

# UNICREDIT BANK AG

## Benchmark Statement - UC Sponsored Strategy Benchmark Family

### **Introduction:**

This document is the benchmark statement (the “**Benchmark Statement**”) for the members of the Benchmark Family which are benchmarks for the purpose of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (the “**Benchmarks Regulation**” or “**BMR**”).

Nothing contained in this Benchmark Statement should be construed as an offer or solicitation of any transaction.

Original document date: 5 December 2019

Version date: 25 January 2021

The latest version of this Benchmark Statement can be found at [www.onemarkets.de](http://www.onemarkets.de). UniCredit Bank AG reserves the right to amend, supplement or update this Benchmark Statement and/or the Index Descriptions from time to time and accepts no liability for any such modifications.

### **Benchmark Family and Categorisation:**

UC Sponsored Strategy Benchmark Family comprises the benchmarks specified in Annex I – Members of the UC Sponsored Strategy Benchmark Family.

The benchmarks described herein have been categorised as (i) non-significant benchmarks (NSBM) and (ii) no contributions of input data by contributors are used for the determination of the benchmarks. Hence, only the provisions for a benchmark that is a non-significant benchmark (NSBM) are applicable.

None of the benchmarks described herein is an interest rate benchmark or a commodity benchmark.

### **Further Definitions:**

“**Index Committee**” means the index committee of the UniCredit Bank AG as defined and described in the “Operational Regulation of the Index Committee of the UniCredit Bank AG”.

“**Index Description**” means in relation to a Benchmark the full and definitive rules of the Benchmark which will be made available to stakeholders upon request and, if applicable, subject to confidentiality or other agreements between UniCredit Bank AG and the relevant party.

“**RTS**” means the Reference in Commission Delegated Regulation (EU) 2018/1643 of 13 July 2018.

UniCredit Bank AG - UC Sponsored Strategy Benchmark Family

Ref.	Clause	Description
BMR Article 27(1)(a)	The Benchmark Statement shall clearly and unambiguously define the market or economic reality measured by the benchmark and the circumstances in which such measurement may become unreliable.	The UC Sponsored Strategy Benchmark Family is designed to represent the performance of a hypothetical portfolio of a hypothetical investor allocating to exchange-traded instruments (e.g. exchange traded funds, equities, bonds), indices on exchange-traded instruments and investment funds. The UC Sponsored Strategy Benchmark Family are usually not subject to specific criteria of the market or economic reality(e.g. geographical boundaries, style, asset class, etc.). If any specific criteria apply to a benchmark, such specific criteria are stipulated in the respective Index Description.  The composition is determined by an index sponsor based on an allocation strategy that involves discretionary elements while respecting the criteria and limits specified in the respective Index Description.
BMR Article 27(1)(b)	The Benchmark Statement shall lay down technical specifications that:  (I) clearly and unambiguously identify the elements of the calculation of the benchmark in relation to which discretion may be exercised,  (II) the criteria applicable to the exercise of such discretion,  (III) the position of the persons that can exercise discretion,  (IV) and how such discretion may be subsequently evaluated.	The Index Descriptions are written with the intent of removing the need for judgement or exercising discretion in the calculation of the benchmark.  Within the limits specified in the respective Index Description, the index sponsor could exercise discretion in relation to modifying the composition of the benchmark.  Where there may be a need to take an action that is not prescribed in the respective Index Description, the Index Committee will develop an approach with the goal of remaining consistent with the objectives of the benchmark and ensuring timely calculation and distribution.
BMR Article 27(1)(c)	The Benchmark Statement shall provide notice of the possibility that factors, including external factors beyond the control of the administrator, may necessitate changes to, or the cessation of, the benchmark.	UniCredit Bank AG hereby provides notice that it might be possible that factors, including external factors beyond UniCredit Bank AG's control, may necessitate changes to, or the cessation of, the benchmark.
BMR Article 27(1)(d)	The Benchmark Statement shall advise users that changes to, or the cessation of, the benchmark may have an impact upon the financial contracts and financial instruments that reference the benchmark or the measurement of the performance of investment funds.	Possible changes to, or the cessation of, a benchmark may have an impact upon the financial contracts and financial instruments that reference the benchmark.
BMR Article 27(2)(a)	The Benchmark Statement shall contain the definitions for all key terms relating to the benchmark.	The definitions of all key terms can be found in the "Glossary of Technical Terms used in Index Descriptions for UniCredit Benchmarks" which can be found at <a href="http://www.onemarkets.de">www.onemarkets.de</a> .
BMR Article 27(2)(b)	The Benchmark Statement shall contain the rationale for adopting the  (I) benchmark methodology and	<u>Re. (I):</u>  The methodology of the benchmarks of the UC Sponsored Strategy Benchmark Family reflects the market and economic reality as set out above (Ref. BMR Article 27(1)(a)).

