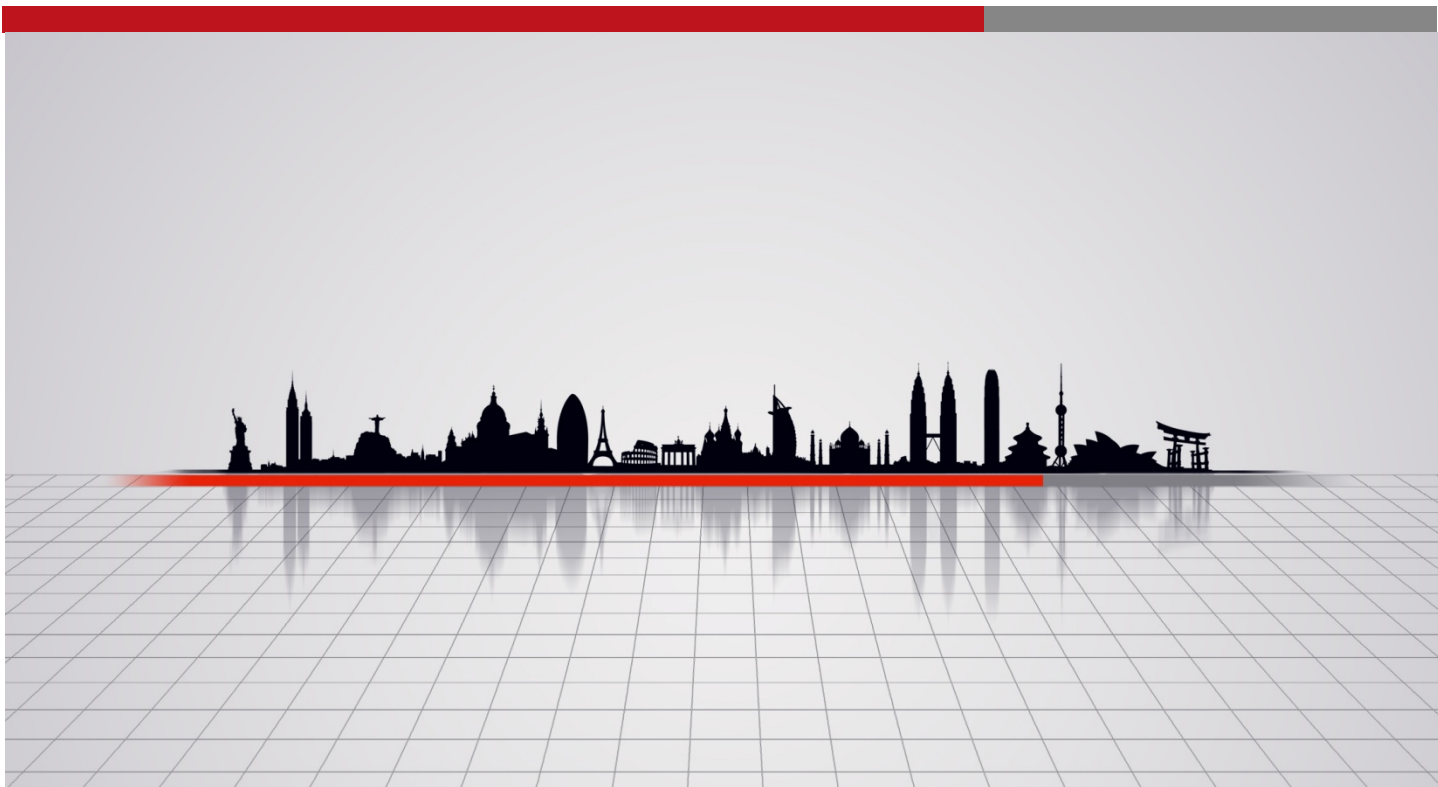


Nomura QES Modelled Private Equity Returns Index (PERI)

NOMURA



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The following is a description of the Nomura QES Modelled Private Equity Returns Index (PERI) (the “Index”) and the methodology for calculating the Index. The Index is the intellectual property of Nomura International plc and Nomura International plc reserve all rights with respect to its ownership of the Index and its methodologies.

INDEX SUMMARY

Nomura QES Modelled Private Equity Returns Index (PERI)

The Nomura QES Modelled Private Equity Returns Index (PERI) (the “**Index**”) is owned by Nomura International plc (the “**Index Sponsor**”). The Index Sponsor has contracted with S&P Opco, LLC to calculate, maintain and publish the Index on behalf of the Index Sponsor in accordance with the methodology described herein.

The Index provides the performance of an innovative rules-based proprietary model (the “**PERI Model**”) owned and developed by Quantitative Equity Strategies LLC (the “**Index Advisor**”), an investment firm regulated as an Investment Advisor by the United States Securities and Exchange Commission, specializing in quantitative solutions with extensive experience in systematic strategies.¹

The PERI Model – Targeted Return

The PERI Model seeks to provide a return similar to that which may be achieved through a broad-based global investment in private equity buyout funds, determined on a Committed Capital (as defined below) basis (the “**Targeted Return**”).

