

LOIM Leveraged Commodity Backwardation Index
(USD – Excess Return)

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Index Rules

Version as of March 22, 2021

This version of the rules will be active starting 22nd March 2021 (included). It has been agreed that such modifications are not retroactive and therefore do not affect past Index Levels (ie Index Levels dated prior to 22nd March 2021 (excluded)).

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1. Index Rules Summary

1.1 Index Description

The LOIM Leveraged Commodity Backwardation Index (USD – Excess Return) (the “**index**”) is a systematic, rules-based index that aims to provide a fixed leveraged exposure of 200% (the “**Exposure**”) to the performance of the LOIM Long/Short Commodity Backwardation Index (the “**Underlying Index**”). The Index rebalances on the 5th Calculation Date of each month.

The Index is calculated and published by Société Générale (the “**Index Calculation Agent**”) and is sponsored by Lombard Odier Asset Management (Switzerland) SA (the “**Index Sponsor**”).

Main Characteristics

Bloomberg ticker:	SGCOM99E <Index>
Type of Return:	Excess Return
Calculation Frequency:	Daily
Publication Time:	End of Day
Index Launch Date:	February 20, 2018
Currency:	USD
Fees and Costs:	As specified in section 1.3
Index Asset Class:	Commodities
Index Components:	Commodity Instrument

1.2 Mechanism

1.2.1 *Index Composition*

The Index is composed of the Underlying Index and takes a constant fixed exposure of 200% on the Underlying Index.

1.2.2 *Underlying Index*

The LOIM Long/Short Commodity Backwardation Index (the “**Underlying Index**”, Bloomberg: SGCOM98E) is a US Dollar denominated index whose main objective is to extract yield from the natural carry of commodity forward prices. The index is exposed to 16 commodities. These are selected from 4 broad commodity sectors: Energy, Agriculture (Ex-Essential Food), Industrial Metals and Precious Metals.

The objectives of the Underlying Index are to:

- Track a systematic long/short market neutral strategy based on commodity forward curves
- Capture the roll spread by going long commodities which are in backwardation (or least in contango) and shorting commodities which are in contango (or least in backwardation).
- Provide a long/short exposure to a broad and diversified set of commodities, in respect with the UCITS diversification rules.

More complete information concerning the Underlying Index can be found in the LOIM Long/Short Commodity Backwardation Index Rules.

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1.3 Index Fees and Costs

The Index is calculated net of the following fees and costs:

Index Advisory Fees:	Not applicable
Replication Costs:	Not applicable
Transaction Costs:	Not applicable
Licensing Fee:	means 0.28% per annum. This fee is expressed as a percentage of the Index Level and reflects the compensation to Lombard Odier Asset Management (Switzerland) SA as licensor of LOIM Leveraged Commodity Backwardation Index (SGCOM99E).

“**Transaction Costs**” are theoretical costs charged to a Hypothetical Replicating Party related to the purchase or liquidation of any Basket Component pursuant to changes in allocations that impact the Index level upon such reallocations.

“**Replication Costs**” are theoretical running costs incurred by a Hypothetical Replicating Party for the purposes of replicating the performance of the Index.

IMPORTANT:

The Index seeks to track the performance of hypothetical long and short positions in futures contracts; however, the Index does not actually invest in or hold any futures contracts or any other instruments. An investor in any product linked to the performance of the Index (if any) will have no rights whatsoever to any futures contracts or any other instruments or securities underlying the Index or the Intermediate Indices. The Index is a statistical measure of the performance of a systematic model; it is not an investment fund, pool or any other investment vehicle.

The strategy tracked by the Index is not guaranteed to be successful.

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2. Terms and definitions

2.1 Terms and definitions relating to the Index

ACT(t-1,t)	means the number of calendar days between the Calculation Date (t-1) (included) and the Calculation Date (t) (excluded).
Calculation Date	means any Scheduled Calculation Date on which no Index Disruption Event exists with respect to the Index.
Index	means the “LOIM Leveraged Commodity Backwardation Index” (USD - Excess Return) (Bloomberg Ticker: SGCOM99E <Index>).
Index Base Date, t_0	means January 2, 2018.
Index Calculation Agent	Société Générale (“ SG ”).
Index Currency	US Dollar (“USD”).
Index Disruption Event	means, with respect to the Index, an Index Disruption Event as defined in section 4.1 of this Index Rules.
Index Launch Date	means February 20, 2018.
Index Leverage, LV	means, with respect to any Calculation Date (t), the fixed Leverage to apply on the Underlying Index. It is equal to 200%.
Index Level, $IL(t)$	means, with respect to any Calculation Date (t), the level of the Index calculated and published by the Index Calculation Agent on such date at the Valuation Time, pursuant to the Index Rules set out in section 3.1.
Index Sponsor	Lombard Odier Asset Management (Switzerland) SA (“ LOIM ”).
Licensing Fee “LF”:	means 0.28% p.a.
Rebalancing Date $R(t)$	means the first Rebalancing Date strictly succeeding $WDD(t)$ but strictly preceding Calculation Date (t) on which the Underlying Index UI is unaffected by an Underlying Index Disruption Event. If such a Rebalancing Date does not exist, $R(t)$ means the first Rebalancing Date strictly succeeding $WDD(WDD(t))$ but strictly preceding Calculation Date (t) on which the Underlying Index UI is unaffected by an Underlying Index Disruption Event.
Scheduled Calculation Date	means any day other than a Saturday or Sunday on which the New York Stock Exchange (NYSE) is open for trading.
Valuation Time	means 6:30 p.m. (New York time).
Weight Determination Date $WDD(t)$	means, the 4 th Calculation Date of each calendar month.