UniCredit Bank AG - UC Sponsored Strategy Benchmark Family

Ref.	Clause	Description
	(II) procedures for the review and approval of the methodology.	<p>The benchmarks were adopted to meet the market demand of investors for products linked to the benchmarks in order to gain exposure to such market or economic reality.</p> <p><u>Re. (II):</u></p> <p>The review of the benchmarks of the UC Sponsored Strategy Benchmark Family follows the governance process set out in the operational regulation of the Index Committee. The approval of all new benchmarks of the UC Sponsored Strategy Benchmark Family follows the governance process set out in an internal directive document. The review and approval process ensures that the requirements of investors and other benchmark users are met.</p>
BMR Article 27(2)(c)	The Benchmark Statement shall contain the criteria and procedures used to determine the benchmark, including a description of the input data, the priority given to different types of input data, the minimum data needed to determine a benchmark, the use of any models or methods of extrapolation and any procedure for rebalancing the constituents of a benchmark's index.	<p>The calculation of the benchmarks of the UC Sponsored Strategy Benchmark Family is rule-based and specified in the respective Index Description.</p> <p>The input data for UC Sponsored Strategy Benchmark Family are:</p> <ul style="list-style-type: none"> <li>• In relation to exchange traded instruments, readily available transaction data prices sourced via vendors from predefined relevant exchanges;</li> <li>• In relation to investment funds, readily available net asset values sourced via vendors from the respective fund/management company;</li> <li>• In relation to indices, readily available data from the index provider sourced via vendors. Such index providers ensure that they have robust governance arrangements, policies and procedures in place when providing indices;</li> <li>• In relation to foreign exchange rates, readily available data sourced from vendors for foreign exchange rates. Such vendors ensure that they have robust governance arrangements, policies and procedures in place when providing foreign exchange rates;</li> <li>• In relation to interest rate fixings, readily available data sourced from vendors for interest rate fixings. Such vendors ensure that they have robust governance arrangements, policies and procedures in place when providing interest rates fixings.</li> </ul> <p>Regarding input data, the benchmarks of the UC Sponsored Strategy Benchmark Family are determined totally or partially based on data which is not regulated data as defined in Article 3.1(24) of Regulation (EU) 2016/1011. None of the benchmarks of the UC</p>

UniCredit Bank AG - UC Sponsored Strategy Benchmark Family

Ref.	Clause	Description
		<p>Sponsored Strategy Benchmark Family are determined using contributions of input data provided by contributors.</p> <p>The specific data source and the time as of which the data is observed is typically specified in the respective Index Description.</p>
BMR Article 27(2)(d)	The Benchmark Statement shall contain the controls and rules that govern any exercise of judgement or discretion by the administrator or any contributors, to ensure consistency in the use of such judgement or discretion.	The circumstances in which judgement and/or discretion may be exercised are set out above (Ref. BMR Article 27(1)(b)).
BMR Article 27(2)(e)	The Benchmark Statement shall contain the procedures which govern the determination of the benchmark in periods of stress or periods where transaction data sources may be insufficient, inaccurate or unreliable and the potential limitations of the benchmark in such periods.	The procedures which govern the determination of the benchmark in periods of stress or periods where transaction data sources may be insufficient, inaccurate or unreliable and the potential limitations of the benchmark in such periods are specified in the adjustment and market disruption paragraphs of the respective Index Description.
BMR Article 27(2)(f)	The Benchmark Statement shall contain the procedures for dealing with errors in input data or in the determination of the benchmark, including when a re-determination of the benchmark is required.	<p>Procedures for dealing with errors in input data or in the determination of the benchmark, including provisions for rectifying the determination of the benchmark, are outlined in an internal directive document.</p> <p>Errors in the benchmark determination shall be corrected in accordance with the initial intention and considering the interest of the parties.</p>
BMR Article 27(2)(g)	The Benchmark Statement shall contain the identification of potential limitations of the benchmark, including its operation in illiquid or fragmented markets and the possible concentration of inputs.	The potential limitations of the benchmarks of the UC Sponsored Strategy Benchmark Family include circumstances where a significant proportion of the prices of the constituents of the benchmarks are unavailable or disrupted. The procedures which govern the determination or possible suspension of the benchmark can be found in the market disruption paragraphs of the respective Index Description.
BMR Article 28(1)	An administrator shall publish, together with the benchmark statement referred to in Article 27, a procedure concerning the actions to be taken by the administrator in the event of changes to or the cessation of a benchmark which may be used in the Union in accordance with Article 29(1). The procedure may be drafted, where applicable, for families of benchmarks and shall be updated and published whenever a material change occurs.	If the regular or any additional review of a benchmark of the UC Sponsored Strategy Benchmark Family as set out in the operational regulation of the Index Committee results (see description regarding BMR Article 27(2)(b)) in a consideration of changes to or the cessation of the benchmark, a respective impact study is carried out. The impact of a potential change to or the cessation of the considered benchmark to both the benchmark and known users is considered. The Index Committee aims to provide a consultation period on the proposals and or current benchmark methodology for the benchmark users before a change decision is made. The Index Committee aims to make a notice of the change at least one month prior to a change. This period maybe shortened if market events necessitate an immediate change. Where a benchmark is