Private Equity and Buyout Funds – Introduction

Private equity refers to investors or funds that make investments directly into private companies or conduct buyouts of public companies which result in a delisting of the public company. A private equity buyout fund is a private equity fund which makes investments seeking to obtain a controlling interest in companies with the aim of allowing the fund to change a company’s management, operations or capital structure as it considers appropriate. Private equity funds are generally managed by a fund manager or general partner (the “**Private Equity Manager**”).

Investors in private equity buyout funds commit to invest certain amounts (the “**Committed Capital**”) into the fund at the time of their initial investment and the timing of the payment of such amounts is determined by the Private Equity Manager. The aggregate amounts that investors have been requested to pay to the private equity buyout fund by the Private Equity Manager at any given time is referred to as “**Called Capital**”.

The PERI Model – Underlying Investments and Allocations

The PERI Model aims to provide the Targeted Return by dynamically allocating, on a weekly basis, to U.S. equity sector indices and notional cash deposits in various currencies (as further described below). The PERI Model generates these weekly allocations using private equity buyout fund information provided by Preqin Ltd.² as well as systematic financial modules developed by the Index Advisor (as further discussed below).

The PERI Model (and therefore the Index) does not reference or invest in any private equity buyout funds either directly or indirectly.

¹ The information herein relating to the Index Advisor and the PERI Model has been provided by the Index Advisor and has not been independently reviewed and/or verified by the Index Sponsor. The Index Sponsor makes no representation whatsoever as to the accuracy or completeness of such information.

² Preqin Ltd. is one of the leading sources of data and intelligence for the alternative asset industry and is widely considered to be one of the top Private Equity data provider. The Index Advisor has contracted with Preqin Ltd. to obtain access to the vast information on private equity buyout funds which Preqin Ltd. has compiled and continually updates. Further information on Preqin Ltd. can be found at <http://www.preqin.com/>

The PERI Model – Private Equity Buyout Fund Return Drivers

The PERI Model has assumed that the returns of private equity buyout funds are principally generated by the following four drivers:

- (a) passive returns - the returns attributable to being invested in overall equity markets (sometimes referred to as general “market beta”);
- (b) industry specific returns – the returns attributable to investing in a specific industry or market segment over certain periods of time;
- (c) use of leverage – the returns attributable to the historical use of leverage by Private Equity Managers to boost returns; and
- (d) Private Equity Manager “alpha” – the residual returns of the private equity buyout funds which are not attributable to the factors above.

The Index Advisor has analysed historical data on private equity buyout funds provided by Preqin Ltd. with the aim of isolating these drivers and determining how they may be captured within the PERI Model by using more liquid “public” rather than the traditional “private” equity allocations (i.e. “public market equivalents”). It should be noted however that:

- (a) there can be no assurance that the assumptions used by the PERI Model to determine the drivers of private equity buyout funds are correct or that the PERI Model will be able to capture any performance based on these drivers using public market equivalents alone;
- (b) the PERI Model is based on an analysis of the returns of private equity buyout fund on a Committed Capital basis and not on a Called Capital basis, which differ significantly; and
- (c) the returns from the PERI Model (and therefore the Index) may differ significantly from the return of a direct investment in one or more private equity buyout funds.

The PERI Model – Proprietary Modules

As stated above, the PERI Model relies on information provided by Preqin Ltd. relating to private equity buyout funds. However, any information on private equity buyout funds should be viewed in the context of the general characteristics of such funds (which affects the availability, independence and reliability of such information):

- (a) investments are confined to a limited group of investors and are not usually available generally in the market;
- (b) the size and timing of distributions of a private equity buyout fund are usually determined exclusively by the relevant Private Equity Manager;
- (c) requests for early withdrawals from investors are subject to the discretion of the Private Equity Manager, and if permitted, are generally accompanied by significant penalties; and
- (d) the underlying investments of private equity buyout funds are usually opaque and illiquid in the short- to medium- term and are generally not independently assessed, leading to inherent “self reporting” valuation biases by the relevant Private Equity Managers themselves.

In light of the above, the PERI Model additionally makes certain assumptions and incorporates some proprietary systematic financial modules (developed by the Index Advisor and based on publicly available financial information) to better capture some or all of the four private equity buyout fund return drivers set out above with the ultimate aim of providing the Targeted Return to the Index.

Based on both (a) the actual private equity buyout fund information input provided by Preqin Ltd. and (b) the proprietary systematic financial modules information

input, each week the PERI Model then determines a percentage allocation to U.S. equity sector indices and notional deposits of various currencies.³ As the Index relies on the PERI Model to provide the Targeted Return, it will therefore reference these constituents and incorporate these percentage allocations (subject to the Index Advisor Guidelines set out below) into the Index.

The Index Sponsor began live calculation of the Index on 26 October 2012 (the “**Live Calculation Date**”). Prior to the Live Calculation Date, the Index Sponsor reconstructed the Index according to the methodology described herein, using backtested and simulated data (including, but not limited to, using the weights provided by the Index Advisor based on applying the PERI Model on a retrospective basis using information current as of the Live Calculation Date) from 31 December 1999 (the “**Index Base Date**”). As of the Live Calculation Date, the Index Level was rebased to USD 1000.00.

