DESCRIPTION OF THE
PNB LIFE US SPECIAL OPPORTUNITIES ETF PRICE RETURN INDEX

1. Overview

The PNB Life US Special Opportunities ETF Price Return Index (the "**Index**") (Bloomberg ticker: CIXBFBEU <Index>, the "**Index Electronic Page**") is a rules-based proprietary index which has been developed by PNB Life Insurance, Incorporated (the "**Index Sponsor**") in conjunction with Citigroup Global Markets Limited in its capacity as the "**Index Administrator**", for the sole use of the Index Sponsor. The Index is designed to provide exposure to:

(a) an equally-weighted notional basket (the "**ETF Basket**") comprising three US sector (energy, industrial and consumer) exchange-traded funds, being (1) the Energy Select Sector SPDR Fund (Bloomberg ticker: XLE UP <Equity>), (2) the Industrial Select Sector SPDR Fund (Bloomberg ticker: XLI UP <Equity>) and (3) the Consumer Discretionary Select Sector SPDR (Bloomberg ticker: XLY UP <Equity>); and

(b) the relevant 3-month U.S. dollar LIBOR rate (Bloomberg ticker: US0003M <Index>) ("**USD LIBOR**").

In order to do so, the Index methodology dynamically allocates the exposure of the Index on a monthly basis to either a "**Core Asset**" or a "**Reserve Asset**". The Core Asset is a volatility-targeted notional portfolio comprising (i) up to 150 per cent. exposure (long-only) to the performance of the ETF Basket and (ii) positive or negative exposure (long or short) to USD LIBOR. The volatility-targeting feature is explained further in section 4.1 below. The Reserve Asset is a notional portfolio comprising (i) fixed 80 per cent. positive exposure to USD LIBOR and (ii) fixed positive 20 per cent. exposure to the performance of the Core Asset.

The level of the Index is calculated in U.S. dollars ("**USD**") by reference to the exposure of the Index to either the Core Asset or the Reserve Asset and the respective performance of Core Asset and the Reserve Asset, all as more fully described below. There are no fees or costs deducted from the level of the Index.

You should carefully review the document entitled "Risk Factors Relating to the PNB Life US Special Opportunities ETF Price Return Index" for a discussion of important risks relating to the Index. This description of the Index (this "**Index Description**") is only a summary. You should understand that this summary is more general than the precise mathematical terms of the Index. The mathematical terms of the Index are set out in the Index Conditions for the Index, which are available free of charge from the Index Sponsor or the Index Administrator. The Index will be governed by and calculated in accordance with its Index Conditions. If this Index Description conflicts with the Index Conditions, the Index Conditions control.

2. Constituents of the ETF Basket

The ETF Basket is a notional basket of equally-weighted shares in the following exchange-traded funds:

2.1 Energy Select Sector SPDR® Fund

The Energy Select Sector SPDR® Fund (established in 1998) is an exchange-traded fund managed, as at the date of this Index Description, by SSGA Funds Management, Inc. and is traded on the NYSE Arca exchange. The Energy Select Sector SPDR® Fund seeks to provide investment results that, before expenses, correspond generally to the price and yield performance of the Energy Select Sector Index. The Energy

Select Sector Index seeks to provide an effective representation of the energy sector of the S&P 500® Index. The Energy Select Sector Index includes companies from the following industries:

- oil, gas & consumable fuels
- energy equipment & services

For more details of the Energy Select Sector SPDR® Fund, please refer to https://www.spdrs.com/product/fund.seam?ticker=XLE

2.2 Industrial Select Sector SPDR® Fund

The Industrial Select Sector SPDR® Fund (established in 1998) is an exchange-traded fund managed, as at the date of this Index Description, by SSGA Funds Management, Inc. and is traded on the NYSE Arca exchange. The Industrial Select Sector SPDR® Fund seeks to provide investment results that, before expenses, correspond generally to the price and yield performance of the Industrial Select Sector Index. The Industrial Select Sector Index seeks to provide an effective representation of the industrial sector of the S&P 500® Index. The Industrial Select Sector Index includes companies from the following industries:

- aerospace and defense
- building products
- construction and engineering
- electrical equipment
- industrial conglomerates
- machinery
- commercial services and supplies
- air freight & logistics
- airlines
- road & rail
- transportation infrastructure

For more details of the Industrial Select Sector SPDR® Fund, please refer to https://www.spdrs.com/product/fund.seam?ticker=XLI

