strategie Alternativ** is to track a basket of four long/short investment strategies based on alternative risk premia (each a "**FSA Sub-Index**") while aiming at keeping a constant volatility level over time.

SUB- INDEX	SUB-INDEX NAME	RETURN TYPE	CURRENCY
#1	Faktor Strategie Trend (TSMOM)	Excess Return	EUR
#2	Faktor Strategie Trend (XSMOM)	Excess Return	EUR
#3	Faktor Strategie Ertrag (TSCAR)	Excess Return	EUR
#4	Faktor Strategie Ertrag (XSCAR)	Excess Return	EUR

⁵ See Table 1.

⁶ Ticker as currently available on the market information service by Bloomberg L.P.

⁷ Ticker as currently available on the market information service by Bloomberg L.P.

Table 4: Components of Faktor Strategie Alternativ

The four **FSA Sub-Indices** are all long/short portfolios, of which two are driven by momentum- and two by carry-signals. The momentum and carry strategies are both implemented on a cross-sectional and a time-series basis. The **FSA Sub-Indices** are the following:

- Time-series momentum ("TSMOM"),
- Time-series carry ("TSCAR"),
- Cross-sectional momentum ("XSMOM"),
- Cross-sectional carry ("XSCAR").
- The FSA Sub-Indices are weighted inversely proportional to their volatility and the weightings are implemented in the course
- of the monthly rebalancing process. Portfolio rebalancings (i.e. portfolio reweightings and repositionings) occur on each
- monthly "**Rebalancing Day**". A **Rebalancing Day** is defined as the first **Index Business Day** of each calendar month, assuming all **Index Components** are open for business. If this is not the case, the prior **Index Business Day** fulfilling this condition is used. Rebalancings induced by the overlaid risk control mechanism may occur on a daily basis. All non-EUR constituents are hedged into EUR on a daily basis.



Figure 3: Structure of Faktor Strategie Alternativ

The FSA is risk-controlled and aims to realize a target volatility of 5% per annum. The theoretical leverage is capped at a factor of 5. An EWMA based volatility estimator is used to realize the aforementioned volatility level, where lambda equals 0.98 and either uses 19 or 89 return observations, whichever measures the higher volatility.

2.5.1 Metric Definitions

The following sections describe the momentum and carry metric used to derive investment signals in the cross-asset investment universe. As momentum is based on past performance it can be applied identically to all assets and asset-classes. While carry is also defined universally across asset classes, it needs data input specific to the individual asset classes.

Momentum

Definition

Price momentum is defined as the past excess performance of a market over a certain period of time. The applied lookback lengths are 3, 6, 9 and 12 months. Local Exchange Futures Roll Indices ("LEFRIs") are used to calculate price momentum. The risk-adjusted momentum is defined as the ratio of price momentum divided by the asset's annualized volatility (measured as standard deviation) over the respective lookback period.

Local Exchange Futures Roll Indices

A Local Exchange Futures Roll Index ("LEFRI") is a futures position continuously rolled in the Active Contract using the holiday calendar of the relevant futures exchange.

Carry

Definition

The carry (or "Carry Yield") is defined as the expected return of an asset assuming its price does not change. Using the term structure of futures curves it is possible to derive a universal definition of carry across different asset classes. Depending on the major (spot and futures) price determinants in each asset class, simplified proxies for the Carry Yield can be derived.

A generalized, cross-asset approach to the calculation of the Carry Yield for futures markets can be applied, provided the markets being sufficiently liquid over several different maturity dates. If this liquidity condition is fulfilled, the carry signals can be derived by analyzing the shape of the futures market's term structure.

A negative term structure slope translates into a positive Carry Yield, a positive slope means the Carry Yield is negative. The actual input variables to calculate the Carry Yield vary from asset class to asset class.

Commodities

In order to be able to calculate a standardized set of carry signals for commodity futures, Constant Maturity Futures Indices ("CMFI") are introduced. Commodity futures term structures are typically sufficiently liquid to be able to perform this task. For the purpose of deriving a carry value for a commodities futures market, a longer-term CMFI with a constant maturity of 13 months and a shorter-term CMFI with a constant maturity of 1 month is calculated using the two nearest neighboring live futures contract (listed on the respective derivatives exchange) around the respective CMFI maturity date on the considered day.

The standardization is achieved by fitting the weight of the futures contract having nearest shorter maturity date and the weight of the futures contract having the nearest longer maturity date such that the combined time to maturity is identical to the CMFI term, and the combined weighted price yields the CMFI level.

In the next step, the Carry Yield for the respective commodities market can be determined by using the ratio of the 13 months CMFI and the 1 month CMFI.