As the Index is intended to be investible, the level of the Index will take into account fees and costs that would be payable in replicating the Index as well as reflecting any impediments to replicating the Index (e.g. as a result of disruptions occurring to the Index Constituents). While every effort has been made to describe, and cater for, such events in this description, there may be events arising that are not envisaged and catered for in this Index, and in such a case, the Index Sponsor may amend the methodology and/or make such adjustments to the Index as it considers appropriate to account for such events. The Index Sponsor will advise of any such changes that it makes in those circumstances.

KEY TERMS & DEFINITIONS

Cash Constituent Price (CAPrice_(i,t))

As of the Index Base Date (t=0), the Cash Constituent Price for each Cash Constituent (i) will be equal to 100.00, denominated in their respective currencies.

In respect of each Index Business Day (t) thereafter, the Cash Constituent Price for each Cash Constituent (i) will be determined by the Index Sponsor as an amount in their respective currencies, in accordance with the following formula:

$$\text{CAPrice}_{(i,t)} = \text{CAPrice}_{(i,R)} \times \left[1 + \left(\text{Rate}_{(i,R)} \times \frac{\text{DC}_{(R,t)}}{\text{DCC}_{(i)}} \right) \right]$$

Where :

(i) : means the relevant Cash Constituent (i);

(t) : means the relevant Index Business Day (t);

(R) : means the Rebalancing Day immediately preceding the relevant Index Business Day (t);

CAPrice_(i,R) : means the Cash Constituent Price for the relevant Cash Constituent (i) in respect of the Rebalancing Day immediately preceding the Index Business Day (t);

DC_(R,t) : means the number of calendar days from (and including) the Rebalancing Day immediately preceding the relevant Index Business Day (t) to (but excluding) such Index Business Day (t).

DCC_(i) : means the applicable day count convention for the relevant Cash Constituent (i), as set out in the table below

Rate_(i,R) : means, in respect of a Cash Constituent (i), the rate in the currency of the Cash Constituent (i) as of the Rebalancing Day

³ As the Targeted Returns is based on a global broad-based investment in private equity buyout funds, the PERI Model will allocate to notional cash deposits in USD and various other currencies to reflect the amount of investment in non-USD denominated private equity buyout funds (based on data from Preqin Ltd.).

	<p>immediately preceding the relevant Index Business Day (t), as determined by the Index Sponsor by reference to the Reuters page for the relevant Cash Constituent (i) as set out in the table below, or, in the event that the relevant rate is unavailable on such page at such time, such other source(s) as the Index Sponsor considers appropriate.</p> <table><tr><th>Cash Constituent (i)</th><th>Reuters page</th><th>DCC</th></tr><tr><td>U.S. Dollars (USD)</td><td>USDSWFSR=</td><td>360</td></tr><tr><td>British Pound Sterling (GBP)</td><td>GBPSWFSR=</td><td>365</td></tr><tr><td>Euro (EUR)</td><td>EURSWFSR=</td><td>360</td></tr><tr><td>Canadian Dollar (CAD)</td><td>CADSWFSR=</td><td>360</td></tr><tr><td>Australian Dollar (AUD)</td><td>AUDSWFSR=</td><td>360</td></tr><tr><td>Swiss Franc (CHF)</td><td>CHFSWFSR=</td><td>360</td></tr><tr><td>Japanese Yen (JPY)</td><td>JPYSWFSR=</td><td>360</td></tr></table>	Cash Constituent (i)	Reuters page	DCC	U.S. Dollars (USD)	USDSWFSR=	360	British Pound Sterling (GBP)	GBPSWFSR=	365	Euro (EUR)	EURSWFSR=	360	Canadian Dollar (CAD)	CADSWFSR=	360	Australian Dollar (AUD)	AUDSWFSR=	360	Swiss Franc (CHF)	CHFSWFSR=	360	Japanese Yen (JPY)	JPYSWFSR=	360
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Cash Constituents	<p>Means notional deposit of cash in each of the following currencies (each such notional deposit, a “Cash Constituent (i)”):</p> <ul style="list-style-type: none">- U.S. Dollars (USD)- British Pound Sterling (GBP)- Euro (EUR)- Canadian Dollar (CAD)- Australian Dollar (AUD)- Swiss Franc (CHF)- Japanese Yen (JPY)																								
Equity Sector Constituent Price (EQPrice _(i,t))	<p>Means, in respect of an Equity Sector Constituent (i) and an Index Business Day, the official closing level for such Equity Sector Constituent (i) as published by the Equity Sector Constituent Sponsor on its website (or any alternative source determined by the Index Sponsor) for such Index Business Day, rounded to two decimal places.</p>																								
Equity Sector Constituent Sponsor	Standard and Poor’s																								
Equity Sector Constituents	<p>Each total return sector index of the S&P 500® and the S&P 400® (each total return sector index an “Equity Sector Constituent (i)”). The Equity Sector Constituents current as of the Live Calculation Date are listed in Appendix A.</p> <p>Each Equity Sector Constituent measures the total gross (i.e. not taking into account any withholding tax that may be applicable to an investment in the relevant constituents) performance of a Global Industry Classification Standard (GICS®) sector contained in the S&P 500® or S&P 400®.</p> <p>The Equity Sector Constituents will be updated in accordance with any changes to the GICS® sector classification incorporated by the Equity Sector Constituent Sponsor in the relevant Equity Sector Constituents.</p> <p>Further information on the S&P 500®, S&P 400® and each Equity Sector Constituent can be found at www.spindices.com</p>																								
Exchange	NYSE & NASDAQ, or such alternative or additional stock exchanges on which the components of the Equity Sector Constituents are principally traded (as																								

