



**Index Guidelines relating to the**

***Leonteq Multi Asset Index (CHF)***

ISIN: DE000A2RPAP4

**(“Index Guidelines“)**

Version 2.0 dated 1 June 2022

## **Important Information**

The general principles of the Leonteq Multi Asset Index (CHF) (the "**Index**") as of 3.12.2018 are set out below.

It should be noted that the general principles of the Index may be updated or amended from time to time. In managing the Index, the Index Administrator will employ the methodology described herein and its application of such methodology shall be conclusive and binding. No assurance can be given that fiscal, market, regulatory, juridical, financial or other circumstances will not arise that would, in the view of the Index Administrator, necessitate or make desirable a modification of or change to such methodology and the Index Administrator shall be entitled to make any such modification or change any of the provisions of the Index as set out in the general rules of the Index as it deems fit. The Index Administrator may also make modifications to the terms of the Index in any manner that it may deem necessary or desirable, including (but not limited to) to correct any manifest or proven error to cure, correct or supplement any ambiguity or defective provision contained in this description of the Index. Any such modification or change will take effect accordingly and will be deemed to update these general rules of the Index from its effective date.

This document is communicated by the Index Administrator. All information provided herein is for information purposes only and no warranty is made as to its fitness for purpose, satisfactory quality or otherwise. Every effort has been made to ensure that all information given is accurate, but no responsibility or liability (including in negligence) can be accepted by the Index Administrator for errors or omissions or for any losses arising from the use of this information.

The information presented herein has been prepared on the basis of the publicly available information, internally developed data or other third party sources believed to be reliable. All opinions and views constitute judgments as of the date of the writing and are subject to change at any time without notice.

This document is not an invitation to make an investment in a product based upon the Index (an "**Index Linked Product**") nor does the information, recommendations or opinions expressed herein constitute an offer for sale of an Index Linked Product.

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## INTRODUCTION

This document contains the underlying principles and regulations regarding the structure and the operations of the Index. The Index is the sole property of the Index Sponsor. LIXX as the Index Administrator and Index Calculation Agent strives to the best of its ability to ensure the correctness of its mechanism and calculation. There is no obligation for LIXX – irrespective of possible obligations to issuers – to advise third parties, including investors and/or financial intermediaries, of any errors in the Index. 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 Index Guidelines are initiated by the Index Administrator.

The calculation and publication of the Index by LIXX is no recommendation for capital investment and does not contain any assurance or opinion regarding a possible investment in a financial instrument based on this Index.

### 1. INDEX DESCRIPTION

#### 1.1 Summary of Index Specifications

<b>Reference Market</b>	<b>Objective</b>
The asset classes Equities, Real Estate, Commodities, Fixed Income and Cash.	The objective of the Index is to reflect the performance an investor can achieve through investing into such asset class of the given asset classes which have a relative out-performance. In order to reflect the economic reality given by factors such as availability of instruments, reinvestments of maturing instruments and portfolio size, Index Components may be amended and their weighting adjusted over time.

**Administration of Index and regulatory status**

The Index is calculated, maintained, rebalanced and published by the Index Administrator and sponsored by the Index Sponsor.

For the time being the Index is considered a "non-significant benchmark" within the meaning of Article 3 para 1 (27) Regulation (EU) 2016/2011 of the European Parliament and the Council of 8 June 2016 ("**Benchmark Regulation**"). The Index is administrated in accordance with the applicable provisions of the Benchmark Regulation and the applicable delegated regulations. The Index Administrator may, at its own discretion, choose not to apply some or all non-mandatory, waivable obligations in accordance with Article 26 of the Benchmark Regulation.

**Universe of Index Components**

Exchange Traded Funds (ETF) in the sector Equities, Real Estate, Commodities, Fixed Income as well as any Cash or Cash tracking Indices.

**Index Components and their selection**

The selection of the initial Components is defined at the launch of the Index. Further information can be found in chapter 2.2 (*Index Components and their selection*).

**Allocation of Index Components**

The allocation is executed by using a momentum-based approach. ETFs / cash with a relative outperformance will be overweighed in the Index.

**Methodology**

The methodology of the Index is set out in Section 2 (*Index Methodology*).

**Technical Specifications**

The reference currency of the Index is CHF, the Index is calculated on a daily basis.

