



## **Methodology Guide SuperTech Index**

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This document contains the underlying principles regarding the structure and the operation of the Prime SuperTech Index (the “Index”). Prime Indexes shall make every effort to implement these principles. Prime Indexes does not offer any explicit or tacit guarantee or assurance, neither pertaining to the results from the use of the Index nor the Index value at any certain point in time nor in any other respect. The Index is calculated and disseminated by Solactive AG (the “Index Calculation Agent”) and it strives to the best of its ability to ensure the correctness of the calculation. There is no obligation for Prime Indexes irrespective of possible obligations to issuers – to advise third parties, including investors and/or financial intermediaries, of any errors in the Index. The publication of the Index by Prime Indexes is not a recommendation for capital investment and does not contain any assurance or opinion of Prime Indexes regarding a possible investment in a financial instrument based on this Index.

## Introduction

This document is to be used as a guideline with regard to the composition, calculation and management of the Index. Any changes made to the guideline are initiated by the Committee specified in section 1.6. The Index is calculated and published by the Index Calculation Agent, on behalf of Prime Indexes. The name “Prime Indexes” is trademarked.

## 1 Index specifications

The Prime SuperTech Index (the “Index”) is an Index of Prime Indexes, a division of Level ETF Ventures LLC, and is calculated and distributed by the Index Calculation Agent.

The Index has been created to provide investors with a reference measure that enables them to track both event-driven news and long-term trends in high-growth internet-focused companies. To be included in the Index, companies need to have satisfied the eligibility requirements described herein.

There are three different versions of the Index calculated and published by the Index Calculation Agent:

- Gross Total Return – this version measures the performance of the index with all dividends reinvested gross of foreign dividend withholding taxes
- Net Total Return – this version measures the performance of the index with all dividends reinvested net of foreign dividend withholding taxes
- Price Return – this version measures the performance of only the capital appreciation of the Index Constituents and ignores dividends

The Index is published in US Dollars.

### Short name and ISIN

The Index is distributed under the following codes and symbols:

Name	Bloomberg	Reuters	ISIN	WKN
Prime SuperTech Index PR	TECH	.TECH	DE000SL0CBX0	SL0CBX
Prime SuperTech Index NTR	N/A	.TECHNR	DE000SL0CBY8	SL0CBY
Prime SuperTech Index GTR	N/A	.TECHTR	DE000SL0CBZ5	SL0CBZ

### 1.1 Initial value

The Index is based on 10.00 at the close of trading on December 7, 2017.

## 1.2 Distribution

The Index is published via the price marketing services of Boerse Stuttgart AG and is distributed to all affiliated vendors. Each vendor decides on an individual basis as to whether it will distribute/display the Index via its information systems.

## 1.3 Prices and calculation frequency

The Index Calculation Agent calculates and publishes the level of the Index every 15 seconds on each Index Trading Day from 9:00 a.m. to 4:50 p.m., Eastern Time using the most recent market prices of the Index Constituents on their respective primary exchanges. If an Index Constituent has stopped trading or has been halted, the last reported market price for that Index Constituent is used in the calculation. If an Index Constituent has not opened for trading, then the most recent Closing Price on Reuters for the preceding Index Trading Day for that Index Constituent is used in the calculation.

The Index Calculation Agent calculates Index levels using data inputs from market data aggregators or directly from the exchanges. If the Index Calculation Agent cannot calculate the Index level using its existing pricing data sources, then Prime Indexes will request that the Index Calculation Agent use an alternative pricing data source, such as other market data aggregators or exchanges, in order to resume calculating Index levels. If the Index Calculation Agent has no alternative pricing data source, then Prime Indexes may select an alternative Index Calculation Agent.

The Index levels are distributed to all affiliated vendors, including Reuters and Bloomberg. If the Index Calculation Agent cannot disseminate the Index level via Boerse Stuttgart AG, then Prime Indexes will request that the Index Calculation Agent use an alternative data disseminator. If the Index Calculation Agent has no alternative data disseminator, then Prime Indexes may select an alternative Index Calculation Agent.