	determined by the Index Sponsor).														
FX Rate_(i,t)	<p>Means, in respect of a Cash Constituent (i) and an Index Business Day (t),</p> <p>(a) in the event that the Cash Constituent (i) is denominated in USD, 1; otherwise</p> <p>(b) the rate of exchange between the Cash Constituent (i) and USD (expressed as the number of units of Cash Constituent (i) for which one unit of USD can be exchanged) on or around 4:15p.m. New York time on the relevant Index Business Day (t), as determined by the Index Sponsor by reference to the Reuters page for the relevant Cash Constituent (i) as set out in the table below, or, in the event that the relevant rate is unavailable on such page at such time, such other source(s) as the Index Sponsor considers appropriate.</p> <table border="1"> <thead> <tr> <th>Cash Constituent (i)</th><th>Reuters page</th></tr> </thead> <tbody> <tr> <td>British Pound Sterling (GBP)</td><td>GBP=</td></tr> <tr> <td>Euro (EUR)</td><td>EUR=</td></tr> <tr> <td>Canadian Dollar (CAD)</td><td>CAD=</td></tr> <tr> <td>Australian Dollar (AUD)</td><td>AUD=</td></tr> <tr> <td>Swiss Franc (CHF)</td><td>CHF=</td></tr> <tr> <td>Japanese Yen (JPY)</td><td>JPY=</td></tr> </tbody> </table>	Cash Constituent (i)	Reuters page	British Pound Sterling (GBP)	GBP=	Euro (EUR)	EUR=	Canadian Dollar (CAD)	CAD=	Australian Dollar (AUD)	AUD=	Swiss Franc (CHF)	CHF=	Japanese Yen (JPY)	JPY=
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Index Advisor Guidelines	<p>In providing the Index Constituent Weights, the Index Advisor will comply the following guidelines:</p> <p>(a) The sum of the weights of all Index Constituents for a Rebalancing Day (R) shall be equal to 100.00%.</p> <p>(b) The sum of all the Equity Sector Constituents for a Rebalancing Day (R) shall be equal to or less than 100.00%.</p> <p>(c) The weight for each Index Constituent, other than the weight for Cash Constituent (i) denominated in USD, for a Rebalancing Day (R) shall be between 0.00% and 100.00%.</p> <p>(d) The weight for Cash Constituent (i) denominated in USD for a Rebalancing Day (R) shall be between -100% and 100%.</p> <p>(e) The weights shall be provided to the Index Sponsor by no later than the Index Advisor Instruction Time on Rebalancing Day (R).</p> <p>Other than ensuring compliance with the Index Advisor Guidelines (a) to (d) above, the Index Sponsor will not review or make any assessment in respect of the Index Constituent Weights provided by the Index Advisor.</p>														
Index Advisor Instruction Time (R)	11am New York time.														
Index Business Day	Means a day which is a Scheduled Trading Day.														
Index Constituent Weights (i,R)	Means, with respect to a Rebalancing Day (R) and an Index Constituent (i), the weight provided by the Index Advisor for such Index Constituent (i) and Rebalancing Day (R) in accordance with the Index Advisor Guidelines.														
Index Constituents (i)	Means each Equity Sector Constituent (i) and Cash Constituent (i).														
Index Publication	The Index Level will be published on Bloomberg page NMQPERI or any successor thereto.														
Rebalancing Day (R)	Means the Index Base Date, and thereafter each Wednesday, provided that if any														

	<p>Wednesday is not an Index Business Day (t), the Rebalancing Day (R) shall be the next following Index Business Day (t) to occur during that Week.</p> <p>For the avoidance of doubt, in the event that there is no Index Business Day occurring on Wednesday, Thursday or Friday in any Week, there shall be no Rebalancing Day (R) in respect of that Week.</p>
Related Exchange	CBOE and CME, or such alternative or additional stock exchanges on which futures or options relating to the Equity Sector Constituents are principally traded (as determined by the Index Sponsor).
Scheduled Trading Day	Any day on which the Exchange and each Related Exchange are scheduled to be open for trading for their regular trading sessions.
Week	Means calendar week from (and including) Sunday to (and including) the immediately following Saturday