The Index will not use leverage.

The Index is a Total Return Net Index, i.e. dividends or coupon payments will be reinvested in the hypothetical portfolio of the Index after a deduction of 35% withholding tax.

**Data Providers**

The Official Valuation is the daily end of day closing value of each Index Component.

## **1.2 Name and ISIN**

The name of the Index is Leonteq Multi Asset Index (CHF). The Index is distributed under ISIN DE000A2RPAP4.

## **1.3 Initial Index Value**

The Index will be established on 3 December 2018 ("**Index Start Date**") with an initial level of 100,00 index points ("**Initial Index Value**").

## **1.4 Distribution**

The Index Value is published by LIXX under a subpage of lixxinnovation.com as of each Index Valuation Date, no later than five Business Days following the respective Index Valuation Date.

## **1.5 Prices and Calculation Frequency**

The Index is calculated on a daily basis each Business Day until 11:00 am (Düsseldorf time) (each an "**Index Valuation Date**"). In case a scheduled Index Valuation Date is no Business Day, the Index Valuation Date is the next Business Day. The Index calculation is based on the Official Valuation of the respective Index Components. The Index Administrator will take appropriate steps to avoid a disruption to the process of the provision of the Index. However, in the event that relevant data cannot be obtained, the Index Administrator will not publish the Index. Deficient calculations will be corrected in the aftermath.

## **1.6 Index Administrator and external service providers**

Generally, the Index Administrator appoints the Index Calculation Agent.

Adjustments to the Index Value are determined by the Index Calculation Agent under the supervision of the Index Administrator.

In performing its duties, the Index Administrator follows the business principles published on its web page and in accordance with the applicable provisions of the Benchmark Regulation and its delegated regulations.

In managing the Index, the Index Administrator will employ the methodology described herein and its application of such methodology shall be conclusive and binding. No assurance can be given that fiscal, market, regulatory, juridical, financial or other circumstances will not arise that would, in the view of the Index Administrator, necessitate or make desirable a modification of or change to such methodology and the Index Administrator shall be entitled to make any such modification or change any of the provisions of the Index as set out in the general rules of the Index as it deems fit. The Index Administrator may also make modifications to the terms of the Index in any manner that it may deem necessary or desirable, including (but not limited to) to correct any manifest or proven error to cure, correct or sup-

plement any ambiguity or defective provision contained in this description of the Index. Any such modification or change will take effect accordingly and will be deemed to update these general rules of the Index from its effective date.

### **1.7 Publication**

Specifications and information relevant for calculating the Index will be made available on the web page <http://www.lixxinnovation.com> and sub-pages.

### **1.8 Historical data**

Historical data will be recorded in accordance with Article 8 of the Benchmark Regulation when applicable. This means that all input data and the methodology will be recorded for a minimum of five years.

### **1.9 Licensing**

Licences to use the Index as benchmark for derivative instruments may be issued to stock exchanges, banks, financial services providers and investment houses by the Index Administrator.

## **2. INDEX METHODOLOGY**

In general, the methodology does not aim at replacing, removing or adding Index Components. However, in case one of the selected Index Components ceases to exist, does not or no longer comply with the standards as set out in this document and / or are affected by a change in the regulatory landscape, the Index Administrator has discretion to replace an Index Component with a similar one. Similarity is defined as follows:

The ETF which might be added as Index Component:

- Must be approved by FINMA for public distribution in Switzerland
- Must be denominated in CHF
- Must have Assets under Management at the time of inclusion into the Index is in excess of 150 million CHF
- Must use (i) the same index underlying the ETF to be replaced, or (ii) have a correlation of 85% (using a window of 3 years)
- Must be similar in the investment theme (e.g. cannot replace MSCI World with MSCI Germany)

In case of such an event, the Index Administrator will publish information about a change via its website. Please also see chapter 2.4 of this document.

The Index Value will be determined on basis of the Official Valuations.

### **2.1 Universe of Index Components**

The instruments which may be part of the Index are set out in **Annex 2.1** to these Index Guidelines ("**Universe of Index Components**").

### **2.2 Index Components and their selection**

Out of the Universe of Index Components individual financial instruments can only be used as an Index Component for inclusion in the Index if they meet the Index Component Selection Criteria set out in **Annex 2.2** to these Index Guidelines.

