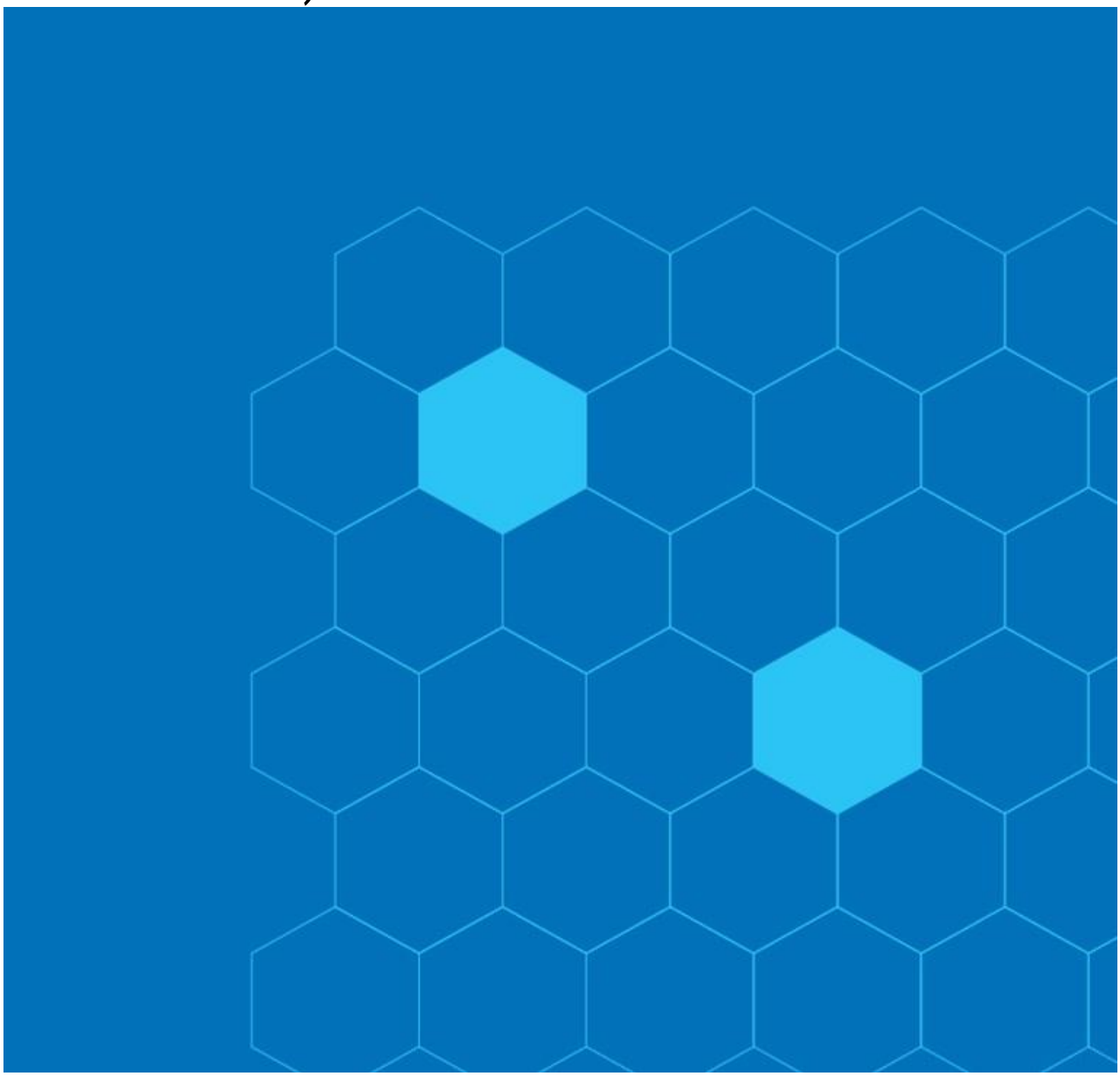
AUGUST 2024

EUROPA AKTIENINDEX MIT ISC (INTELLIGENT STABILITY CONTROL)



STOXX

CONTENTS

1. INTRODUCTION

This document constitutes the index rules for the Europa Aktienindex mit ISC (Intelligent Stability Control) (the “Index”) and defines the formulae and the procedures for its construction and calculation. STOXX Ltd. will be responsible for approving certain actions under these Rules. This document is published by STOXX Ltd. and must be read in conjunction with the STOXX® CALCULATION GUIDE.