INDEX LEVEL

Index Level ($I_{(t)}$)	<p>The Index Level with respect to each Index Business Day ("$I_{(t)}$") will be determined by the Index Sponsor as an amount in USD (published to two decimal places). The Index Level was set to a level on the Index Base Date ($t=0$)⁴ such that the Index Level equals USD 1,000.00 on the Live Calculation Date. In respect of each Index Business Day (t) after the Index Base Date, the Index Level will be determined as follows:</p> $I_{(t)} = I_{(R)} \times (1 + EQ_{(t)} + CA_{(t)} - Fees_{(t)})$ <p>Where :</p> <p>(t) : means the relevant Index Business Day (t).</p> <p>$I_{(R)}$: means the Index Level in respect of the Rebalancing Day (R) immediately preceding the relevant Index Business Day (t).</p> <p>$EQ_{(t)}$: means the Equity Sector Performance in respect of the relevant Index Business Day (t).</p> <p>$CA_{(t)}$: means the Cash Performance in respect of the relevant Index Business Day (t).</p> <p>$Fees_{(t)}$: means the product of (i) 1.00% and (ii) the actual number of calendar days from (and including) the Rebalancing Day (R) immediately preceding such Index Business Day (t) to (but excluding) such Index Business Day (t) divided by 360.</p>
Equity Sector Performance ("$EQ_{(t)}$")	<p>The Equity Sector Performance ("$EQ_{(t)}$") in respect of an Index Business Day (t) reflects the weighted performance of all Equity Sector Constituents from the Rebalancing Day (R) immediately preceding such Index Business Day (t) to such Index Business Day (t), taking into account notional transaction costs.</p> <p>As of the Index Base Date ($t=0$), the Equity Sector Performance was deemed zero ($EQ_{(0)} = 0.00$). On each Index Business Day (t) after the Index Base Date, the Equity Sector Performance is determined as follows:</p> $EQ_{(t)} = \sum_{i=1}^n \left\{ W_{(i,R)} \times \left[\frac{EQPrice_{(i,t)}}{EQPrice_{(i,R)}} - 1 \right] \right\} - Costs_{(t)}$

⁴ The Index Level in respect of the Index Base Date was determined to be USD 465.774470938210.

	<p>Where :</p> <p>(t) : means the relevant Index Business Day.</p> <p>(i) : means each Equity Sector Constituent.</p> <p>n : means the total number of Equity Sector Constituents as of the Rebalancing Day (R) immediately preceding the relevant Index Business Day (t)</p> <p>(R) : means the Rebalancing Day (R) immediately preceding the Index Business Day (t)</p> <p>$W_{(i,R)}$: means the Index Constituent Weight (i,R) for an Equity Sector Constituent (i) in respect of the Rebalancing Day (R) immediately preceding the Index Business Day (t);</p> <p>EQPrice_(i,t) : means the Equity Sector Constituent Price for the relevant Equity Sector Constituent (i) in respect of such Index Business Day (t);</p> <p>EQPrice_(i,R) : means the Equity Sector Constituent Price for the relevant Equity Sector Constituent (i) in respect of the Rebalancing Day (R) immediately preceding the relevant Index Business Day (t);</p> <p>Costs_(t) : means, up to and including the first Rebalancing Day (R) after the Index Base Date, zero, and thereafter, a percentage determined in accordance with the following formula:</p> $\text{Costs}_{(t)} = \sum_{i=1}^n \left\{ \left W_{(i,R)} - W_{(i,R-1)} \times \frac{I_{(R-1)}}{I_{(R)}} \times \frac{\text{EQPrice}_{(i,R)}}{\text{EQPrice}_{(i,R-1)}} \right \times \text{TC} \right\} + \sum_{i=1}^n \left\{ W_{(i,R)} \times \text{HC} \times \frac{\text{DC}_{(R,t)}}{360} \right\}$ <p>And where:</p> <p>(R -1) : means the second Rebalancing Day (R-1) immediately preceding the Index Business Day (t);</p> <p>$I_{(R)}$: means the Index Level in respect of the Rebalancing Day (R) immediately preceding the relevant Index Business Day (t).</p> <p>$I_{(R-1)}$: means the Index Level in respect of the second Rebalancing Day (R-1) immediately preceding the relevant Index Business Day (t).</p> <p>EQPrice_(i,R-1) : means the Equity Sector Constituent Price for the relevant Equity Sector Constituent (i) in respect of the second Rebalancing Day (R-1) immediately preceding the relevant Index Business Day (t);</p> <p>TC : means 0.05%</p> <p>HC : means 0.40%</p> <p>DC_(R,t) : means the number of calendar days from (and including) the Rebalancing Day (R) immediately preceding the Index Business Day (t) to (but excluding) Index Business Day (t).</p>
Cash Performance (“CA_(t)”)	<p>The Cash Performance (“CA_(t)”) in respect of an Index Business Day (t) reflects the weighted performance in USD of all Cash Constituents from the Rebalancing Day (R) immediately preceding such Index Business Day (t) to such Index Business Day (t).</p> <p>As of the Index Base Date (t=0), the Cash Performance was deemed to be zero (CA₍₀₎ = 0.00). On each Index Business Day (t) after the Index Base Date, the Cash Performance is determined as follows:</p>

$$CA_{(t)} = \sum_{i=1}^n \left\{ W_{(i,R)} \times \left[\frac{CAPrice_{(i,t)} \times FX_{(i,R)}}{FX_{(i,t)} \times CAPrice_{(i,R)}} - 1 \right] \right\}$$

Where :

- (t)** : means the relevant Index Business Day.
- (i)** : means each Cash Constituent.
- n** : means the total number of Cash Constituents as of the Rebalancing Day (R) immediately preceding the relevant Index Business Day (t)
- (R)** : means the Rebalancing Day (R) immediately preceding the Index Business Day (t)
- $W_{(i,R)}$** : means the Index Constituent Weight (i,R) for a Cash Constituent (i) in respect of the Rebalancing Day (R) immediately preceding the Index Business Day (t);
- $CAPrice_{(i,t)}$** : means the Cash Constituent Price for the relevant Cash Constituent (i) in respect of such Index Business Day (t);
- $CAPrice_{(i,R)}$** : means the Cash Constituent Price for the relevant Cash Constituent (i) in respect of the Rebalancing Day (R) immediately preceding the relevant Index Business Day (t);
- $FX_{(i,t)}$** : means the FX Rate (i,t) in respect of the relevant Index Business Day (t).
- $FX_{(i,R)}$** : means the FX Rate (i,t) in respect of the Rebalancing Day (R) immediately preceding the relevant Index Business Day (t).