Equity Indices

Equity index carry is proxied by using equity index (12 month forward) dividend estimates and (12 month) interest rates. This step is necessary, as equity index futures markets are typically only liquid in their front contract. Thus a Carry Yield cannot directly be obtained using the futures curve. To arrive at a proxy Carry Yield for an individual equity index, an appropriate 1 year funding rate in the respective equity index currency is deducted from the aggregated analyst dividend yield estimates for a 1 year forward looking time window, assuming these are the main factors responsible for the shape of the equity index futures curve.

Fixed Income

Fixed income carry is proxied by using the slope of the considered yield curve plus its roll-down effect. This step is necessary, as government bond futures markets are typically only liquid in their front contract. Thus a Carry Yield cannot directly be obtained using the futures curve. To determine the slope of the yield curve, the duration-adjusted difference of a longer-term (10 years) government bond and a shorter-term (3 months) yield is used.

Roll-down is defined as the duration-adjusted difference of a longer-term (10 years) government bond and a medium-term (5 years) government bond.

The fixed income carry value is derived summing up the slope and the roll-down term, assuming these are the main factors responsible for the shape of the equity index futures curve.

Foreign Exchange

For FX carry, FX spot and forward levels are necessary for the relevant currency pairs. After standardizing all FX inputs (FX spot and FX forward points) to reflect a uniform quotation (American terms, USD as base currency), comparable carry levels can be derived.

The proxy used for FX carry is defined as the ratio of FX spot to FX forward level (3 months forwards).

2.5.2 Faktor Strategie Trend (TSMOM) Sub-Index

The Faktor Strategie Trend (TSMOM) Sub-Index consists of 4 Strategy Sub-Indices.

The **Strategy Sub-Indices** are named **Asset Class Sub-Indices** ("ACSI"), as these are using different investment universes depending on their asset class membership; there is a **Commodity**, an **Equity**, a **Fixed Income** and an **FX Sub-Index**.

Each of the four ACSIs consists of four different Trend Strategy Sub-Indices ("TSSI"). The trend strategies implemented in the Sub-Index are based on time-series momentum, taking into account the univariate trend behavior of the respective assets and deriving investment decision solely by assessing an asset's own trend signal. TSSIs are using the same asset class universe, but a different lookback period in the momentum metric.

Trend Strategy Sub-Indices ("TSSIs")

There are four TSSIs in one ACSI, whose asset universe is determined by its asset class.

Step 1: Classification into Long or Short Positions

Inside each **TSSI**, in order to determine the position of each individual market, on each **Rebalancing Day** the price momentum is checked. In case of a positive momentum value, a long position is established in the respective futures market. In case of a negative momentum value, a short position is established in the respective futures market. Otherwise it is given a zero weight.

Step 2: Weight Determination

On a **Rebalancing Day** the **Index Components'** notional percentage weights are reset so that all positions in the respective **TSSI** contribute the same amount of risk, expressed as standard deviation of daily log-returns over 90 **Index Business Days**. The weights are rounded to four decimal places. These weights are transformed into number of futures, which are fixed until the next monthly Rebalancing Day.

Asset Class Sub-Indices ("ACSIs")

Each **ACSI** aggregates its four **TSSIs** into one portfolio. The **TSSIs** are weighted inversely proportional to their volatility and the weightings are also implemented in the course of the monthly rebalancing process. Each **ACSI** consists of a certain number of units of each **TSSI**, which are calculated using the **TSSIs** notional percentage weights.

Each **ACSI** is the sum of the daily USD profit/loss numbers of the four **TSSIs**, which can be derived using the daily USD profit/loss numbers for all relevant Futures Roll Indices inside the asset class portfolios. Futures Roll Index daily profit/loss is transferred into USD, in case these are not denominated in USD.

Calculation of the TSMOM Sub-Index

The **TSMOM Sub-Index** aggregates its four **ACSIs** into one portfolio. The **ACSIs** are weighted inversely proportional to their volatility and the weightings are also implemented in the course of the monthly rebalancing process. The **XSMOM Sub-Index** consists of a certain number of units of each **ACSI**, which are calculated using the **ACSIs** notional percentage weights. The **TSMOM Sub-Index** is the sum of the daily USD profit/loss numbers of the four **ACSIs**, which can be derived using the daily USD profit/loss numbers of the asset class portfolios.

2.5.3 Faktor Strategie Ertrag (TSCAR) Sub-Index

The Faktor Strategie Ertrag (TSCAR) Sub-Index consists of 4 Strategy Sub-Indices.

The **Strategy Sub-Indices** are named **Asset Class Sub-Indices** ("**ACSI**"), as these are using different investment universes depending on their asset class membership; there is a **Commodity**, an **Equity**, a **Fixed Income** and an **FX Sub-Index**. The carry strategies implemented in the **Sub-Index** are based on time-series carry, taking into account the univariate carry of the respective assets and deriving investment decision solely by assessing an asset's own carry signal.

