DESCRIPTION

EUROPEAN SECTOR ROTATION NET RETURN INDEX

In the version of 17 November 2022

The European Sector Rotation Net Return Index (the "Index") (ISIN: A2RN60, WKN: DE000A2RN607), developed and designed by UniCredit Bank AG or its legal successor (the "Index Sponsor"), is an index calculated by the Index Calculation Agent in Euro (the "Index Currency"), applying the rules ("Index Rules") outlined below.

1. General Description

The Index provides exposure to those sectors of the STOXX® Europe 600 Index universe that are likely to best profit from different phases of the European business cycle (the "Index Objective"). For this purpose, the sector indices (the "Sector Indices") are grouped into two baskets (the "Baskets"):

a defensive basket (the "Defensive Basket") and

a cyclical basket (the "Cyclical Basket").

In addition, at times the Index may provide exposure to the STOXX Europe 600 Net Return Index (the "Benchmark"). The Index will be calculated and published by the Index Calculation Agent. The Index will be regularly adjusted according to this Index Description.

The current Index value (the "Index Value") will be published on each Trading Day and can be retrieved via the financial information service provided by Reuters (.UCGRESRN) and Bloomberg (UCGRESRN <Index>).

The index value on 26 October 2018 ("Index Start Date") is EUR 1,000 ("Initial Index Value").

2. The Instrument Universe

As of the Index Start Date, the instrument universe (the "Instrument Universe") consists of the following indices (the "Instruments"):

i	Instruments in the Cyclical Basket	Bloomberg	Reuters
1	STOXX Europe 600 Automobiles & Parts Net Return	SXAR Index	.SXAR
2	STOXX Europe 600 Basic Resources Net Return	SXPR Index	.SXPR
3	STOXX Europe 600 Chemicals Net Return	SX4R Index	.SX4R
4	STOXX Europe 600 Construction & Materials Net Return	SXOR Index	.SXOR
5	STOXX Europe 600 Industrial Goods & Services Net Return	SXNR Index	.SXNR
i	**Instruments in the Defensive Basket**		
1	STOXX Europe 600 Food & Beverage Net Return	SX3R Index	.SX3R
2	STOXX Europe 600 Health Care Net Return	SXDR Index	.SXDR
3	STOXX Europe 600 Oil & Gas Net Return	SXER Index	.SXER
4	STOXX Europe 600 Telecommunications Net Return	SXKR Index	.SXKR
5	STOXX Europe 600 Utilities Net Return	SX6R Index	.SX6R
	Benchmark		
	STOXX Europe 600 Net Return	SXXR Index	.SXXR

3. Definitions

"Index Calculation Agent"	The Index Calculation Agent is UniCredit Bank AG or any New Index Calculation Agent selected by the Index Sponsor in accordance with the provisions of this Index Description.
"Ifo Business Climate"	The ifo Business Climate is based on approx. 9,000 monthly responses from businesses in manufacturing, the service sector, trade, and construction. Companies are asked to give their assessments of the current business situation and their expectations for the next six months. They can describe their situation as "good," "satisfactory," or "poor" and their business expectations for the next six months as "more favorable," "unchanged," or "less favorable." The balance value of the current business situation is the difference in the percentage shares of the responses "good" and "poor"; the balance value of expectations is the difference in the percentage shares of the responses "more favorable" and "less favorable." The business climate is a transformed mean of the balances of the business situation and the expectations. To calculate the index values, the transformed balances are all normalized to the average for the year 2015.
	The publication takes place on a monthly basis and is published by the ifo Institute (every day a publication takes place is a "Publication Day"). The value for the subcomponent Business Expectations used in the Index model will be published i.a. on Bloomberg under GRIFPEX <Index> or the website of the Ifo Institute (www.cesifo-group.de). For the calculation of the signals of the Index model (see Section 8 "Business Cycle Signal") the respective initially published (non-revised) values of the ifo Business Climate, subcomponent Business Expectations, will be used.
"Investment Period"	Each period between two consecutive Publication Dates of the ifo Business Climate Index.
"Trading Day"	Every day on which STOXX Ltd. is scheduled to calculate an official closing price for the STOXX® Europe 600 Index and all Relevant Exchanges as well as all Relevant Derivatives Exchanges are scheduled to be open for business.
"Calculation Moment"	The moment immediately after the closing prices for all relevant Instruments have been disseminated on every Trading Day.
"First Selection Day"	25 October 2018 (will be denoted as T_0).
"Selection Day"	Each Publication Date of the ifo Business Climate Index (denoted by T_k). Those Selection Days which lay before the First Selection Day ($k < 0$) will be denoted as "Historic Selection Days".
"First Adjustment Day"	The Index Start Date.
"Adjustment Day"	The Trading Day immediately following the publication of the ifo Business Climate Index, if 1. this Trading Day falls into the months October, January, April or July. 2. for all other months: if there is a Need for Adjustment (as defined in Section 7) on the associated Selection Day.
"Additional Adjustment Day"	If there is a Need for Adjustment (as defined in Section 7): the Trading Day immediately following an Adjustment Day.