DISRUPTION DAY PROVISIONS

Disrupted Day	Means any Scheduled Trading Day on which (i) an Exchange fails to open for trading during its regular trading session and/or (ii) an Additional Disruption Event, a Market Disruption Event and/or an Equity Sector Constituent Adjustment Event has occurred or is occurring.
Consequences of Disrupted Days	<p>Upon the occurrence of a Disrupted Day, the Index Sponsor may, but should not be obliged to, do any one or more of the following:</p> <ul style="list-style-type: none"> (a) determine the level of the relevant Equity Sector Constituent for each date following such change, failure or cancellation on which the level of the Equity Sector Constituent is required for the purposes of this Index, using, in lieu of a published level for the Equity Sector Constituent, the level for the Equity Sector Constituent on such date as determined by the Index Sponsor in accordance with the formula for and method of calculating the Equity Sector Constituent last in effect prior to the change, failure or cancellation, but using only those components of the Equity Sector Constituent that comprised the relevant Equity Sector Constituent immediately prior to the Disrupted Day; and/or (b) determine that a scheduled Rebalancing Day is not a Rebalancing Day and therefore no adjustment would be made to the Index Constituent Weights on such day; (c) delay the Rebalancing Day for one or more Index Constituents only; (d) delay or postpone the valuation of any Index Constituent; and/or (e) not publish an Index Level for such Index Business Day or delay such publication; and/or (f) permanently cancel the Index; and/or (g) make such other adjustments as it considers appropriate to take such

	events into account.
Additional Disruption Event	<p>Means (i) an Index Advisor Disruption Event; and or (ii) the Index Sponsor determines that the information from Preqin Ltd. relating to private equity buyout funds is no longer available reliable or appropriate in the context of the Index; and/or (iii) with respect to an Equity Sector Constituent, the occurrence of any of the following that the Index Sponsor (in its sole and absolute discretion) considers material:</p> <ul style="list-style-type: none"> (a) on any Scheduled Trading Day, the occurrence or existence of a lack of, or a material decline in, the liquidity in the market for trading in any Equity Sector Constituent; and (b) any event or any condition (including without limitation any event or condition that occurs as a result of the enactment, promulgation, execution, ratification, interpretation or application of, or any change in or amendment to, any law, rule or regulation by an applicable governmental authority) that results in an impairment to, or increased cost, of trading in any Equity Sector Constituent or instruments linked to an Equity Sector Constituent.
Index Advisor Disruption Event	<p>Means the determination by the Index Sponsor of the occurrence or existence of one or more of the following (each an “Index Advisor Disruption Event”):</p> <ul style="list-style-type: none"> (a) the Index Advisor fails to comply with the Index Advisor Guidelines; and/or (b) the Index Advisor is, or will be, unable to comply with the Index Advisor Guidelines; and/or (c) the Index Advisor materially changes the PERI Model; and/or (d) an order has been made, or an effective resolution passed, for the winding up or dissolution or termination of the Index Advisor; and/or (e) the employment of one or more key personnel of the Index Advisor is terminated or any such key personnel are otherwise incapacitated; and/or (f) any action, suit, proceeding, inquiry or investigation has been taken or brought, or is pending, before any court, or by governmental or regulatory body or agency against the Index Advisor or its key personnel which the Index Sponsor considers to be material; and or (g) any (i) information provided to the Index Sponsor in connection with the Index Advisor or the PERI Model is to any extent misleading or inaccurate; or (ii) any new information comes to light which might, if considered with the information previously provided to the Index Sponsor in connection with the Index has an adverse effect on the Index Sponsor's view of the performance, operation or management of the Index Advisor or the PERI Model; and/or (h) any condition, event, circumstance, fact, or matter pertaining to the Index Advisor or PERI Model has occurred which the Index Sponsor determines to be material in the context of the Index. <p>For the avoidance of doubt, the Index Sponsor is under no obligation to monitor the Index Advisor or the PERI Model and therefore shall be under no obligation to determine whether an Index Disruption Event is in existence or has occurred.</p>
Market Disruption Event	<p>Means, with respect to an Equity Sector Constituent, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, in each case at any time during the one hour period that ends at the relevant Scheduled Closing Time (or the actual closing time if earlier) or (iii) an Early Closure, which in either case the Index Sponsor determines is material.</p>
Trading Disruption	<p>Means any suspension of or limitation imposed on trading by the Exchange in any components of the Equity Sector Constituent including, but not limited to, by reason of movements in price exceeding limits permitted by the Exchange.</p>

