Dynamic Long VIX Futures Index
(USD - Total Return)

Index Rules

Version as of October 8, 2013

The Dynamic Long VIX Futures Index (USD-Total Return) (the “Index”) is the exclusive property of SG. SG has contracted with Chicago Board Options Exchange Incorporated (“CBOE”) to calculate and disseminate values of the Index. The methodology of the CBOE Volatility Index® (VIX®) is owned by CBOE. Chicago Board Options Exchange®, CBOE®, CFE®, CBOE Volatility Index® and VIX® are registered trademarks of CBOE. CBOE does not guarantee the accuracy, timeliness or completeness of the Index. CBOE and its affiliates shall have no liability for any errors or omissions in the Index or any values thereof. The Index is not owned, sponsored, endorsed or promoted by CBOE and CBOE makes no representation regarding the advisability of investing in products that are based on the Index or otherwise relying on the Index for any purpose.
Dynamic Long VIX Futures Index
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1. Index Summary Description:

1.1 Index description

The Dynamic Long VIX Futures Index (the “Index”) displayed on Bloomberg page: DLVIX <Index>, with an index launch date (the “Index Launch Date”) on 31 August 2012, is designed to provide investors with a long exposure to the implied volatility of the S&P 500® Index through a long exposure to VIX® futures.

The Index is calculated on a Total Return basis and net of the costs and fees listed in the section “Index fee and cost structure”.

The methodology of the Index is systematic and was developed by Société Générale (the “Index Sponsor”). The Index is calculated and published real time by the Chicago Board Options Exchange, Incorporated (the “CBOE” or “Index Calculation Agent”) in accordance with these Index Rules. The index is published on both Bloomberg and Reuters.

1.2 Index strategy

The Index tracks the performance of the combination of a hypothetical money market instrument and a dynamic strategy (the “Strategy”) that is designed to provide efficient long exposure to the first five nearby futures contracts (“Futures Contracts”) on the CBOE Volatility Index® - VIX® (the “Underlying Index”).

The Strategy aims to mitigate the carry cost traditionally associated with long implied volatility strategies (due to the typical “contango” shape of the curve). The Strategy varies the exposure to Futures Contracts based on a signal composed of two components: the VIX Futures Term Structure Component (VFTSC(t)) and the VIX Momentum Component (VMC(t)).

The VIX Futures Term Structure Component (VFTSC(t)) aims to estimate the carry gain (or cost) on a long exposure to Futures Contracts based on the VIX futures term structure (i.e. the shape of the forward curve of the Underlying Index).

The VIX Momentum Component (VMC(t)) is a trend following signal that aims to estimate the expected impact of movements in Futures Contracts on the performance of the Strategy (i.e. the beta).

Both the VIX Momentum Component and the VIX Future Term Structure Component are then combined on a daily basis in order to determine the eventual long exposure of the Strategy to the Futures Contracts: if this combined signal is positive, then the long exposure of the Strategy to Futures Contracts is increased by 10% on that day. If such signal is negative, then the long exposure of the Strategy to Futures Contracts is decreased by 10% on that day.

The exposure of the Strategy to Futures Contracts is then further adjusted through a dynamic allocation between short term (first and second nearby) and mid-term (third, fourth and fifth nearby) Futures Contracts in order to optimize rolling gains/cost.

The global long exposure of the Index to Futures Contracts through the Strategy is maintained between 0% and 100% (based on the signals and allocations described above) and is combined with a hypothetical money market instrument in US Dollars, with the aim of optimizing exposure to Futures Contracts and therefore improving the performance of the Index.
1.3 Index fee and cost structure

a) Transaction costs and replication costs:

The level of the Index is expressed net of the Index Transaction Cost (as defined hereinafter) which represents the cost of replicating the index strategy and are based on the theoretical transaction costs linked to the execution of the trades in the Futures Contracts (as defined below).

b) Replication fee:

Not applicable

IMPORTANT:

Although the Index is named “Dynamic Long VIX Futures Index”, the Index does not actually invest in or hold any long positions or other positions in VIX Futures Contracts or any other instruments. The Index is a statistical measure providing a representation of the value of a hypothetical portfolio of futures contracts based on the Index strategy. Accordingly, an investor in any product linked to the performance of the Index (if any) will have no rights whatsoever to any futures contracts, securities or any other instruments underlying the Index. The Index is not an investment fund, pool or any other investment vehicle or similar enterprise.

