RISK FACTORS RELATING TO THE CITI DYNAMIC ASSET SELECTOR 5 EXCESS RETURN INDEX

The following discussion of risks relating to the Citi Dynamic Asset Selector 5 Excess Return Index (the “Index”) should be read together with the “Description of the Citi Dynamic Asset Selector 5 Excess Return Index” (the “Index Description”), available here [https://investmentstrategies.citi.com/cis/us](https://investmentstrategies.citi.com/cis/us), which defines and further describes a number of the terms and concepts referred to below.

**The Index May Not Be Successful and May Underperform Alternative Investment Strategies.** There can be no assurance that the Index will achieve positive returns. The Index tracks the hypothetical performance of a rules-based investment methodology that, based on signals, selects a hypothetical investment portfolio (the Selected Portfolio) to track until the signals determine that a change in U.S. equity market conditions has occurred. The performance of the Index over that period will depend on the performance of the Selected Portfolio over that time period, minus the index fee and subject to the Index’s volatility-targeting feature, all as more fully described in the Index Description. In general, if the Selected Portfolio appreciates over that period by more than the index fee, the level of the Index will increase, and if the Selected Portfolio depreciates over that period or appreciates by less than the index fee, the level of the Index will decrease. The performance of the Index may be less favorable than alternative investment strategies that could have been implemented, including an investment in a passive index fund.

**The Index’s Signal-based Allocation Methodology Has Significant Limitations.** The Index will allocate exposure to the U.S. Equity Futures Constituent and/or the U.S. Treasury Futures Constituent based on two Signals measured on each Index Business Day: one based on the trend of the performance of the U.S. Equity Futures Constituent, measured by the linear regression methodology described in the Index Description, over an observation period of 21 Index Business Days (the “Trend Signal”) and one based on the realized volatility of the U.S. Equity Futures Constituent over an observation period of 63 Index Business Days (the “Volatility Signal”). Based on these Signals, the portfolio tracked by the Index during any given period (the “Selected Portfolio”) will be the Equity-Focused Portfolio, the Treasury Portfolio or the Intermediate Portfolio, each of which has a predetermined degree of exposure to the U.S. Treasury Futures Constituent and/or the U.S. Equity Futures Constituent.

**Limitations of the Trend Signal**

The Index’s allocation methodology is premised on the assumption that, on an Index Business Day, the Trend Signal may provide an accurate indicator of the performance of the U.S. Equity Futures Constituent until the next Change in Market Regime (i.e., when the Signals indicate that another Selected Portfolio should be selected). In other words, the methodology assumes that the U.S. Equity Futures Constituent is likely to appreciate until the next Change in Market Regime if there is an upward Trend Signal. There is no guarantee that this will be the case, however. The Trend Signal is subject to a number of important limitations, including the following:

- **Past Performance May Not Predict Future Performance.** On any given Index Business Day, the fact that the U.S. Equity Futures Constituent may have performed favorably over the prior 21 Index Business Days does not necessarily mean that it will continue to perform favorably going forward. Future market conditions may differ from past market conditions, and the conditions that may have caused the favorable performance over the prior 21 Index Business Days may no longer exist.

- **Markets May be Efficient.** Past appreciation may not necessarily be an indicator of future appreciation even if future market conditions do not differ materially from past market conditions. The efficient market hypothesis, a well-known theory in academic financial literature, states that the market is efficient and that current asset prices reflect all available relevant information. If true, the efficient market hypothesis implies that any perceived historical trend in the performance of the U.S. Equity Futures Constituent should not be an
accurate predictor of its future performance. If the past performance of the U.S. Equity Futures Constituent proves not to be an accurate indicator of its actual performance over the next period, then the Index’s trend-following allocation methodology may perform poorly.