Asset Class Sub-Indices ("ACSIs")

All relevant Carry Yields are determined on each Rebalancing Day of the **Index**. Afterwards, these results are translated into long, short or flat positions for each **ACSI** and its components.

Step 1: Classification into Long or Short Positions

Inside each **ACSI**, in order to determine the position of each individual market, on each Rebalancing Day the Carry Yield is checked. In case of a positive Carry Yield, a long position is established in the respective futures market. In case of a negative Carry Yield, a short position is established in the respective futures market. Otherwise it is given a zero weight.

Step 2: Weight Determination

On a Rebalancing Day the **Index Components'** notional percentage weights are reset so that all positions in the respective **ACSI** contribute the same amount of risk, expressed as standard deviation of daily log-returns over 90 **Index Business Days**, to the **ACSI**. The weights are rounded to four decimal places. These weights are transformed into number of futures, which are fixed until the next monthly Rebalancing Day.

Calculation of the TSCAR Sub-Index

The **TSCAR Sub-Index** aggregates its four **ACSIs** into one portfolio. The **ACSIs** are weighted inversely proportional to their volatility and the weightings are also implemented in the course of the monthly rebalancing process. The **TSCAR Sub-Index** consists of a certain number of units of each **ACSI**, which are calculated using the **ACSIs** notional percentage weights. The **TSCAR Sub-Index** is the sum of the daily USD profit/loss numbers of the four **ACSIs**, which can be derived using the daily

USD profit/loss numbers for all relevant Futures Roll Indices inside the asset class portfolios.

2.5.4 Faktor Strategie Trend (XSMOM) Sub-Index

The Faktor Strategie Trend (XSMOM) Sub-Index consists of 4 Strategy Sub-Indices.

The **Strategy Sub-Indices** are named **Asset Class Sub-Indices** ("ACSI"), as these are using different investment universes depending on their asset class membership; there is a **Commodity**, an **Equity**, a **Fixed Income** and an **FX Sub-Index**.

Each of the four **ACSIs** consists of four different **Trend Strategy Sub-Indices** ("**TSSI**"). The momentum strategies implemented in this index are based on cross-sectional momentum, ranking the respective assets according to a momentum signal and deriving investment decisions from a relative perspective. **TSSIs** are using the same asset class universe, but a different lookback period in the momentum metric.

Trend Strategy Sub-Indices ("TSSIs")

There are four **TSSIs** in one **ACSI**, whose asset universe is determined by its asset class. All relevant risk-adjusted momentum metrics are determined on each **Rebalancing Day** of the **Index**. Afterwards, these results are translated into long, short or flat positions for each **TSSI** and its constituents.

Step 1: Ranking and Classification into Long or Short Positions

This is done by ranking the assets in each **TSSI** by their price momentum. The highest momentum asset is assigned the toprank, the lowest momentum asset is assigned the bottom-rank, and all other assets accordingly using their momentum rank in between these two. The asset class universe is then divided into two parts (median split) with the same number of assets. If the **TSSI** consists of an uneven number of assets, this leads to one asset being left out. All assets of the top half are going to be long positions until the next **Rebalancing Day**, all assets of the bottom half are going be short positions until the next **Rebalancing Day**.

Step 2: Weight Determination

On a Rebalancing Day the **Index Components'** notional percentage weights are reset so that all positions in the respective **TSSI** contribute the same amount of risk, expressed as standard deviation of daily log-returns over 90 **Index Business Days**, to the **TSSI**. The weights are rounded to four decimal places. These weights are transformed into number of futures, which are fixed until the next monthly **Rebalancing Day**.

Asset Class Sub-Indices ("ACSIs")

Each **ACSI** aggregates its four **TSSIs** into one portfolio. The **TSSIs** are weighted inversely proportional to their volatility and the weightings are also implemented in the course of the monthly rebalancing process. Each **ACSI** consists of a certain number of units of each **TSSI**, which are calculated using the **TSSIs** notional percentage weights.

Each **ACSI** is the sum of the daily USD profit/loss numbers of the four **TSSIs**, which can be derived using the daily USD profit/loss numbers for all relevant Futures Roll Indices inside the asset class portfolios. Futures Roll Index daily profit/loss is transferred into USD, in case these are not denominated in USD.

Calculation of the Faktor Strategie Trend (XSMOM) Sub-Index

The Faktor Strategie Trend (XSMOM) Sub-Index aggregates its four ACSIs into one portfolio. The ACSIs are weighted inversely proportional to their volatility and the weightings are also implemented in the course of the monthly rebalancing process. The Faktor Strategie Trend (XSMOM) Sub-Index consists of a certain number of units of each ACSI, which are calculated using the ACSI's notional percentage weights.