"Adjustment Moment"	The moment immediately after the closing prices for all relevant Instruments have been disseminated on an Adjustment Day or an Additional Adjustment Day, respectively.

4. Relevant Exchanges and Relevant Derivatives Exchanges

Country	Relevant Exchange	Relevant Derivatives Exchange
Germany	XETRA® - German Stock Exchange	EUREX
France	EURONEXT® Paris	EURONEXT® Paris
Switzerland	SIX Swiss Exchange	EUREX
United Kingdom	London Stock Exchange	ICE Futures Europe

5. Calculation of the Index

The value of the Index $I(t)$ at any time t is defined to be:

$$I(t) = \left(1 - Fee \cdot \frac{t - t_{adj}^{pre}}{360} - \Delta_{t,t_{adj}} \cdot \frac{Fee_{adj}}{2}\right)\left(\sum_{i=1}^{5} N_i^d \cdot S_i^d(t) + \sum_{i=1}^{5} N_i^c \cdot S_i^c(t) + N_B \cdot B(t)\right), \text{ where}$$

N_i^d	denotes number of the i-th Instrument units in the Defensive Basket $i \in \{1,...,5\}$
N_i^c	denotes number of the i-th Instrument units in the Cyclical Basket $i \in \{1,...,5\}$
N_B	denotes number of the Benchmark units
$S_i^d(t)$	denotes Last Available Price for the i-th Defensive Instrument $i \in \{1,...,5\}$
$S_i^c(t)$	denotes Last Available Price for the i-th Cyclical Instrument $i \in \{1,...,5\}$
$B(t)$	denotes Last Available Price for the Benchmark
Fee	denotes the Index Fee of 0.30%
t_{adj}	denotes (the Adjustment Moment on) an Adjustment Day or an Additional Adjustment Day
t_{adj}^{pre}	denotes (the Adjustment Moment on) the immediately preceding Adjustment Day or the immediately preceding Additional Adjustment Day, depending on which one is more recent
$\Delta_{t,t_{adj}}$	denotes the indicator whether t is an Adjustment Day or Additional Adjustment Day, i.e. $\Delta_{t,t_{adj}} = 1$, if $t = t_{adj}$, and $\Delta_{t,t_{adj}} = 0$, if $t \neq t_{adj}$.
Fee_{adj}	denotes the Adjustment Fee.

"Last Available Price" for any Instrument is defined as the prevailing price at time (t) disseminated by STOXX Ltd. as obtained by the Index Calculation Agent via information providers such as Bloomberg or Reuters, as long as no Market Disruption Event (as defined in section 10 below) has occurred.

The Index will be calculated continuously, at least on every Calculation Moment on every Trading Day (the associated index value is defined as "Index Closing Value"). For technical reasons, the Index Calculation Agent reserves the right to publish the Index Closing Value with a delay of up to two Trading Days.