- **Time lag.** The Trend Signal measures the performance of the U.S. Equity Futures Constituent over the last month and therefore suffers from a time lag, which may cause it to be late both in signaling an allocation to the U.S. Equity Futures Constituent and in signaling an allocation away from the U.S. Equity Futures Constituent. The Index determines the trend of the U.S. Equity Futures Constituent based on its levels over an observation period of 21 Index Business Days. If the trend in the performance of the U.S. Equity Futures Constituent changes, it may be a significant period of time before the Trend Signal reflects the change. As a result of this time lag, the Trend Signal may signal an allocation to the U.S. Equity Futures Constituent long after the U.S. Equity Futures Constituent begins to decline, potentially resulting in a significant decline in the level of the Index over a significant period of time. Alternatively, the Trend Signal may not identify the U.S. Equity Futures Constituent as being in an upward trend until long after the upward trend began. By the time the Trend Signal finally signals an allocation to the U.S. Equity Futures Constituent, the trend may already have run its course, and a period of decline may even have already begun. Because the Trend Signal may signal an allocation to the U.S. Equity Futures Constituent after it has already been trending upward for a significant period of time, the Trend Signal may effectively reflect a “buy high” strategy; and because the Trend Signal may signal an allocation away from the U.S. Equity Futures Constituent only after it has already been trending downward for a significant period of time, it may effectively reflect a “sell low” strategy. This combination of buying high and selling low may result in poor Index performance.

- **Measurement error.** Even if the historical trend in the level of the U.S. Equity Futures Constituent proves to be a predictor of the future performance of the U.S. Equity Futures Constituent, the way in which the Index measures the trend may not effectively capture it. For example, the Index uses a fixed rule for determining whether the U.S. Equity Futures Constituent is deemed to be in an upward trend or a downward trend: if the straight line that results from a linear regression of the levels of the U.S. Equity Futures Constituent (expressed logarithmically) on each of the Index Business Days in the Trend Measurement Period slopes upward, the Index interprets that as an indicator of an upward trend, and if that line slopes downward, the Index interprets that as an indication of a downward trend. If the U.S. Equity Futures Constituent appreciated during the first half of the prior month and then depreciated over the next half – but the depreciation was not quite as pronounced as the appreciation – the Index may identify an upward trend even though the most recent trend has been downward. In addition, the Index will not change its Selected Portfolio if the Trend Signal is not deemed to be statistically significant, even if the Signals would otherwise call for a change. The Index also uses an arbitrary cut-off, which may not be the optimal cut-off to use for the Index, for determining whether the Trend Signal is statistically significant or not. There are measurements that the Index will deem to be statistically significant that would not be deemed statistically significant if a higher cut-off were chosen. Alternatively, the Index may be overly restrictive and treat as statistically insignificant Trend Signals that in fact contain meaningful information. In this latter case, the Index may retain exposure to a particular Selected Portfolio long after the Signals have been indicating that a new Portfolio should be selected. The Trend Signal is less likely to be statistically significant when there is significant volatility in the levels of the U.S. Equity Futures Constituent, and it may be the case that the current Selected Portfolio will be the Equity-Focused Portfolio, meaning that the Index will be exposed largely to the U.S. Equity Futures Constituent, even though the volatility of the U.S. Equity Futures Constituent is greater than 15%. Any fixed rule for determining whether the U.S. Equity Futures Constituent is in an upward or downward trend and whether such trend will signal a Change in Market Regime will necessarily be a blunt tool and, accordingly, may have a high rate of inaccuracy. The particular ways in which the Index operates may produce a lower return than other rules that could have been adopted for the identification of
the trend in the level of the U.S. Equity Futures Constituent. There is nothing inherent in the
particular methodology used by the Index that makes it a more or less accurate predictor of a
trend. It is possible that the rules used by the Index may not identify the trend as effectively
as other rules that might have been adopted, or at all.

- *Whipsaws.* Trend-following methodologies may perform particularly poorly in “choppy”
markets, where they may be subject to “whipsaws.” Choppy markets are characterized by
short-term volatility and the absence of consistent long-term performance trends. In choppy
markets, whipsaws occur when the market reverses and does the opposite of what is indicated
by past performance. The Index may experience a significant decline in these market
conditions. For example, if the Index identifies the U.S. Equity Futures Constituent as being
in an upward trend (and the realized volatility of the U.S. Equity Futures Constituent over an
observation period of 63 Index Business Days of less than or equal to 15%), the Selected
Portfolio tracked by the Index will be the Equity-Focused Portfolio, which provides more
exposure to the U.S. Equity Futures Constituent than any other possible Portfolio. If, after
being allocated exposure, the U.S. Equity Futures Constituent suddenly declines significantly,
the level of the Index may also decline significantly.