The investment strategy tracked by the Index is not guaranteed to be successful.
2. Index Rules:

2.1 Terms and definitions relating to the Index:

ACT(t';t) means the number of calendar days between the Calculation Date (t') (included) and the Calculation Date(t) (excluded).

Calculation Date means any Scheduled Trading Day on which no Index Disruption Event exists.

Closing Valuation Time means the Scheduled Closing Time of the Option Exchange (03:15 p.m. Chicago time as of the Index Launch Date and as may be modified by the Option Exchange from time to time thereafter).

Disrupted Calculation Date means any disrupted Calculation Date, as determined in accordance with Section 3.

Dynamic Long Leverage, “Lev(t)” means, in respect of any Calculation Date(t), the leverage applied to the Future Contract Portfolio, in accordance with Section 2.3.8.

Excess Return Index means, the excess return version of the Index that tracks the performance of the Strategy, without taking into account the hypothetical money market allocation (earning the money market rate).

Excess Return Index Closing Level, “ERIL(t)” means, in respect of any Calculation Date(t), the level of the Excess Return Index calculated by the Index Calculation Agent as at the Closing Valuation Time on such Calculation Date(t), pursuant to the Index Rules set out in Section 2.3.1.

Excess Return Index Level, “ERIL(t,v)” means, in respect of any Calculation Date(t), the level of the Excess Return Index calculated by the Index Calculation Agent as at the Valuation Time(v) on such Calculation Date(t), pursuant to the Index Rules set out in Section 2.3.2.

Expected Daily Variation, “EDV(t)” means, in respect of any Calculation Date(t), the expected daily variation computed end of day as the sum of the VIX Momentum Component and the VIX Futures Term Structure Component, in accordance with Section 2.3.9.

Federal Funds Effective Rate, “Rate(t)” means in respect of any Calculation Date(t), (i) the level of the Federal Funds Effective Rate (as displayed under FEDL01 Index Bloomberg page, or any successor service or page for the purpose of displaying such rate, as determined by the Index Calculation Agent after instruction from the Index Sponsor on such date) (ii) or the latest percentage rate displayed under FEDL01 Index Bloomberg page, if such percentage rate dated as of Calculation Date(t) is not available.

Future Contract Portfolio means, in respect of a Calculation Date, the theoretical portfolio of all deemed sold and bought Future Contracts that underlie the...
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Index means the Dynamic Long VIX Futures Index (Bloomberg Ticker: DLVIX <Index>).

Index Base Date, “t_e” means 1 December 2006.

Index Calculation Agent CBOE.

Index Currency United States dollar (“USD”).

Index Disruption Event means the occurrence or existence in respect of any Future Contract of (i) an Exchange Disruption, or (ii) a Trading Disruption, or (iii) an Early Closure, which in any case the Index Calculation Agent, after instruction from the Index Sponsor, determines is material.

Index Extraordinary Event means any event described in Section 4.

Index Launch Date means 31 August 2012.

Index Closing Level, “IL(t)’’ means, in respect of any Calculation Date(t), the level of the Index calculated and published by the Index Calculation Agent as at the Closing Valuation Time on such Calculation Date(t), pursuant to the Index Rules set out in Section 2.3.3.

Index Level, “IL(t,v)” means, in respect of any Calculation Date(t), the level of the Index calculated and published by the Index Calculation Agent as at the Valuation Time(v) on such Calculation Date(t), pursuant to the Index Rules set out in Section 2.3.4.

Index Sponsor Société Générale (“SG”).

Index Transaction Cost,”ITC(t)” means in respect of Calculation Date(t), the aggregate transaction costs determined pursuant to the Index Rules set out in Section 2.3.10.