The Index Value will be rounded up- or down to two decimals, where 0.005 will be rounded up.

6. Adjustments

On each Adjustment Day the Index Calculation Agent calculates the Adjustment Fee and determines the new number of units of the Instruments on the basis of the following algorithm.

The Adjustment Fee is calculated before the relevant Adjustment Moment t_{adj}:

$$Fee_{adj} = 0.04\% \cdot \sum_{j \in \{c,d,B\}} \left|\omega_j - \omega_j^{pre}\right|$$

The number of units of the i-th Index constituent is calculated immediately after the relevant Adjustment Moment t_{adj} as follows:

1. If there is no Need for Adjustment (as defined in Section 7):

$$N_i^{c new} = \frac{\omega_i^c \cdot I(t_{adj})}{S_i^c(t_{adj})}, \ i \in \{1, \dots, 5\} \text{ for the number of units of the Instruments in the Cyclical Basket}$$

$$N_i^{d new} = \frac{\omega_i^d \cdot I(t_{adj})}{S_i^d(t_{adj})}, \ i \in \{1, \dots, 5\} \text{ for the number of units of the Instruments in the Defensive Basket}$$

$$N_B^{new} = \frac{\omega_B \cdot I(t_{adj})}{B(t_{adj})} \text{ for the number of units of the Benchmark,}$$

2. If there is Need for Adjustment (as defined in Section 7):

$$N_i^{c new} = \frac{1}{2} \cdot \left(\frac{\omega_i^c \cdot I(t_{adj})}{S_i^c(t_{adj})} + \left(1 - Fee \cdot \frac{t_{adj} - t_{adj}^{pre}}{360} - \frac{Fee_{adj}}{2}\right) \cdot N_i^c \right), \ i \in \{1, \dots, 5\} \text{ for the number of units of the Instru-}$$
ments in the Cyclical Basket

$$N_i^{d new} = \frac{1}{2} \cdot \left(\frac{\omega_i^d \cdot I(t_{adj})}{S_i^d(t_{adj})} + \left(1 - Fee \cdot \frac{t_{adj} - t_{adj}^{pre}}{360} - \frac{Fee_{adj}}{2}\right) \cdot N_i^d \right), \ i \in \{1, \dots, 5\} \text{ for the number of units of the Instru-}$$
ments in the Defensive Basket

$$N_B^{new} = \frac{1}{2} \cdot \left(\frac{\omega_B \cdot I(t_{adj})}{B(t_{adj})} + \left(1 - Fee \cdot \frac{t_{adj} - t_{adj}^{pre}}{360} - \frac{Fee_{adj}}{2}\right) \cdot B \right) \text{ for the number of units of the Benchmark}$$

where

$I(t_{adj})$	Denotes the value of the Index at the relevant Adjustment Moment (t_{adj})
$N_i^{c new}$	denotes number of units of the i-th Instrument in the Cyclical Basket immediately after the relevant Adjustment Moment (t_{adj})
$N_i^{d new}$	denotes number of units of the i th Instrument in the Defensive Basket immediately after the relevant Adjustment Moment (t_{adj})
N_B^{new}	denotes number of units of the Benchmark immediately after the relevant Adjustment Moment (t_{adj})
ω_i^c	denotes the target weight of the i-th Instrument in the Cyclical Basket as determined on the respective Selection Day, i.e. T_k
ω_i^d	denotes the target weight of the i-th Instrument in the Defensive Basket as determined on the respective Selection Day, i.e. T_k
ω_B	denotes the target weight of the Benchmark as determined on the respective Selection Day, i.e. T_k
ω_c^{pre}	denotes the target weight of the Cyclical Basket as determined on the previous Selection Day, i.e. T_{k-1}
ω_d^{pre}	denotes the target weight of the Defensive Basket as determined on the previous Selection Day, i.e. T_{k-1}
ω_B^{pre}	denotes the target weight of the Benchmark as determined on the previous Selection Day, i.e. T_{k-1}

The number of units $N_i^{c_{new}}$, $N_i^{d_{new}}$ and N_B^{new} are rounded to 8 decimal places according to common market practice. The superscript "new" will be dropped after the completion of the Adjustment.