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2.2 Terms and definitions relating to the Underlying Index

Underlying Index Calculation Agent	Société Générale (“ SG ”).
Underlying Index Disruption Event	means, with respect to the Underlying Index, an Index Disruption Event as defined in section 4.1 of this Index Rules.
Underlying Index, <i>UI</i>	means the LOIM Long/Short Commodity Backwardation Index (Bloomberg Ticker: “SGCOM98E <Index>”).
Underlying Index Level, “<i>UIL(t)</i>”	means, in respect of a Calculation Date (t) the level net of costs version, pursuant to Section 3.2
Underlying Index Closing Price, “<i>UI(t)</i>”	means, with respect to any Calculation Date (t): (i) the official closing level of the Underlying Index <i>UI</i> calculated and published by the Underlying Index Calculation Agent as of such date. (ii) the last official closing level of the Underlying Index <i>UI</i> if no closing level is available as of such date.
Underlying Index Sponsor	Lombard Odier Asset Management (Switzerland) SA (“ LOIM ”).

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3. Index calculation

3.1 Determination of the Index Level $IL(t)$:

The Index Level IL , with respect to any Calculation Date (t), is calculated and published by the Index Calculation Agent at the Valuation Time, subject to the occurrence or existence of an Index Disruption Event or an Index Extraordinary Event, according to the following formula:

$$IL(t) = IL(t - 1) \times \frac{UIL(t)}{UIL(t - 1)} \times \left(1 - LF \times \frac{ACT(t - 1, t)}{365} \right)$$

With $IL(t_0) = 100.0000$ as of the Index Base Date.

3.2 Determination of the Underlying Index Level $UIL(t)$:

The Sub Index Level is, in respect of Calculation Date (t), determined as follows

$$UIL(t) = \text{Max} \left(0; UIL(R(t)) \times \left[1 + LV \times \left(\frac{UI(t)}{UI(R(t))} - 1 \right) \right] \right)$$

With $UIL(t_0) = 100.0000$ as of the Index Base Date.

3.3 Rounding Rules:

The rounding policy is defined as follows:

- Index Level is calculated with 8 decimal places and published with 4 decimal places.
- Underlying Index Level is used with the available number of digits published on Bloomberg (usually 7 significant digits).

4. Index Disruption Event and Extraordinary Event

4.1. Index Disruption Event

With respect to the Index and any Calculation Date t , an Index Disruption Event shall include any event that prevents the Index Calculation Agent from correctly computing, calculating or publishing the Index Level on such Calculation Date t , including but not limited to the following events:

- the Index Calculation Agent ceases, temporarily or permanently, to calculate and publish any of the Index or any of their components for any reason.
- the Underlying Index Calculation Agent ceases, temporarily to calculate and publish the Underlying Index or any of its components for any reason.

If an Index Disruption Event exists on a scheduled Calculation Date t for the Index or the Underlying Index (each, a "Disrupted Calculation Date"), then the Index Calculation Agent shall not determine the level for the Index on such scheduled Calculation Date.

The next Calculation Date following such Disrupted Calculation Date for which the Index Calculation Agent shall determine the Index Level shall be the first succeeding scheduled Calculation Date on which the Index Calculation Agent determines that an Index Disruption Event no longer exists; provided that if the Index Calculation Agent determines that an Index Disruption Event lasts five (5) consecutive scheduled Calculation Dates from and including the initial Disrupted Calculation Date, then:

- (i) The fifth scheduled Calculation Date following the initial Disrupted Calculation Date and each scheduled Calculation Date thereafter shall be deemed to be a Calculation Date, notwithstanding the existence of an Index Disruption Event on such date(s), and

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- (ii) The Index Calculation Agent shall determine the Index Level on that fifth scheduled Calculation Date following the initial Disrupted Calculation Date, and on each scheduled Calculation Date thereafter on which an Index Disruption Event continues to exist

4.2. Index Extraordinary Events

If the Underlying Index is (i) not calculated and announced by the Underlying Index Calculation Agent but is calculated and announced by a successor Underlying Index Calculation Agent acceptable to the Index Calculation Agent in consultation with the Index Sponsor or (ii) is replaced by a successor index using, in the determination of the Index Calculation the same or a substantially similar formula and a substantially similar method of calculation as used in the calculation of such Underlying Index, then in each case that successor index will replace such Underlying Index.