N(t’;t) means the number of Calculation Dates between the Calculation Date(t’) (included) and the Calculation Date(t) (excluded).

Roll(t,i) means in respect of any Calculation Date(t) and any integer (i), the Roll Date immediately following the Roll(t,i-1). In particular, Roll(t,0) is the Roll Date immediately preceding the Calculation Date(t) (included).

Roll Date means each Calculation Date immediately preceding a Settlement Date.

Settlement Date means each monthly Final Settlement Date (as defined under the Future Contract specifications, as amended from time to time by the Options Exchange) of Future Contracts.

Quantity of the Future Contract, “Q(t,i)” means, in respect of any Calculation Date(t), the quantity of Future Contract(t,i) to be deemed bought or sold on such date (as applicable), determined in accordance with Section 2.3.5.

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Short-Term Leverage, “STLev(t)”
means, in respect of any Calculation Date(t), the leverage applied to short-term (first and second nearby) Future Contracts, determined in accordance with Section 2.3.7.

Valuation Time
means with respect to the Index, any time between the Scheduled Opening Time of the Option Exchange and the Scheduled Closing Time of the Option Exchange (respectively 7:00 am and 3:15 pm Chicago time as of the Index Launch Date and as may be modified by the Option Exchange from time to time thereafter) provided that the relevant data is available to enable the Index Calculation Agent to determine the Index Level.

Underlying Index
means the CBOE Volatility Index® (VIX®) (Bloomberg ticker: VIX <Index>).

Underlying Index Level, “VIX(t)”
means in respect of Calculation Date(t), the official closing level of the Underlying Index as retrieved from Bloomberg page VIX <Index>.
If the Underlying Index is not published on Calculation Date(t); the latest available level of the Underlying Index.

2.2 Terms and definitions relating to the Future Contract Portfolio:

Early Closure
means in respect of any Future Contract, the closure on any Exchange Business Day of the Option Exchange prior to its Scheduled Closing Time.

Exchange Business Day
means in respect of any Future Contract, any Scheduled Trading Day on which the Option Exchange is open for trading during its respective regular trading session, notwithstanding the Option Exchange closing prior to its Scheduled Closing Time.

Exchange Disruption
means in respect of any Future Contract, any event (other than an Early Closure) that disrupts or impairs the ability of market participants in general to effect transactions in, or obtain market values for any futures on the Option Exchange.

Future Contract
means a futures contract on the Underlying Index, which is listed on the Option Exchange.

Future Contract(t,i)
means, in respect of any Calculation Date(t), the i\(^{th}\) nearby Future Contract.

Future Contract Closing Price, “Fut(t,i)”,
means, in respect of any Calculation Date(t), the price of the i\(^{th}\) nearby Future Contract as at the Closing Valuation Time on such Calculation Date(t), as published by the Option Exchange, or any other substitute level as published by the Option Exchange as of such Calculation Date(t).

Future Contract Price, “Fut(t,v,i)”,
means, in respect of any Calculation Date(t), the price of the i\(^{th}\) nearby Future Contract as at the Valuation Time(v) on such Calculation Date(t) as published by the Option Exchange, or any other substitute level as published by the Option Exchange as of such Valuation Time(v).

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2.3 Index Calculation Rules:

2.3.1 Determination of the Excess Return Index Closing Level, “ERIL(t)”:  

The Excess Return Index Closing Level is calculated and published by the Index Calculation Agent on each Calculation Date(t) as at the Closing Valuation Time on such Calculation Date(t), subject to the occurrence or existence of an Index Disruption Event or an Index Extraordinary Event, according to the following formulae:

If (t) is a Settlement Date i.e. \( t = \text{Roll}(t,0) + 1 \) then

\[
ERIL(t) = ERIL(t-1) + \left( \sum_{i=1}^{5} Q(t-1,i+1) \times \left( \text{Fut}(t,i) - \text{Fut}(t-1,i+1) \right) \right) - \text{ITC}(t-1)
\]

otherwise;

\[
ERIL(t) = ERIL(t-1) + \left( \sum_{i=1}^{5} Q(t-1,i) \times \left( \text{Fut}(t,i) - \text{Fut}(t-1,i) \right) \right) - \text{ITC}(t-1)
\]

with,

\[
ERIL(t_B) = 1034.23
\]