- *Mean reversion.* The Trend Signal is particularly likely to be ineffective if the U.S. Equity
Futures Constituent exhibits mean reversion tendencies. Mean reversion is the theory that
asset prices tend to fluctuate around, and revert to, a particular level (the “mean”) over time.
If the U.S. Equity Futures Constituent exhibits a high degree of mean reversion, its level may
increase for a sufficient period of time to cause the Trend Signal to identify it as being in an
upward trend, but then rapidly fall back toward its long-term mean after the Index allocates
exposure to it, leading to declines in the level of the Selected Portfolio and therefore declines
in the level of the Index.

Limitations of the Volatility Signal

The Volatility Signal is based on the assumption that the volatility of the U.S. Equity Futures
Constituent over an observation period of 63 Index Business Days may be an indicator of future volatility
of the U.S. Equity Futures Constituent. Based on this assumption, on a Selection Date, the Index will
determine to allocate the most exposure to the U.S. Equity Futures Constituent when the Volatility Signal is
less than 15% (and an upward Trend Signal). There is no guarantee that this assumption will be the case,
however. The Volatility Signal is subject to significant limitations, including the following:

- *Time lag.* The Volatility Signal measures volatility over the last three months and therefore
suffers from a time lag, which may cause it to be late both in signaling an allocation to the
U.S. Equity Futures Constituent and in signaling an allocation away from the U.S. Equity
Futures Constituent. The Index determines the volatility of the U.S. Equity Futures
Constituent over an observation period of 63 Index Business Days. If the volatility of the
U.S. Equity Futures Constituent changes, it may be a significant period of time before the
Volatility Signal reflects the change. As a result of this time lag, the Volatility Signal may
signal an allocation to the U.S. Equity Futures Constituent long after the U.S. Equity Futures
Constituent has become increasingly volatile, which can result in a significant decline in the
level of the Index over a significant period of time. Alternatively, the Volatility Signal may
not identify the volatility of the U.S. Equity Futures Constituent as being low until long after
volatility decreased. By the time the Volatility Signal finally signals an allocation to the U.S.
Equity Futures Constituent, the volatility may have increased again. This may result in poor
Index performance.

- *Historical measure.* The 63-Day Realized Volatility is a historical measure of volatility and
does not reflect volatility going forward. Realized volatility is not the same as implied
volatility, which is an estimation of future volatility and may better reflect market
expectations.
The Performance of Each Constituent is Expected to be Reduced by an Implicit Financing Cost and any Increase in this Cost Will Adversely Affect the Performance of the Index. Each Constituent is a futures-based index. As a futures-based index, each Constituent is expected to reflect not only the performance of its corresponding Reference Asset (the S&P 500® Index in the case of the U.S. Equity Futures Constituent and 10-year U.S. Treasury notes in the case of the U.S. Treasury Futures Constituent), but also the implicit cost of a financed position in that Reference Asset. The cost of this financed position will adversely affect the level of each Constituent and, therefore, the Index. Any increase in market interest rates will be expected to further increase this implicit financing cost and will increase the negative effect on the performance of the Constituents and, therefore, the performance of the Index. Because of this implicit financing cost, the U.S. Equity Futures Constituent will underperform the total return performance of the S&P 500® Index and the U.S. Treasury Futures Constituent will underperform a direct investment in 10-Year U.S. Treasury Notes.

The Index Rules Limit the Exposure the Index may have to the U.S. Equity Futures Constituent, and, as a Result, the Index is Likely to Significantly Underperform Equities in Rising Equity Markets. In no event will the weight of the U.S. Equity Futures Constituent exceed 66.66%, and in two of the three possible Portfolios, the weight of the U.S. Equity Futures Constituent will only be either 33.33% or 0%. In addition, the Index uses 15% as a threshold for elevated volatility, which is not unusually elevated from a historical perspective and may result in reduced or eliminated exposure to the U.S. Equity Futures Constituent at a time when equity markets are in fact relatively stable and rising. Furthermore, even at a time when the Selected Portfolio is the Equity-Focused Portfolio, the Index’s volatility-targeting feature may result in significantly reduced Index exposure to the Selected Portfolio (and, in turn, to the U.S. Equity Futures Constituent) because the Equity-Focused Portfolio is likely to have a realized volatility significantly exceeding 5%. As a result, the Index is likely to significantly underperform the U.S. Equity Futures Constituent in rising equity markets.