Exchange Disruption	Means any event (other than an Early Closure) that disrupts or impairs (as determined by the Index Sponsor) the ability of market participants in general to effect transactions in, or obtain market values for, any components of the Equity Sector Constituent on the Exchange.
Scheduled Closing Time	Means, in respect of the Exchange and a Scheduled Trading Day, the scheduled weekday closing time of the Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours
Early Closure	Means the closure on any Exchange Business Day of the Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by the Exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on the Exchange on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange system for execution at the Valuation Time on such Exchange Business Day.
Exchange Business Day	Means any Scheduled Trading Day on which the Exchange is open for trading during its respective trading sessions, notwithstanding the Exchange closing prior to its Scheduled Closing Time.

EQUITY SECTOR CONSTITUENT ADJUSTMENT EVENTS

Successor Equity Sector Constituent	If an Equity Sector Constituent is (i) not calculated and announced by the relevant Equity Sector Constituent Sponsor but is calculated and announced by a successor to the Equity Sector Constituent Sponsor (the “ Successor Equity Sector Constituent Sponsor ”) acceptable to the Index Sponsor or (ii) replaced by a successor index using, in the determination of the Index Sponsor, the same or a substantially similar formula for and method of calculation as used in the calculation of the Equity Sector Constituent, then in each case that index (the “ Successor Equity Sector Constituent ”) will be deemed to be the relevant Equity Sector Constituent.
Equity Sector Constituent Adjustment Event	Means each of an Equity Sector Constituent Modification, an Equity Sector Constituent Cancellation or an Equity Sector Constituent Disruption.
Equity Sector Constituent Modification	Means, on or prior to any Scheduled Trading Day, the Equity Sector Constituent Sponsor announces that it will make a material change in the formula for or the method of calculating the Equity Sector Constituent or in any other way materially modifies the Equity Sector Constituent (other than a modification prescribed in the formula or method to maintain the Equity Sector Constituent in the event of changes in its constituents, capitalisation and other routine events).
Equity Sector Constituent Cancellation	Means, on or prior to any Scheduled Trading Day, the Equity Sector Constituent Sponsor permanently cancels the Equity Sector Constituent or announces its intention to permanently cancel the Equity Sector Constituent or that it will no longer calculate and announce (including through an agent, if applicable) the level of the Equity Sector Constituent and in either case no Successor Equity Sector Constituent exists.
Equity Sector Constituent Disruption	Means, on a Scheduled Trading Day, the Equity Sector Constituent Sponsor or, if applicable, the Successor Equity Sector Constituent Sponsor, fails to calculate and announce the Equity Sector Constituent.

INDEX DISCLAIMER, DETERMINATIONS, CHANGES & DISCONTINUATION

Index Sponsor Disclaimer	The Index Sponsor does not in any way sponsor or endorse any products or transactions which are linked to or deriving a value from the Index and the Index Sponsor makes no representation whatsoever, whether expressed or implied, either as to the results to be obtained from the use of the Index and/or the levels at which the Index stands at any particular time on any particular date or otherwise. No Index
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	<p>or Index Sponsor shall be liable (whether in negligence or otherwise) to any person for any error in the Index and the Index Sponsor is under no obligation to advise any person of any error therein. The Index Sponsor makes no representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with entering into any transactions or products which are linked to or deriving a value from the Index.</p> <p>Neither the Index Sponsor nor its affiliates shall have any liability for any act or failure to act by the Index Sponsor in connection with the calculation, adjustment or maintenance of the Index. Although the Index Sponsor will obtain information concerning the Index from publicly available sources it believes reliable, it will not independently verify this information. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility is accepted by the Index Sponsor or its affiliates as to the accuracy, completeness and timeliness of information concerning the Index, or as to the continuance of calculation or publication of the Index.</p>
S&P Disclaimer	<p>The Index is the exclusive property of the Index Sponsor, which has contracted with S&P Opco, LLC (a subsidiary of S&P Dow Jones Indices LLC) ("S&P Dow Jones Indices") to calculate and maintain the Index. S&P® and S&P Custom Indices® are registered trademarks of Standard & Poor's Financial Services LLC ("SPFS"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); and these trademarks have been licensed to S&P Dow Jones Indices. "Calculated by S&P Custom Indices" and its related stylized mark(s) are service marks of SPFS and have been licensed for use by S&P Dow Jones Indices and sublicensed for certain purposes by the Index Sponsor. Neither S&P Dow Jones Indices, SPFS, Dow Jones nor any of their affiliates shall be liable for any errors or omissions in calculating the Index.</p>
Determinations under the Index	<p>The Index Sponsor will make all calculations and determinations required to be made under the Index in good faith and in a commercially reasonable manner.</p> <p>The Index Sponsor has certain discretion under the Index (i) to determine whether certain events have occurred, (ii) to determine any resulting adjustments and calculations and (iii) to make such other determinations or calculations necessary to calculate the level of the Index.</p> <p>Any determinations made by the Index Sponsor may therefore have an impact on the level and/or composition of the Index. Any such discretion exercised by, or any calculations made by, the Index Sponsor shall be binding. There can be no assurance that the Index Sponsor will exercise discretion in a particular way or at all.</p> <p>The Index Sponsor shall (unless specified otherwise) make all calculations relating to the Index without reference to any rounding, and shall publish the level of the Index to two decimal places.</p>
Discontinuation of the Index and/or change of methodology	<p>While the Index Sponsor currently employs the methodology described herein to calculate the Index, without limitation to the remaining provisions of the Index, if market, regulatory, juridical, fiscal or, without limitation, any other circumstances arise that would, in the determination of the Index Sponsor, necessitate a modification or change to such methodology, such as, but not limited to, it becoming illegal for the Index Sponsor to hold, acquire, deal or dispose of the Index components, the Index Sponsor may make such modifications or changes as it considers appropriate to deal with such circumstances.</p> <p>The Index Sponsor may in its absolute discretion (with regard to any other person, transaction, product or security) update, amend and/or change any term of the Index, and any such changes shall take effect at such time it considers appropriate. Furthermore, the Index Sponsor shall be free to modify the methodology of the Index as it deems appropriate.</p> <p>The Index Sponsor may in its absolute discretion choose to permanently cancel the Index and to discontinue its calculation and/or publication at any time, and shall not be liable for any direct or indirect consequence thereof.</p>
Use of Estimates	<p>The Index Sponsor will make calculations, determinations, rebalancing and</p>