In the event that the Underlying Index is replaced under the circumstances described in the previous paragraph, the “replacement index” will be deemed a “Successor Underlying Index” for such Underlying Index. Such Successor Underlying Index will be used as a substitute for the original Underlying Index for all purposes, including determining the Underlying Index Level whether or not an Index Disruption Event exists.

If, with respect to the Underlying Index and a scheduled Calculation Date, the Underlying Index Sponsor announces, on or prior to such scheduled Calculation Date, that it will make a material change in the formula or in the method of calculating such Underlying Index or in any other way will materially modify such Underlying Index (other than a modification prescribed in that formula or method to maintain such Underlying Index for routine events), the Index Calculation Agent shall calculate the Underlying Index Level on such scheduled Calculation Date according to the formula and the method of calculating such Underlying Index and using only the Index components that comprised such Underlying Index immediately prior to such changes.

If the Underlying Index Sponsor cancels the Underlying Index on or prior to any scheduled Calculation Date and no Successor Underlying Index exists, the Index Calculation Agent shall not determine the Index Level for such scheduled Calculation Date. If such event exists and is not cured within twenty (20) scheduled trading days, the Index Calculation Agent shall permanently cancel the Index on such twentieth scheduled Calculation Date.

If on any Calculation Date, both an Index Disruption Event and an Extraordinary Event exist, then an Index Disruption Event shall be deemed to have occurred.

4.3. Cancellation

Notwithstanding the foregoing Section 4.1 and 4.2, if an Index Disruption Event continues for twenty (20) consecutive scheduled Calculation Dates (including the Disrupted Calculation Day), then the Index Calculation Agent shall permanently cancel the Index on such twentieth scheduled Calculation Date.

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5. Disclaimers

The Index referred to herein is the sole and exclusive property of Lombard Odier Asset Management (Switzerland) SA.

Société Générale does not guarantee the accuracy and/or the completeness of the composition, calculation, dissemination and adjustment of the Index, nor of the data included therein.

Société Générale shall have no liability for any errors, omissions, interruptions or delays relating to the Index.

Société Générale makes no warranty, whether express or implied, relating to (i) the merchantability or fitness for a particular purpose of the Index, and (ii) the results of the use of the Index or any data included therein.

Société Générale shall have no liability for any losses, damages, costs or expenses (including loss of profits) arising, directly or indirectly, from the use of the Index or any data included therein.

The levels of the Index do not represent a valuation or a price for any product referencing such Index.

All determinations made by the Index Sponsor in relation to the Index will be made in its sole discretion and in a commercially reasonable manner by reference to such factors as the Index Sponsor deems appropriate and will be final, conclusive and binding in the absence of manifest error.

While the Index Sponsor currently employs the methodology described in these Index Rules to calculate the Index, from time to time it may be necessary to modify the methodology (including the information or data on which any Index or any underlying index is based). The Index Sponsor reserves the right, in its sole discretion, to make such modifications to the methodology in a commercially reasonable manner. If the Index Sponsor elects to do so, the Index Sponsor will make reasonable efforts to ensure that such modifications will result in a methodology that is consistent with the methodology described these Index Rules.

These Index Rules have been provided to you on a confidential basis solely for your information. You agree that you will not disclose, reproduce, redistribute or transmit, in whole or part, in any form or by any means, these Index Rules without the prior written consent of Lombard Odier Asset Management (Switzerland) SA.

The Index Sponsor reserves the right to make adjustments to correct errors contained in previously published information relating to the Index and to publish the corrected information, including but not limited to the index level, but is under no obligation to do so and shall have no liability in respect of any errors or omissions contained in any subsequently published information; provided that the Index Sponsor shall not adjust or correct any previously published index level except in cases of manifest error.

Back testing allows illustrating returns that the Index would have had if it had been launched in the past. It allows an understanding of how the product would have performed at different market stages over previous years but is not meant to be an indication on expected future performance. The figures relating to simulated past performances refer to past periods and are not a reliable indicator of future results. This also applies to historical market data.

The roles of the different teams involved within Société Générale in the design, maintenance and replication of the Index have been strictly defined. Where Société Générale holds the product and other positions exposing it to the Index for its own account, the replication of the Index is made in the same manner by a single team within Société Générale, be it for the purpose of hedging the product held by external counterparties or for the purpose of the positions held by Société Générale acting for its own account. Société Générale may take positions in the market of the financial instruments or of other assets involved in the composition of the Index, including as liquidity provider.