The Index’s Allocation Methodology May Not Be Successful if the U.S. Equity Futures Constituent and the U.S. Treasury Futures Constituent Decline at the Same Time. The Index’s allocation methodology is premised on the U.S. Equity Futures Constituent and the U.S. Treasury Futures Constituent being either uncorrelated or inversely correlated. The thesis underlying the Index’s allocation methodology is that, if the Index determines that the U.S. Equity Futures Constituent is likely to decline, the Index may avoid losses and even potentially generate positive returns by allocating exposure to the U.S. Treasury Futures Constituent instead of the U.S. Equity Futures Constituent. If, however, the U.S. Treasury Futures Constituent also declines, then the Index will decline regardless of whether its exposure is allocated to the U.S. Equity Futures Constituent or the U.S. Treasury Futures Constituent. If the U.S. Equity Futures Constituent and the U.S. Treasury Futures Constituent tend to decline at the same time—in other words, if they prove to be positively correlated—the Index’s allocation methodology will not be successful, and the Index may experience significant declines.

The Index will Have Significant Exposure to the U.S. Treasury Futures Constituent, which Has Limited Return Potential and Significant Downside Potential, Particularly in Times of Rising Interest Rates. The U.S. Treasury Futures Constituent will be included in all three of the possible Portfolios, and in two of the three possible Portfolios it will be either 66.66% or 100% of the weight of that Portfolio. Accordingly, the Index will always be significantly allocated, and will frequently be predominantly or even 100% allocated, to the U.S. Treasury Futures Constituent. U.S. Treasury notes are generally viewed as low risk, low reward assets. Accordingly, the U.S. Treasury Futures Constituent offers only limited return potential, which in turn limits the return potential of the Index. Although U.S. Treasury notes themselves are generally viewed as safe assets, the U.S. Treasury Futures Constituent tracks the value of a futures contract on 10-Year U.S. Treasury Notes, which may be subject to significant fluctuations and declines. In particular, the value of a futures contract on 10-Year U.S. Treasury Notes is likely to decline if there is a general rise in interest rates. A general rise in interest rates is likely to lead to particularly large losses on the U.S. Treasury Futures Constituent because, in addition to reducing the value of the underlying U.S. Treasury notes, the rise in interest rates will increase the implicit financing cost discussed above.

The Index Fee Will Adversely Affect Index Performance. An index fee of 0.85% per annum is deducted in the calculation of the Index. The index fee will place a drag on the performance of the Index,
offsetting any appreciation of the Selected Portfolio, exacerbating any depreciation of the Selected Portfolio and causing the level of the Index to decline steadily if the value of the Selected Portfolio remains relatively constant. The Index will not participate in any appreciation of the Selected Portfolio unless it is sufficiently great to offset the negative effects of the index fee, and then only to the extent that the favorable performance of the Selected Portfolio is greater than the index fee (and subject to the volatility-targeting feature). As a result of this deduction, the level of the Index may decline even if the Selected Portfolio appreciates.

**The Index May Fail to Maintain Its Volatility Target and May Experience Large Declines as a Result.** The Index adjusts its exposure to the Selected Portfolio as often as daily in an attempt to maintain a volatility target of 5%. If the volatility of the Selected Portfolio increases, the Index will reduce its exposure to the Selected Portfolio to the extent necessary to maintain a trailing 21-Day Realized Volatility of 5%. However, because this exposure adjustment is backward-looking, based on realized volatility over a prior period of 21 Index Business Days, there may be a time lag of several weeks before a sudden increase in volatility of the Selected Portfolio is sufficiently reflected in the trailing 21-Day Realized Volatility measure to result in a meaningful reduction in exposure to the Selected Portfolio. In the meantime, the Index may experience significantly more than 5% volatility and, if the increase in volatility is accompanied by a decline in the value of the Selected Portfolio, the Index may incur significant losses.