The **Faktor Strategie Trend (XSMOM) Sub-Index** is the sum of the daily USD profit/loss numbers of the four **ACSIs**, which can be derived using the daily USD profit/loss numbers for all relevant Futures Roll Indices inside the asset class portfolios.

2.5.5 Faktor Strategie Ertrag (XSCAR) Sub-Index

The Faktor Strategie Ertrag (XSCAR) Sub-Index consists of 4 Strategy Sub-Indices.

The **Strategy Sub-Indices** are named **Asset Class Sub-Indices** ("ACSI"), as these are using different investment universes depending on their asset class membership; there is a **Commodity**, an **Equity**, a **Fixed Income** and an **FX Sub-Index**.

The carry strategies implemented in the Sub-Index are based on cross-sectional carry, ranking the respective assets according to a carry signal and deriving investment decisions from a relative perspective.

Asset Class Sub-Indices ("ACSIs")

All relevant Carry Yields are determined on each Rebalancing Day of the **Index**. Afterwards, these results are translated into long, short or flat positions for each **ACSI** and its constituents.

Step 1: Ranking and Classification into Long or Short Positions

This is done by ranking the assets in each **ACSI** by their Carry Yield. The highest carry asset is assigned the top-rank, the lowest carry asset is assigned the bottom-rank, and all other assets accordingly using their carry rank in between these two. The asset class universe is then divided into two parts with the same number of assets. If the **ACSI** consists of an uneven number of assets, this leads to one asset being left out. All assets of the top half are going to be long positions until the next Rebalancing Day, all assets of the bottom half are going be short positions until the next Rebalancing Day.

Step 2: Weight Determination

On a Rebalancing Day the **Index Components'** notional percentage weights are reset so that all positions in the respective **ACSI** contribute the same amount of risk, expressed as standard deviation of daily log-returns over 90 **Index Business Days**, to the **ACSI**. The weights are rounded to four decimal places. These weights are transformed into number of futures, which are fixed until the next monthly Rebalancing Day.

Calculation of the Faktor Strategie Ertrag (XSCAR) Sub-Index

The Faktor Strategie Ertrag (XSCAR) Sub-Index aggregates its four ACSIs into one portfolio. The ACSIs are weighted inversely proportional to their volatility and the weightings are also implemented in the course of the monthly rebalancing process. The Faktor Strategie Ertrag (XSCAR) Sub-Index consists of a certain number of units of each ACSI, which are calculated using the ACSI's notional percentage weights.

The **Faktor Strategie Ertrag (XSCAR) Sub-Index** is the sum of the daily USD profit/loss numbers of the four **ACSIs**, which can be derived using the daily USD profit/loss numbers for all relevant Futures Roll Indices inside the asset class portfolios.

2.6 RC Strategy

To achieve the long-term targeted volatility of the **RC Strategy** of 6%, each day the weight allocated to the **Performance Asset** is determined by the ratio of target volatility (depending on the mode) and the realized volatility observed in the market.

In order to achieve the **RC Strategy's** target volatility of 6%, the weighting allocated to the **Performance Asset** is determined each day by the ratio between the target volatility and the realized volatility observed in the market; the implementation lag is one **Index Business Day**. For the realized volatility, historical returns are weighted exponentially. In phases of low market volatility, leverage might become necessary to achieve the targeted volatility of 6% p.a. The leverage is capped at 250%. The **RC Strategy** starts with a value of 100 EUR. Its performance results from a) the excess performance stemming from the **Portfolio Components** and b) the transaction costs stemming from portfolio adjustments.

Transaction Costs

Trades need to be executed for the purpose of implementing an investment strategy and changes in the weighting of the portfolio will result in transaction costs. The Strategy assumes that orders are executed at the official closing price of the instrument (e.g. for Equity Index Components, the closing price as reported by the respective **Calculation Agent**, for Futures Roll Indices or, more specifically, the respective futures markets, the official exchange settlement price, for securities like ETFs or stocks the official exchange closing price), adjusted for transaction costs on a per trade basis. These transaction costs are reflected in the performance of the **Strategy**. Transaction costs are derived from observed market prices.

RC Strategy Calculation

On the **RC Strategy Start Date**, the time series is initialized with 100 EUR. On all other **Strategy Business Days**, it is updated by summing up the profit or loss contributed by each individual **Portfolio Component**, taking into account its portfolio weighting as well as transaction costs stemming from portfolio adjustments.