The level of the Index will not be published until either (i) the Index Calculation Agent can resume using its existing data source or data disseminator, as applicable; (ii) the Index Calculation Agent uses an alternative data source or data disseminator, as applicable; or (iii) Prime Indexes selects a new Index Calculation Agent that can publish the Index level. Calculation errors may be identified by either Prime Indexes or the Index Calculation Agent, but only the Index Calculation Agent can publish corrected Index levels on a retrospective basis.

The “**Closing Price**” with respect to an Index Constituent on an Index Trading Day is the closing price on such Index Trading Day determined in accordance with such Index Constituent’s primary exchange regulations. If an Index Constituent’s primary exchange has no closing price for an Index Constituent, the Index Calculation Agent shall determine the Closing Price in a reasonable manner.

## 1.4 Weighting

On each Selection Day, Prime Indexes uses the following process to determine the Selection Weight of each Index Constituent as of the relevant Adjustment Day:

- 1.4.1 First, Prime Indexes determines the market capitalization (“**MCAP**”) score of each security in the universe of eligible companies (described below) by ranking all such companies from largest to smallest based on their respective market capitalizations and assigning the company with the largest MCAP a score of one (1).
- 1.4.2 Next, Prime Indexes selects the top fifteen (15) companies based on their respective MCAP scores, beginning with the largest MCAP company (i.e., lowest score), using the following rules.

- 1.4.2.1 If a company ***is*** an existing Index Constituent, and its MCAP score is 18 or higher, then it shall be removed from the Index and replaced by the company with a lower MCAP score that is not an existing Index Constituent.
- 1.4.2.2 If a company ***is not*** an existing Index Constituent, and its MCAP score is 12 or lower, then it shall be added to the Index and the existing Index Constituent with the highest MCAP score shall be removed from the Index.
- 1.4.2.3 In the event that two or more companies have an equal score, then their average daily trading volumes shall be used to break the tie. Tied companies are ranked by their respective average daily trading volume over the prior six months in descending order. The security with the greater average daily trading volume over the prior six months shall be selected.

1.4.3 Finally, Prime Indexes calculates the weights for each Index Constituent using the following formula:

$$W_i = \frac{MCAP_i}{\sum_i^n MCAP_i}$$

Where,

$W_i$  = the initial weighting for component i

$MCAP_i$  = MCAP for component i

n = the number of components

Then:

- i. Where any of these components has a weight greater than 8.0%, redistribute that weight proportionally to those components with a weight of less than 8.0%.
- ii. Iterate through this sub-process repeatedly until none of these components have a weight greater than 8.0%.

Prime Indexes may, at its own discretion, and in response to industry best practices and/or changing regulatory requirements, modify any part of this index methodology.

## 1.6 Decision-making bodies

A Committee composed of staff from Prime Indexes is responsible for decisions regarding the composition of the Index as well as any amendments to the rules (in this document referred to as the “Committee” or the “Index Committee”). The future composition of the Index is determined by the Committee via the Reconstitution Process on the Selection Days according to the procedure outlined in 2.1 of this document. The Committee shall also decide about the future composition of the Index, if any Extraordinary Events should occur and the implementation of any necessary adjustments.

Members of the Committee can recommend changes to the guideline and submit them to the Committee staff for approval.

## 1.7 Publication

Information relevant for calculating the Index are made available on <http://www.primeindexes.com> and sub-pages.

## 1.8 Historical data

Historical data will be maintained from the Base Date.

## Licensing

Licenses to use the Index as the underlying value for derivative instruments or investment products are issued to stock exchanges, banks, financial services providers and investment houses by Prime Indexes.

## 2 Composition of the Index

### 2.1 Selection of the Index Constituents

Any equity security must satisfy the following eligibility requirements in order for it to be considered for selection as an Index Constituent:

- **Headquarters Requirement.** The issuer of the Index Constituent (the “**Index Constituent Issuer**”) must be headquartered in the U.S., as determined by Prime Indexes based on the Index Constituent Issuer’s regulatory filings;
- **Listing Requirement.** Each Index Constituent must be listed on a U.S. national securities exchange;
- **Industry Requirement.** Each Index Constituent Issuer must be classified as an “**Internet Company**,” a “**Semiconductor Manufacturer**,” an “**Electric Vehicle Manufacturer**,” or a “**Consumer Electronics Company**” as determined by Prime Indexes, based on the Index Constituent Issuer’s regulatory filings, website content, and other related material.

