Citi Commodities Congestion/Liquidity Navigator Ex Agriculture & Livestock Index

Index Conditions

Citi Commodities Indices

2 December 2016
Part A: Introduction

This document constitutes the “Index Conditions” in respect of the Citi Commodities Congestion/Liquidity Navigator Ex Agriculture & Livestock Index (the “Index”).

These Index Conditions are made available by Citigroup Global Markets Limited in its capacity as the Index Administrator.

Full information in respect of any Index Linked Product (as defined in Part H (Definitions)) is only available on the basis of a combination of these Index Conditions and the confirmation, prospectus or offering document (however described) in respect of such Index Linked Product. Particular attention is drawn to the important risk factors and disclaimers contained in these Index Conditions, and investors should be aware of the consequences set out in such confirmation, prospectus or offering document of such Index Linked Product of any discontinuation of the Index.

No use of the Index or these Index Conditions is permitted unless such use is authorised, whether (1) through buying, or otherwise entering into, an Index Linked Product from or with the Index Administrator or the Index Calculation Agent or one of their Affiliates; or (2) under the terms of a written licence granted by the Index Administrator.

These Index Conditions may be amended from time to time in the circumstances described in Part J (Miscellaneous). Copies of these Index Conditions are available from the Index Administrator.

These Index Conditions comprise the following Parts.

Part A Introduction
Part B Key Information
Part C Overview of the Index
Part D Calculation of the Index Level and the Index Published Level
Part E Data
Part F Adjustments, disruption and cancellation
Part G Provisions relating to Constituents
Part H Definitions
Part I Risk Factors
Part J Miscellaneous
Part K Notices
Part B: Key Information

Index: Citi Commodities Congestion/Liquidity Navigator Ex Agriculture & Livestock Index.

Index Ticker: Bloomberg Page CVICLEAL <Index>.

Summary of strategy: The Index provides exposure to up to 11 non-agriculture and non-livestock Commodities, by assuming in respect of each Commodity, (1) a long exposure to a corresponding Citi Commodities pre-roll mono index (a Pre-Roll Mono Index); and (2) a short exposure to a corresponding sub-index of the Bloomberg Commodity IndexSM (a Benchmark Mono Index). On each monthly balancing, for each Commodity, the corresponding Pre-Roll Mono Index is assigned an equal positive weight, and the corresponding Benchmark Mono Index is assigned an equal negative weight, subject to (1) a cap of 20% in respect of each Commodity which is not contained in the Oil Complex and (2) a cap of 30% in respect of each Commodity which is contained in the Oil Complex.

Index Administrator: Citigroup Global Markets Limited.

Index Calculation Agent: Citigroup Global Markets Limited.

Index Base Currency: U.S. Dollars.

Index Launch Date: 29 July 2016.

Index Start Date: 14 January 1999.

Index Start Level: 100.

Publication Rounding: 3.

Index Fees and Costs: The Index Level does not reflect any fee or cost.

Frequency of calculation of the Index Level: Daily, on each Index Business Day.

The Index was launched by the Index Administrator on the Index Launch Date. The Index has been calculated by the Index Calculation Agent for the period from the Index Start Date. The past performance of the Index prior to the Index Launch Date has been derived from a back-testing simulation by applying the Index methodology to published historical levels of the Index constituents. Back-tested performance is provided for illustrative purposes only and should not be regarded as an indication of future performance. The back-testing simulation assumed that there were no market disruption events and no extraordinary events affecting Index constituents. A simulation based on different assumptions may produce different results. Any Index Linked Product may bear additional fees which will reduce the overall returns of such Index Linked Product as compared with the past performance of the Index.
Part C: Overview of the Index

Calculation

1. CALCULATION OF THE INDEX

Subject to the occurrence or existence of a Disrupted Day, the Index Level shall be calculated by the Index Calculation Agent as of each Index Business Day. The Index Level as of each Index Business Day shall be published on the Index Ticker, generally on the following Index Business Day. This should be considered the official source for the Index Level and a level obtained from any other source (electronic or otherwise) must be considered unofficial. The Index Level is the closing level of the Index for the relevant Index Business Day. The Index Calculation Agent may also, but is not obliged to, calculate the level of the Index in respect of any other day with the consent of the Index Administrator. The detailed procedures for the calculation of the Index Level in respect of each Index Business Day are set out in Part D (Calculation of the Index Level and the Index Published Level) below.

2. INDEX ADMINISTRATOR AND INDEX CALCULATION AGENT

The Index Administrator is Citigroup Global Markets Limited. As at the date of these Index Conditions, Citigroup Global Markets Limited also acts as Index Calculation Agent, calculating and publishing the Index in accordance with these Index Conditions. The Index Administrator may, in its sole discretion and without notice, appoint an alternative Index Calculation Agent at any time which may be one of the Index Administrator's Affiliates.

Brief Description

1. INTRODUCTION

The brief description set out in this Part C is a summary only of these Index Conditions, of which this Part C is a part. These Index Conditions as a whole govern the Index, the calculation of the Index Level (as defined in Part D (Calculation of the Index Level and the Index Published Level) below), and the determinations made in connection with the maintenance of the Index. In the case of any inconsistency between this brief description in this Part C and the remainder of these Index Conditions, the remainder of these Index Conditions shall prevail.

The Index is a notional rules-based proprietary index developed by the Index Administrator. The Index Level reflects the change in value of the Constituents from one balancing of the Index to the next balancing of the Index.

2. SCHEME OF THE INDEX

The Index contains 11 Commodities.

Each Commodity (other than Natural Gas) is represented in the Index by:

1. a Citi Commodities Congestion BCOM-F0 Mono Index, a Citi Commodities Congestion BCOM-F2 Mono Index, and a Citi Commodities Congestion BCOM-F3 Mono Index (each, a "Pre-Roll Mono Index"); and
2. a sub-index of the Bloomberg Commodity IndexSM (the "Benchmark Index"), a "2 Month Forward" sub-index of the Benchmark Index, and a "3 Month Forward" sub-index of the Benchmark Index (each, a "Benchmark Mono..."
Natural Gas is represented in the Index by (1) a Citi Commodities Congestion BCOM-F2 Mono Index and a Citi Commodities Congestion BCOM-F3 Mono Index; and (2) a “2 Month Forward” sub-index of the Benchmark Index and a “3 Month Forward” sub-index of the Benchmark Index.

Each Pre-Roll Mono Index and each Benchmark Mono Index (each, a “Mono Index”) is also a Constituent Index.

“Mono Index Pair” shall mean, in respect of a Commodity, a Benchmark Mono Index and a Pre-Roll Mono Index in respect of such Commodity, which correspond with each other. For example, one Mono Index Pair in respect of a Commodity contains the Citi Commodities Congestion BCOM-F2 Mono Index in respect of such Commodity and the corresponding “2 Month Forward” sub-index of the Benchmark Index in respect of such Commodity.

Part E (Data) specifies the Mono Indices in respect of each Commodity.

Each Commodity (other than Natural Gas) is represented in the Index by three Mono Index Pairs, and Natural Gas is represented in the Index by two Mono Index Pairs.

Therefore, the Index contains 64 Constituent Indices.

Weighting Methodology

(The following description of the weighting methodology of the Index is subject to Part D (Calculation of the Index Level and the Index Published Level).)

On a monthly balancing, the weighting methodology of the Index (the “Weighting Methodology”) assigns a Weight to each Constituent Index for the period until the next monthly balancing.

First, the Weighting Methodology identifies for each Commodity the particular Mono Index Pair which has the highest Annualized Gradient Difference.

The Annualized Gradient Difference of a Mono Index Pair is (subject to the third paragraph below) the gradient of the relevant Pre-Roll Mono Index minus the gradient of the corresponding Benchmark Mono Index. The Annualized Gradient Difference of a Mono Index Pair can therefore be positive, or zero, or negative. The highest Annualized Gradient Difference can therefore be the “least negative” Annualized Gradient Difference.

The gradient of a Mono Index is determined, for the purposes of the Weighting Methodology, (and subject to the following paragraph) with reference to the Settlement Price of the “current” Futures Contract to which it is exposed and the Settlement Price of the Futures Contract whose Contract Month immediately precedes the “current” Futures Contract.

If no such “preceding” Futures Contract is available in respect of a Benchmark Mono Index, the gradient of such Benchmark Mono Index is instead determined with reference to the Settlement Price of the “current” Futures Contract to which it is exposed and the Settlement Price of the Futures Contract whose Contract Month immediately follows the “current” Futures Contract.

The Annualized Gradient Difference of a Mono Index Pair is 0 if there is no such “preceding” Futures Contract in respect of the Pre-Roll Mono Index of such Mono Index Pair.

Next, the Weighting Methodology selects the Commodities which have positive
Annualized Gradient Differences. If fewer than five Commodities are so selected, or no Commodities are so selected, then the Weighting Methodology selects (in addition to any Commodity already selected) the Commodities which have the highest negative (i.e., the “least negative”) Annualized Gradient Differences, so five Commodities are selected (whether these are a combination of Commodities with positive, zero, and negative Annualized Gradient Differences, or just Commodities with negative and zero Annualized Gradient Differences).