2.7 Investportfolio Balance

2.7.1 Strategy

The **Strategy** implements the **Portfolio Protection**. It combines an allocation to the **RC Strategy** with a long position in a 1month European put option (the "Put"), rolled on a calendar monthly basis (the "**Portfolio Protection**"). The Put introduces a protection to the **Strategy** that is effective at each monthly **Observation Date**. An **Observation Date** is defined as the last **Strategy Business Day** of the month. That means, the **active Put** expires on the next **Observation Date**. On this **Observation Date**, the **next Put** becomes the new active Put. The Put references the **RC Strategy** as underlying. On each **Observation Date** the monthly guarantee level (i.e. the strike of the Put option) is set such that the **Strategy** provides an overall 80% protection until the next **Observation Date** taking into account the negative drift induced by the Put price.

2.7.2 Costs

Strategy Costs

The **Strategy** contains a cost of 95 bps per annum. These costs are included via a negative drift (following the act/365 day count convention and which further includes transaction costs as outlined in the **RC Strategy** section and option premiums in order to provide the monthly guarantee).

2.7.3 Strategy Calculation

On the **Strategy Start Date**, the time series of the **Strategy** is initialized with 100 EUR. On any **Strategy Calculation Day** during its lifetime prior to each nearest Option Maturity Date, the value of the Put is calculated using the Black-Scholes formula and standard input data as well as parameters. On all **Strategy Calculation Days** which are **Strategy Business Days**, the published value for the Strategy is derived as the value of the position in the **RC Strategy** and the value of the position in the Put. On all remaining **Strategy Calculation Days** the **Strategy** uses a stale value of the **Strategy** considering its value as of the most recent **Strategy Business Day**.

2.8 Accuracy

The daily closing price of the Index will be rounded to two decimal places.

3 Strategy Principles

The **Strategy** is intended to reflect the performance of the investment strategy as defined in this **Strategy Handbook**. It is excess return and denominated in Euro. The investment universe covers four asset class: bond, commodity, equity and FX markets. Eligible **Portfolio Components** must be liquidly tradable. The portfolio composition aims to provide diversification across asset classes and factors. The **Strategy** is risk managed and adjusted on a daily basis, rebalancing may occur on a monthly basis. The **Strategy** aims to achieve a volatility of 6% per annum.

4 Strategy Owner

The **Strategy Owner** is Munich Reinsurance Company ("**Munich Re**" or "**Strategy Owner**"). The **Strategy Owner** will retain all ownership rights, expressed or otherwise, with respect to the **Strategy**, including the ability to license, sell or transfer any or all of its ownership rights with respect to the **Strategy**.

The **Strategy Owner** has appointed an independent **Calculation Agent** to maintain and calculate the **Strategy**. The **Strategy Owner** may in the future terminate the appointment of the **Calculation Agent** and appoint a replacement **Calculation Agent**.

5 Administrator / Calculation Agent

The **Strategy Owner** has entrusted the day-to-day management and maintenance of the **Strategy** to an **Administrator** (the "**Administrator**"), who will also fulfil the function of the **Calculation Agent** (the "**Calculation Agent**").

The Administrator is currently Solactive AG.

The **Administrator** will maintain and employ the rules, procedures and methodology described in this document. This includes the implementation of changes to the Strategy and/or to the methodology under the instruction of the Oversight Committee

(as defined below). The **Administrator** is responsible for the publication of the values of the **Strategy** determined by it as well as any further publication in relation to the **Strategy**.

Subject to the terms set out in this document, any determination by the **Administrator** will be made in its sole and absolute discretion by reference to such factors as it deems appropriate at such time. Any such determination by the **Administrator** will, in the absence of manifest error, be final, conclusive and binding.

No assurance can be given that market, regulatory, juridical or fiscal circumstances will not arise that would, in the view of the **Investment Committee**, make a modification or change of the methodology necessary, which then would have to be implemented by the **Administrator**.

6 Calculation during Market Disruption Events and Strategy Adjustments

The **Administrator** may - acting in accordance with the instructions of the **Oversight Committee** and in accordance with the terms of this document – adjust the calculation of, delay or suspend the **Strategy**. Any such calculation adjustment, delay, suspension or non-publication may have a negative impact on any instruments linked to the **Strategy**.

6.1 Oversight Committee

The "**Oversight Committee**" is composed of staff from the **Administrator**. The **Oversight Committee** is responsible for decisions regarding any amendments to the rules of the **Strategy**.

Any such amendment, which may result in an amendment of the **Strategy Handbook**, must be submitted to the **Oversight Committee** for prior approval and will be made in compliance with the **Methodology Policy**, which is available on the **Administrator's** website: <u>https://www.solactive.com/documents/methodology-policy/</u>.