Moreover, on each Additional Adjustment Day, the Index Calculation Agent further determines the new number of units of the Instruments on the basis of the following algorithm.

The number of units of the ith Index constituent is calculated immediately after the relevant Adjustment Moment t_{adj} as follows:

$$N_i^{c_{new}} = \frac{\omega_i^c \cdot I(t_{adj})}{S_i^c(t_{adj})}, \; i \in \{1, \ldots, 5\} \text{ for the number of units of the Instruments in the Cyclical Basket}$$

$$N_i^{d_{new}} = \frac{\omega_i^d \cdot I(t_{adj})}{S_i^d(t_{adj})}, \; i \in \{1, \ldots, 5\} \text{ for the number of units of the Instruments in the Defensive Basket}$$

$$N_B^{new} = \frac{\omega_B \cdot I(t_{adj})}{B(t_{adj})} \text{ for the number of units of the Benchmark.}$$

The number of units $N_i^{c_{new}}$, $N_i^{d_{new}}$ and N_B^{new} are rounded to 8 decimal places according to common market practice. The superscript "new" will be dropped after the completion of the Adjustment.

On the First Adjustment Day, $I(t_{adj})$ equals the Initial Index Value.

7. Signal Generation

The Target Weights are determined on each Selection Day T_k at the Calculation Moment on the basis of a Business Cycle Signal and a Feedback Signal. To do so, the Business Cycle Target Weight (as defined in Section 8) and the Feedback Target Weight (as defined in Section 9) will be added, such that (depending on the Business Cycle Signal and the Feedback Signal) the following Target Weights are obtained:

Business Cycle Signal	Feedback Signal	Target Weight Cyclical Basket, ω_c	Target Weight Defensive Basket, ω_d	Target Weight Benchmark, ω_B
Cyclical Basket	Cyclical Basket	100%	0%	0%
Cyclical Basket	Benchmark	50%	0%	50%
Cyclical Basket	Defensive Basket	50%	50%	0%
Defensive Basket	Cyclical Basket	50%	50%	0%
Defensive Basket	Benchmark	0%	50%	50%
Defensive Basket	Defensive Basket	0%	100%	0%

The Instruments in each Basket will be equally weighted, i.e. the Target Weights of the Instruments of the Cyclical Basket and the Defensive Basket, respectively, will be calculated as follows:

$$\omega_i^c := \frac{\omega_c}{5} \quad \text{Target Weight of the i-th Instrument of the Cyclical Basket}$$

$$\omega_i^d := \frac{\omega_d}{5} \quad \text{Target Weight of the i-th Instrument of the Defensive Basket.}$$

There is a need for adjustment (the "Need for Adjustment") if the newly determined Target Weights of the Cyclical Basket, the Defensive Basket or the Benchmark on the Selection Day T_k deviate from the respective Target Weights determined on the immediately preceding Selection Day T_{k-1}.

Between two Adjustment Days, the actual weights of the instruments in the Index may vary according to the price changes of the instruments. If there is no need for adjustment on the Selection Day, the actual weights will be continued accordingly.

8. Business Cycle Signal

We refer to the (unrevised) Ifo Business Climate (subcomponent Business Expectations) $E(T_k)$ as initially published on the Selection Day T_k and available at the Calculation Moment on Reuters and Bloomberg or on the website of the Ifo Institute.

An uptrend is identified if at time T_k the Ifo business expectations have risen for three consecutive months by a total of 2 or more index points:

$$E(T_k) \geq E(T_{k-1}) \geq E(T_{k-2}) \geq E(T_{k-3}) \quad \text{where} \quad E(T_k) - E(T_{k-3}) \geq 2.$$

A turning point for the beginning of an uptrend is defined as the third month of an uptrend after a previous downtrend. At such a turning point, the business cycle signal will assign a Business Cycle Target Weight of 50% to the Cyclical Basket.