### **2.3 Allocation of Index Components**

The weighting of eligible Index Components is executed by the Index Administrator within the Allocation Criteria set out in **Annex 2.3**.

### **2.4 Changes to Index Components**

An Index Component may be removed from the Index if it does not meet the Index Selection Criteria or generally ceases to qualify for inclusion in the Index. Index Components can also be removed from the Index in order to ensure that, at all times, the Index continues to meet its Index



objective or composition restrictions. Once the allocation of removed Index Components is determined, the respective allocation of some or all of the remaining Index Components may be adjusted accordingly. If an Index Component is removed from the Index a replacement Index Component may become eligible for inclusion and may be added to the Index.

An Index Component may be added to the Index if it qualifies for inclusion in the Index. Index Components can be added to the Index in order to ensure that, at all times, the Index continues to meet its Index objective and composition restrictions. Once the allocation of newly added Index Components is determined, the respective allocation of some or all of the Index Components existing prior to the additions may be adjusted accordingly.

### 3. CALCULATION OF THE INDEX

#### 3.1 Index Formula

On each Index Valuation Date, the Index Calculation Agent calculates the Index Value. This calculation is based on the Official Valuation of the Index Components.

The Index Calculation Agent will use the following formula to calculate the Index Value:

$$Index_t = \frac{\sum_{ti}(W_{ti} \times P_{ti}) - A_t}{D_t}$$

$$D_t = \frac{\sum_{ti}(W_{ti} \times P_{ti}) - A_t}{100}$$

Whereas:

$Index_t$  is the Index Value at time t.

$W_{ti}$  is the number of units of an Index Component (being the acquisition cost) in the Index at time t.

$P_{ti}$  is the Official Valuation of each Index Component at time t > 0.

$A_t$  is the Adjustment Factor, which is determined at the reasonable discretion of the Index Calculation Agent at the time t with reference to adjustments during the lifetime of the Index which may become necessary due to Adjustments described in 3.3.

$i$  is representing an individual Index Component.

$D_t$  Divisor at time t.

#### 3.2 Accuracy

The value of the Index will be rounded to two decimal places.

#### 3.3 Other Changes

If necessary, the Index Calculation Agent may at its reasonable discretion amend these Index Guidelines in order to ensure achievement of the objective of the Index as defined in these Index Guidelines or to address any errors, omission or ambiguities. Such amendments may include changes to the index component selection criteria or the rules with respect to the composition, calculation and weighting of the Index.

### 3.4 Adjustments to systematic changes

3.5.1 Dividends, interest and other distributions will be allocated to the Index. A 35% withholding tax is applicable and will be deducted, before the corresponding unit size of an Index Component will be adjusted.

3.5.2. In case of a corporate action on an Index Component, the Index Calculation Agent will assess whether such corporate action has a dilutive or any other effect on the price of the Index Component. In such a case, the Index Calculation Agent will make required adjustments and determine the date on which this adjustments will be effective. Amongst other things the Index Calculation Agent can consider adjustments executed by an exchange as a result of the corporate action concerning option and futures.

Splits require the recalculation of the “W” parameter assuming that the split ratio is applicable to the price change, as follows:

$$W_{i,t+1} = W_{i,t} * S$$

Whereas:

$W_{i,t+1}$  is the number of units / notional affected in the Index at time t+1

$W_{it}$  is the number of units / notional affected in the Index at time t

S Units / notional after the split for every unit / notional before split

Share distribution require the recalculation of the “W” parameter assuming that the distribution ratio is applicable to the price change, as follows:

$$W_{i,t+1} = W_{i,t} * (1 + S)$$

Whereas:

$W_{i,t+1}$  is the number of units / notional affected in the Index at time t+1

$W_{it}$  is the number of units / notional affected in the Index at time t

S Units / notional for every unit / notional before distribution

### 3.5 Rebalancing

Adjustments to the Index and their weights are executed as described in chapter 2 “Index Methodology” and Annex 2.3.

### **3.6 Data Provider**

The Official Valuation is the daily end of day closing value of each Index Component.