Next, the Weighting Methodology assigns, for the period following the monthly balancing until the next monthly balancing, for each selected Commodity:

1. an equal positive weight in the Index to the Pre-Roll Mono Index which is contained in the Mono Index Pair of that selected Commodity with the highest Annualized Gradient Difference; and

2. an equal negative weight in the Index to the Benchmark Mono Index which is contained in that Mono Index Pair.

A weight of zero in the Index is assigned to each other Mono Index that is not selected.

Therefore the Index assumes, for the period following the monthly balancing until the next monthly balancing, a long exposure to the relevant selected Pre-Roll Mono Indices and a short exposure to the relevant selected Benchmark Mono Indices.

Certain Commodities are considered to be sub-categories of the same commodity; these Commodities are grouped into Complexes. The Complex is: the Oil Complex

For the period following the monthly balancing until the next monthly balancing:

1. for each selected Commodity (other than a Commodity that is contained in the Oil Complex, the weight in the Index of the long exposure to the relevant selected Pre-Roll Mono Index representing the Commodity is capped at 20%, and the weight in the Index of the short exposure to the relevant selected Benchmark Mono Index representing that Commodity is capped at -20%; and

2. the total weight in the Index of the long exposures to the relevant Pre-Roll Mono Indices representing the selected Commodities contained in the Oil Complex is capped at 30%, and the total weight in the Index of the short exposures to the relevant Benchmark Mono Indices representing the selected Commodities contained in the Oil Complex is capped at -30%.
Part D: Calculation of the Index Level and the Index Published Level

Part D1: Basic calculation

1. INDEX LEVEL AND INDEX PUBLISHED LEVEL

1.1 The Index Level on the Index Start Date

The Index Level in respect of the Index Start Date shall be the Index Start Level.

1.2 The Index Level following the Index Start Date

The Index Level in respect of each Index Business Day “d” following the Index Start Date shall be an amount determined by the Index Calculation Agent in accordance with the formula set out below:

\[ I_d = I_{d-1} + \sum_{i=1}^{Number} \left( Units_{i,d-1} \times (CCL_{i,d} - CCL_{i,d-1}) \right) \]

where:

- \( I_d \) = the Index Level in respect of d.
- \( I_{d-1} \) = the Index Level in respect of the Index Business Day immediately preceding d.
- Number = the number of Constituents contained in the Index on d.
- Units_{i,d-1} = the Number of Units in respect of Constituent i on the Index Business Day immediately preceding d.

The Number of Units in respect of each Constituent is determined in accordance with paragraph 3 of this Part D1.

- CCL_{i,d} = the Constituent Closing Level in respect of Constituent i and d.
- CCL_{i,d-1} = the Constituent Closing Level in respect of Constituent i and the Index Business Day immediately preceding d.

1.3 The Index Published Level on each Index Business Day

The Index Published Level in respect of each Index Business Day “d” shall be an amount determined by the Index Calculation Agent equal to the Index Level in respect of d rounded to the Publication Rounding number of decimal places.
2. CONSTITUENT CLOSING LEVEL

2.1 The Constituent Closing Level in respect of a Constituent on an Index Business Day “d” shall be the level, price, rate or value specified in Part G (Provisions relating to Constituents), and determined by the Index Calculation Agent with reference to the Constituent Ticker specified in respect of such Constituent in Part E (Data).

2.2 If the level, price, rate or value (as applicable) in respect of any Constituent and any time and any day, that is (1) announced by or on behalf of the person or entity responsible for such publication or announcement; and (2) used for any calculation or determination in respect of the Index, is subsequently corrected, and the corrected level, price, rate or value (as applicable) (the “Corrected Level”) is published by or on behalf of such person or entity within the Correction Period in respect of such Constituent, then such Corrected Level shall be deemed to be the level, price, rate or value (as applicable) in respect of such Constituent and the relevant time and the relevant day. The Index Calculation Agent may, but shall not be obliged to, make appropriate adjustments to the Index Level in respect of such day.
3. DETERMINATION OF THE NUMBER OF UNITS

3.1 Following the Index Start Date (other than a balancing)

The Number of Units in respect of each Constituent on each Index Business Day “d” (following the Index Start Date) other than a Balancing Day shall be equal to the Number of Units in respect of such Constituent on the Index Business Day immediately preceding d.

3.2 Balancing Process (“balance what you can”)

(1) No disruption

If a Scheduled Balancing Day is not a Disrupted Day for any Constituent, then the Number of Units in respect of each Constituent on such Scheduled Balancing Day shall be an amount determined by the Index Calculation Agent in accordance with the formula set out at paragraph 4 of this Part D1.

(2) Disruption

If a Scheduled Balancing Day is a Disrupted Day for any Constituent, then:

(a) on each Interim Balancing Day in respect of such Scheduled Balancing Day:

(i) the Number of Units in respect of each Constituent for which such Interim Balancing Day is not a Disrupted Day shall be an amount determined by the Index Calculation Agent in accordance with the formula set out at paragraph 4 of this Part D1;

(ii) where such Scheduled Balancing Day is the Index Start Date, the Number of Units in respect of each Constituent for which such Interim Balancing Day is a Disrupted Day shall be zero; and

(iii) where such Scheduled Balancing Day is not the Index Start Date, the Number of Units in respect of each Constituent for which such Interim Balancing Day is a Disrupted Day shall be equal to the Number of Units in respect of such Constituent on the Index Business Day immediately preceding such Interim Balancing Day; and

(b) the Number of Units in respect of each Constituent on the Effective Balancing Day in respect of such Scheduled Balancing Day shall be an amount determined by the Index Calculation Agent in accordance with the formula set out at paragraph 4 of this Part D1.

(3) For the purposes of this paragraph 3.2 of this Part D1, in respect of an Scheduled Balancing Date “d”, any Constituent the Weight of which is zero on d and on the Scheduled Balancing Date (if any) immediately preceding d shall be disregarded for the purposes of determining whether a day is a Disrupted Day for any Constituent.
4. FORMULA FOR THE NUMBER OF UNITS

“Number of Units” shall mean, in respect of each Constituent “i” and a Balancing Day “d”, an amount determined by the Index Calculation Agent in accordance with the formula set out below:

\[
\text{Units}_{i,d} = \frac{I_d \times \text{Weight}_{i,d}}{\text{CCL}_{i,d}}
\]

where:

\( \text{Units}_{i,d} \) = the Number of Units in respect of Constituent i and d.

\( I_d \) = the Index Level in respect of d.

\( \text{Weight}_{i,d} \) = the Weight in respect of Constituent i and d.

The Weight in respect of each Constituent is determined in accordance with Part D2.

\( \text{CCL}_{i,d} \) = the Constituent Closing Level in respect of Constituent i and d.
Part D2: Weight

1. WEIGHT

1.1 “Weight” shall mean, in respect of a Constituent “i” and a Balancing Day “d”, an amount determined by the Index Calculation Agent as:

(1) if i is a Selected Constituent on the Determination Date in respect of d, the Determined Weight of i on the Determination Date in respect of d multiplied by the Leverage Factor, or

(2) if i is not a Selected Constituent on the Determination Date in respect of d, 0%.

“Determination Date” shall mean, in respect of a Scheduled Balancing Day (and the Effective Balancing Day (if applicable) in respect of such Scheduled Balancing Day, and each Interim Balancing Day (if any) in respect of such Scheduled Balancing Day), the Scheduled Transacting Day immediately preceding such Scheduled Balancing Day.

1.2 Selected Constituent

“Selected Constituent” shall mean, in respect of a Determination Date “d”, each Mono Index selected in accordance with the relevant paragraph set out below.

(1) If five or more Commodities each has in respect of d a positive Maximum Gradient Difference, then the Selected Constituents in respect of d shall be the two Mono Indices comprising the Selected Mono Index Pair in respect of each such Commodity in respect of d.

(2) If at least one but fewer than five Commodities each has in respect of d a positive Maximum Gradient Difference, then the Selected Constituents in respect of d shall be:

(a) the two Mono Indices comprising the Selected Mono Index Pair in respect of each such Commodity in respect of d, and

(b) the two Mono Indices comprising the Selected Mono Index Pair of each of the first X number of the Ranked Commodities in respect of d (where “X” shall mean an amount equal to five minus the number of Commodities each of which has in respect of d a positive Maximum Gradient Difference).

(3) If no Commodity has in respect of d a positive Maximum Gradient Difference, then the Selected Constituents in respect of d shall be the two Mono Indices comprising the Selected Mono Index Pair in respect of the first five of the Ranked Commodities in respect of d.

1.3 Ranked Commodity (and ranking)

“Ranked Commodity” shall mean, in respect of a Determination Date “d” on which fewer than five Commodities each has a positive Maximum Gradient Difference, each Commodity which has in respect of d a negative or zero Maximum Gradient Difference.

The Ranked Commodities in respect of a Determination Date “d” shall be ranked in accordance with their Maximum Gradient Differences in respect of d in descending order, such that the Ranked Commodity the Maximum Gradient Difference of which in respect of d is the highest (i.e. the “least negative”) is ranked first, the Ranked Commodity the Maximum Gradient Difference of which in respect of d is the second highest (or the second “least negative”) is ranked second, and so forth.

If two or more Ranked Commodities have the same Maximum Gradient Difference in respect of a Determination Date “d”, then such Ranked Commodities shall be ranked in
1.4 Selected Mono Index Pair and Maximum Gradient Difference of each Commodity

“Selected Mono Index Pair” shall mean, in respect of a Commodity “c” and a Determination Date “d”, the Mono Index Pair in respect of c which has the highest (or the “least negative”, as relevant) Annualized Gradient Difference in respect of d.