2.3 Consumer Discretionary Select Sector SPDR® Fund

The Consumer Discretionary Select Sector SPDR® Fund (established in 1998) is an exchange-traded fund managed, as at the date of this Index Description, by SSGA Funds Management, Inc. and is traded on the NYSE Arca exchange. The Industrial Select Sector SPDR® Fund seeks to provide investment results that, before expenses, correspond generally to the price and yield performance of the Consumer Discretionary Select Sector Index. The Consumer Discretionary Select Sector Index seeks to provide an effective representation of the consumer discretionary sector of the S&P 500® Index. The Consumer Discretionary Select Sector Index includes companies from the following industries:

- media
- retail (specialty, multiline, internet and catalogue)
- hotels, restaurants and leisure
- textiles, apparel and luxury goods
- household durables
- automobiles
- auto components
- distributors

- leisure products
- diversified consumer services

For more details of the Industrial Select Sector SPDR® Fund, please refer to https://www.spdrs.com/product/fund.seam?ticker=XLY

3. Selection of the Core Asset or the Reserve Asset

3.1 Signal

As of the first Index Business Day (as defined in section 6.2 below) of each calendar month (each, a monthly "**Signal Date**"), the Index Calculation Agent (as defined in section 6.1 below) determines whether the Index will track the performance of the Core Asset or the Reserve Asset based upon a notional trading signal (the "**Signal**"). The Signal is determined algorithmically by the Index Calculation Agent by reference to:

(a) a trend indicator that aims to model the recent performance of the Core Asset (the "**Trend Indicator**"), which may be understood as comparing the time-weighted average level of the Core Asset to its simple average level over a look-back period of between 20 and 120 Index Business Days (determined as described below) up to and including that Signal Date; and

(b) a backward looking indicator of macro-economic risk (the "**Macro Indicator**"), being a short-term (five-day) moving average of the level of the Citi Global Macro Risk Indicator Index (the "**Citi GMRI Index**").

If, as of a monthly Signal Date, the Trend Indicator indicates that Core Asset is in an upward trend and the Macro Indicator indicates a market perception of risk that is low relative to levels measured over the preceding year, the Index will allocate notional exposure to the Core Asset over the next month. If, however, as of a monthly Signal Date, the Core Asset is determined to be in a downward trend or the Macro Indicator indicates a market perception of risk that is high relative to levels measured over the preceding year, the Index will allocate notional exposure to the Reserve Asset over the next month. The Constituents within the ETF Basket of the Core Asset are reset to equal weights on each Rebalancing Date and the component parts of the Reserve Asset (being the Core Asset and the 3-month USD LIBOR Rate) are reset to fixed exposures and the Constituents within the ETF Basket of the Core Asset (as a part of the Reserve Asset) are reset to equal weights on each Rebalancing Date.

There is no guarantee that the Index will allocate to the Core Asset or the Reserve Asset in a way that results in favourable performance. The Index may have exposure to the Core Asset at a time when the Core Asset is experiencing significant losses, and it may have exposure to the Reserve Asset at a time when the Core Asset is experiencing significant gains. The Index may underperform the Core Asset, the Reserve Asset or both.

3.2 Trend Indicator

As of each Signal Date, the trend of the Core Asset will be determined by an indicator which may be understood as comparing the time-weighted average level of the Core Asset to its simple (or equally weighted) average over a look-back period (the "**Trend Look Back Period**") of between 20 and 120 Index Business Days up to and including the Signal Date.

A time-weighted average is an average that gives progressively more weight to more recent levels. For example, to calculate the time-weighted average level of the Core Asset, the level of the Core Asset on the first and least recent day in that period would be given the lowest weight and the level on the second day would be given a slightly higher weight, and so on until the last and most recent day in the period, which would be given the highest weight.

Thus, the most recent day in the period contributes more to the time-weighted average than any other day in the period. Conversely, the simple average weights all levels equally; the most recent and the oldest levels in the relevant period contribute equally to the simple average. If, with respect to a particular period of time, the time-weighted average level of the Core Asset is greater than or equal to its simple average, the Index will interpret that to mean that the Core Asset is in an upward trend. Conversely, if the time-weighted average level is less than the simple average, the Index will interpret that to mean that the Core Asset is in a downward trend.