2.3.2 Determination of the Excess Return Index Level “ERIL(t,v)”:  

The Excess Return Index Level is calculated and published by the Index Calculation Agent on each Calculation Date(t) as at the Valuation Time(v) on such Calculation Date(t), subject to the occurrence or existence of an Index Disruption Event or an Index Extraordinary Event, according to the following formulae:

If (t) is a Settlement Date i.e. \( t = \text{Roll}(t,0) + 1 \) then

\[
ERIL(t,v) = ERIL(t-1) + \left( \sum_{i=1}^{5} Q(t-1,i+1) \times \left( \text{Fut}(t,v,i) - \text{Fut}(t-1,i+1) \right) \right) - \text{ITC}(t-1)
\]

otherwise;

\[
ERIL(t,v) = ERIL(t-1) + \left( \sum_{i=1}^{5} Q(t-1,i) \times \left( \text{Fut}(t,v,i) - \text{Fut}(t-1,i) \right) \right) - \text{ITC}(t-1)
\]

2.3.3 Determination of the Index Closing Level, “IL(t)”:  

The Index Closing Level is calculated and published by the Index Calculation Agent on each Calculation Date(t) as at the Closing Valuation Time on such Calculation Date(t), subject to the occurrence or existence of an Index Disruption Event or an Index Extraordinary Event, according to the following formula:

\[
IL(t) = IL(t-1) \times \left[ \frac{ERIL(t)}{ERIL(t-1)} + \frac{\text{Rate}(t-1) \times \text{ACT}(t-1,t)}{360} \right]
\]

with,
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IL(t₀) = 1034.23

2.3.4. Determination of the Index Level “IL(t,v)”:

The Index Level is calculated and published by the Index Calculation Agent on each Calculation Date(t) as at the Valuation Time(v) on such Calculation Date(t), subject to the occurrence or existence of an Index Disruption Event or an Index Extraordinary Event, according to the following formula:

\[
IL(t, v) = IL(t - 1) \times \left[ \frac{ERIL(t, v)}{ERIL(t - 1)} + \frac{Rate(t - 1) \times ACT(t - 1)}{360} \right]
\]

2.3.5 Quantity of the Future Contract, “Q(t,i)”:

The quantity of each Future Contract is calculated by the Index Calculation Agent on every Calculation Date(t) according to the following formulae:

If 1 ≤ i ≤ 2 then;

\[
Q(t, i) = ERIL(t) \times Lev(t) \times STLev(t) \times \frac{Weight(t, i)}{\sum_{k=1}^{3} Weight(t, k) \times Fut(t, k)}
\]

else if 3 ≤ i ≤ 5 then;

\[
Q(t, i) = ERIL(t) \times Lev(t) \times (1 - STLev(t)) \times \frac{Weight(t, i)}{\sum_{k=3}^{5} Weight(t, k) \times Fut(t, k)}
\]

otherwise;

\[Q(t, i) = 0\]

2.3.6 Determination of the weight of Futures Contract, “Weight(t,i)”:

The weight of each Future Contract is, in respect of any Calculation Date(t), determined by the Index Calculation Agent according to the following formulae:

\[\text{if } t = \text{Roll}(t,0)\]

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2.3.7 Determination of the Short-Term Leverage, “STLev(t)”: 

The Short-Term Leverage is, in respect of any Calculation Date(t), determined by the Index Calculation Agent according to the following formulae:

If Signal(t) = 1 then;

\[ \text{STLev}(t) = \min\{100\%; \max\{0\%; \text{STLev}(t-1) + 20\%\}\} \]

else if Signal(t) = -1 then;

\[ \text{STLev}(t) = \min\{100\%; \max\{0\%; \text{STLev}(t-1) - 20\%\}\} \]

otherwise;

\[ \text{STLev}(t) = \text{STLev}(t-1) \]

with,

\[ \text{STLev}(t_b) = 0\% , \text{ and} \]

\[ \text{Signal}(t) = \begin{cases} \text{1} & \text{if } VIX(t-1) > 1.35 \times \sum_{i=1}^{15} \frac{VIX(t-i)}{15} \\ -1 & \text{if } VIX(t-1) < \sum_{i=1}^{15} \frac{VIX(t-i)}{15} \\ \text{Signal}(t-1) & \text{otherwise} \end{cases} \]

2.3.8 Dynamic Long Leverage, “Lev(t)”: 

The Dynamic Long Leverage is calculated by the Index Calculation Agent as of each Calculation Date(t) with the following formulae:

If \( EDV(t - 1) > 0 \) then;

\[ \text{Lev}(t) = \min\{100\%; \max\{0\%; \text{Lev}(t-1) + 10\%\}\} \]

otherwise;

\[ \text{Lev}(t) = \min\{100\%; \max\{0\%; \text{Lev}(t-1) - 10\%\}\} \]

with,

\[ \text{Lev}(t_b) = 0\% \]

Where \( EDV(t) \) is the expected daily variation in respect of such Calculation Date(t).
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2.3.9 Expected Daily Variation, “EDV(t)”: The Expected Daily Variation is calculated by the Index Calculation Agent as of each Calculation Date(t) according to the following formula as the sum of two components:

\[
\text{EDV}(t) = \text{VFTSC}(t) + \text{VMC}(t)
\]

(i) VIX Term Structure Component, “VFTSC(t)”: \[
\text{VFTSC}(t) = \frac{100\%}{20} \times \text{STLev}(t) \times (\text{Fut}(t, 1) - \text{Fut}(t, 2)) + \frac{50\%}{20} \times (1 - \text{STLev}(t)) \times (\text{Fut}(t, 3) - \text{Fut}(t, 5))
\]

(ii) VIX Momentum Component, “VMC(t)”: \[
\text{VMC}(t) = \frac{(\text{VIX}(t) - \text{VIX}(t-15))}{15} \times \text{Beta}(t)
\]

For each Calculation Date(t), \(\text{Beta}(t)\) means the beta of the Static Index on the Underlying Index computed between the 10 Calculation Dates preceding (and including) the Calculation Date(t):

\[
\text{Beta}(t) = \frac{\text{Cov}((\text{SIL}, \text{VIX}), (\text{SIL}, \text{VIX}), (\text{SIL}, \text{VIX}), (\text{SIL}, \text{VIX}), (\text{SIL}, \text{VIX}))}{\text{Cov}(\text{VIX}, \text{VIX}, \text{VIX}, \text{VIX}, \text{VIX})}
\]

\(\text{Cov}(X, Y, t, n)\) means the Covariance of X and Y computed on the last (n) business days before (and including) the Calculation Date (t):

\[
\text{Cov}(X, Y, t, n) = \frac{1}{n} \times \sum_{i=0}^{\min(n, t)} \left[ \frac{X(t-i)}{Y(t-i)} \right] \times \ln \left[ \frac{Y(t-i)}{Y(t-i-1)} \right] - \frac{1}{n^2} \times \left( \sum_{i=0}^{\min(n, t)} \left[ \frac{X(t-i)}{Y(t-i)} \right] \right) \times \left( \sum_{i=0}^{\min(n, t)} \frac{1}{Y(t-i-1)} \right)
\]

2.3.10 Index Transaction Cost, "ITC(t)"; The Index Transaction Cost determined by the Index Calculation Agent as of each Calculation Date(t) according to the following formula:

If \(t = t_B\) then;

\[
\text{ITC}(t) = \text{TC} \times \sum_{i=1}^{5} Q(t, i)
\]

Else

If \((t)\) is a Settlement Date i.e \(t = \text{Roll}(t, 0) + 1\) then;

\[
\text{ITC}(t) = \text{TC} \times \sum_{i=t}^{\min(t, 5)} \text{ABS}(Q(t, i) - Q(t, i+1))
\]

else;

\[
\text{ITC}(t) = \text{TC} \times \sum_{i=t}^{\min(t, 5)} \text{ABS}(Q(t, i) - Q(t, i+1))
\]

Where:
- \(t_B\) means the Index Base Date, and
- \(\text{ABS}\) means the absolute value: for any real number “a” \(\text{ABS}(a) = a\) if a is positive, \((-a)\) otherwise.