“Maximum Gradient Difference” shall mean, in respect of a Commodity “c” and a Determination Date “d”, the Annualized Gradient Difference of the Selected Mono Index Pair in respect of c in respect of d.

1.5 Annualized Gradient Difference of each Mono Index pair in respect of each Commodity

“Annualized Gradient Difference” shall mean, in respect of each Mono Index Pair “p” in respect of each Commodity “c” and a Determination Date “d”, and subject to paragraph 1.7 below, a percentage determined by the Index Calculation Agent in accordance with the formula set out below:

\[ AGD_{p,d} = \text{Gradient}_{\text{pre-roll},d} - \text{Gradient}_{\text{benchmark},d} \]

where:

\[ AGD_{p,d} \] = the Annualized Gradient Difference in respect of p and d.

\[ \text{Gradient}_{\text{pre-roll},d} \] = the Gradient in respect of d of the Pre-Roll Mono Index contained in p.

\[ \text{Gradient}_{\text{benchmark},d} \] = the Gradient in respect of d of the Benchmark Mono Index contained in p.

1.6 Gradient of a Pre-Roll Mono Index

“Gradient” shall mean, in respect of each Pre-Roll Mono Index “i” in respect of each Commodity in respect of a Determination Date “d”, and subject to paragraph 1.7 below, a percentage determined by the Index Calculation Agent in accordance with the formula set out below:

\[ \text{Gradient}_{i,d} = \left( \frac{\text{Price}_{\text{preceding},i,d}}{\text{Price}_{\text{current},i,d}} \right)^{\frac{12}{\text{Time}_d}} - 1 \]

where:

\[ \text{Gradient}_{i,d} \] = the Gradient in respect of i and d.

\[ \text{Price}_{\text{preceding},i,d} \] = the Settlement Price in respect of d of the Preceding Futures Contract in respect of i and d.

\[ \text{Price}_{\text{current},i,d} \] = the Settlement Price in respect of d of the Current Futures Contract in respect of i and d.

\[ \text{Time}_d \] = the number of calendar months between the Contract Month of the Preceding Futures Contract in respect of i and d and the Contract Month of the Current Futures Contract in respect of i and d. For example, where the Contract Month of the
Preceding Futures Contract is November and the Contract Month of the Current Futures Contract is December, \( \text{Time}_d \) would be one.

1.7 If there is no Preceding Futures Contract in respect of a Pre-Roll Mono Index in respect of a Determination Date “d”, then the Annualized Gradient Difference in respect of d of the Mono Index Pair which contains such Pre-Roll Mono Index shall be 0.

1.8 Gradient of a Benchmark Mono Index

“Gradient” shall mean, in respect of each Benchmark Mono Index “i” in respect of each Commodity in respect of a Determination Date “d”, a percentage determined by the Index Calculation Agent in accordance with the formula set out below:

\[
\text{Gradient}_{i,d} = \left( \frac{\text{Price}_{\text{initial},i,d}}{\text{Price}_{\text{subsequent},i,d}} \right)^{\frac{12}{\text{Time}_d}} - 1
\]

where:

- \( \text{Gradient}_{i,d} \) = the Gradient in respect of i and d.
- \( \text{Price}_{\text{initial},i,d} \) = either (1) the Settlement Price in respect of d of the Preceding Futures Contract in respect of i and d; or (2) if there is no Preceding Futures Contract in respect of i and d, the Settlement Price in respect of d of the Current Futures Contract in respect of i and d.
- \( \text{Price}_{\text{subsequent},i,d} \) = either (1) the Settlement Price in respect of d of the Current Futures Contract in respect of i and d; or (2) if there is no Preceding Futures Contract in respect of i and d, the Settlement Price in respect of d of the Following Futures Contract in respect of i and d.
- \( \text{Time}_d \) = the number of calendar months between the Contract Month of the Preceding Futures Contract in respect of i and d and the Contract Month of the Current Futures Contract in respect of i and d. For example, where the Contract Month of the Preceding Futures Contract is November and the Contract Month of the Current Futures Contract is December, \( \text{Time}_d \) would be one.

1.9 Determined Weight of a Selected Constituent

“Determined Weight” shall mean, in respect of a Selected Constituent “i” and a Determination Date “d”, a percentage determined by the Index Calculation Agent in accordance with the formula set out below:

\[
\text{DW}_{i,d} = \frac{100\%}{\text{Number}_{d}} \times \text{Multiplier}_i
\]

where:

- \( \text{DW}_{i,d} \) = the Determined Weight in respect of i and d.
- \( \text{Number}_{d} \) = the number of Commodities, each of which on d
corresponds with a Selected Constituent.

\[ \text{Multiplier}_i = \text{either:} \]

(1) if \( i \) is a Pre-Roll Mono Index, \( 1 \); or

(2) if \( i \) is a Benchmark Mono Index, \( -1 \).

1.10 Capped Weight of a Selected Constituent

On each Determination Date \( "d" \), the Index Calculation Agent shall follow the five steps set out below to determine the capped weight (the “Capped Weight”) of each Selected Constituent and to re-determine the Determined Weight of each Selected Constituent.

For the avoidance of doubt, (1) such steps shall be applied in the order in which they are set out; and (2) Step One to Step Four (inclusive) may be repeated.

(1) Step One (Capped Weight)

The Index Calculation Agent shall determine the Capped Weight on the Determination Date \( "d" \) of each Selected Constituent “\( i \)” in respect of \( d \) in accordance with the applicable of the two formulae set out below:

(a) if \( i \) corresponds with a Commodity which is contained in the Oil Complex:

\[
\text{CW}_{i,d} = \min \left( \frac{30\%}{\text{Number}_{\text{Complex},i,d}} ; \text{abs}(\text{DW}_{i,d}) \right) \times \text{Multiplier}_i
\]

(b) if \( i \) corresponds with a Commodity which is not contained in a Complex:

\[
\text{CW}_{i,d} = \min \left( 20\% ; \text{abs}(\text{DW}_{i,d}) \right) \times \text{Multiplier}_i
\]

where:

\( \text{CW}_{i,d} \) = the Capped Weight in respect of \( i \) and \( d \).

\( \min \) = the lesser of the amounts written in parentheses and separated by each semi-colon.

\( \text{Number}_{\text{Complex},i,d} \) = the number of Commodities which are (i) contained in the Complex which contains the Commodity which corresponds with \( i \); and (ii) represented by Selected Constituents on \( d \).

\( \text{abs} \) = the absolute value of the amount written in parentheses.

\( \text{DW}_{i,d} \) = the Determined Weight in respect of \( i \) and \( d \).

For the purposes of the first occasion on which this Step One is applied, the Determined Weight in respect of \( i \) and \( d \) shall be the percentage determined in accordance with paragraph 1.9 of this Part D2.

For the purposes of each subsequent occasion on which this Step One is applied, the Determined Weight respect of \( i \) and \( d \) shall be the percentage determined in accordance with the application of Step Three immediately preceding this application of this Step One.

\[ \text{Multiplier}_i = \text{either:} \]
“Capped Constituent” shall mean, in respect of d, each Selected Constituent on d whose Capped Weight in respect of d is not equal to its Determined Weight in respect of d, on any occasion on which this Step One is applied.

(2) **Step Two (Excess Weight)**

The Index Calculation Agent shall determine the excess weight (the “Excess Weight”) in respect of d of all of the Capped Constituents in respect of d which are Pre-Roll Mono Indices, in accordance with the formula set out below:

$$EW_d = \sum_{j=1}^{\text{Number}} (DW_{j,d} - CW_{j,d})$$

where:

- $EW_d$ = the Excess Weight in respect of d.
- Number = the number of Capped Constituents in respect of d which are Pre-Roll Mono Indices. Each such Capped Constituent shall be represented by the variable “j”.
- $DW_{j,d}$ = the Determined Weight in respect of j and d.
- $CW_{j,d}$ = the Capped Weight in respect of j and d.

For the purposes of the first occasion on which this Step Two is applied, the Determined Weight in respect of j and d shall be the percentage determined in accordance with paragraph 1.9 of this Part D2.

For the purposes of each subsequent occasion on which this Step Two is applied, the Determined Weight in respect of j and d shall be the percentage determined in accordance with the application of Step Three immediately preceding this application of this Step Two.

(3) **Step Three (distribution of any Excess Weight)**

The Index Calculation Agent shall proportionately distribute the Excess Weight in respect of d (as determined in accordance with Step Two) between all Selected Constituents on d which are not Capped Constituents (if any), by:

(a) re-determining the Determined Weight in respect of d of each Selected Constituent “i” in respect of d which is not a Capped Constituent (if any) in accordance with the formula set out below:

$$DW_{i,d,new} = DW_{i,d,old} \times \left(1 + \frac{EW_d}{\sum_{k=1}^{\text{Number}} DW_{k,d,old}}\right)$$

where:

- $DW_{i,d,new}$ = the Determined Weight in respect of i and d, as re-determined in accordance with this Step Three.
- $DW_{i,d,old}$ = the Determined Weight in respect of i and d, as
EW_d = the Excess Weight in respect of d, as determined in accordance with Step Two.