Internet Companies are high-growth consumer-facing companies that (a) are dependent on transactions that they or their customers execute or facilitate on the internet, or (b) distribute their products or services on the internet, or (c) rely on their own internet-based user interface for customers to engage in business with the company or with third-parties. They include, but are not limited to, companies in the following sub-industries: Internet Software & Services, Home Entertainment Software, Internet Retail, Mobile Internet, Internet Commerce, Financial Services, Social Media, Internet Advertising, Travel Platforms, Internet Radio and Video, Website Development and Digital Marketing Platforms.

Semiconductor Manufacturers are high-growth companies that manufacture microprocessors, graphics processors, and memory chips that are used primarily in personal computing devices.

Electric Vehicle Manufacturers are companies that design, develop, manufacture, and sell electric vehicles. Companies in this category have electric vehicle and related sales that comprise over 50% of the revenue from aggregate vehicle sales.

Consumer Electronics Companies are those that design, manufacture and sell consumer-facing mobile communication and media devices or portable digital music players.

The company universe is then further refined to identify a selection pool that satisfies the following eligibility requirements:

- **Security Type Requirement:** Each Index Constituent must be an equity security, and not a closed-end fund, exchange-traded fund, investment vehicle or royalty trust;

- **Initial Market Capitalization Requirement:** Each initial Index Constituent as of the Base Date must have had a market capitalization of \$15 billion or greater; and
- **Trading Volume Requirement:** Each Index Constituent must have an average daily trading volume of at least 100,000 shares over the six months prior to the relevant Selection Day.

Prime Indexes maintains a universe of eligible companies based on the above criteria, which is updated on each Selection Day (as defined below), as applicable. On each Selection Day, Prime Indexes ranks the eligible companies from highest to lowest market capitalization, and then selects the fifteen (15) companies from such universe to be Index Constituents. Absent an Extraordinary Adjustment (as defined below), the Index Constituents will remain unchanged until the next Selection Day.

## 2.2 Ordinary adjustment

Prime Indexes assigns each Index Constituent its quarterly weighting (the “**Selection Weight**”) on the Thursday before the second Friday of March, June, September, and December, or if such Thursday is not an Index Trading Day, the next Index Trading Day (the “**Selection Day**”). The new weightings are implemented on each third Friday of March, June, September, and December, or, if such Friday is not an Index Trading Day, the next Index Trading Day (an “**Adjustment Day**”). The Index Constituents will remain unchanged until the next Selection Day, absent any Extraordinary Adjustments, but the weighting of each Index Constituent will fluctuate as a result of changes in its price.

## 2.3 Extraordinary adjustment

Upon the occurrence of an Extraordinary Event, Prime Indexes will remove an Index Constituent and redistribute its weighting proportionately to the remaining Index Constituents as of the close of business on the Index Trading Day that the Extraordinary Event has been determined to have occurred by Prime Indexes.

In the event of the Insolvency of an Index Constituent Issuer, the Index Constituent will remain in the Index until the next Adjustment Day. If a Closing Price for the affected Index Constituent is not available on an Index Trading Day, the most recent market price will be applied as the Closing Price for such Index Constituent at such time, as determined in each case by the Index Calculation Agent. If a market price is not available on an Index Trading Day, the Closing Price for this Index Constituent will be zero. Prime Indexes may also decide to eliminate the respective Index Constituent prior to the next Adjustment Day.