The length of the Trend Look Back Period will depend on the annualised volatility of the Core Asset based on the daily returns of the Core Asset over the 10 Index Business Days leading up to and including the relevant Signal Date (the "**Current Realised Volatility**") as compared to the average of the ten-day realised volatilities of the Core Asset over the 21 Index Business Days up to and including that Signal Date (the "**One-Month Average Realised Volatility**"). If the Current Realised Volatility is equal to the One-Month Average Realised Volatility, then the Trend Look Back Period will be 60 Index Business Days. If the Current Realised Volatility is greater than the One-Month Average Realised Volatility, the Trend Look Back Period will be shorter than 60 Index Business Days (subject to a minimum of 20 Index Business Days), and if the Current Realised Volatility is less than the One-Month Average Realised Volatility, the Trend Look Back Period will be longer than 60 Index Business Days (subject to a maximum of 120 Index Business Days).

The Index uses a shorter Trend Look Back Period to determine the trend in the performance of the Core Asset when the Current Realised Volatility is greater than the One-Month Average Realised Volatility. When the Current Realised Volatility is greater than One-Month Average Realised Volatility, the Index interprets that to mean that the volatility of the Core Asset is trending upward, which leads the Index to reduce the length of the Trend Look Back Period. By contrast, when the Current Realised Volatility is less than the One-Month Average Realised Volatility, the Index interprets that to mean that the volatility of the Core Asset is trending downward, which leads the Index to increase the length of the Trend Look Back Period. This approach is predicated on the assumption that a shorter prior period is more indicative of the current trend in more volatile markets, and that a longer prior period is more indicative of the current trend in more stable markets. There can be no assurance that this will be the case, however, especially because trends tend to break down in more volatile markets.

It is important to note that the realised volatilities used to determine the Trend Indicator are a historical measure of volatility and do not reflect volatility going forward. Realised volatility is not the same as implied volatility, which is an estimation of future volatility and may better reflect market expectations.

3.3 Macro Indicator

The Citi GMRI Index is a rules-based proprietary indicator, developed by Citigroup Global Markets Limited, which attempts to quantify the perception of risk aversion within the broad global financial system. The Citi GMRI Index is calculated on a daily basis by reference to the levels of its six constituent factors, each of which is determined with reference to the prices or levels, as appropriate, of a market benchmark which is representative of a category of financial market risk. The Citi GMRI Index uses a calculation methodology which results in the daily level always falling within the range from 0 to 1, with a level of 0 indicating the lowest general market perception of risk and a level of 1 indicating the highest general market perception of risk. The level of the Citi GMRI Index is currently published on Bloomberg page CIISGMRI <Index>.

As of each Signal Date, the Index Calculation Agent calculates the arithmetic average of the levels of the Citi GMRI Index (the "**Average GMRI Level**") over the five Index Business Days up to and including that Signal Date. If the Average GMRI Level is less than 0.5, the Index will interpret that to mean that the market perception of risk is low relative to its level over the previous year; and if the Average GMRI Level is greater than or equal to 0.5, the Index will interpret that to mean that the market perception of risk is high relative to its level over the previous year.

The behaviour of the Citi GMRI Index is dependent on a pre-defined rules-based methodology. Other methodologies with similar objectives may give alternative results which may be more successful than the Citi GMRI Index. There can be no assurance that the Citi GMRI Index will be successful in measuring risk (and aversion to risk) within the global financial system. It should also be noted that the Citi GMRI Index was developed as a general reference tool, and was not designed specifically for use in conjunction with the Index.

The Citi GMRI Index will be governed by and calculated in accordance with its Index Conditions. Further information (including the Index Conditions) relating to the Citi GMRI Index is available free of charge upon request to the Index Administrator.

3.4 Notional exposure of the Index to the Core Asset or the Reserve Asset

When the Index is described as having "notional exposure" to the Core Asset or the Reserve Asset over any period of time, that means that the performance of the Index will reflect the performance of the Core Asset or the Reserve Asset, as applicable, over that period of time to the extent of that notional exposure. For example, when the Index has a 100 per cent. notional exposure to the Core Asset for a given month, a 1 per cent. increase or decrease in the level of the Core Asset over that month will result in a 1 per cent. increase or decrease in the level of the Index. When the Index has a 100 per cent. notional exposure to the Reserve Asset for a given month, a 1 per cent. increase or decrease in the level of the Reserve Asset over that month will result in a 1 per cent. increase or decrease in the level of the Index. The exposure of the Index to the Core Asset or the Reserve Asset is described as notional because there is no actual portfolio of assets to which any investor is entitled or in which any investor has any ownership or other interest. The Index is merely a mathematical calculation that is performed by reference to notional positions in the ETF Basket and USD LIBOR.