Number = the number of Constituents in respect of d which are Pre-Roll Mono Indices and which are not Capped Constituents. Each such Constituents shall be represented by the variable “k”.

DW_{k,d,old} = the Determined Weight in respect of k and d, as applied in Step One.

and

(b) re-determining the Determined Weight in respect of d of each Selected Constituent in respect of d which is a Capped Constituent (if any) as its Capped Weight in respect of d, as determined in Step One.

(4) Step Four (loop)

Step One to Step Three (inclusive) shall be repeated until both of the two conditions set out below are satisfied:

(a) the Total Capped Weight Percentage (as defined below) in respect of d of the Oil Complex is not greater than 30%;

(b) the Determined Weight in respect of d (as determined in Step Three) of each Non-Complex Selected Constituent (as defined below) is not greater than 20%.

“Total Capped Weight Percentage” shall mean, in respect of a Complex “c” and a Determination Date “dd”, a percentage determined by the Index Calculation Agent in accordance with the formula set out below:

\[
TCWP_{c,dd} = \sum CW_{c,dd}
\]

where:

 TCWP_{c,dd} = the Total Capped Weight Percentage in respect of c and dd.

 ΣCW_{c,dd} = the sum of the Capped Weight in respect of dd of the Selected Constituent which is a Pre-Roll Mono Index corresponding with each Commodity contained in c.

“Non-Complex Selected Constituent” shall mean, in respect of a Determination Date, a Selected Constituent in respect of such Determination Date which corresponds with a Commodity which is not contained in a Complex and which is a Pre-Roll Mono Index.

(5) Step Five

If in respect of d the sum of the Determined Weight of each Selected Constituent in respect of d which is a Pre-Roll Mono Index is less than 100%, then:

(a) each Constituent, other than a Selected Constituent in respect of d, which is contained in a Selected Mono Index Pair in respect of d (as determined in paragraph 1.4 of this Part D2) which has an Annualized Gradient Difference equal to zero in respect of d shall also be a Selected Constituent in respect of d (each such additional Selected Constituent,
an “Additional Selected Constituent”); and

(b) the Determined Weight of each Additional Selected Constituent “i” in respect of d shall be a percentage determined by the Index Calculation Agent in accordance with the formula set out below:

\[ DW_{i,d} = \left( 100\% - \frac{\sum CW_{c,d}}{\text{Number}_{\text{zero gradient}}} \right) \times \text{Multiplier}_i \]

where:

- \( DW_{i,d} \) = the Determined Weight in respect of i and d.
- \( \sum CW_{c,d} \) = the sum of the Capped Weight in respect of d of each Selected Constituent (other than any Additional Selected Constituent) which is a Pre-Roll Mono Index.
- \( \text{Number}_{\text{zero gradient}} \) = the number of Additional Selected Constituents in respect of d.
- \( \text{Multiplier}_i \) = either:
  - (1) if i is a Pre-Roll Mono Index, 1; or
  - (2) if i is a Benchmark Mono Index, -1.

1.11 Definitions

“Complex” shall mean the Oil Complex.

“Current Futures Contract” shall mean, (1) in respect of a Pre-Roll Mono Index and a Determination Date “d”, the Futures Contract that is contained in such Pre-Roll Mono Index following the roll which takes place under the methodology of such Pre-Roll Mono Index on or after d; and (2) in respect of a Benchmark Mono Index and a Determination Date “d”, the Futures Contract that is contained in such Mono Index on d.

“Expiration Date” shall mean, in respect of a Futures Contract, the date of expiration of such Futures Contract.

“Following Futures Contract” shall mean, in respect of a Mono Index and a Determination Date “d”, the Futures Contract (if any), in respect of the relevant Commodity in respect of such Mono Index, the Expiration Date of which is the first to occur after the Expiration Date of the Current Futures Contract in respect of such Mono Index on d.

“Leverage Factor” shall mean the number specified as such in Part E (Data).

“Oil Complex” shall mean a group of Commodities comprising WTI Crude Oil, Brent Crude Oil, Gasoline and Heating Oil.

“Preceding Futures Contract” shall mean, in respect of a Mono Index and a Determination Date “d”, the Futures Contract (if any), in respect of the relevant Commodity in respect of such Mono Index, the Expiration Date of which is the last to occur before the Expiration Date of the Current Futures Contract in respect of such Mono Index on d.
Part E: Data

Constituents

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Pre-Roll</th>
<th>Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>F0</td>
<td>F2</td>
</tr>
<tr>
<td>WTI Crude Oil</td>
<td>0CL</td>
<td>2CL</td>
</tr>
<tr>
<td>Brent Crude Oil</td>
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</tr>
<tr>
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<td>Heating Oil</td>
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</tr>
<tr>
<td>Zinc</td>
<td>0LX</td>
<td>2LX</td>
</tr>
</tbody>
</table>

The Constituent Ticker of each Pre-Roll Mono Index is a combination of the letters “CVICD” followed by the letters and numbers specified in respect of the relevant Commodity under the heading “Pre-Roll” and the relevant sub-heading “F0”, “F2” or “F3” of the table set out above.

The Constituent Ticker of each Benchmark Mono Index is a combination of the letters “BCOM” followed by the letters and numbers specified in respect of the relevant Commodity under the heading “Benchmark” and the relevant sub-heading “F0”, “F2” or “F3” of the table set out above.

The index conditions of the Constituent Indices are available from the Index Administrator.

The Constituent Ticker of each Constituent Index is a Bloomberg Electronic Page.

Parameters

Leverage Factor: 1.

Dates and times

Index Business Day: Any day on which the New York floor of the CME Group is scheduled to be open for trading for its regular trading session.

Scheduled Transacting Day: Each Index Business Day which is also an All Exchanges Open Business Day.

All Exchanges Open Business Day: Any day on which each Relevant Exchange is scheduled to be open for its regular trading session, notwithstanding such Relevant Exchange closing prior to its scheduled weekday closing time, without regard to after-hours trading or other trading outside the hours of the regular trading session on such Relevant Exchange.

For these purposes, “Relevant Exchange” shall mean either (1) each exchange (if any) specified in Part E (Data); or (2) (if no such exchange is so specified) each exchange on which is traded each exchange-traded futures contract and each exchange-traded option contract (a) constituting each Constituent Index or any index which is a constituent of such Constituent Index, whether directly or as a constituent of a further index; or (b) with reference to which
such Constituent Index or other index is determined.

Scheduled Balancing Day: The tenth Scheduled Transacting Day of each calendar month.
Part F: Adjustments, disruption and cancellation

1. ADJUSTMENT EVENTS

If an Adjustment Event occurs in respect of a Constituent (the “Affected Element”), then:

(1) the Index Calculation Agent may suspend the calculation, publication and dissemination of the Index and the Index Level until the first succeeding Index Business on which such Adjustment Event does not occur or continue to occur; and/or

(2) the Index Calculation Agent may replace the Affected Element with a replacement element which has substantially similar characteristics to the Affected Element, having regard to the manner in which the Affected Element is used in the calculation of the Index, in which case the Index Calculation Agent will:

   (a) determine the effective date of such replacement; and

   (b) make such adjustment(s) to these Index Conditions as it determines appropriate to account for the effect on the Index of such replacement; and/or

(3) the Index Administrator may discontinue and cancel the Index.

2. DISRUPTED DAYS

If any Index Business Day is a Disrupted Day for any Constituent, then the Index Calculation Agent may:

(1) publish its good faith estimate of the Index Level for such Index Business Day (notwithstanding the occurrence of a Disrupted Day), using its good faith estimate of the value of the Constituent(s) affected by the occurrence of a Disrupted Day. Any such estimated value may be subject to correction once the relevant event or circumstances giving rise to such Disrupted Day cease; and/or

(2) suspend the calculation, publication and dissemination of the Index and the Index Level until the first succeeding Index Business Day which is not a Disrupted Day for any Constituent.

3. CANCELLATION OF THE INDEX

The Index Administrator may discontinue and cancel the Index at any time and is under no obligation to continue, or to procure the continuation of, the calculation, publication and dissemination of the Index, the Index Level and the Index Published Level.
Part G: Provisions relating to Constituents

Constituent Index

This section of this Part G is applicable only to each Constituent which is classified (in Part E (Data) under the heading “Classification”) as a “Constituent Index” (each such Constituent, a “Constituent Index”).

Constituent Closing Level: The official closing level of the relevant Constituent Index.

Scheduled Trading Day: Any day on which the relevant Constituent Index Sponsor (or an agent appointed by such Constituent Index Sponsor) is scheduled to publish the level of the relevant Constituent Index.

Disrupted Day: Any Scheduled Trading Day on which (1) the level of the relevant Constituent Index is not published by or on behalf of the relevant Constituent Index Sponsor; or (2) an Exchange Disruption occurs in respect of any ETD Contract.

Adjustment Event: Each of the following: (1) Constituent Index Cancellation; and (2) Constituent Index Modification.

Correction Period: 30 calendar days.

“Constituent Index Cancellation” shall mean, in respect of any Constituent Index, that the relevant Constituent Index Sponsor permanently cancels such Constituent Index.

“Constituent Index Modification” shall mean, in respect of any Constituent Index, that the relevant Constituent Index Sponsor announces that it will make a material change in the formula for or method of calculating such Constituent Index or in any other way materially modifies such Constituent Index (other than a modification prescribed in that formula or method to maintain such Constituent Index in the event of routine events).