The transfer of index administration to STOXX Ltd. for this index is effective September 16, 2024 (“Transfer Date”), in accordance with the rules set forth in the guidebook. Prior to such Transfer Date, the index was administered and calculated in accordance with the rules published by the previous index administrator. STOXX Ltd. shall not be held liable or responsible for any discrepancies, errors, or variations in the historical values of the index prior to such Transfer Date.

1.1. GENERAL DESCRIPTION

The Index is a targeted volatility investment strategy. As part of this strategy, the Index simulates an excess return version of the EURO STOXX 50 Net Return Index (the ‘Risky Asset’) by deducting the performance of a money market component (compounded at (i) the EONIA overnight interest rate prior to and excluding the Reference Rate Switch Date, and (ii) a rate equal to the sum of (a) the euro short term rate – known as “€STR” or “euroSTR”, and (b) 0.085 per cent, from and including the Reference Rate Switch Date) from the performance of the EURO STOXX 50 Net Return. The strategy is designed to reduce exposure to the Risky Asset during times of heightened volatility in the EURO STOXX 50 Net Return Index and to increase exposure during periods of low volatility. The Index methodology controls the Index's risk level by dynamically adjusting the exposure to the Risky Asset so as to maintain the risk profile of the Index at a specific volatility target of (i) 20% up to (but excluding) the Index Restructuring Date and (ii) 6% from (and including) the Index Restructuring Date. As realised volatility of the EURO STOXX 50 Net Return Index rises, the Index shifts exposure away from the Risky Asset and into a notional cash balance. Conversely, as realised volatility falls, the Index shifts exposure away from the cash balance and the Index's exposure to the Risky Asset increases. The realised volatility of the EURO STOXX 50 Net Return Index is determined by the Index Administrator on a daily basis as (a), up to (but excluding) the Index Restructuring Date, the lower of: (i) realised volatility over the preceding 20 Reference Asset Calculation Days and (ii) realised volatility over the preceding 60 Reference Asset Calculation Days and (b), from (and including) the Index Restructuring Date, the higher of: (i) realised volatility over the preceding 20 Reference Asset Calculation Days and (ii) realised volatility over the preceding 60 Reference Asset Calculation Days.

1.2. PARTIES

Index Sponsor	Axa Investment Managers Paris
Index Administrator	STOXX Ltd.
Index Calculation Agent	Index Administrator
Index Committee	STOXX committee(s) as described in the STOXX® CALCULATION GUIDE.