### **3.7 Index Continuity**

In case of missing, insufficient, inaccurate or unreliable input data or non-compliance with the standards as set out below, for any of the required data to calculate the Index, the Index Administrator may not calculate and publish the Index. The decision will be taken on discretion of the Index Administrator. In case the standards as set out are not fulfilled for a considerable time, the Index Administrator, to protect users of the Index, will publish such information either by amending the Index Guidelines, or on its website. Where appropriate, the Index Administrator will consult experts to make the decision.

The minimum requirements for the quantity of input data are:

- A price for each Index Component; and
- The current composition, including weights

The minimum standards for the quality of input data with regards to the Daily Calculation are:

- Data must be reliable and consistent;
- Data must be robust;
- Data must be verifiable;
- Data must be available before 10.00 a.m. on each Index Valuation Date.

The minimum standards for the quality of input data with regards to the Rebalancing are:

- Data must be reliable and consistent;
- Data must be robust;
- Data must be verifiable;

### **3.8 Internal Review and Approval of Methodology**

After the preparation of Index related documentation, a review round with regards to whether the requirements of the Benchmark Regulation are reflected and whether there is an operational feasibility for implementation takes place. Following, a revision and further coordination with relevant parties takes place, including a dedicated LIXX checklist to ensure compliance with the Benchmark Regulation. The checklist includes, among other things, documentation requirements of the Benchmark Regulation. After the named steps have been successfully completed, the management of LIXX has discretion to sign-off of an Index. The methodology is reviewed annually.

### **3.9 Consulting Procedures and Material Changes**

In the event of a proposed material change in methodology, it is the responsibility of a relevant party to contact LIXX and notify the relevant request. Such notification must in any case be made in writing or by email. LIXX will subsequently review the case regarding the reasons given.

#### Significant Changes

1. Significant changes are defined as changes which, at the time of the conversion, lead to a change in the Index Value of > 3% compared to the Index Value without the change on the last Index Valuation Day.
2. Also, significant changes are methodological adjustments that lead to significant changes of the Index Values in the longer term. The determination of significance at this stage is within the discretion of LIXX, which must take into account the interests of the Index Sponsor and users at all times.

#### Information for Users

In case of significant changes, LIXX will provide updated Index Guidelines on its homepage. In addition, should there be licensees of the Index, the licensee will be informed by LIXX about the change.

## **4. CHANGE HISTORY**

03.12.2018 – 1.0 – Initial Version

01.06.2022 – 2.0 – Section 4 Change History has been added

01.06.2022 – 2.0 – The definition of "Official Valuation" in Section 6 has been changed from "The Official Valuation is based on daily end of day closing value of each Index Component one Business Day before the relevant Index Valuation Day, in accordance with the publication of a relevant exchange. In case no value is available on that day, the most recent available value (intraday or closing), will be considered." to "The official valuation is based on publicly available data, that has been made available by internationally established information services or exchanges. Such data includes daily closing (end of day) values of each Index Component, as they are available on the relevant Index Valuation Date. If no data is available on the relevant valuation date, the most recent value available (closing), will be considered." for clarification.

## **5. CONTACT DATA**

### **Information regarding the Index**

LIXX GmbH  
Bilker Allee 176 C  
40217 Düsseldorf

## 6. DEFINITIONS

Business Day	Days on which there is neither a Zurich, Switzerland, public holiday nor a Duesseldorf, Germany, public holiday
Data Provider	A contributor of data to maintain or calculate the Index in accordance with Article 11 of the Benchmark Regulation
Index	Leonteq Multi Asset Index (CHF)
Index Administrator	LIXX
Index Calculation Agent	LIXX
Index Component	A certain financial instrument selected from the Universe of Index Components, becoming a constituent of the Index
Index Sponsor	Leonteq Securities AG, Europaallee 39, 8004 Zurich, Switzerland
Index-linked Product	Any investment product based upon the Index
Index Value	Value of the Index on the Index Valuation Date
Index Valuation Date	Is defined in section 1.5
LIXX	LIXX GmbH, a limited liability company ( <i>Gesellschaft mit beschränkter Haftung</i> ) under German law, registered with the commercial register ( <i>Handelsregister</i> ) of the local court ( <i>Amtsgericht</i> ) of Düsseldorf under HRB 81816 and principal place of business at Bilker Allee 176c, 40217 Düsseldorf, Germany
Official Valuation	The official valuation is based on publicly available data, that has been made available by internationally established information services or exchanges. Such data includes daily closing (end of day) values of each Index Component, as they are available on the relevant Index Valuation Date. If no data is available on the relevant valuation date, the most recent value available (closing), will be considered.
Total Return Net Index	Index calculated on the basis of reinvested dividend or coupon payments, deducted by a 35% withholding tax.