UniCredit Bank AG - UC Sponsored Strategy Benchmark Family

Ref.	Clause	Description
		designed for a single end user, changes may be made based on a mutual agreement with the user.
RTS Article 1(1)(a)	The Benchmark Statement shall state the date of publication of the statement and, where applicable, the date of its last update.	See page 1 for the date of the original document and this document version.
RTS Article 1(1)(b)	The Benchmark Statement shall state where available, the international securities identification number (ISIN) of the benchmark or benchmarks; alternatively, for a family of benchmarks, the statement may provide details of where the ISINs are publicly accessible free of charge.	See Annex I – Members of the UC Sponsored Strategy Benchmark Family.
RTS Article 1(1)(c)	The Benchmark Statement shall whether the benchmark, or any benchmark in the family of benchmarks, is determined using contributions of input data.	See description under Ref. BMR Article 27(2)(c).
RTS Article 1(1)(d)	The Benchmark Statement shall state whether the benchmark or any benchmark in the family of benchmarks qualifies as one of the types of benchmarks listed under Title III of Regulation (EU) 2016/1011, including the specific provision by virtue of which the benchmark qualifies as that type.	Each benchmark of the UC Sponsored Strategy Benchmark Family is a non-significant benchmark as defined under Title III of Regulation (EU) 2016/1011.
RTS Article 1(2)	In defining the market or economic reality, the benchmark statement shall include at least the following information:	
	(a) a general description of the market or economic reality;	See description under Ref. BMR Article 27(1)(b).
	(b) the geographical boundaries, if any, of the market or economic reality;	See description under Ref. BMR Article 27(1)(b).
	(c) any other information that the administrator reasonably considers to be relevant or useful to help users or potential users of the benchmark to understand the relevant features of the market or economic reality, including at least the following elements insofar as reliable data on these elements is available: (i) information on actual or potential participants in the market; (ii) an indication of the size of the market or economic reality.	Not applicable for non-significant benchmarks.
RTS Article 1(3)	In defining the potential limitations of the benchmark and the circumstances in which the measurement of the market or economic reality may become unreliable, the benchmark statement shall include at least:	
	(a) a description of the circumstances in which the administrator would lack sufficient input data to determine the benchmark in accordance with the	See description under Ref. BMR Article 27(2)(e) and (g).

UniCredit Bank AG - UC Sponsored Strategy Benchmark Family

Ref.	Clause	Description
	<p>methodology;</p> <p>(b) where relevant, a description of instances when the accuracy and reliability of the methodology used for determining the benchmark can no longer be ensured, such as when the administrator deems the liquidity in the underlying market as insufficient;</p> <p>(c) any other information that the administrator reasonably considers to be relevant or useful to help users and potential users to understand the circumstances in which the measurement of the market or economic reality may become unreliable, including a description of what might constitute an exceptional market event.</p>	<p>Not applicable for non-significant benchmarks.</p> <p>Not applicable for non-significant benchmarks.</p>
RTS Article 1(4)	In specifying the controls and rules that govern any exercise of judgement or discretion by the administrator or any contributors in calculating the benchmark or benchmarks, the benchmark statement shall include an <u>outline of each step of the process for any ex post evaluation of the use of discretion</u> , together with a clear indication of the position of any person(s) responsible for carrying out the evaluations.	Not applicable for non-significant benchmarks.
RTS Article 1(5)	In specifying the procedures for review of the methodology, the benchmark statement shall at least outline the procedures for public consultation on any material changes to the methodology.	Not applicable for non-significant benchmarks.
RTS Article 2	Specific disclosure requirements for regulated-data benchmarks.	Not applicable (the benchmarks of the UC Sponsored Strategy Benchmark Family are not regulated-data benchmarks).
RTS Article 3	Specific disclosure requirements for interest rate benchmarks.	Not applicable (the benchmarks of the UC Sponsored Strategy Benchmark Family are not interest rate benchmarks).
RTS Article 4	Specific disclosure requirements for commodity benchmarks.	Not applicable (the benchmarks of the UC Sponsored Strategy Benchmark Family are not commodity benchmarks).
RTS Article 5	Specific disclosure requirements for critical benchmarks.	Not applicable (the benchmarks of the UC Sponsored Strategy Benchmark Family are not critical benchmarks).



UniCredit Bank AG - UC Sponsored Strategy Benchmark Family

**Consideration of ESG Factors**

Name of the benchmark administrator	UniCredit Bank AG
Type of family of benchmarks	Sponsored Strategy
Name of the family of benchmarks	UC Sponsored Strategy Benchmark Family
Are there in the portfolio of the benchmark administrator any EU Climate Transition Benchmarks, EU Paris-aligned Benchmarks, benchmarks that pursue ESG objectives or benchmarks that take into account ESG factors?	Yes
Does the family of benchmarks pursue ESG objectives?	No



**Annex I – Members of the UC Sponsored Strategy Benchmark Family**

<b>Name of the benchmark</b>	<b>ISIN of the benchmark</b>
UC Equity Sector Select Index	DE000A2X2FS2