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2.4 Rounding Rules:

The rounding policy is defined as follows:

- Excess Return Index Level (ERIL(t)): 6 decimal places
- Index Level (IL(t)): 6 decimal places
- Static Index Level (SIL(t)): 6 decimal places
- Quantity of the Future Contract (Q(t,i)): 6 decimal places
3. Consequences of an Index Disruption Event:

3.1 If an Index Disruption Event exists on a Scheduled Trading Day for any Future Contract (a “Disrupted Scheduled Trading Day”), then the Index Calculation Agent shall not determine the level for the Index on such Scheduled Trading Day. The next Calculation Date following such Disrupted Scheduled Trading Day for which the Index Calculation Agent shall determine the level for the Index shall be the first succeeding Scheduled Trading Day on which the Index Calculation Agent determines that an Index Disruption Event no longer exists; provided that if the Index Calculation Agent determines that an Index Disruption Event exists on the five consecutive Scheduled Trading Days immediately following the initial Disrupted Scheduled Trading Day, then:

(i) the fifth Scheduled Trading Day following the initial Disrupted Scheduled Trading Day, and each Scheduled Trading Day thereafter on which an Index Disruption Event continues to exist, shall be deemed to be a Calculation Date for the purpose of calculating and publishing the Index Level only, notwithstanding the existence of an Index Disruption Event on such date(s), and

(ii) the Index Calculation Agent shall use its reasonable efforts to determine, the level of Index as of each Valuation Time (or, if the real time determination of an Index Level is rendered impractical in such circumstance, as of the Closing Valuation Time) on that fifth Scheduled Trading Day following the initial Disrupted Scheduled Trading Day, and as of each Valuation Time (or, if the real time determination of an Index Level is rendered impractical in such circumstance, as of the Closing Valuation Time) on each Scheduled Trading Day thereafter on which an Index Disruption Event continues to exist (each, a “Disrupted Calculation Date”), based on the following:

- the Federal Funds Effective Rate using the standard methodology described above on the relevant date(s) of determination as if no Index Disruption Event existed;

- the Future Contract Price (and if applicable, Underlying Index Level) determined in good faith by the Index Calculation Agent, after instruction from the Index Sponsor, using the Future Contract Price (and if applicable, Underlying Index Level) last in effect prior to the occurrence of the first day on which the relevant Index Disruption Event occurred and relevant market indicators on the relevant date(s) and Valuation Times of determination;

(iii) for the avoidance of doubt, on each such Disrupted Calculation Date, if the Index Disruption Event exists in relation to a Future Contract, the Index Level shall be calculated and published using the variables described in (ii) above, however, no Futures Contracts will deemed to be rolled (i.e. no positions will deemed to be entered or exited) for as long as the Index Disruption exists.

3.2 Notwithstanding the foregoing Section 3.1, if an Index Disruption Event continues for twenty consecutive Scheduled Trading Days, then the Index Calculation Agent shall, after instruction from the Index Sponsor, either (each a “Disruption Remedy”)

(i) amend the Index Rules in a manner that preserves the economic characteristics of the Index,

(ii) permanently cancel the Index, or

(iii) decide to continue the determination of the Index Level (or, if the real time determination of an Index Level is rendered impractical in such circumstance, the Index Closing Level) as provided in section 3.1. above for another period of twenty (20) Scheduled Trading Days (a “Disruption Period Extension”), provided that after such period, the Index Calculation Agent, after instruction from the Index Sponsor, shall decide again between the Disruption...
Remedies above, subject to a maximum of three Disruption Period Extension, including the first one.
4. Consequences of an Index Extraordinary Event

