

# DESCRIPTION

## MULTI ASSET TREND INDEX (ISIN DE000A1DKGZ3)

1 June 2010

### 1. General Description

The Multi Asset Trend Index (the "**Index**") shall reflect the performance of a multi asset momentum strategy with a fixed target volatility. The strategy consists of an investment into (i) those four (4) Underlying Instruments (sec. 2) from the Regular Instrument Universe (sec. 2) which show on each Selection Day (sec. 3) the strongest positive Momentum (as defined in Section 4) (the "**Risky Component**"), and (ii) into the Money Market Component (sec. 2). The participation in the Risky Component and the Money Market Component will be adjusted in such a way that the Realized Volatility (sec. 5) of the Index is in line with the Target Volatility (as defined below). The instrument selection and implementation (sec. 4) takes place every three month (the "**Reweighting Period**") beginning on 1 June 2010, whereas adjustments related to the achievement of the Target Volatility may take place on every Trading Day (sec. 3 and 5).

The Index will be calculated on each Calculation Day (sec. 3), by the UniCredit Bank AG, Munich or its legal successor (the "**Index Calculation Agent**"), and is based on latest available closing price levels of the Underlying Instruments. The Index can be retrieved via the financial information service supplied by BLOOMBERG (QUIXMAT <Index>).

The target volatility (the "**Target Volatility**") of the Index is 10%. The Index performance is diminished by a calculation fee of 1.6% p.a.

The Index initial value as of 1 June 2010 (the "**Index Start Date**") is 1,000.

### 2. Instrument Universe

As of the Index Start Date, the Regular Instrument Universe (the "**Regular Instrument Universe**") consists of the following risky instruments (the "**Risky Instruments**"):

Risky Instrument	Bloomberg	Reuters
db x-trackers II iBoxx € Sovereigns Eurozone 5-7 Total Return Index ETF	X57E GY Equity	X57E.DE
db x-trackers II iBoxx € Sovereigns Eurozone 1-3 Total Return Index ETF	X13E GY Equity	X13E.DE
DJ Euro STOXX 50 Return	SX5T Index	.STOXX50ER
S&P 500 Net Total Return	SPTR500N Index	.SPXNTR
Lyxor ETF Hong Kong (HSI)	LYXHSI GY Equity	LYXHSI.DE
NASDAQ 100 TOTAL RETURN	XNDX Index	.XNDX
FTSE E/N EuroZoneNet TRI	RPEU Index	.TFTEPEUL
iShares Dow Jones-UBS Commodity Swap (DE)	DJCOMEX GY Equity	DJCOMEX.DE

If a Risky Instrument is not quoted in Euro it will be converted into Euro on each Calculation Day using an Exchange Rate as published by the information service Reuters or Bloomberg between 21:45h and 22:15h Central European Time (CET) on the respective Calculation Day ("**Compo Risky Instrument**"). With respect to the calculation of the Index each reference to an Risky Instrument shall be considered as a reference to the Compo Risky Instrument, if applicable.

The "**Money Market Component**" is a cash amount in Euro for which interest is accrued based on the Euro Overnight Index Average (EONIA) rate (Bloomberg: EONIA Index, Reuters: EONIA=).

The Regular Instrument Universe together with the Money Market Component comprises the "**Extended Instrument Universe**".

The Risky Component and the Money Market Component are together referred to as the "**Index Components**".

The Risky Instruments and the Money Market Component are together referred to as the "**Underlying Instruments**".