6.2 Market Disruption Event

In periods of market stress the **Administrator** calculates its indices following predefined and exhaustive arrangements as described in the **Administrator's Disruption Policy**, which is incorporated by reference and available on the **Administrator's** website: https://www.solactive.com/documents/disruption-policy/.

Such market stress can arise due to a variety of reasons, but generally results in inaccurate or delayed prices for one or more **Portfolio Components**. The determination of the **Strategy** may be limited or impaired at times of illiquid or fragmented markets and market stress.

6.3 Strategy Adjustments

Strategy Modification

The methodology of the Strategy is subject to regular review, at least annually. In this context, the Strategy Owner may make suggestions to the **Administrator**, which are then reviewed by the **Administrator**. In case a need of a **Strategy Modification** has been identified within such review (e.g. if the underlying market or economic reality has changed since the launch of the Strategy, i.e. if the present methodology is based on obsolete assumptions and factors and no longer reflects the reality as accurately, reliably and appropriately as before), such change will be made in accordance with the **Administrator's Methodology Policy**, which is incorporated by reference and available on the **Administrator's** website: https://www.solactive.com/documents/methodology-policy/.

Strategy Correction

The **Administrator** makes the greatest possible efforts to accurately calculate and maintain its benchmarks and reference values. However, errors in the determination process may occur from time to time for variety reasons (internal or external) and therefore, cannot be completely ruled out.

The **Administrator** endeavors to correct all errors that have been identified within a reasonable period of time. The understanding of "a reasonable period of time" as well as the general measures to be taken are generally depending on the underlying and is specified in the **Administrator's Correction Policy**, which is incorporated by reference and available on the **Administrator's** website: <u>https://www.solactive.com/documents/correction-policy/</u>.

Publication of Strategy Adjustments

Any **Strategy Adjustments**, including changes to the **Portfolio Components**, changes to the methodology or a cancellation of the **Strategy**, as decided by the **Investment Committee** and implemented by the **Administrator**, will be publicly announced by the **Administrator** as promptly as is reasonably practicable and normally at least 60 **Strategy Business Days** prior to the effective date of such change(s).

All public announcements and changes in the Strategy will be reported in the Appendix of this **Strategy Handbook** and announced on the **Administrator's** website under the Section "Announcement", which is available at: https://www.solactive.com/documents/methodology-policy/.

Cancelation of the Strategy

The Administrator has established and maintains clear guidelines on how to identify situations in which the cessation of the Strategy is unavoidable, how stakeholders are to be informed and consulted and the procedures to be followed for a termination or the transition to an alternative investment strategy. Details are specified in the Administrator's Termination reference Administrator's Policy, which incorporated available on the website. is by and https://www.solactive.com/documents/termination-policy/.

7 Historical Data

The values of the **Strategy** between the **Strategy Start Date** and the **Strategy Live Date** have been determined by reference to historical data and must be considered as simulated and thus purely hypothetical. It is provided as an illustration of how the **Strategy** would have performed during the period had the **Calculation Agent** began calculating the **Strategy** on the **Strategy Start Date** using the methodology described in this document. This data does not reflect actual performance, nor was a contemporaneous investment model run of the **Strategy**. Whilst any such methodology or assumption is, in the view of the **Strategy Owner**, reasonable, the use of historical data may result in material differences between the simulated performance of the **Strategy**, prior to the **Strategy Live Date**, and any subsequent actual performance. The **Strategy** history before the **Strategy Live Date** has been determined by the **Strategy Owner** and has only partially been verified by the **Calculation Agent**.

Historical values of the **Strategy** for the period from and after the **Strategy Live Date** are calculated with reference to the official closing values of the **Portfolio Components** determined based on the latest available data published by the relevant exchanges and/or benchmark administrators and/or as delivered via the employed information systems.

Past performance of the **Strategy** is not a reliable guide to future performance and the past performance of the **Strategy** may have been determined on terms different to those described in this **Strategy Handbook**. No assurance, representation or warranty is given of the future performance of the **Strategy** or that it will achieve its objective. Instruments linked to the **Strategy** can fluctuate in price or value and prices, values or income may fall against the interests of any investor exposed to the performance of the **Strategy**. Changes in rates of exchange, rates of interest and prices of any **Portfolio Components**, among other things, may have an adverse effect on the value of the **Strategy**.