An “**Extraordinary Event**” consists of the following:

- a Merger
- a Takeover Bid
- a Delisting
- a Nationalization
- an Insolvency

A “**Merger**” is any of the following events:

- a change in the security class or a conversion of a share class that results in a transfer or an ultimate definite obligation to transfer all shares of an Index Constituent in circulation to another legal person;
- a merger (either by acquisition or through forming a new structure) or a binding obligation on the part of the Index Constituent Issuer to exchange shares with another legal person (except in a

merger or share exchange under which the Index Constituent Issuer is the acquiring or remaining company and which does not involve a change in security class or a conversion of all the shares of the Index Constituent in circulation);

- a takeover offer, exchange offer, other offer or another act of a legal person for the purposes of acquiring or otherwise obtaining from the Index Constituent Issuer all of the issued shares of the Index Constituent that entails a transfer or the irrevocable obligation to transfer all such shares (with the exception of those shares held and controlled by the legal person); or
- a merger (either by acquisition or through forming a new structure) or a binding obligation on the part of an Index Constituent Issuer or its subsidiaries to exchange Index Constituent Issuer shares with another legal person, whereby the issuer of such Index Constituent shares is the acquiring or remaining company and it does not involve a change in the class or a conversion of all the issued Index Constituent shares, but the Index Constituent shares in circulation directly prior to such an event (except for the shares held and controlled by the legal person) represent in total less than 50% of the Index Constituent shares in circulation directly subsequent to such an event.

A “**Takeover Bid**” is a bid to acquire, an exchange offer or any other offer or act of a legal person that results in such legal person acquiring, as part of an exchange or otherwise, more than 10% and less than 100% of the voting shares of the Index Constituent in circulation or the right to acquire these shares, as determined by the Index Calculation Agent based on notices submitted to public or self-regulatory authorities or other information considered by the Index Calculation Agent to be relevant.

A “**Delisting**” occurs if the primary exchange of an Index Constituent announces pursuant to such exchange’s regulations that the listing of, the trading in or the issuing of public quotes on the Index Constituent at such exchange has ceased immediately or shall cease at a later date, for whatever reason (provided that the delisting is not because of a Merger or a Takeover Bid), and the Index Constituent is not immediately listed, traded or quoted again on an exchange, trading or listing system, acceptable to the Index Calculation Agent.

“**Nationalization**” is a process whereby all shares of an Index Constituent or the majority of the assets of an Index Constituent Issuer are nationalized or are expropriated or otherwise must be transferred to public bodies, authorities or institutions.

“**Insolvency**” occurs with respect to an Index Constituent if (i) all shares of the Index Constituent must be transferred to a trustee, liquidator, insolvency administrator or a similar public officer as result of a voluntary or compulsory liquidation, insolvency or winding-up proceedings or comparable proceedings affecting such Index Constituent Issuer, or (ii) the holders of the shares of an Index Constituent are legally enjoined from transferring the shares of such Index Constituent.

### 3 Calculation of the Index

#### 3.1 Index formula

On each Index Trading Day, the Index level is calculated every 15 seconds in accordance with the following formula:

$$Index_t = \frac{\sum_{i=1}^n x_{i,t} \times p_{i,t}}{D_t}$$

where,

$Index_t$  = the Index level on Index Trading Day  $t$

$x_{i,t}$  = Number of Index Shares of Index Constituent  $i$  on Index Trading Day  $t$



$P_{i,t}$  = Market price of Index Constituent  $i$  on Index Trading Day  $t$

$D_t$  = Divisor on Index Trading Day  $t$

An “**Index Trading Day**”, in relation to the Index is a Business Day (or a day that would have been a Business Day if an Index Disruption Event, as defined below, had not occurred). The Index Calculation Agent is ultimately responsible for determining whether a certain day is an Index Trading Day with regard to the Index or an Index Constituent.

“**Index Shares**” with respect to any Index Constituent is calculated on each Selection Day and represents the number of hypothetical shares (including a fraction thereof) of an Index Constituent to be included in the Index. For any Index Constituent, this number equals the ratio of (a) the Selection Weight of the Index Constituent on such Selection Day, *multiplied* by the Index level on such day, to (b) the Closing Price of the Index Constituent on such day. Index Shares for any Index Constituent remain constant between Selection Days unless there is a corporate action (see “Corporate Actions” below).