“Constituent Index Sponsor” shall mean, in respect of any Constituent Index, the corporation or entity which (1) is responsible for setting and reviewing the rules and procedures and methods of calculations and adjustments, if any, related to such Constituent Index; and (2) announces (directly or through an agent) the level of such Constituent Index on a regular basis.

“Exchange Disruption” shall have the meaning given to it under the heading “Exchange and Exchange Disruption” below. For the purposes of such definition and a Constituent Index:

(1) “ETD Contract” shall mean each exchange-traded futures contract and each exchange-traded option contract (a) constituting such Constituent Index or any index which is a constituent of such Constituent Index, whether directly or as a constituent of a further index; or (b) with reference to which such Constituent Index is determined; and

(2) for the purposes of the definition of “Exchange” under the heading “Exchange and Exchange Disruption”, the Trading Venue shall have the meaning given to it under the heading “Exchange and Exchange Disruption” below.

SUCCESSOR CONSTITUENT INDEX SPONSOR AND SUCCESSOR CONSTITUENT INDEX

If the relevant Constituent Index is (1) not calculated and announced by the relevant Constituent Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Index Calculation Agent; or (2) replaced by a successor index using, in the determination of the Index Calculation Agent, the same or
a substantially similar formula for or method of calculation as used in the calculation of such Constituent Index, then in each case that index will be deemed to be such Constituent Index with effect from the date determined by the Index Calculation Agent, who may (but is not obliged to) make such adjustment(s) to these Index Conditions as it determines appropriate to account for such change.
Exchange and Exchange Disruption

“Exchange” shall mean, in respect of an ETD Contract:

(1) the primary exchange, trading system or quotation system (“Trading Venue”) in respect of such ETD Contract; or

(2) any successor to such Trading Venue; or

(3) any substitute Trading Venue to which trading in such ETD Contract has temporarily relocated, provided that there is comparable liquidity in such ETD Contract on such temporary substitute Trading Venue as on the original Trading Venue.

“Exchange Disruption” shall mean, in respect of an ETD Contract:

(1) the relevant Exchange fails to open for trading during its regular trading session; or

(2) the occurrence or existence at any time during the one hour period which ends at the end of the Scheduled Closing Time (on the relevant Exchange) of any suspension of or limitation imposed (for any reason, including movements in price exceeding permitted limits) on the trading on the relevant Exchange; or

(3) the occurrence or existence at any time during the one hour period which ends at the end of the Scheduled Closing Time (on the relevant Exchange) of any other event (other than an event described in sub-paragraph (4)) which disrupts or impairs the ability of market participants in general on the relevant Exchange to effect transactions in or to obtain market values for such ETD Contract; or

(4) the closure on any day (on which the relevant Exchange is scheduled to be open for its regular trading session) prior to the Scheduled Closing Time on such Exchange on such day, at least one hour prior to the earlier of (a) the actual closing for the regular trading session of the relevant Exchange on such day; and (b) the deadline for the submission of orders to be entered into the relevant Exchange system for execution at such scheduled weekday closing time on the relevant Exchange on such day; or

(5) the Settlement Price of such ETD Contract has increased or decreased by an amount equal to the maximum permitted price change for the previous day’s Settlement Price; or

(6) the Settlement Price of such ETD Contract is not published or otherwise made available by or on behalf of the relevant Exchange.

“Scheduled Closing Time” shall mean, in respect of an Exchange and a day on which such Exchange is scheduled to be open for its regular trading session, the scheduled weekday closing time of such Exchange on such day, without regard to after-hours trading or other trading outside the hours of the regular trading session on such Exchange.

“Settlement Price” shall mean, in respect of an ETD Contract, the daily settlement price or the final settlement price (as the case may be, and however described by the relevant Exchange) of such ETD Contract, as published or otherwise made available by the relevant Exchange.
**Part H: Definitions**

“Adjustment Event” shall, in respect of a Constituent, have the meaning given to it in the relevant section of Part G (Provisions relating to Constituents).

“Affiliate” shall mean, in respect of a person “X”, any entity controlled (directly or indirectly) by X, any entity which controls (directly or indirectly) X or any entity (directly or indirectly) under common control with X. For this purpose, “control” of any person or entity shall mean the ownership or a majority of the voting power of such person or entity.

“Balancing Day” shall mean each Scheduled Balancing Day, the Effective Balancing Day (if applicable) in respect of such Scheduled Balancing Day, and each Interim Balancing Day (if any) in respect of such Scheduled Balancing Day.

“Citi” shall mean Citigroup Inc. and its Affiliates.

“Constituent” shall mean each constituent of the Index, as specified in Part E (Data). Each Constituent shall be identified by a unique serial number, denoted by “i”, as specified in Part E (Data). Part E (Data) also sets out the classification of each Constituent.

“Constituent Closing Level” shall have the meaning given to it in Part D1 (Calculation of the Index Level and the Index Published Level).

“Constituent Ticker” shall mean, in respect of a Constituent, the Electronic Page specified in respect of such Constituent in Part E (Data).

“Contract Month” shall mean, in respect of a Futures Contract, the calendar month referred to in the title of such Futures Contract (by way of illustration, if the title of a Futures Contract refers to “February 2016”, the Contract Month of such Futures Contract is February). Each Contract Month is referred to using a letter, as specified in the table set out below.

- “F” denotes January
- “G” denotes February
- “H” denotes March
- “J” denotes April
- “K” denotes May
- “M” denotes June
- “N” denotes July
- “Q” denotes August
- “U” denotes September
- “V” denotes October
- “X” denotes November
- “Z” denotes December

An asterisk “*” denotes a Futures Contract the Contract Month of which is in the next following calendar year.

“Correction Period” shall, in respect of a Constituent, have the meaning given to it in the relevant section of Part G (Provisions relating to Constituents).

“Disrupted Day” shall, in respect of a Constituent, have the meaning given to it in the relevant section of Part G (Provisions relating to Constituents).

“Effective Balancing Day” shall mean, in respect of a Scheduled Balancing Day which is a Disrupted Day for any Constituent, the first succeeding Scheduled Transacting Day which is not a Disrupted Day for any Constituent.

“Electronic Page” shall mean, in respect of a datum, (1) an electronic page or source specified in respect of such datum in these Index Conditions; or (2) if no such electronic page or source has been so specified, such Bloomberg page or Reuters page or other widely-recognized source of financial data as the Index Calculation Agent may determine appropriate; or (3) in any case, any successor electronic page or source that has been designated by either (a) the sponsor of the original electronic page or source; or (b) the relevant information vendor or provider of the original electronic page or source; or (4) any alternative electronic page or source that may be designated by the Index Calculation Agent, provided that such electronic page or source is widely recognized by participants in the relevant market.
“Expert Judgement” shall have the meaning given to it in Part J (Miscellaneous).

“Index Administrator” shall mean the person specified as such in Part B (Key Information) or any successor to or assignee of such person.

“Index Base Currency” shall mean the currency specified as such in Part B (Key Information).

“Index Business Day” shall mean each day specified as such in Part E (Data).

“Index Calculation Agent” shall mean the person specified as such in Part B (Key Information) and appointed by the Index Administrator, any successor to such person, or any alternative calculation agent appointed by the Index Administrator.

“Index Launch Date” shall mean the date specified as such in Part B (Key Information).

“Index Level” shall mean, in respect of an Index Business Day, the closing level of the Index on such Index Business Day. The Index Level shall be an amount expressed in the Index Base Currency.

“Index Linked Product” shall mean any security, contract or other financial product the return on which is linked to the performance of the Index.

“Index Published Level” shall mean, in respect of an Index Business Day, the published level of the Index on such Index Business Day. The Index Published Level shall be an amount expressed in the Index Base Currency.

“Index Start Date” shall mean the date specified as such in Part B (Key Information). For the avoidance of doubt, the Index Start Date is an Index Business Day.

“Index Start Level” shall mean the Index Level on the Index Start Date, as specified in Part B (Key Information).

“Index Ticker” shall mean the Electronic Page in respect of the Index, as specified in Part B (Key Information).

“Interim Balancing Day” shall mean, in respect of a Scheduled Balancing Day which is a Disrupted Day for any Constituent, each Scheduled Transacting Day from (and including) such Scheduled Balancing Day to (but excluding) the Effective Balancing Day in respect of such Scheduled Balancing Day.

“Part” shall mean a part of these Index Conditions.

“Publication Rounding” shall mean the number of decimal places specified as such in Part B (Key Information).

“Scheduled Balancing Day” shall mean each day specified as such in Part E (Data).

“Scheduled Trading Day” shall, in respect of a Constituent, have the meaning given to it in the relevant section of Part G (Provisions relating to Constituents).

“Scheduled Transacting Day” shall mean each day specified as such in Part E (Data).
Part I: Risk Factors

The discussion of risks in this Part I comprises a discussion of specific risk factors, followed by a discussion of general risk factors.

Specific Risk Factors

1. RISKS ARISE IN RESPECT OF THE CONSTITUENT INDICES

The performance of the Index is dependent on the performance of the Constituent Indices.

There can be no assurance that a Constituent Index will generate positive returns.

Knowledge of the methodology of the Constituent Indices is essential to evaluate the Index.