A downtrend is identified if at time T_k the Ifo business expectations have fallen for three consecutive months by a total of 2 or more index points:

$$E(T_k) \leq E(T_{k-1}) \leq E(T_{k-2}) \leq E(T_{k-3}) \quad \text{where} \quad E(T_{k-3}) - E(T_k) \geq 2.$$

A turning point for the beginning of a downtrend is defined as the third month of a downtrend after a previous uptrend. At such a turning point, the business cycle signal will assign a Business Cycle Target Weight of 50% to the Defensive Basket.

If the business cycle signal does not indicate a turning point, the allocation that was derived from the last turning point remains unchanged.

If on the first Selection Day T_0 the business cycle signal does not indicate a turning point, the business cycle signal on the (historical) Selection Days T_h , h = -1, -2, ..., starting at h = -1, is determined until a turning point is found. This turning point is then considered to be determining the Target Weight on the first Selection Day.

9. Feedback Signal

On the Selection Day T_k, the average performances of the Cyclical Basket, the Defensive Basket and the Benchmark over the preceding three Investment Periods are calculated, and the three values are compared:

$$R_c = \frac{1}{3} \sum_{j=k-2}^{k} \cdot \sum_{i=1}^{5} \frac{1}{5} \cdot \left(\frac{S_i^c(T_j)}{S_i^c(T_{j-1})} - 1 \right)$$

$$R_d = \frac{1}{3} \sum_{j=k-2}^{k} \cdot \sum_{i=1}^{5} \frac{1}{5} \cdot \left(\frac{S_i^d(T_j)}{S_i^d(T_{j-1})} - 1 \right)$$

$$R_B = \frac{1}{3} \sum_{j=k-2}^{k} \left(\frac{B(T_j)}{B(T_{j-1})} - 1 \right)$$

Here, T_k refers to the Calculation Moment at the respective (possibly Historic) Selection Day T_k.

The Feedback Signal derived from these performance figures allocates as follows:

If $\max\{R_c, R_d, R_B\} = R_c$, the Feedback Signal allocates a Feedback Target Weight of 50% to the Cyclical Basket.

If $\max\{R_c, R_d, R_B\} = R_d$, the Feedback Signal allocates a Feedback Target Weight of 50% to the Defensive Basket.

If $\max\{R_c, R_d, R_B\} = R_B$, the Feedback Signal allocates a Feedback Target Weight of 50% to the Benchmark.

10. Market Disruption

10.1. Reweighting

In case a Market Disruption occurs or exists on an Adjustment Day or Additional Adjustment Day, the respective Adjustment Day or Additional Adjustment Day is postponed to the next Trading Day on which the Market Disruption no longer exists. If a Market Disruption exists for five (5) consecutive Trading Days, (i) the fifth Trading Day is deemed to be the Adjustment Day or Additional Adjustment Day, and (ii) the reweighting according to section 6 is implemented in such a way that the number of unit of the Instrument affected by the Market Disruption remains unchanged in comparison with the respective previous Adjustment Day or Additional Adjustment Day. If the unchanged number of units of the respective Instrument affected by the Market Disruption is lower than the number of units that would have been implemented on the Adjustment Day or Additional Adjustment Day in the absence of the Market Disruption, the remaining number of units of all other Instruments shall be increased proportionally. However, if the unchanged number of units of the respective Instrument affected by the Market Disruption is higher than the number of unit that would have been implemented on the Adjustment Day or Additional Adjustment Day in the absence of the Market Disruption, the remaining number of units of all other Instruments shall be reduced proportionally.

10.2. Index Value

If an Instrument is affected by a Market Disruption on any Trading Day and the Market Disruption continues at the Calculation Moment, the last available price before the Market Disruption is used for the calculation of the Index Value.

If this price is not consistent with the prevailing market conditions or not suitable for any other reason, the reasonable price of the Instrument in accordance with the prevailing market conditions is used. Such price shall be determined by the Index Calculation Agent in its reasonable discretion (§ 315 BGB).