8 Contact

8.1 Strategy User

The Strategy User can be contacted at the following address:

Gothaer Lebensversicherung AG Arnoldiplatz 1 50969 Köln Germany Internet: http://www.gothaer.de

8.2 Strategy Owner

The Strategy Owner can be contacted at the following address:

Munich Reinsurance Company Markets Königinstrasse 107 80802 Munich Germany Internet: http://www.munichre.com

8.3 Administrator

The Administrator can be contacted at the following address:

Solactive AG Platz der Einheit 1 60327 Frankfurt am Main Germany

Internet: http://www.solactive.com

8.4 Calculation Agent

The Calculation Agent can be contacted at the following address:

Solactive AG Platz der Einheit 1 60327 Frankfurt am Main Germany Internet: http://www.solactive.com

9 Risk Provisions

Without prejudice to the Disclaimer in Section 13, regard should be had to the non-exhaustive risk factors below which describe events or circumstances that may affect the calculation and/or the performance of the **Strategy** and may be material for the purposes of assessing the risks associated with any investment related to the **Strategy**.

9.1 Nature of the Strategy

The **Strategy** is a rule-based formula that enables the value of the **Strategy** to be calculated from time to time. Although instruments may be issued or entered into whose return is linked to the performance of the **Strategy**, the **Strategy** is not itself an investment or instrument and does not give any person any entitlement to, or ownership interest in, any **Portfolio Components** or any other obligation or asset referenced (directly or indirectly) by the **Strategy**.

9.2 Potential Conflicts of Interest

Potential conflicts of interest may exist in the internal teams, divisions or entities of the Munich Re Group. For example, one team may make determinations and take actions in relation to the **Strategy** in its capacity as **Strategy Owner**, while another team within the organisation may issue or promote/sell products linked to the **Strategy**.

In addition, a further team within the organisation may have trading positions in or relation to instruments and assets to which the performance of the **Strategy** is directly or indirectly linked (including any **Portfolio Component**). No entity within the Munich Re Group shall have any duty or obligation to take into account any impact in the performance of the **Strategy** when effecting transactions in such instruments and assets.

9.3 Risks associated with an investment in instruments linked to the Strategy

Counterparty Risk

Instruments linked to the **Strategy** may be exposed to counterparty credit risk. If an entity trades, enters into or issues any such instruments and becomes insolvent it may not be able to meet all of its payment obligations.

Interaction Risk

The value of the **Strategy** is based on the performance of different investment types. Different types of financial risk may interact unpredictably on these investments, particularly in times of market stress.

Тах

The value of the **Strategy** may be reduced to account for certain taxes and other deductions and therefore, may impact the performance of the **Strategy** and returns on any instruments linked to the **Strategy**.

Duty of Care

Subject always to their regulatory obligations and except as may be required by applicable law, neither the **Strategy Owner**, the nor the **Calculation Agent** shall have a duty of care or any fiduciary duty to any person in respect of the **Strategy** including any investor in any instrument linked to the **Strategy**. Neither the **Strategy Owner** nor the **Calculation Agent** is acting as an investment adviser or manager or providing advice of any nature in relation to the **Strategy** or any instrument linked to the **Strategy**.

Other Risks

There is no guarantee, warranty or assurance that this document discloses all possible factors that may affect the performance of the **Strategy** and the risks of investing in any instrument that is linked to the **Strategy**.

Before investing in any such instrument, you must satisfy yourself that you fully understand the risks of such investment and you are solely responsible for making an independent appraisal of and investigation into the **Strategy** and should not rely on this document as constituting investment advice.

10 DISCLAIMER

THE STRATEGY OWNER, THE STRATEGY USER, THE ADMINISTRATOR AND THE CALCULATION AGENT MAY EACH BE SUBJECT TO A NUMBER OF CONFLICTS OF INTEREST IN CONNECTION WITH THEIR ROLE AND SERVICES PERFORMED WITH RESPECT TO THE STRATEGY. IN THE EVENT THAT SUCH CONFLICTS ARISE, THE STRATEGY OWNER, THE STRATEGY USER, THE ADMINISTRATOR AND THE CALCULATION AGENT SHALL USE THEIR REASONABLE ENDEAVOURS TO RESOLVE SUCH CONFLICTS OF INTEREST FAIRLY (HAVING REGARD TO THEIR RESPECTIVE OBLIGATIONS AND DUTIES).

ALTHOUGH THE STRATEGY OWNER, THE STRATEGY USER, THE ADMINISTRATOR AND THE CALCULATION AGENT, AS APPLICABLE, WILL EACH OBTAIN INFORMATION FOR INCLUSION IN OR FOR USE IN THE PROVISION OF THE STRATEGY FROM SOURCES WHICH THE STRATEGY OWNER OR THE ADMINISTRATOR CONSIDERS RELIABLE, NEITHER THE STRATEGY OWNER NOR THE STRATEGY USER NOR THE ADMINISTRATOR NOR THE CALCULATION AGENT WILL INDEPENDENTLY VERIFY SUCH INFORMATION AND OR GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE STRATEGY OR ANY DATA INCLUDED THEREIN. THE STRATEGY IS COMPILED BY THE ADMINISTRATOR AND CALCULATED BY THE CALCULATION AGENT. POTENTIAL INVESTORS SHOULD BE AWARE THAT THE ADMINISTRATOR HAS A NUMBER OF SIGNIFICANT DISCRETIONS IN RELATION TO THE PROVISION OF THE STRATEGY.