1. INTRODUCTION

1.3. DEFINITIONS

Index	Europa Aktienindex mit ISC (Intelligent Stability Control)
ISIN	CH1362042694
Bloomberg Ticker	CSEVISC
Index Components	Any component of the Notional Portfolio, from time to time.
Rules	The rules contained in this document as may be amended from time to time in accordance with STOXX governance
Index Start Date	04 January 1999
Index Start Value	100
Index Launch Date	14 January 2014
Index Restructuring Date	17 July 2020
Index Calculation Day	Any day which: (i) is a Reference Asset Calculation Day; and (ii) is a Money Market Component Calculation Day.
Reference Rate Switch Date	3 January 2022
Money Market Component Calculation Day	Any day on which the Reference Rate is scheduled to be published on Reuters's page 'EONIA' (from and including the Reference Rate Switch Date, the Bloomberg page 'ESTRON Index') and is a TARGET Business Day
Reference Asset Calculation Day	Any day on which: (i) a value for the Reference Asset is published; and (ii) the Exchange is scheduled to be open
Reference Rate	(i) In relation to any Money Market Component Calculation Day falling prior to the Reference Rate Switch Date, EONIA, which is the overnight rate for deposits denominated in EUR calculated by the European Central Bank and appears on Reuters's page 'EONIA' in respect of the relevant day (or if such rate is not so published, as determined by the Index Administrator acting in good faith and in a commercially reasonable manner). (ii) In relation to any Money Market Component Calculation Day falling on or after the Reference Rate Switch Date, the euro short term rate (known as "€STR" or "EuroSTR") administered by the European Central Bank (or any successor administrator) (Refinitiv: EUROSTR) and provided by the administrator to, and published by authorized distributors chosen by the Index Administrator and recorded in its internal database as the source from which the Index Administrator collects input data for the purposes of the Index, in respect of such date, plus a spread of 0.085 per cent.

1. INTRODUCTION

TARGET Business Day	Any day on which TARGET 2 (the Trans-European Automated Real-time Gross settlement Express Transfer system), or any successor thereto, is open.
Target Volatility	In respect of any Index Calculation Day up to (but excluding) the Index Restructuring Date, 20% In respect of any Index Calculation Day from (and including) the Index Restructuring Date, 6%
Participation Floor	0%
Participation Cap	200%
Window1	20
Window2	60
Exchange:	Eurex
Index Value	The value of the Index as calculated and published by the Index Administrator in accordance with Section 3
Reference Asset	EURO STOXX 50 EUR Net Return index
Relevant Currency	EUR

2. INDEX CONSTRUCTION

2.1 COMPOSITION OF THE NOTIONAL PORTFOLIO

Composition of the Notional Portfolio The Index measures the total rate of return of a strategy (the “Index Strategy”) focusing on performance of the Reference Asset subject to achieving a particular volatility target. The hypothetical portfolio generated by the Index Strategy (the “Notional Portfolio”), which is calculated on each Index Calculation Day, comprises three elements:

1. A notional long position in the Reference Asset;
2. A notional short position in a money market component (the “Money Market Component”); (elements 1 and 2 together, the “Risky Asset”) and
3. A notional cash balance (the “Cash Balance”).

3. INDEX CALCULATION

3.1 CALCULATION OF THE MONEY MARKET COMPONENT

The value of the Money Market Component in respect of any Money Market Component

Calculation Day ("$MMCc$") is calculated according to the following formula:

On the $IndexStartDate$

$$MMC_c = 100$$

On any subsequent Money Market Component Calculation Day

$$MMC_c = MMC_{c-1} \times \left[1 + \frac{r_{c-1}}{360} df_{(c-1,c)}\right]$$

Where,
"r_{c-1}" is the Reference Rate on Money Market Component Calculation Day (*c*)(or if such rate is not so published, as determined by the Index Administrator acting in good faith and in a commercially reasonable manner from prevailing swap market rates).

"$df_{(c-1,c)}$" is the number of calendar days from (and excluding) Money Market Component Calculation Day ($c-1$) to (and including) Money Market Component Calculation Day (c).

3.2 CALCULATION OF THE INDEX

The Index will rebalance on each Index Calculation Day.

For each $IndexCalculationDay_t$the Index Value in respect of such $IndexCalculationDay_t$ ("I_t ") is calculated at the end of such day in accordance with the following formula:

On the $IndexStartDate$

$$I_0 = Balance_0 = 100$$

On any subsequent $IndexCalculationDay_t$

$$I_t = (U_{t-1} \times RA_t) - (R_{t-1} \times MMC_t) + Balance_{t-1}$$

Where,

"U_t " is the number of units of the Reference Asset in the Index on $IndexCalculationDay_t$, determined as $U_t = I_t \times \frac{P_t}{RA_t}$where