The initial Divisor on the Base Date is calculated according to the following formula and will remain fixed until the earlier of the first Adjustment Day and the Index Trading Day when an unscheduled Divisor change is required as a result of certain corporate actions or dividends:

$$D_t = \frac{\sum_{i=1}^n (p_{i,t} \times x_{i,t})}{100}$$

After the close of trading on each Adjustment Day  $t$ , or on an Index Trading Day on which an unscheduled Divisor change is required as a result of certain corporate actions or dividends, the new Divisor is calculated using the formula below and will remain fixed until the earlier of the next Adjustment Day and an Index Trading Day when an unscheduled Divisor change is required:

$$D_t = \frac{\sum_{i=1}^n (p_{i,t} \times x_{i,t})}{Index_t}$$

This Divisor is valid starting on the immediately following Index Trading Day.

The value of the Index will be rounded to four (4) decimal places. The number of Index Shares of the Index Constituents will be rounded to the nearest whole number. Closing Prices will be rounded to six (6) decimal places, and the Divisor shall be rounded to six (6) decimal places.

### 3.2 Accuracy

The value of the Index shall be rounded to four (4) decimal places.

The Number of Index Shares of the Index Constituents shall be rounded to integers.

Trading Prices and foreign exchange rates shall be rounded to six decimal places.

Divisors shall be rounded to six (6) decimal places

### 3.3 Adjustments

Indices will be adjusted for systematic changes in prices once the changes become effective. This requires the new Number of Index Shares of the affected Index Constituent and the Divisor to be calculated on an ex-ante basis.

The Index will be adjusted for distributions, capital increases and stock splits.

This procedure ensures that the first ex quote can be properly reflected in the calculation of the Index. This ex-ante procedure assumes the general acceptance of the Index calculation formula as well as open access to the parameter values used. The calculation parameters are provided by the Index Calculation Agent.

### 3.4 Dividends and other distributions

Dividend payments and other distributions are reflected in the level of the Index via an adjustment of the Divisor. On the ex-dividend date for each Index Constituent, the new Divisor is calculated as follows:

$$D_{t+1} = D_t \times \frac{\sum_{i=1}^n (p_{i,t} \times x_{i,t}) - (x_{i,t} \times y_{i,t} \times g_{i,t})}{\sum_{i=1}^n (p_{i,t} \times x_{i,t})}$$

where,

$p_{i,t}$  = Closing Price of Index Constituent  $i$  on Index Trading Day  $t$

$x_{i,t}$  = Number of Index Shares of Index Constituent  $i$  on Index Trading Day  $t$

$y_{i,t}$  = Distribution of Index Constituent  $i$  having ex-date  $t+1$ , multiplied by the Dividend Correction Factor

$g_{i,t}$  = Currency exchange rate to convert the non-USD amount of a distribution of Index Constituent  $i$  on Index Trading Day  $t$  into USD (if such distribution is made in USD,  $g_{i,t}$  equals 1)

$D_t$  = Divisor on Index Trading Day  $t$

$D_{t+1}$  = Divisor on Index Trading Day  $t+1$

The “**Dividend Correction Factor**” is calculated as one (1) minus the applicable withholding tax rate and/or other applicable tax rate currently prevalent in the respective country.

### 3.5 Corporate actions

#### 3.5.1 Principles

Following an announcement by an Index Constituent Issuer of the terms and conditions of a corporate action (as disseminated by that Index Constituent Issuer, its primary exchange, or market data vendor that aggregates such data), the Index Calculation Agent will determine whether such corporate action has a

dilutive, concentrative or similar effect on the price of the relevant Index Constituent. The Index Calculation Agent will make any necessary adjustments that it deems appropriate in order to take into account the dilutive, concentrative or similar effect, and shall determine the date (using the effective date as disclosed by the Index Constituent Issuer or primary exchange, or market data vendor) on which such adjustments will become effective.

Examples of corporate actions that may trigger an adjustment by the Index Calculation Agent are set forth below.