The risks which exist in respect of an exposure to the Constituent Indices also exist in respect of an exposure to the Index. Consequently investors should read and understand the index conditions of the Constituent Indices, including the disclosure and the discussion of the risks which arise in respect of an exposure to the Constituent Indices.

The combination of these risks may create additional particular risks which may substantially increase the effect of adverse market movements.

In addition to the risks which exist in respect of an exposure to the Constituent Indices, the following are certain specific risks which exist in respect of an exposure to the Index.

2. GENERAL SCHEME OF THE INDEX

See Part C (Overview of the Index) for a description of the Weighting Methodology.

Following a monthly balancing, the Index will be exposed to Mono Indices in respect of all, or some only, of the 11 Commodities that it contains.

3. WEIGHTING METHODOLOGY

The Weighting Methodology operates with reference to historical market data and is therefore said to be “backward-looking”. Therefore, there can be no assurance that, during the month following the relevant balancing:

(1) in respect of each pair of corresponding Selected Constituents, the long exposure to the relevant Pre-Roll Mono Index and the short exposure to the relevant Benchmark Mono Index will generate positive returns;

(2) in respect of the Commodity represented by each pair of corresponding Selected Constituents, such pair will generate higher returns than any other pair of Constituents in respect of such Commodity (representing Futures Contracts of different tenors); and

(3) in respect of the pairs of corresponding Selected Constituents representing the particular relevant combination of Commodities, such pairs will generate higher returns than any other combination of pairs of Constituents representing any other combination of Commodities.
(4) The application of a cap to the weight in the Index of a particular Complex, which in turn may have a capping effect on Commodities contained in that Complex (and their corresponding Selected Mono Index Pairs) may result in the weight in the Index of that particular Commodity (and its corresponding Selected Mono Index Pair) being lower than the weight in the Index of another Commodity whose corresponding Selected Mono Index Pair has a lower Maximum Gradient Difference.

(5) The application of a cap to the weight in the Index of each Commodity (and its corresponding Selected Mono Index Pair) that is selected for a particular month may result in less than 100% of the Index being allocated to all of the Commodities (and their corresponding Selected Mono Index Pairs) that are selected for that month. In the event that there is such a shortfall in the allocation of the Index for a particular month, such shortfall will be allocated equally to additional Commodities (and their corresponding Selected Mono Index Pairs) whose Maximum Gradient Differences on the relevant Determination Date will be zero.

4. EXPOSURES TO THE CONSTITUENT INDICES

(1) Relative performance

Following a monthly balancing, the Index provides a long exposure to the Selected Constituents which are Pre-Roll Mono Indices (the “Pre-Roll Group”) and a short exposure to the Selected Constituents which are Benchmark Mono Indices (the “Benchmark Group”).

The Index will only generate positive returns over a particular period if the Pre-Roll Group generates higher returns than the Benchmark Group during that period. For example, commodity prices may be generally rising over a particular period, as measured by either the Pre-Roll Group or the Benchmark Group, but the Index may be declining because the Pre-Roll Group is underperforming the Benchmark Group during that period on a relative basis.

Similarly, the price of an individual commodity could rise over a particular period, but that commodity will make a negative contribution to the performance of the Index if the corresponding Pre-Roll Mono Index underperforms the corresponding Benchmark Mono Index.

(2) Overall negative performance notwithstanding some positive performance

If some of the Selected Constituents to which the Index is exposed generate negative returns, and the other Selected Constituents to which the Index is exposed positive returns, then the positive returns generated may not be sufficient to outweigh the negative returns generated, and therefore the performance of the Index may be negative notwithstanding the positive returns that have been generated.

(3) Concentration of factors

If, during the month following a monthly balancing, the Index is exposed to some only but not all of the Constituents, then the effect of different market conditions in terms of liquidity, volatility or other factors may be concentrated because the Index is concentrated in such Selected Constituents, which may adversely affect the performance of the Index.

5. ALGORITHMIC INDICES ARE VULNERABLE TO UNPREDICTABLE MARKETS

As the performance of commodities can be highly volatile, any rules-based algorithm using historical performance or behaviour of commodity prices (as the Index does through the Constituent Indices) may be negatively impacted by unexpected or unpredictable commodity price behaviour.
6. EFFECTIVE EXPOSURES MAY NOT REMAIN THE SAME

The level of a Constituent Index may increase or decrease over the period from one monthly balancing to the next monthly balancing, and therefore the effective exposure in the Index to such Constituent Index over such period may not remain the same. This means that the weight in the Index of a Constituent Index that is determined on a monthly balancing may not be reflected by the effective exposure in the Index to such Constituent Index over the period from such balancing to the next monthly balancing.

7. CHANGES TO A BENCHMARK MONO INDEX

Changes to the methodology of a Benchmark Mono Index may adversely affect the Index. The sponsor of a Benchmark Mono Index may at any time change the methodology pursuant to which the Benchmark Mono Index selects and/or assigns weights to Futures Contracts. If any such change is made, the performance of a Benchmark Mono Index may improve, which would have a negative effect on the performance of the Index.

8. DISRUPTION

The Index may be disrupted if any of the Constituent Indices is disrupted or cancelled.

General Risk Factors

1. INTRODUCTION

The Index Level may go down as well as up, depending on the performance of the components that are included in the Index (each, a “Constituent”) and their effect on the strategy that the Index has been developed to reflect. There can be no assurance as to the future performance of the Index, and the Index Level on any day may not reflect either its past performance or its future performance. The strategy that the Index has been developed to reflect may not be successful, and other strategies using the Constituents and alternative indices and benchmarks may perform better than the Index.

The Index represents the weighted value of its Constituents. The Index has been developed to be “investable”, but the methodology set out in these Index Conditions is quantitative, which means that the Index Level is determined according to the rules and the processes set out in these Index Conditions on a purely notional basis, without reference to any actual investment in the Index or any of its Constituents.

The result of any such actual investment may be different to the performance of the Index. In particular, any notional fees or costs deducted in the calculation of the Index Level, and any proportionate amount included in the Index Level of any dividend, distribution or payment in respect of any Constituent, may be different from those arising in respect of any actual investment in any Constituent or any combination of Constituents.

Prospective investors in any Index Linked Product should be familiar with investments in the global financial and commodity markets, financial instruments and indices generally.

2. RISKS IN RESPECT OF THE CONSTITUENTS

The performance of the Index is dependent on the performance of all of the Constituents contained in the Index.

Fluctuations in the level, price, rate or value (as applicable) of the Constituents contained in the Index from time to time will directly affect the Index Level.

• Commodity
Prospective investors in an Index Linked Product linked to an Index which has exposure to a commodity should be familiar with commodities generally.

Commodity markets can be highly volatile. In addition to being affected by general economic and market factors, including without limitation (1) weather; (2) governmental, agricultural, commercial and trade programmes and policies introduced to influence commodity prices; (3) global political and economic events; and (4) changes in interest rates, commodity markets are also subject to temporary distortions or other disruptions caused by various factors including (a) changes in supply and demand; (b) any potential lack of liquidity in the market; (c) the participation of speculators; and (d) government regulation and intervention.

- **Commodity Index (Constituent Index)**

Prospective investors in an Index Linked Product linked to an Index containing a Constituent Index should be familiar with commodity indices generally. The level of a Constituent Index is generally based on the value of the commodities and/or the exchange-traded derivative contracts (i.e. ETD Contracts) contained in the Constituent Index, and therefore the risks discussed under the headings “Commodity” and “ETD Contract (exchange-traded derivative contract)” are also relevant.

- **“Rolling” futures contracts**

The trend in the level of a Constituent Index may not correlate with the trend in the price of a particular commodity if the Constituent Index uses a “roll” mechanism by which exposure in the Constituent Index to a futures contract which is approaching delivery/expiry is replaced with an exposure to another futures contract which has a later delivery/expiry date. The level of the Constituent Index may not therefore fully reflect any increase or decrease in the price of the relevant commodity.

- **ETD Contract (exchange-traded derivative contract)**

Prospective investors in an Index Linked Product linked to an Index containing an ETD Contract (whether a futures contract or an option contract) should be familiar with futures contracts and option contracts generally. The value and price volatility of both the ETD Contracts contained in an Index and of the assets or reference factors underlying such ETD Contracts must be considered.

**Daily Limits**

ETD Contracts are traded on exchanges, and are subject to regulations which limit the extent to which the prices of ETD Contracts can fluctuate during a single trading day. These regulations are commonly referred to as “daily limits”. Under these regulations, on a particular trading day, no trades may be executed at prices beyond the daily limits. Once the price of an ETD Contract has increased or decreased by an amount equal to the applicable daily limit, a trader cannot take a position or liquidate a position unless he is willing to effect the trade at or within the applicable daily limit. This could prevent the holder of an ETD Contract from promptly liquidating unfavourable positions and subject him to substantial losses.

3. **PERFORMANCE OF THE INDEX**

3.1 **The performance of the Index may be significantly lower than the performance of certain Constituents**

The performance of the Index could be significantly less than the performance of alternative indices and benchmarks with similar risk characteristics, even if some of the Constituents have generated significant positive returns. The levels, prices, rates or
values ("Values") of the Constituents may move in different directions at different times compared to each other, and underperformance by one or more of the Constituents may reduce the performance of the Index as a whole, even if other Constituents generate positive returns.