### 3. Definitions

" <b>Calculation Day</b> "	Every calendar day on which at least one Relevant Domestic Exchange (sec. 8) of the Underlying Instruments of the current Index Components are open for business.
" <b>Selection Day</b> "	The last Calculation Day of each Reweighting Period.
" <b>Implementation Day</b> "	The first calendar day of each Reweighting Period on which the Relevant Domestic Exchanges of all Underlying Instruments of the current Index Components are open for business.
" <b>Deallocation Day</b> "	The last calendar day of each Reweighting Period on which the Relevant Domestic Exchanges of all Underlying Instruments of the current Index Components are open for business.
" <b>Volatility Adjustment Day</b> "	The first calendar day of each month on which the Relevant Domestic Exchanges of all Underlying Instruments of the current Index Components are open for business.
" <b>Additional Volatility Adjustment Day</b> "	The first Trading Day after the Calculation Day a Target Volatility Event (sec. 5) has occurred.
" <b>Trading Day</b> "	Each calendar day on which the Relevant Domestic Exchanges of all Underlying Instruments of the current Index Components are open for business.

### 4. Deallocation, Instrument Selection and Implementation

On each Deallocation Day, the Risky Instruments contained in the Risky Component will be replaced, immediately after closing of all relevant Domestic Exchanges (the "**Deallocation Roll Over Moment**"), by the Money Market Component.

On the Selection Day immediately following the Deallocation Day, the composition of the Index will be newly determined according to the following rules.

The members of the Regular Instrument Universe are ranked according to their performance in the last six (6) months prior to (and including) the respective Selection Day (the "**Momentum**"). The top ranking corresponds to the highest performance, etc. The new Risky Component (the "**New Risky Component**") will comprise those four (4) Risky Instruments of the Regular Instrument Universe with the highest performance ranking (i) (the "**Performance Ranking**"). Each of the Risky Instruments contained in the New Risky Component will be weighted in accordance with the following table:

Performance Ranking (i)	Weightings $\omega_i$	Risky Instrument
1	40%	$S_t^{(1)}$
2	30%	$S_t^{(2)}$
3	20%	$S_t^{(3)}$
4	10%	$S_t^{(4)}$

where  $S_t^{(i)}$  means the Risky Instrument with the Performance Ranking (i).

After the closing of the Relevant Domestic Exchanges on the Implementation Day, the New Risky Component becomes effective (the "**Implementation Roll Over Moment**").

As of the Implementation Roll Over Moment every reference in this Index description to the Risky Component shall be considered as a reference to the New Risky Component.

## 5. Allocation and Target Volatility

The realized volatility (the "**Realized Volatility**") is calculated on each Calculation Day as the annualized standard deviation of the logarithmic daily returns of the Risky Component of the last 21 Calculation Days.

"**Allocation A**" means the allocation of the Risky Component in percent. The Allocation A on the Index Start Date is 20%.

"**Allocation B**" means the allocation of the Money Market Component and is determined by 100% – Allocation A.

Depending on the Realized Volatility, on each Volatility Adjustment Day, the Allocation A is newly determined according to the following table:

Realized Volatility	Allocation A
< 10%	100%
10% to 12%	80%
12% to 16%	60%
16% to 24%	40%
24% to 40%	20%
> 40%	0%

In addition to the determination of the Allocation A on the Volatility Adjustment Days, the Realized Volatility is monitored by the Index Calculation Agent on each Calculation Day and compared to the current Allocation. In case that on any Calculation Day the Realized Volatility exceeds the upper volatility bound of the current Allocation A as defined in the table above ("**Target Volatility Event**"), the Allocation A will be reduced on the next Trading Day accordingly, each such being an "**Additional Volatility Adjustment Date**".

After the closings of each (Additional) Volatility Adjustment Day the weightings of the Risky Instruments contained in the Risky Component will be reset to their weightings given in sec. 4.

## 6. Calculation of the Index

On every Calculation Day after the closing of every Relevant Domestic Exchange of the Underlying Instruments, the Index value will be calculated by the Index Calculation Agent as the sum of the products of (i) the Number of Underlying Instruments times (ii) the last available prices of the respective Underlying Instrument, diminished by the calculation fee of 1.6% p.a.

The "**Number of Underlying Instruments**" will be newly determined by the Index Calculation Agent on every Implementation Day and/or (Additional) Volatility Adjustment Day in such way that, by using the closing levels of the Underlying Instruments of such day, the respective weightings, determined in accordance with the provisions of sec. 4, and the allocation of the Risky Component and of the Money Market Component, determined in accordance with the provisions of sec. 5, are achieved.