### 3.5.2 Capital increases

For capital increases affecting any Index Constituent that has an ex-date on Index Trading Day  $t+1$ , the Index is adjusted as follows:

$$x_{i,t+1} = x_i * \frac{1 + B}{1}$$

where,

$x_{i,t+1}$  = Number of Index Shares of the affected Index Constituent  $i$  on Index Trading Day  $t+1$

$x_{i,t}$  = Number of Index Shares of the affected Index Constituent  $i$  on Index Trading Day  $t$

$B$  = Shares of the affected Index Constituent  $i$  received as a result of capital increase for every such share held prior to such increase

$$p_{i,t+1} = \frac{p_{i,t} + s * B}{1 + B}$$

where,

$p_{i,t+1}$  = Updated Closing Price of the affected Index Constituent  $i$  on Index Trading Day  $t+1$

$p_{i,t}$  = Closing Price of the affected Index Constituent  $i$  on Index Trading Day  $t$

$s$  = Subscription Price of the affected Index Constituent  $i$

$$D_{t+1} = D_t \times \frac{\sum_{i=1}^n (p_{i,t} \times x_{i,t}) + \sum_{i=1}^n [(p_{i,t+1} \times x_{i,t+1}) - (p_{i,t} \times x_{i,t})]}{\sum_{i=1}^n (p_{i,t} \times x_{i,t})}$$

where,

$D_{t+1}$  = Divisor on Index Trading Day  $t+1$

$p_{i,t}$  = Closing Price of Index Constituent  $i$  on Index Trading Day  $t$

$x_{i,t}$  = Number of Index Shares of the affected Index Constituent  $i$  on Index Trading Day  $t$

$p_{i,t+1}$  = Hypothetical Closing Price of the affected Index Constituent  $i$  on Index Trading Day  $t+1$

$x_{i,t+1}$  = Number of Index Shares of the affected Index Constituent  $i$  on Index Trading Day  $t+1$

$D_t$  = Divisor on Index Trading Day  $t$

### 3.5.3 Share splits

For share splits or reverse splits affecting any Index Constituent that has an ex-date on Index Trading Day  $t+1$ , the new number of Index Shares with respect to such Index Constituent is calculated as follows:

$$x_{i,t+1} = x_{i,t} * B$$

where,

$x_{i,t+1}$  = Number of Index Shares of the affected Index Constituent  $i$  on Index Trading Day  $t+1$

$x_{i,t}$  = Number of Index Shares of the affected Index Constituent  $i$  on Index Trading Day  $t$

$B$  = Shares of the affected Index Constituent  $i$  received as a result of the share split for every such share held prior to such share split

### 3.5.4 Constituent distributions

For distributions on any Index Constituent that has an ex-date on Index Trading Day  $t+1$ , the new number of Index Shares with respect to such Index Constituent is calculated as follows:

$$x_{i,t+1} = x_{i,t} * (1 + B)$$

where,

$x_{i,t+1}$  = Number of Index Shares of the affected Index Constituent  $i$  on Index Trading Day  $t+1$

$x_{i,t}$  = Number of Index Shares of the affected Index Constituent  $i$  on Index Trading Day  $t$

$B$  = Shares of the affected Index Constituent  $i$  received as a result of the distribution for every such share held prior to such distribution

## 3.6 Calculation of the Index in the event of a Index Disruption Event

The Index may not be calculated in the event of a Index Disruption Event or Force Majeure Event (unforeseeable or unavoidable circumstances, including but not limited to act of God, war, crime, or terrorism). If the Index Disruption Event or Force Majeure Event continues over a period of eight Trading Days, then the Committee shall determine the necessary action (including but not limited to taking into account the market conditions prevailing at this point in time, the last quoted Trading Price for each of the Index Constituents as well as any other conditions that it deems relevant for calculating the Index value) such that the affected securities resulting from the Index Disruption Event are no longer causing such disruption to occur.

## 4. Definitions

“**Index Constituent**” is each security currently included in the Index.

“**Number of Shares**” is in respect of an Index Constituent and any given Business Day the number or fraction of shares included in the Index. It is calculated for any Index Constituent as the ratio of (A) the Percentage Weight of an Index Constituent multiplied by the Index value and (B) its Trading Price.

“**Percentage Weight**” of an Index Constituent is the ratio of its Trading Price multiplied by its Number of Shares divided by the Index value.

“**Dividend Correction Factor**” is calculated as 1 minus the applicable withholding tax rate and/or other applicable tax rate currently prevalent in the respective country.