4.1 If the Underlying Index is (i) not calculated and announced by the sponsor of the Underlying Index (the “Underlying Index Sponsor”) but is calculated and announced by a successor Underlying Index Sponsor acceptable to the Index Calculation Agent, after instruction from the Index Sponsor, or (ii) replaced by a successor index using, in the determination of the Index Calculation Agent, after instruction from the Index Sponsor, the same or a substantially similar formula for and method of calculation as used in the calculation of such Underlying Index, then in each case that successor index will replace such Underlying Index. Additionally, if the Underlying Index ceases to be the underlying reference asset of an exchange-traded futures or option contract (if applicable), the Index Calculation Agent, after instruction from the Index Sponsor, may, but is not obligated to, replace the Underlying Index with a new index; provided that such new index uses, in the determination of the Index Calculation Agent, after instruction from the Index Sponsor, the same or a substantially similar formula for and method of calculation as used in the calculation of the original Underlying Index.

In the event that the Underlying Index is replaced under any circumstance described in the previous paragraph, that replacement index will be deemed a “Successor Underlying Index” for such Underlying Index. Such Successor Underlying Index will be used as a substitute for the original Underlying Index for all purposes, including for purposes of determining the level of the Underlying Index and whether an Index Disruption Event exists with respect to such Underlying Index.

4.2 If, with respect to the Underlying Index and a Scheduled Trading Day, the Underlying Index Sponsor announces on or prior to such Scheduled Trading Day that it will make a material change in the formula for or the method of calculating such Underlying Index or in any other way materially modifies such Underlying Index (other than a modification prescribed in that formula or method to maintain such Underlying Index for routine events), the Index Calculation Agent, after instruction from the Index Sponsor, may, but is not obligated to, calculate the level of the Underlying Index on such Scheduled Trading Day in accordance with the formula for and method of calculating such Underlying Index last in effect prior to such change or cancellation, but using only those securities or instruments that comprised such Underlying Index immediately prior to such change or cancellation.

If at any time the method of calculating the Underlying Index, or the level thereof, is changed in a material respect, or if the Underlying Index is in any other way modified so that such Underlying Index does not, in the opinion of the Index Calculation Agent, after instruction from the Index Sponsor, fairly represent the level of the Underlying Index had such changes or modifications not been made, then the Index Calculation Agent, after instruction from the Index Sponsor, may, but is not obligated to, make such calculations and adjustments as the Index Calculation Agent, after instruction from the Index Sponsor, determines necessary in order to arrive at a level of an index comparable to such Underlying Index as if such changes or modifications had not been made, and the Index Calculation Agent, after instruction from the Index Sponsor, will calculate the level of the Index with reference to such Underlying Index, as adjusted.

If the Underlying Index Sponsor cancels the Underlying Index on or prior to any Scheduled Trading Day and no Successor Underlying Index exists, the Index Calculation Agent shall not determine the level for the Index for such Scheduled Trading Day. If such event exists and is not cured for twenty Scheduled Trading Days, then the Index Calculation Agent shall, after instruction from the Index Sponsor either (each a “Extraordinary Event Remedy”)

(i) amend the Index Rules in a manner that preserves the economic characteristics of the Index,

(ii) permanently cancel the Index, or

(iii) decide to postpone such decision for another period of twenty (20) Scheduled Trading Days (an “Extraordinary Event Period Extension”), provided that after such period, Index Calculation
Dynamic Long VIX Futures Index
(USD - Total Return)

Agent, after instruction from the Index Sponsor, shall decide again between the Extraordinary Event Remedies above, subject to a maximum of three Extraordinary Event Period Extension, including the first one.
Appendix A:

Historical values of the Transaction Cost

<table>
<thead>
<tr>
<th>Period</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>From 01/12/2006 (included) and until 31/08/2012 (excluded):</td>
<td>0.025</td>
</tr>
<tr>
<td>From 31/08/2012 (included) and until 28/01/2013 (excluded):</td>
<td>0.016</td>
</tr>
<tr>
<td>From 28/01/2013 (included):</td>
<td>0.025</td>
</tr>
</tbody>
</table>