	<p>adjustments as described in the Index description using the information, price sources or factors as specified herein and may undertake any of such measures in any order. However, should the Index Sponsor not be able to obtain the necessary information or be able to use the specified price sources or factors, then, after using reasonable endeavours and after applying all fallback provisions specified in the Index description in relation to such calculation, determination, rebalancing or adjustment, the Index Sponsor shall be permitted to use its estimate (arrived at in good faith and a commercially reasonable manner) of the relevant information, price source or factor in making the relevant calculations, determinations, rebalancing or adjustments should it determine that such estimate is reasonably necessary in order to give effect to any provision or calculate any value required by any provision of the Index.</p>
Corrections	<p>If the Index Sponsor becomes aware that any value, level, account or other information used by it in connection with any calculation, determination, rebalancing or adjustment in respect of the Index has been corrected or adjusted, the Index Sponsor may, but shall not be obliged to, use such corrected or adjusted value, level, amount or other information and, as a consequence, make any change, adjustment, rebalancing, determination or calculation in respect of the Index it determines necessary or desirable to give effect to or reflect such corrected or adjusted value, level, amount or other information in its discretion including, without limitation, to take account of any redenomination, exchange or conversion of any currency into a successor currency.</p>
Reliance	<p>In making any calculations, determinations, rebalancing or adjustments, the Index Sponsor may rely upon the opinion of any person who appears to it as being competent to value assets of any class or classes by reason of any appropriate professional qualification or experience of any relevant market or asset.</p>
Not Acting as Fiduciary	<p>In making calculations, determinations, rebalancing and adjustments in respect of the Index, the Index Sponsor shall act as principal and not as agent or fiduciary of any other person. Each calculation, determination, rebalancing and adjustment performed by the Index Sponsor in respect of the Index is performed in reliance upon this and subject thereto. If by performing any such calculation, determination, rebalancing or adjustment the Index Sponsor is rendered an agent or fiduciary for another person under applicable law, then the Index Sponsor's right and obligation to perform such calculation, determination, rebalancing or adjustment may be suspended at the option of the Index Sponsor (or, if already performed, its application may be suspended) until such calculation, determination, rebalancing or adjustment may be performed by the Index Sponsor as principal and not as agent or fiduciary (or until it may be performed by an appropriate third party that is willing and able to perform it).</p>
Dates of Calculations	<p>Notwithstanding that certain calculations, determinations, rebalancing and adjustments in the Index may be expressed to be "on" a certain date, the Index Sponsor may make such calculations, determinations, rebalancing and adjustments in respect of that date on a date after that date determined by it in its discretion.</p>

APPENDIX A

Equity Sector Constituents as of the Live Calculation Date

The following is a list of Equity Sector Constituents which is current as of the Live Calculation Date:

- (a) **Large Cap Equity Indices (total return sector indices from the S&P 500®)**
- S&P 500 Consumer Discretionary Total Return Index
 - S&P 500 Consumer Staples Total Return Index
 - S&P 500 Energy Total Return Index

- S&P 500 Financials Total Return Index
- S&P 500 Health Care Total Return Index
- S&P 500 Industrials Total Return Index
- S&P 500 Information Technology Total Return Index
- S&P 500 Materials Total Return Index
- S&P 500 Telecommunication Services Total Return Index
- S&P 500 Utilities Total Return Index

(b) Mid Cap Equity Indices (total return sector indices from the S&P 400®)

- S&P 400 Consumer Discretionary Total Return Index
- S&P 400 Consumer Staples Total Return Index
- S&P 400 Energy Total Return Index
- S&P 400 Financials Total Return Index
- S&P 400 Health Care Total Return Index
- S&P 400 Industrials Total Return Index
- S&P 400 Information Technology Total Return Index
- S&P 400 Materials Total Return Index
- S&P 400 Telecommunication Services Total Return Index
- S&P 400 Utilities Total Return Index