3.2 The correlation between the Constituents may change unpredictably

Correlation is the extent to which the Values of the Constituents increase or decrease to the same degree at the same time. If the correlations among the Constituents change, the level of the Index may be adversely affected.

3.3 The Index may be subject to currency rate risk

The Index may be exposed to currency rate risk because the Values of the Constituents may be converted into the base currency of the Index for the purposes of calculating the level of the Index if those Values are expressed in a different currency. Currency rates may be volatile and move in an unexpected way. Historical currency rates should not be considered indicative of future currency rates.

4. NOTIONAL EXPOSURE

The Index creates a notional exposure to the Constituents and such notional exposure will only exist in the books and records of the Index Administrator and the Index Calculation Agent.

4.1 No rights

Investors in Index Linked Products (1) have no legal or beneficial ownership interest in any Constituent and therefore have no recourse to any Constituent; (2) have no right to take delivery of any Constituent; (3) have no voting rights with respect to any Constituent; (4) have no right to receive dividends, distributions or other payments with respect to any Constituent.

4.2 No offer

Nothing in these Index Conditions constitutes an offer to buy or to sell any Constituent or any other asset, commodity, contract or security (including without limitation any asset, contract, commodity or security included in any Constituent).

4.3 Reinvestment.

If the Index is a “total return index”, it will include the notional reinvestment of amounts calculated by reference to any dividend, distribution or payment that would be received by a holder of a Constituent. If the Index is not a “total return index”, it will not include any such notional reinvestment.

5. NO INVOLVEMENT OF PERSONS CONNECTED WITH ANY CONSTITUENT

The Index does not create any obligation of any person connected with any Constituent (each such person, for the purposes of this paragraph, a “Relevant Person”), including without limitation the issuer of any Constituent which is a security, the sponsor or calculation agent of any Constituent which is itself an index, and the provider of any service (such as an investment adviser or an investment manager) to any Constituent which is a fund.

No Relevant Person has participated in the preparation of these Index Conditions or in the arrangement and offer of any Index Linked Product.

6. NO INVESTIGATION
Neither the Index Administrator nor the Index Calculation Agent has made or will make any investigation or enquiry with respect to any Constituent, including with respect to any publicly-available information that is disclosed in these Index Conditions to any Constituent. Consequently there can be no assurance that all events have been disclosed which would affect the performance of the Index or the value of any Index Linked Product.

7. **EFFECT OF FEES**

The Index Level may include a deduction of notional fees, as described in these Index Conditions. Any such deduction of notional fees will result in the Index underperforming a hypothetical investment portfolio from which no such deduction is made.

8. **EFFECT OF NOTIONAL COSTS**

The Index Level may include a deduction of notional costs (which may be referred to as a notional cost, charge, spread or similar term), as described in these Index Conditions. Any such deduction of notional costs will result in the Index underperforming a hypothetical investment portfolio from which no such deduction is made.

9. **DISRUPTION TO THE INDEX**

9.1 Certain events may affect the calculation of the Index and the Index Level. These events, which are described elsewhere in these Index Conditions, may have consequences including:

   (1) the Index Calculation Agent exercising certain discretions conferred by these Index Conditions;

   (2) the Index Calculation Agent suspending the calculation, publication and dissemination of the Index and the Index Level;

   (3) the Index Administrator making a modification or change to these Index Conditions; and

   (4) the Index Administrator discontinuing and cancelling the Index.

   Unless otherwise stated, the Index Administrator has no obligation to inform any person of the result of any action taken on the occurrence of such events.

9.2 The occurrence or existence of disruptions may also result in the calculation, publication and dissemination of the Index being postponed to a later time than as provided in these Index Conditions.

10. **INDEX ADMINISTRATOR AND THE INDEX CALCULATION AGENT**

These Index Conditions confer on the Index Administrator and the Index Calculation Agent a degree of discretion in making certain determinations and calculations, for example in connection with the occurrence of disruptions and adjustments. Although each of the Index Administrator and the Index Calculation Agent will use Expert Judgement in exercising any discretion, the exercise of any such discretion may have an adverse effect on the Index Level and therefore may have an adverse effect on the value of any Index Linked Product. Please see Part I (Miscellaneous) for further important disclosure of additional general risks (1) as to the manner in which the Index is determined; (2) that neither the Index Administrator nor the Index Calculation Agent acts as fiduciary; and (3) as to certain conflicts of interest.
Conflicts of Interest

The following material conflicts of interest may exist in respect of a swap or other over-the-counter derivative transaction (an "Index Swap") which references or is otherwise based on the performance of the Index, where your counterparty to the Index Swap (the “Swap Dealer”) is either the Index Administrator, the Index Calculation Agent, an affiliate of the Index Administrator, or an affiliate of the Index Calculation Agent.

1. **DISCRETIONS**

As discussed above, the Index Administrator and the Index Calculation Agent are entitled to exercise certain discretions in relation to the Index, including but not limited to the determination of index disruption events. Such determinations may adversely affect the level of the Index and therefore the amount payable under the Index Swap.

2. **HEDGING**

The Swap Dealer expects to hedge its obligations under the Index Swap directly or through one or more of its affiliates. This hedging activity is likely to involve trading in one or more Constituents and Related Instruments. For these purposes, “Related Instruments” shall mean the instruments comprising the Constituents and other instruments (such as futures, options and swaps) with returns linked to the performance of the Index, the Constituents or the instruments comprising the Constituents. This hedging activity could affect the value of the Constituents and therefore the level of the Index, and may result in the Swap Dealer or its affiliates receiving a profit, even if the level of the Index declines.

3. **TRADING ACTIVITIES**

The Swap Dealer and its affiliates expect to engage in trading activities related to the Index, the Constituents and Related Instruments, for their own account or for the account of customers, and may exercise remedies or take other action with respect to their interests as they deem appropriate. These trading activities could affect the level of the Index and therefore the value of the Index Swap.

4. **INDEX FEE**

If a fee is deducted in the calculation of the level of the Index (an “Index Fee”), the Swap Dealer or its affiliates may receive a payment in addition to any fee payable under the Index Swap. For example, if the Swap Dealer hedges its obligations under the Index Swap by investing (directly or through one of its affiliates) in the Constituents in the same notional amounts as the Index Swap, the amount received by the Swap Dealer in respect of its hedge may exceed the amount payable under the Index Swap by the amount of the Index Fee.

5. **NOTIONAL TRANSACTION COSTS**

If notional transaction costs are deducted in the calculation of the level of the Index (“Notional Transaction Costs”), the Swap Dealer or an affiliate may receive a payment in addition to any fee payable under the Index Swap. For example, if the Swap Dealer hedges its exposure under the Index Swap by investing (directly or through one of its affiliates) in the Constituents, and the Notional Transaction Costs exceed the actual cost incurred by the Swap Dealer in adjusting its hedge, the amount received by the Swap Dealer in respect of its hedge may exceed the amount payable under the Index Swap by some or all of the amount of the Notional Transaction Costs.

6. **VALUATIONS**

If the Index references notional over-the-counter swaps or other notional over-the-counter
transactions, the terms and prices of such notional transactions may be determined by the Index Calculation Agent, based on its view of the prevailing terms and prices for similar transactions in the relevant markets, which may differ from the views of other market participants. Persons involved in making such determinations may have interests which conflict with your interests, and the Index Calculation Agent will not take the Index Swap or your interests into consideration when making such determinations.

7. UNAVAILABILITY OF THE INDEX

In the event that the determination and publication of the Index is suspended or discontinued, or the level of the Index is not available for another reason, the calculation agent of the Index Swap may be required to determine the level of the Index pursuant to the terms of the Index Swap.

8. LICENSING FEE

If the Index includes a Constituent which is an index sponsored by the Swap Dealer or an affiliate of the Swap Dealer (a "Sub-Index"), the potential conflicts discussed above may exist in respect of that Sub-Index. If the Index or a Sub-Index is based on a methodology licensed from the Swap Dealer or an affiliate of the Swap Dealer, the Swap Dealer or its affiliate (as relevant) may receive a licensing fee based on the notional amount of the Index Swap.

9. SHARING PAYMENTS

Payments received by the Swap Dealer under the Index Swap, or by the Swap Dealer or its affiliates in connection with the Index, may be shared with third parties.

THE LIST OF RISK FACTORS OUTLINED IN THIS PART I IS NOT INTENDED TO BE EXHAUSTIVE. ANY EVALUATION OF INDEX LINKED PRODUCTS SHOULD BE MADE ONLY AFTER SEEKING ADVICE FROM INDEPENDENT PROFESSIONAL ACCOUNTING, FINANCIAL, INVESTMENT, LEGAL, REGULATORY, TAX AND OTHER ADVISORS.
Part J: Miscellaneous

1. CALCULATIONS AND DETERMINATIONS

1.1 Calculations

Unless otherwise specified in the Index Conditions, the Index Calculation Agent will perform all calculations, determinations, rebalancings and adjustments (together, “Calculations”) in respect of the Index. Neither the Index Calculation Agent nor the Index Administrator will have any responsibility for errors made in good faith or omissions in Calculations or other actions as provided in these Index Conditions.