In particular an “**Extraordinary Event**” is

- a Merger
- a Takeover bid
- a delisting
- the Nationalisation of a company
- Insolvency

The Trading Price for this Index Constituent on the day the event came into effect is the last available market price for this Index Constituent quoted on the Exchange on the day the event came into effect (or, if a market price is not available for the day the event came into effect, the last available market price quoted on the Exchange on a day specified as appropriate by the Index Calculation Agent), as determined by the Index Calculation Agent, and this price is used as the Trading Price of the particular Index Constituent until the end of the day on which the composition of the Index is next set.

In the event of the Insolvency of an issuer of an Index Constituent the Index Constituent shall remain in the Index until the next Adjustment Day. As long as a market price for the affected Index Constituent is available on a Business Day, this shall be applied as the Trading Price for this Index Constituent on the relevant Business Day, as determined in each case by the Index Calculation Agent. If a market price is not available on a Business Day the Trading Price for this Index Constituent is set to zero. The Committee may also decide to eliminate the respective Index Constituent at an earlier point in time prior to the next Adjustment Day. The procedure in this case is identical to an elimination due to and Extraordinary Event.

An Index Constituent is “**delisted**” if the Exchange announces pursuant to the Exchange regulations that the listing of, the trading in or the issuing of public quotes on the Index Constituent at the Exchange has ceased immediately or shall cease at a later date, for whatever reason (provided delisting is not because of a Merger or a Takeover bid), and the Index Constituent is not immediately listed, traded or quoted again on an exchange, trading or listing system, acceptable to the Index Calculation Agent.

“**Insolvency**” occurs with regard to an Index Constituent if (A) all shares of the respective issuer must be transferred to a trustee, liquidator, insolvency administrator or a similar public officer as result of a voluntary or compulsory liquidation, insolvency or winding-up proceedings or comparable proceedings affecting the issuer of the Index Constituents or (B) the holders of the shares of this issuer are legally enjoined from transferring the shares.

A **“Takeover bid”** is a bid to acquire, an exchange offer or any other offer or act of a legal person that results in the related legal person acquiring as part of an exchange or otherwise more than 10% and less than 100% of the voting shares in circulation from the issuer of the Index Constituent or the right to acquire these shares, as determined by the Index Calculation Agent based on notices submitted to public or self-regulatory authorities or other information considered by the Index Calculation Agent to be relevant.

With regard to an Index Constituent a **“Merger”** is

- (i) a change in the security class or a conversion of this share class that results in a transfer or an ultimate definite obligation to transfer all the shares in circulation to another legal person,
- (ii) a merger (either by acquisition or through forming a new structure) or a binding obligation on the part of the issuer to exchange shares with another legal person (except in a merger or share exchange under which the issuer of this Index Constituent is the acquiring or remaining company and which does not involve a change in security class or a conversion of all the shares in circulation),
- (iii) a takeover offer, exchange offer, other offer or another act of a legal person for the purposes of acquiring or otherwise obtaining from the issuer 100% of the shares issued that entails a transfer or the irrevocable obligation to transfer all shares (with the exception of shares which are held and controlled by the legal person), or
- (iv) a merger (either by acquisition or through forming a new structure) or a binding obligation on the part of the issuer of the share or its subsidiaries to exchange shares with another legal person, whereby the issuer of the share is the acquiring or remaining company and it does not involve a change in the class or a conversion of the all shares issued, but the shares in circulation directly prior to such an event (except for shares held and controlled by the legal person) represent in total less than 50% of the shares in circulation directly subsequent to such an event.

The **“Merger Date”** is the date on which a Merger is concluded or the date specified by the Index Calculation Agent if such a date cannot be determined under the law applicable to the Merger.

**“Nationalisation”** is a process whereby all shares or the majority of the assets of the issuer of the shares are nationalised or are expropriated or otherwise must be transferred to public bodies, authorities or institutions.

**“Exchange”** is, in respect of Index and every Index Constituent, the respective primary exchange where the Index Constituent has its primary listing. The Committee may decide to declare a different stock exchange the “Exchange” for trading reasons, even if the company is only listed there via a Stock Substitute.

**“Stock Substitute”** includes in particular American Depository Receipts (ADR) and Global Depository Receipts (GDR).

With regard to an Index Constituent (subject to the provisions given above under “Extraordinary Events”) the **“Trading Price”** in respect of a Trading Day is the closing price on this Trading Day determined in accordance with the Exchange regulations. If the Exchange has no closing price for an Index Constituent, the Index Calculation Agent shall determine the Trading Price and the time of the quote for the share in question in a manner that appears reasonable to him.