There can be no assurance that the allocation methodology followed by the Index will result in positive Index performance.

4. Core Asset

The Core Asset is a volatility-targeted notional portfolio comprising (i) positive exposure of up to 150 per cent. to the performance of the ETF Basket and (ii) positive or negative exposure to USD LIBOR.

4.1 Exposure of the Core Asset to the ETF Basket and USD LIBOR

The exposure of the Core Asset to the ETF Basket is adjusted, potentially on a daily basis, in accordance with a formula which targets an annualised volatility level for the Core Asset of 15 per cent. (the "**Volatility Target**") by reference to the recent realised volatility of the ETF Basket. In seeking to target an annualised volatility of 15 per cent., the Core Asset may take a "leveraged" exposure to the ETF Basket of up to 1.5 times (i.e., a maximum exposure of 150 per cent.).

The exposure of the Core Asset to the ETF Basket (the "**Exposure**") is calculated on each Index Business Day according to a two-step process:

(i) in step 1, the historic volatility of the daily returns of the ETF Basket over the period of 20 Index Business Days (approximately 1 month) ending two Index Business Days prior to such Index Business Day (the "**ETF Basket Volatility**") is calculated in order to determine an approximate exposure percentage by reference to the ratio of the ETF Basket Volatility to the Volatility Target. ETF Basket Volatility of less than 15 per cent. will, subject to step 2 below, contribute to an increase in the Exposure applied to the ETF Basket. Conversely, ETF Basket Volatility of more than 15 per cent. will contribute to a decrease in the Exposure applied to the ETF Basket; and

(ii) in step 2, the exposure percentage is subjected, if necessary, to a cap of 150 per cent. in order to arrive at the Exposure of the Core Asset to the ETF Basket in respect of the relevant Index Business Day.

The impact on the Core Asset of the Exposure being less than, equal to, or greater than 100 per cent. is described in section 4.2 below.

If the Exposure is less than 100 per cent. on any Index Business Day (which will occur if the ETF Basket Volatility is greater than the Volatility Target over the applicable 20 Index Business Day period), the Core Asset will have a positive exposure to a notional investment in USD LIBOR and the degree of such positive exposure to USD LIBOR will be equal to the difference between 100 per cent. and the Exposure. For example, if the Exposure is 85 per cent., the Core Asset will have a 15 per cent. positive exposure to a notional investment in USD LIBOR.

Conversely, if the Exposure is greater than 100 per cent. on any Index Business Day (which will occur if the ETF Basket Volatility is less than the Volatility Target over the applicable 20 Index Business Day period), the Core Asset will have a negative exposure to a notional investment in USD LIBOR and the degree of such negative exposure to USD LIBOR will be equal to the excess of the Exposure over 100 per cent. For example, if the Exposure is 135 per cent., the Core Asset will have a 35 per cent. negative exposure to a notional investment in USD LIBOR.

4.2 Notional exposure of the Core Asset to the ETF Basket and USD LIBOR

When the Core Asset is described as having "notional exposure" to the ETF Basket and USD LIBOR, that means that the performance of the Core Asset will reflect the performance of the ETF Basket and USD LIBOR to the extent of that notional exposure. For example, when the Core Asset has 25 per cent. notional exposure to the ETF Basket for a given month, a 1 per cent. increase or decrease in the level of the ETF Basket over that month will result in a 0.25 per cent. increase or decrease in the level of the Core Asset (plus or minus any change in the level of the Core Asset attributable to increases or decreases in USD LIBOR over the same period). When the Index has 100 per cent. notional exposure to the ETF Basket for a given month, a 1 per cent. increase or decrease in the level of the ETF Basket over that month will result in a 1 per cent. increase or decrease in the level of the Core Asset (and the Core Asset will not have any exposure to USD LIBOR). When the Index has 125 per cent. notional exposure to the ETF Basket for a given month, a 1 per cent. increase or decrease in the level of the ETF Basket over that month will result in a 1.25 per cent. increase or decrease in the level of the Core Asset (plus or minus any change in the level of the Core Asset attributable to decreases or increases in USD LIBOR over the same period). The exposure of the Core Asset to the ETF Basket and USD LIBOR is described as notional because there is no actual portfolio of assets to which any investor is entitled or in which any investor has any ownership or other interest. The Core Asset is merely a mathematical calculation that is performed by reference to notional positions in its constituents, as described in this section.