"P_t " is the participation in the Reference Asset, defined as:

$$P_t = max\,(ParticipationFloor, min\,(PartipationCap, \frac{VT_t}{RealVol_t})$$

3. INDEX CALCULATION

Where:

Up to (but excluding) the Index Restructuring Date: $RealVol_t = min(Vol\,^1_t, Vol\,^2_t)$
From (and including) the Index Restructuring Date: $RealVol_t = max(Vol\,^1_t, Vol\,^2_t)$

With

$$Vol\,^1_t = \sqrt{\frac{252}{Window^1}} \times \sum_{s=1}^{Window^1} \left(ln\left(\frac{RA_{t-s}}{RA_{t-s-1}}\right)\right)^2$$

$$Vol\,^2_t = \sqrt{\frac{252}{Window^2}} \times \sum_{s=1}^{Window^2} \left(ln\left(\frac{RA_{t-s}}{RA_{t-s-1}}\right)\right)^2$$

"VT_t" is the Volatility Target in respect of the relevant $IndexCalculationDay_t$.

"RA_t" is the closing level of the Reference Asset as published by the relevant Exchange in respect of the relevant $IndexCalculationDay_t$ (or if such closing level is not so published, as determined by the Index Administrator acting in good faith and in a commercially reasonable manner).

"RA_{t-s}" is the closing level of the Reference Asset as published by the relevant Exchange in respect of the date that falls |s| Reference Asset Calculation Days prior to $IndexCalculationDay_t$.

"R_t" is the number of units of the Money Market Component, determined as $R_t = I_t \times \frac{P_t}{\mathrm{MMC}_t}$

"MMC_t" is the value of the Money Market Component as defined in Section 3.1

"$Balance_t$ " is the value of the Cash Balance on $IndexCalculationDay_t$, determined as $Balance_t = Balance_{t-1} + \mathrm{TA_t}$ where

$$\mathrm{TA_t} = -\left((\mathrm{U}_t - \mathrm{U}_{t-1}) \times RA_t\right) + \left((\mathrm{R}_t - \mathrm{R}_{t-1}) \times MMC_t\right)$$

3.3 INDEX PRECISION

The Index Values will be rounded to 2 decimal places when published and all subsequent Index Values refer to the preceding unrounded Index Value

4. PUBLICATION OF THE INDEX VALUE

The Index Administrator retains the right to delay publication of the Index Value if it reasonably believes there are circumstances that prevent the correct calculation of the Index.

The Index Value will be calculated by the Index Administrator and published on Bloomberg page CSEVISC Index. The calculation and publication of the Index Value in respect of each $IndexCalculationDay_t$ will take place at or shortly after 11:00 am London time on the Index Calculation Day following the relevant $IndexCalculationDay_t$

In the event of a calculation error the Index Administrator shall apply the rules and procedures as described in the STOXX® CALCULATION GUIDE.

5. AMENDMENT OF THE INDEX RULES; TERMINATION OF THE INDEX

In the event of any Limitation occurring the Index Administrator may change, cease, or transition the Index in accordance with (i) STOXX® CALCULATION GUIDE, and (ii) The STOXX Benchmark Transition Policy.

6. SUSPENSION OF THE INDEX

6.1 INDEX DISRUPTION

Where, in the determination of the Index Administrator, a disruption event (“Limitation”) has occurred or is existing, the STOXX® CALCULATION GUIDE shall apply.

7. HISTORY OF CHANGES TO THE GUIDE BOOK

August 2024: First publication of the Europa Aktienindex mit ISC (Intelligent Stability Control) Index Guide by STOXX Ltd.

8. DISCLAIMER

8.1 DISCLAIMER

STOXX Ltd., ISS STOXX Index GmbH and their licensors, research partners or data providers do not give any warranty and exclude any liability (whether in negligence or otherwise) with respect thereto generally or specifically in relation to any errors, omissions or interruptions in the Europa Aktienindex mit ISC (Intelligent Stability Control) or its data.