THE STRATEGY OWNER, ANY OF ITS AFFILIATES, THE STRATEGY USER, THE ADMINISTRATOR OR THE CALCULATION AGENT DO NOT MAKE ANY EXPRESS OR IMPLIED WARRANTY OR REPRESENTATION WHATSOEVER AS TO (A) THE ADVISABILITY OF PURCHASING OR ASSUMING ANY RISK IN CONNECTION WITH ANY TRANSACTIONS ANY INVESTMENTS OR TRADING PRODUCTS OR STRATEGIES BASED ON, INDEXED TO OR OTHERWISE RELATED TO THE STRATEGY, (B) THE RESULTS TO BE OBTAINED FROM THE USE OF THE STRATEGY OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH ANY LICENSED RIGHTS OR FOR ANY OTHER USE, (C) THE VALUE AT WHICH THE STRATEGY STANDS OR WILL STAND, ANY PORTFOLIO COMPONENT, OR THE WEIGHT OF ANY PORTFOLIO COMPONENT AT ANY PARTICULAR TIME ON ANY PARTICULAR DAY OR (D) ANY OTHER MATTER. NEITHER THE STRATEGY OWNER NOR ANY OF ITS AFFILIATES MAKES ANY EXPRESS OR IMPLIED REPRESENTATIONS OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO THE STRATEGY OR ANY DATA INCLUDED THEREIN. A POTENTIAL INVESTOR IN, OR COUNTERPARTY TO, PRODUCTS BASED ON THE STRATEGY HAS NO DIRECT RECOURSE TO EITHER THE STRATEGY OWNER OR ANY OF ITS AFFILIATES AND THE CHARACTERISTICS AND RISKS ASSOCIATED WITH SUCH PRODUCTS ARE AVAILABLE IN THE PRODUCT RELATED DOCUMENTS.

THE CALCULATION AGENT AND THE ADMINISTRATOR SHALL NOT BE LIABLE (IN NEGLIGENCE OR OTHERWISE) TO ANY PERSON FOR ANY ERROR IN THIS STRATEGY, OR ANY DELAY OR OMISSION OR FOR THE QUALITY, ACCURACY, TIMELINESS AND/OR COMPLETENESS OF THIS DOCUMENT AND IT SHALL NOT BE UNDER ANY OBLIGATION TO ADVISE ANY PERSON OF THE FOREGOING. WITHOUT LIMITING ANY OF THE FOREGOING, NEITHER THE CALCULATION AGENT NOR THE ADMINISTRATOR SHALL HAVE IN ANY EVENT ANY LIABILITY (WHETHER IN NEGLIGENCE OR OTHERWISE) TO ANY PERSON FOR ANY INDIRECT, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS) EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

THE STRATEGY OWNER, THE STRATEGY USER, THE ADMINISTRATOR AND THE CALCULATION AGENT DO NOT AUTHORISE, ENDORSE, RATIFY OR OTHERWISE RECOMMEND THE PORTFOLIO COMPONENTS AND ACCEPTS NO LIABILITY OR RESPONSIBILITY WHATSOEVER FOR THE VALUES AT WHICH THE PORTFOLIO COMPONENTS STAND AT ANY PARTICULAR TIME ON ANY PARTICULAR DATE OR THE RESULTING PERFORMANCE OF THE STRATEGY.

THE SPONSORS OF ANY OF THE PORTFOLIO COMPONENTS (INCLUDING SPONSORS OF ANY INDICES THAT MAY BE A COMPONENT OF AN PORTFOLIO COMPONENT) ARE NOT RESPONSIBLE FOR AND HAVE NOT AND WILL NOT PARTICIPATE IN THE DETERMINATION OF THE COMPOSITION OF THE STRATEGY, INCLUDING ANY CALCULATIONS USED THEREOF AT ANY TIME AND THEY HAVE NO OBLIGATION OR LIABILITY IN CONNECTION WITH THE ADMINISTRATION RELATING TO THE STRATEGY. ANY DISCLAIMER RELATING TO EACH OF THE PORTFOLIO COMPONENTS (INCLUDING ANY INDICES THAT MAY BE A COMPONENT OF ANY PORTFOLIO COMPONENT) IS DEEMED TO BE INCORPORATED HEREIN AND SHALL APPLY TO THE STRATEGY RULES.