Universe of Index  
Components

Instruments which may be part of the Index

## **Annex 2.1: Universe of Index Components**

Exchange Listed Funds in the sector of Equities, Real Estate, Commodities, Fixed Income and Cash.



## **Annex 2.2: Index Component Selection Criteria**

Each Index Component must fulfil the following selection criteria for being eligible for the index:

- Have a price that is set regularly
- Have a price that is publicly accessible
- Must be approved by FINMA for public distribution in Switzerland
- Must be denominated in CHF
- Must have Assets under Management at the time of inclusion into the Index is in excess of 150 million CHF
- Must use (i) the same index underlying the ETF to be replaced, or (ii) have a correlation of 85% (using a window of 3 years)
- Must be similar in the investment theme (e.g. cannot replace MSCI World with MSCI Germany)

Any listed criteria are only effective to a specific component on the day of addition to the index.

The selection of Index Components is static and except for circumstances as described in this document, is not planned to change.

## Annex 2.3: Allocation Criteria; Initial Index Composition

### Allocation Criteria:

The Index increases exposure to the asset class that has experienced the best trailing 12-month (approximately) total return performance. More specifically, the Index is constructed by equally-weighting 12 buckets at inception. Each bucket has annual Rebalancing Dates on which the bucket reallocates 100% in the ETF with best trailing 12-month (approximately) total return performance. The only difference between each bucket is that Rebalancing Dates are offset by one month. Such mechanism allows for dynamic and timely capturing (month by month) of the momentum trend. The following is an exemplary illustration:

Bucket	Rebalancing Date (first business day of a month)	Period considered, approximately 12 months backwards
1	1 December	December - November
2	1 January	January – December
3	1 February	February - January
4	1 March	March - February
5	1 April	April - March
6	1 May	May - April
7	1 June	June - May
8	1 July	July - June
9	1 August	August - July
10	1 September	September - August
11	1 October	October - September
12	1 November	November - October

At each Rebalancing Date, the Index Administrator will assess the total return performance for the approximately past 12 months, considering the Business Day rule of this document, of each ETF as stated in Initial Index Components below. For instance, for the rebalancing of Bucket 1 at 1 December, the total return performance of all ETFs with the period December – November from approximately 12 months before will be analysed. The ETF with the best total return performance will receive the allocation of a bucket.

Regarding the rule of Rebalancing and performance analysis:

1. A Rebalancing Day is the first business day of a new month. For instance, the Rebalancing Day for January 2019 is set at 02.01.2019.
2. The period end date considered is always the previous business day of the Rebalancing Day.

3. The period start date considered is the previous business day, counted from the previous Rebalancing Date of the relevant Bucket.

4. For the avoidance of doubt: When referring to the total return performance, gross total return is considered.

Any Rebalancing in the Index will be effective as of the following business day of a Rebalancing Day.

### **Initial Index Components:**

Sector	Index Component ISIN
Cash	LU0128498267
Equities	IE00B8BVCK12
Gold	CH0104136285
Fixed Income	CH0016999861
Real Estate	CH0012913700

### **Initial Index Allocation:**

Bucket	Index Component ISIN	Name	Weight
1	IE00B8BVCK12	Equities	8,33%
2	IE00B8BVCK12	Equities	8,33%
3	IE00B8BVCK12	Equities	8,33%
4	IE00B8BVCK12	Equities	8,33%
5	IE00B8BVCK12	Equities	8,33%
6	IE00B8BVCK12	Equities	8,33%
7	IE00B8BVCK12	Equities	8,33%
8	IE00B8BVCK12	Equities	8,33%
9	IE00B8BVCK12	Equities	8,33%
10	IE00B8BVCK12	Equities	8,33%
11	CH0016999861	Fixed Income	8,33%
12	CH0012913700	Real Estate	8,33%