4.3 Impact of positive or negative USD LIBOR

As described above, the exposure of the Core Asset to USD LIBOR in respect of any given Index Business Day may be positive or negative.

If the exposure of the Core Asset to USD LIBOR is positive and USD LIBOR itself is positive, then the level of the Core Asset will be increased to the extent of that exposure. However, if the exposure of the Core Asset to USD LIBOR is positive and USD LIBOR itself is negative, then USD LIBOR will act as a drag on the Core Asset Level, and it will therefore also act as a drag on the Index Level.

The converse is true if the exposure of the Core Asset to USD LIBOR is negative on any Index Business Day. In such circumstances, if USD LIBOR is positive, then the level of the Core Asset will be decreased to the extent of that exposure, and if USD LIBOR is negative, then the level of the Core Asset will be increased to the extent of that exposure, and consequently the Index Level will be increased or decreased accordingly.

5. Reserve Asset

5.1 Fixed Exposures

The Reserve Asset is a notional portfolio comprising fixed (i) 80 per cent. positive exposure to USD LIBOR and (ii) 20 per cent. positive exposure to the performance of the Core Asset. Unlike the Core Asset, the Reserve Asset is not volatility-targeted.

5.2 Exposure of the Reserve Asset to the Core Asset

The Core Asset is itself a constituent of the Reserve Asset. Therefore, the performance of the Core Asset as described above will be reflected in the performance of the Reserve Asset, although the impact of the performance of the Core Asset on the Reserve Asset will only be reflected in the fixed 20 per cent. exposure that the Reserve Asset has to the Core Asset. Note, however, due to the potentially leveraged exposure of the Core Asset to the ETF Basket, the Reserve Asset may have up to a 30 per cent. exposure to the ETF Basket (i.e. 20 per cent. multiplied by 1.5 times the performance of the Core Asset).

It should be noted therefore that even when the Signal has determined that the Index should not be allocated to the Core Asset, the performance of the Core Asset (including the performance of the ETF Basket (which may be leveraged)) and the positive or negative performance of USD LIBOR will be reflected in the Index Level.

This also means that if the Index is allocated to the Reserve Asset, then for the reasons described in section 4.3 above, if the impact of USD LIBOR on the level of the Core Asset is detrimental (i.e. the exposure of the Core Asset to USD LIBOR is positive and USD LIBOR is negative, or vice versa) the Index Level will reflect less than 80 per cent. exposure to USD LIBOR, and if the impact of USD LIBOR on the level of the Core Asset is beneficial (i.e. the exposure of the Core Asset to USD LIBOR and USD LIBOR itself are both positive or both negative), the Index Level will reflect more than 80 per cent. exposure to USD LIBOR.

6. General Information relating to the Index

6.1 Index Sponsor, Index Administrator and Index Calculation Agent

The Index Sponsor is PNB Life Insurance, Incorporated. The Index Administrator acting on behalf of the Index Sponsor is Citigroup Global Markets Limited. As at the date of this Index Description, Citigroup Global Markets Limited also acts as the calculation agent for the Index (the "**Index Calculation Agent**"). The Index Calculation Agent calculates and publishes the level of the Index in accordance with the Index Conditions. The Index Administrator may, with the consent of the Index Sponsor but without notice to any other party, appoint an alternative Index Calculation Agent at any time.

The calculations, determinations, rebalancing and adjustments (together, the "**Calculations**") of the Index Calculation Agent shall be performed by it in accordance with the 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 the 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, a financial product with a return linked to the Index (an "**Index Linked Product**"). 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 the Index Conditions.

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.

Although the 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 the Index Conditions to reflect the resolution of such ambiguity, error or omission.

If the Index Calculation Agent becomes aware that any information used by it in connection with any Calculation 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 as a consequence make any further Calculation that it determines necessary or desirable in order to give effect to or to reflect such corrected or adjusted information, subject to any period for such corrections specified in the Index Conditions.

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

Notwithstanding that certain Calculations under the Index Conditions may be expressed to be "on", "as at", "as of", "in respect of" or any synonym of each such phrase, a certain date or time, the Index Calculation Agent may in its discretion perform such Calculations in respect of such date or time after such date or time.