A **“Trading Day”** is in relation to the Index or an Index Constituent a Trading Day on the Exchange (or a day that would have been such a day if a market disruption had not occurred), excluding days on which trading may be ceased prior to the normal Exchange closing time. The Index Calculation Agent

is ultimately responsible as to whether a certain day is a Trading Day with regard to the Index or an Index Constituent or in any other connection relating to this document.

A **“Business Day”** is a day on which the New York Stock Exchange is open for trading.

The **“Index Calculation Agent”** is Solactive AG or any other appropriately appointed successor in this function.

The **“Index Currency”** is US Dollars.

**“Market Capitalization”** is with regard to each of the companies in the Index Universe on a Selection Day or Adjustment Day the value published as the Market Capitalization for this day.

As at the date of this document Market Capitalization is defined as the value of a company calculated by multiplying the number of shares outstanding of the company by its share price.

An **“Affiliated Exchange”** is with regard to an Index Constituent any exchange or trading or quotation system on which options and futures contracts on the Index Constituent in question are traded, as specified by the Index Calculation Agent.

## **Index Disruption Events**

An **“Index Disruption Event”** occurs if any of the following events occurs or is continuing on an Index Trading Day for an Index Constituent:

1. Trading is suspended or restricted (due to price movements that exceed the limits allowed by the relevant primary exchange or an Affiliated Exchange, or for other reasons) (i) across the entire primary exchange of any Index Constituent, (ii) in options or futures contracts on or with regard to an Index Constituent or an Index Constituent that is quoted on an Affiliated Exchange, or (iii) on the primary exchange or in a trading or quotation system (as determined by the Index Calculation Agent) in which an Index Constituent is listed or quoted;
2. An event that (in the assessment of the Index Calculation Agent) generally disrupts and affects the opportunities of market participants to execute on the relevant primary exchange transactions in respect of an Index Constituent or to determine market values for an Index Constituent or to execute on an Affiliated Exchange a transaction with regard to options and futures contracts on such Index Constituent or to determine market values for such options or futures contracts;
3. Trading on the relevant primary exchange or an Affiliated Exchange is ceased prior to the usual closing time, unless the early cessation of trading is announced by such exchange or Affiliated Exchange on the relevant Index Trading Day at least one hour before (i) the actual closing time for normal trading on such exchange or Affiliated Exchange on the Index Trading Day in question or, (ii) the order submission cutoff time for same-day order execution, if such a time requirement exists and is earlier than the actual closing time of such exchange or Affiliated Exchange on the Index Trading Day in question; or
4. A general moratorium is imposed on banking transactions in the country of the relevant primary exchange if the above-mentioned events are material in the assessment of the Index Calculation Agent, whereby the Index Calculation Agent makes his decision based on those circumstances that he considers reasonable and appropriate.

An **“Affiliated Exchange”** is, with respect to an Index Constituent, any exchange or trading or quotation system on which options and futures contracts on such Index Constituent are traded, as specified by the Index Calculation Agent.

## **5 Appendix**

## **5.1 Contact data**

### **Information regarding the Index concept**

[www.PrimeIndexes.com](http://www.PrimeIndexes.com)

indexsupport@leveletf.com

## **5.2 Calculation of the Index – change in calculation method**

The application by the Index Calculation Agent of the method described in this document is final and binding. The Index Calculation Agent shall apply the method described above for the composition and calculation of the Index. However, it cannot be excluded that the market environment, supervisory, legal, financial or tax reasons may require changes to be made to this method. The Index Calculation Agent may also make changes to the terms and conditions of the Index and the method applied to calculate the Index, which are deemed to be necessary and desirable in order to prevent obvious or demonstrable error or to remedy, correct or supplement incorrect terms and conditions. The Index Calculation Agent is not obliged to provide information on any such modifications or changes. Despite the modifications and changes, the Index Calculation Agent will take the appropriate steps to ensure a calculation method is applied that is consistent with the method described above.