The Calculations of the Index Calculation Agent shall be performed by it in accordance with these Index Conditions, acting in its sole, absolute and unfettered discretion, but in good faith and in a commercially reasonable manner (having regard in each case to the criteria stipulated in these Index Conditions and, where relevant, on the basis of information provided to or obtained by employees or officers of the Index Calculation Agent responsible for making relevant Calculations). All Calculations shall, in the absence of manifest error, be final, conclusive and binding on any user of the Index, including any holder of, or counterparty to, an Index Linked Product.

1.2 Rounding

Subject as provided in these Index Conditions, any amount, currency amount, level, percentage, price, rate or value (“Amount”) calculated by the Index Calculation Agent shall be rounded to such number of decimal points and in such manner as the Index Calculation Agent determines is appropriate, acting in a commercially reasonable manner.

1.3 Use of estimates

The Index Calculation Agent will perform the Calculations described in these Index Conditions using the information, data sources or factors specified in these Index Conditions and any Amount (together, “Information”) and may perform any Calculation and any action required in respect of these Index Conditions in any sequence. However, in the event that the Index Calculation Agent is not able to obtain or use any necessary Information, then (after using reasonable endeavours and after applying any fallback provision specified in these Index Conditions in respect of the relevant Calculation) the Index Calculation Agent may, but shall not be obliged to, use its estimate (made using Expert Judgement) of the relevant Information in performing such Calculation, should the Index Calculation Agent determine that such estimate is reasonably necessary in order to give effect to any provision or to perform any Calculation necessary under these Index Conditions.

1.4 No verification of Information

Although the Index Calculation Agent will obtain Information for inclusion in the Index or for use in performing any Calculation under these Index Conditions from sources that the Index Calculation Agent considers reliable (including databases maintained by the Index Calculation Agent or its Affiliates, and public sources such as Bloomberg and Reuters), the Index Calculation Agent will not publish or independently verify such Information.

1.5 Corrections

If the Index Calculation Agent becomes aware that any Information used by it in connection with any Calculation under these Index Conditions has subsequently been corrected or adjusted, then the Index Calculation Agent may, but shall not be obliged to,
use such corrected or adjusted Information, and in exercising any such discretion, will act in good faith and in a commercially reasonable manner which is consistent with the primary objective of the Index.

1.6 Reliance

In performing any Calculation under these Index Conditions, the Index Calculation Agent may rely upon the opinion of any person who appears to it as being competent to value any asset or instrument of any class, or to perform any other calculation or determination, by reason of any appropriate relevant professional qualification or experience.

1.7 Dates and times of calculations

Notwithstanding that certain Calculations under these Index Conditions may be expressed to be “on” or “as at” a certain date or time, the Index Calculation Agent may perform such Calculation in respect of such date or time after such date or time.

1.8 Not acting as fiduciary or agent

In performing any Calculation or other action in connection with these Index Conditions, each of the Index Administrator and the Index Calculation Agent will act as principal and not as agent of any other person. Neither the Index Administrator nor the Index Calculation Agent owes any duty of care or any fiduciary duty to any investor in any Index Linked Product or to any other person. Each Calculation and other action performed in connection with these Index Conditions by the Index Administrator or the Index Calculation Agent is performed in reliance on this provision and is subject to this provision.

If through performing any such Calculation or other action the Index Administrator or the Index Calculation Agent is rendered an agent or fiduciary of another person under applicable law, then (at the option of the Index Administrator or the Index Calculation Agent, as relevant) the rights and obligations of the Index Administrator or the Index Calculation Agent to perform such Calculation or other action may be suspended (or, if already performed, the application of such Calculation or other action may be suspended) until such time when such Calculation or other action can be performed either by the Index Administrator or the Index Calculation Agent as principal and not as an agent or fiduciary or by an appropriate third party who is both willing and able to perform such Calculation or other action.

1.9 Ambiguities, errors and omissions in these Index Conditions

Although these Index Conditions are intended to be comprehensive, it is possible that ambiguities, errors and omissions may arise in certain circumstances. The Index Administrator will resolve, using Expert Judgement, any such ambiguity, error or omission, and may amend these Index Conditions to reflect the resolution of such ambiguity, error or omission.

1.10 Expert Judgement

Each of the Index Administrator and the Index Calculation Agent, as relevant, shall exercise any discretion and make any determination in respect of the Index by using a standard of judgement (“Expert Judgement”) which shall consist of (1) acting in good faith and in a commercially reasonable manner; (2) to the extent practicable, reflecting the commercial objective of the Index and market practice; and (3) to the extent practicable, promoting consistency in the exercise of discretions and the making of determinations in respect of both the Index and other indices in respect of which it acts, as relevant, as index administrator or index calculation agent.

In using Expert Judgement to exercise any discretion or to make any determination, the
Index Administrator shall be subject to the oversight of the Index Governance Committee, whose role is described at paragraph 4 (Index Governance). In using Expert Judgement to exercise any discretion or to make any determination, the Index Calculation Agent shall be subject to the oversight of the Index Administrator. The Index Governance Committee will review any such use of Expert Judgement in extraordinary circumstances. Each of the Index Administrator and the Index Calculation Agent shall (as relevant) (1) maintain records of any such use of Expert Judgement; and (2) publish a concise explanation of the extent to which and the basis upon which Expert Judgement was so used.

1.11 Errors in Calculations

It is possible that errors in Calculations may arise in certain circumstances. The Index Administrator may determine, using Expert Judgement, to restate the Index Level for each day affected by an error in a Calculation.

2. CONFLICTS OF INTEREST

Citi entities perform various roles in connection with the Index and Index Linked Products, and conflicts of interest may arise for any such entity as a consequence of any role it performs in connection with the Index or any Index Linked Product or as a consequence of its activities more generally.

During the normal course of their business, the Index Administrator, the Index Calculation Agent, any of their respective Affiliates, directors, officers, employees, representatives, delegates and agents (each, for the purposes of this Part J, a "Relevant Person") may enter into, promote, offer or sell securities or contracts (whether or not structured) linked to the Index and/or any Constituent. Any Relevant Person may at any time (1) have long or short principal positions or actively trade (whether or not through making markets to its clients) positions in or relating to the Index or any Constituent; (2) invest in or engage in transactions with or on behalf of other persons relating to the Index and/or any Constituent; (3) undertake hedging transactions (for the purposes of any security or contract) which may adversely affect the level, price or rate or other factor underlying the Index and/or any Constituent; (4) have an investment banking or commercial relationship with the issuer of any Constituent and have access to information from any such issuer; or (5) publish research in respect of any Constituent or the issuer of any Constituent. Such activity may or may not affect the Index Level, but potential investors and counterparties should be aware that a conflict of interest may arise when a person acts in more than one capacity, and such conflict of interest may affect (whether in a positive manner or a negative manner) the Index Level.

3. DISCLAIMER

No Relevant Person makes any express or implied representation or warranty as to (1) the advisability of purchasing or entering into any Index Linked Product; (2) the levels of the Index at a particular date or time; (3) the results to be obtained from the use of the Index or any datum included in these Index Conditions for any purpose; or (4) any other matter. Each Relevant Person hereby expressly disclaims, to the fullest extent permitted by applicable law, all warranties of accuracy, completeness, merchantability or fitness for a particular purpose with respect to the Index and any information contained in these Index Conditions. No Relevant Person will have any liability (direct or indirect, special, punitive, consequential or otherwise) to any person even if notified of the possibility of damages.

These Index Conditions have been prepared solely for the purposes of information and nothing in these Index Conditions constitutes (1) an offer to buy or to sell any security or contract, to participate in any transaction or to adopt any investment strategy; or (2) accounting, financial, investment, legal, tax or regulatory advice. Any decision to purchase any Index Linked Product should be based on the information contained in the associated prospectus or offering document (however described). In the case of a
prospectus or offering document which contains provisions under the heading “Risk Factors”, “Investment Considerations” or the equivalent, please refer to these provisions for a discussion of the factors that must be considered in connection with an investment in the security or contract described therein.

Neither the Index Calculation Agent nor the Index Administrator is under any obligation to continue to calculate, publish or disseminate the Index or the Index Level.

4. INDEX GOVERNANCE

The Index Administrator has ultimate control over the development, the operation and the publication of the Index, including the performance of any Calculation, the exercise of any discretion, the making of any determination, and all administrative processes required to perform these functions (together, the “Index Activity”). Notwithstanding that certain parts of the Index Activity may be performed by persons other than the Index Administrator, the Index Administrator has overall responsibility for all parts of the Index Activity, subject to this Part J (Miscellaneous).

The Index Administrator maintains oversight over the Index Activity through its Index Governance Committee. The Index Governance Committee fulfills its role of ensuring accountability and providing oversight through (1) reviewing and challenging all parts of the Index Activity, in accordance with its charter and its written policies and procedures; and (2) conducting an annual review of the Index to determine whether it continues to be an accurate and reliable representation of the economic realities of the relevant interest or market.

5. INTELLECTUAL PROPERTY

The Index and these Index Conditions are the Index Administrator’s proprietary and confidential material. No person may reproduce or disseminate the information contained in these Index Conditions, the Index or the Index Level without the prior written consent of the Index Administrator. These Index Conditions are not intended for distribution to or use by any person in a jurisdiction where such distribution is prohibited by applicable law or regulation.

The Index is not in any way sponsored or promoted by any sponsor or issuer, as relevant, of any Constituent.

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Part K: Notices

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