6.2 Index Level Calculation

Subject to the occurrence or existence of a Disrupted Day (as defined below), the level of the Index (the "**Index Level**") shall be calculated by the Index Calculation Agent as of 7:00 p.m. (New York time) on each Index Business Day. The Index Level as of each Index Business Day shall be published on the specified Index Electronic Page, 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 detailed procedures for the calculation of the Index Level are set out in the Index Conditions for the Index.

"**Index Business Day**" means each day on which (1) commercial banks and foreign exchange markets are scheduled to be open for general business (including dealings in foreign exchange and foreign currency deposits) in New York; and (2) the New York Stock Exchange is scheduled to be open for its regular trading session.

6.3 Notional Exposure

The Index is described as replicating notional positions in its constituents because there is no actual portfolio of assets to which any person is entitled or in which any person has any ownership interest. The Index simply references certain investment positions the performance of which is used as a reference point for the purpose of calculating the Index Level.

6.4 Market Disruption and Adjustment Events

The calculation and publication of the Index is subject to the occurrence or existence of Disrupted Days and certain Adjustment Events (each as defined below). As described in full in the Index Conditions, the rebalancing of the Index on a scheduled Rebalancing Date may be postponed in respect of one or more of the constituents due to the occurrence or existence of a Disrupted Day in respect of such constituent(s).

"**Adjustment Events**" are defined in the Index Conditions by reference to the nature of the constituents of the Index and their potential lifecycle events. These may include, for example, in respect of exchange-traded funds, (i) corporate actions, delistings, nationalizations and similar events, (ii) insolvency of the fund or an administrator, advisor or manager of the fund, (iii) governmental, legal or regulatory action taken in respect of the fund or an administrator, advisor or manager of the fund, (iv) disruption to the information reporting of the fund, (v) breach by the fund of its strategy or investment guidelines, (vi) change or modification to the constitutive and governing documents of the fund or other relevant documents including prospectuses or offering memoranda or (vii) the resignation, termination or replacement of an administrator, advisor or manager of the fund.

"**Disrupted Day**" is defined in the applicable Index Conditions by reference to the trading venue and data availability requirements for the constituents of the Index.

Following the occurrence of an Adjustment Event with respect to a constituent of the Index, (i) the Index Calculation Agent may suspend the calculation, publication and dissemination of the Index and the Index Level, (ii) the Index Calculation Agent may select a replacement constituent with substantially similar characteristics and make such adjustments to the relevant Index Conditions as it determines appropriate to account for the effect of such replacement, and/or (iii) the Index Administrator may discontinue and cancel the Index.

Following the occurrence of a Disrupted Day with respect to a constituent of the Index, the Index Calculation Agent may (i) suspend the calculation, publication and dissemination of the Index and the Index Level, and/or (ii) publish its good faith estimate of the Index Level for such Index Business Day, subject to correction once the relevant event or circumstances giving rise to such Disrupted Day cease.

6.5 Potential Conflicts of Interest

Citigroup Inc. and its affiliates ("**Citi**") 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 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 (a) 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; (b) invest in or engage in transactions with or on behalf of other persons relating to the Index and/or any constituent; (c) 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; (d) have an investment banking or commercial relationship with the issuer of any constituent and have access to information from any such issuer; or (e) 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.

6.6 Index Disclaimer

No Relevant Person makes any express or implied representation or warranty as to (a) the advisability of purchasing or entering into any Index Linked Product; (b) the levels of the Index at any particular date or time; (c) the results to be obtained from the use of the Index for any purpose; or (d) 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 the 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.

This Index Description has been prepared solely for the purposes of information and nothing in this Index Description constitutes (a) an offer to buy or to sell any security or contract, to participate in any transaction or to adopt any investment strategy; or (b) legal, tax, regulatory, financial or accounting 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.

6.7 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.

The Index Administrator maintains oversight over the Index Activity through its Index Governance Committee. The Index Governance Committee fulfils 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.

6.8 Intellectual Property

Each of the Index, the Index Conditions and this Index Description are the Index Administrator's proprietary and confidential material. No person may reproduce or disseminate the information contained in this Index Description, the Index or the Index Level without the prior written consent of the Index Administrator. This Index Description is 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 of the Index.

PNB Life Insurance, Incorporated is authorised and regulated in the Philippines by the Insurance Commission of the Philippines.

27 September 2016