10.3. Definition of the Market Disruption

A market disruption (a "Market Disruption") exists if and as long as any Instrument is affected by a Market Disruption Event.

"Market Disruption Event" means any of the following events:

(a) in general the suspension or restriction of trading on the exchanges or the markets on which the securities that form the basis of the respective Instruments are listed or traded, or on the respective futures exchanges or on the markets on which Derivatives of the respective Instruments are listed or traded;

(b) in relation to individual securities which form the basis of respective Instrument, the suspension or restriction of trading on the exchanges or on the markets on which such securities are traded or on the respective futures exchange or the markets on which derivatives of such securities are traded;

(c) in relation to individual Derivatives of the respective Instrument, the suspension or restriction of trading on the futures exchanges or the markets on which such derivatives are traded;

(d) the suspension of or failure or the non-publication of the calculation of the respective Instrument as a result of a decision by the Instrument sponsor or the Instrument calculation agent;

to the extent that such Market Disruption Event is material; whether this is the case shall be determined by the Index Calculation Agent in its reasonable discretion (§ 315 BGB).

10.4. Impossibility of Index Calculation

The Index Calculation Agent is entitled to suspend the calculation of the Index Value on a temporary basis after one or several Instrument Events occurred, as long as the calculation of the Index is impossible.

11. Extraordinary Adjustment

If pursuing the Index Objective requires a change in the Index Rules due to (i) a significant change in the relevant regulatory or legal framework or taxation, (ii) a significant change in case law, (iii) substantially changed market circumstances or (iv) changes in the calculation, publication, or cessation of the Ifo Business Climate, the Index Sponsor, guided by the Index Committee, shall amend the Index Rules in its reasonable discretion (§ 315 BGB) in such a way that a substantially unchanged pursuance of the Index Objective remains possible. Such a change in the Index Rules shall not have a significant adverse effect on the economic position of the holders of financial products linked to the Index.

In the case of an Instrument Event or other serious circumstances, the affected Instruments are replaced by constituents of an economically equivalent asset class and/or investment strategy (each a "Successor Instrument") if pursuing the Index Objective is significantly affected by the Instrument Event or the other serious circumstances. The type of the Successor Instrument does not necessarily have to be of the same type as the replaced Instrument. This substitution is carried out by the Index Sponsor in its reasonable discretion (§ 315 BGB), guided by the Index Committee. The economic position of the holders of financial products linked to the Index shall not be substantially deteriorated by the measures described in this paragraph.

Following the occurrence of one or several Instrument Events, the Index Sponsor is entitled to suspend the calculation of the Index Value as long as the Last Available Prices are not consistent with the prevailing market conditions or for other reasons not suitable for the calculation of the Index Value; whether the conditions are fulfilled shall be determined by the Index Sponsor in its reasonable discretion (§ 315 BGB), guided by the Index Committee.

If an adjustment of the Index Rules is not possible, the Index Sponsor will notify the Index Calculation Agent about the cessation and final termination of the Index; whether the conditions are fulfilled shall be determined by the Index Sponsor in its reasonable discretion (§ 315 BGB), guided by the Index Committee.

"Instrument Event" means with respect to an Instrument that is an index any of the following events; the occurrence of any such event being determined by the Index Calculation Agent in its reasonable discretion (§ 315 BGB):

(a)   changes in the relevant index concept or the calculation of the Instrument, that result in a new relevant Index Concept or calculation of the Instrument being no longer economically equivalent to the original relevant Index Concept or the original calculation of the Instrument; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);

(b)   the calculation or publication of the Instrument is finally discontinued, or replaced by another index (the "Index Replacement Event");

(c)   due to circumstances for which the Index Sponsor is not responsible, the Index Sponsor is no longer entitled to use the Instrument as a basis for the calculations or, respectively, specifications described in the Terms and Conditions of these Securities (a "Index Usage Event"); an Index Usage Event is also a termination of the license to use the Instrument due to an economically unreasonable increase in license fees;

(d)   a Hedging Disruption occurs;

(e)   any event which is economically equivalent to one of the above-mentioned events with regard to its consequences on the Instrument; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB).