#### **7. Calculation of the Index in the Event of a Index Market Disruption**

A index market disruption (the "**Index Market Disruption**") will be deemed to have occurred if for any relevant Underlying Instrument the quotation is suspended, limited or restricted (as a result of price movements during the trading hours which exceed the limits set by the Relevant Domestic Exchange or for any other reasons) on the Relevant Domestic Exchange or any relevant market where this specific Underlying Instrument or a future contract on this specific Underlying Instrument is listed.

A change in the trading days or opening hours of the Relevant Domestic Exchange will not constitute a Index Market Disruption.

If for one or more Underlying Instruments a Index Market Disruption occurs on an Implementation Day, the Implementation Day will be postponed to the next day on which the Market Disruption ceases to exist and all Relevant Domestic Exchanges are open for business.

If on the 5<sup>th</sup> consecutive relevant Calculation Day after the regular Implementation Day the Underlying Instrument is still affected by the Index Market Disruption, that 5<sup>th</sup> day will be used as Implementation Day. The Index Calculation Agent will determine all parameters necessary for the implementation in its reasonable discretion on a best effort basis, taking into account the current market environment.

If a Index Market Disruption arises with respect to one or more Underlying Instruments of the then valid Index Composition, the Index Calculation Agent reserves the right to either determine a reasonable price for the respective Underlying Instrument in its reasonable discretion on a continuous basis in good faith and manner in line with current market conditions or to use the last calculated and rebalanced price which has been fixed by its Relevant Domestic Exchange for the Underlying Instrument concerned. As long as the Index Market Disruption persists and the respective Underlying Instrument is not deleted or replaced (see below), the respective chosen price at time t is used to calculate the Index at time t. If on the 5<sup>th</sup> consecutive Calculation Day the Underlying Instrument is still affected by the Index Market Disruption, the Index Calculation Agent reserves the right to either replace the Underlying Instrument affected by the Index Market Disruption by an instrument of a comparable asset class and/or investment strategy or delete the Underlying Instrument from the Index, in order to ensure a proper future calculation of the Index.

## 8. Table of Relevant Domestic Exchanges

<b>Underlying Instrument</b>	<b>Relevant Domestic Exchange</b>
db x-trackers II iBoxx € Sovereigns Eurozone 5-7 Total Return Index ETF	Frankfurt Stock Exchange
db x-trackers II iBoxx € Sovereigns Eurozone 1-3 Total Return Index ETF	Frankfurt Stock Exchange
Euro STOXX 50 Return	EUREX
S&P 500 Net Total Return	NYSE
Lyxor ETF Hong Kong (HSI)	Frankfurt Stock Exchange
NASDAQ 100 TOTAL RETURN	NASDAQ
FTSE E/N EuroZoneNet TRI	LIFFE
iShares Dow Jones-UBS Commodity Swap (DE)	Frankfurt Stock Exchange
EONIA	EUREX

## 9. Index Calculation Agent

The Index Calculation Agent will apply the aforementioned method of calculation and the results will be final except for obvious errors. Although the Index Calculation Agent will apply the aforementioned method of calculation no guarantee can be warranted that the Index Calculation Agent may not modify or change the method of calculation. In particular, the Index Calculation Agent has the right to replace Underlying Instruments of the Index Universe by instruments of a comparable asset class and/or investment strategy. The Index Calculation Agent will ensure at its best effort that the resulting method of calculation of such a modification or change will be consistent with respect to the method defined above.

## 10. Disclaimer

The calculation and composition of the Index will be performed by the Index Calculation Agent with all due care. However, the Index Calculation Agent does not give any representation or guarantee for the correctness of the calculation and composition or of the other relevant parameters of the Index. The Index Calculation Agent accepts no liability for any direct or indirect damage which may result from an incorrect calculation or composition of the Index or its other relevant parameters.

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**Impressum**

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