"Hedging Disruption" means that an issuer of financial products on the Instrument (the "Issuer"), due to reasons for which the Issuer is not solely responsible, is not able to

(a)   close, continue or carry out transactions or acquire, exchange, hold or sell assets (respectively) which are needed in order to hedge price risks or other risks with regard to its obligations under the financial products, or

(b)   realize, reclaim or pass on proceeds from such transactions or assets,

under conditions which are economically substantially equivalent to those on the Index Start Date; whether this is the case shall be determined by the Index Calculation in its reasonable discretion (§ 315 BGB).

12. Index Sponsor, Index Calculation Agent, and Index Committee

The Index is provided by UniCredit Bank AG, (or any legal successor thereof), acting as the Index Sponsor (assuming all rights and duties in this regard, if not otherwise delegated). The Index Sponsor has assigned all rights and duties with regard to the calculation of the Index to the Index Calculation Agent. Moreover, the Index Sponsor is at any time authorized to select in its reasonable discretion (§ 315 BGB) a new Index Calculation Agent (the "New Index Calculation Agent"), whereas each reference in this description to the Index Calculation Agent shall be deemed as a reference to the New Index Calculation Agent.

Additionally, an index committee (the "Index Committee") provides guidance on all aspects of administering the Index. The Index Committee consists of a group of specialists for Structured Equity & Commodity products from the Index Sponsor and will meet on an ordinary and extraordinary basis.

The Index Calculation Agent will apply the aforementioned method of calculation and the results will be final except for obvious errors. If regulatory, legal, fiscal or market circumstances (including, but not limited to any trading restrictions in the Instruments of the Instrument Universe and/or any derivatives linked to the Index, or changes in the calculation, publication, or cessation of the Ifo Business Climate) may arise that require a modification of, or change to such methodology, the Index Calculation Agent, guided by the Index Committee, shall be entitled to make such required modification or change on the basis of the aforementioned rules in its reasonable discretion (§ 315 BGB). The Index Calculation Agent will with all due care ensure that the resulting method of calculation of such a modification or change will be consistent with respect to the method defined above, and will be taking into account the economic position of investors in financial products that are linked to the Index.

When calculating the Index, the Index Calculation Agent has to rely on the statements, confirmations, computations, assurances and other information provided by third parties which cannot be verified. Any inaccuracies contained in this information may have an impact – without any fault of the Index Calculation Agent – on the calculation of the Index. There is no obligation of the Index Calculation Agent to independently verify any information received in relation to the Index.

UniCredit Bank AG holds a license from the German Financial Supervisory Authority (BaFin) according to sections 32 and 33 of the Banking Act (KWG) and is subject to supervision by the BaFin and the ECB.

13. Disclaimer

The Index exists exclusively in the form of data sets and does not convey any direct or indirect or legal or beneficial interest or ownership in the Instruments. Any action specified above in respect of the Index shall be effected solely on a theoretical basis by an amendment to such data. Neither Institutions issuing financial instruments linked to the Index nor the Index Calculation Agent nor the Index Sponsor are obliged to actually invest or hold an interest in the Instruments directly or indirectly.

The calculation of the Index Value and the weights of the Instruments will be performed by the Index Calculation Agent with all due care. The Index Sponsor and the Index Calculation Agent exclude any liability for except in the event of willful misconduct or gross negligence on their part. Neither the Index Sponsor nor the Index Calculation Agent give any representation or guarantee for the correctness of the market data Instrument the calculations for the Index. Neither the Index Sponsor nor the Index Calculation Agent assume any liability for any direct or indirect damage which may result from an incorrect calculation of the market data Instrument the calculation of the Index Value.

Neither the Index Sponsor nor any person related to the Index has the function of a trustee or advisor towards the holders of financial instruments linked to the Index.