**The Volatility-Targeting Feature Is Likely to Cause the Index to Significantly Underperform the Selected Portfolio in Rising Equity Markets.** The performance of the Index will be based on the performance of the Selected Portfolio, but only to the extent that the Index has exposure to the Selected Portfolio. The Index will have less than 100% exposure to the Selected Portfolio at any time when the 21-Day Realized Volatility of the Selected Portfolio is greater than the Index’s volatility target of 5%. The Index will select the Equity-Focused Portfolio to be the Selected Portfolio during rising equity markets. The volatility of the Equity-Focused Portfolio is likely to be greater than the volatility target of 5% because the Equity-Focused Portfolio has 66.66% exposure to the U.S. Equity Futures Constituent, and based on historical data the volatility of the U.S. Equity Futures Constituent is likely to be significantly greater than 5%. As a result, at any time where the Selected Portfolio is the Equity-Focused Portfolio (if past patterns hold), the Index is likely to have less than 100% exposure to the performance of such Selected Portfolio. An exposure of less than 100% would mean that the Index will participate in only a limited degree of the performance of the Selected Portfolio, and the difference between 100% and that exposure would be hypothetically allocated to cash, on which no interest or other return will accrue. For example, if the realized volatility of the Selected Portfolio was 10% over the look-back period of 21 Index Business Days, then the Index would have 50% exposure to the performance of the Selected Portfolio (the 5% volatility target divided by the 10% realized volatility). An exposure of 50% would mean that the Index would participate in only 50% of the performance of the Selected Portfolio. In this example, if the Selected Portfolio were to appreciate by 2%, the Index would only appreciate by 1% (which is 50% of 2%), minus the index fee. This limited exposure to the performance of the Selected Portfolio means that the Index is likely to underperform the Selected Portfolio in rising equity markets. The index fee will exacerbate this underperformance.

**A Significant Portion of the Index May Be Hypothetically Allocated to Cash, Which May Dampen Returns.** At any time when the Index has less than 100% exposure to the Selected Portfolio, a portion of the Index (corresponding to the difference between the exposure to the Selected Portfolio and 100%) will be hypothetically allocated to cash and will not accrue any interest or other return. In the example in the previous risk factor, where the Index has 50% exposure to the Selected Portfolio, the remaining 50% of the Index would be hypothetically allocated to cash. A significant hypothetical allocation to cash will significantly reduce the Index’s potential for gains. In addition, the index fee will be deducted from the entire Index, including the portion hypothetically allocated to cash. As a result, after taking into account the deduction of the index fee, any portion of the Index that is hypothetically allocated to cash will experience a net decline at a rate equal to the index fee.

**Dependent on the Terms of Any Security, Contract or Other Financial Product the Return of which is Linked, in Whole or in Part, to the Performance of the Index, You May Not Receive a Meaningful Incremental Benefit from the Index’s Volatility-Targeting Feature Even Though You Will**
Be Subject to Its Significant Drawbacks. One potential benefit of the Index’s volatility-targeting feature is that it may reduce the potential for large Index declines in volatile equity markets. However, that reduced potential for large Index declines comes at a price: as discussed above, the volatility-targeting feature is likely to significantly reduce the potential for Index gains in rising equity markets. If the terms of the security, contract or other financial product the return of which is linked, in whole or in part, to the performance of the Index (the “Index Linked Product”) you invest in provides for a return of your initial investment regardless of the performance of the Index, any reduced potential for large Index declines resulting from the volatility-targeting feature may not provide a meaningful incremental benefit to an investor in the Index Linked Product. Investors in the Index Linked Product will, however, be fully subject to the drawbacks of the volatility-targeting feature, in the form of the reduced participation in rising equity markets and the other risks described in this Part 2. As a result, you should understand that, if the terms of the Index Linked Product that you invest in provides for a return of your initial investment regardless of the performance of the Index, any benefit you receive from the Index’s volatility-targeting feature may be outweighed by its drawbacks.

The Volatility-Targeting Feature May Cause the Index to Perform Poorly in Temporary Market Crashes. A temporary market crash is an event in which the volatility of the Selected Portfolio spikes suddenly and the Selected Portfolio declines sharply in value over a short period of time, but the decline is short-lived and the Selected Portfolio soon recovers its losses. In this circumstance, although the value of the Selected Portfolio after the recovery may return to its value before the crash, the level of the Index may not fully recover its losses. This is because of the time lag that results from using a look-back period of 21 Index Business Days as the basis for the Index’s volatility-targeting feature. Because of the time lag, the Index may not meaningfully reduce its exposure to the Selected Portfolio until the crash has already occurred, and by the time the reduced exposure does take effect, the recovery may have already begun. For example, if the Index has 50% exposure to the decline in the Selected Portfolio, and then reduces its exposure so that it has only 20% exposure to the recovery, the Index will end up significantly lower after the crash and recovery than it was before the crash.

The Performance of the Index Will Be Highly Sensitive to the Specific Parameters by which It Is Calculated. The Index is calculated pursuant to a rules-based methodology that contains a number of specific parameters. These parameters will be significant determinants of the performance of the Index. For example, the Index has a volatility target of 5% with a realized volatility look-back period of 21 Index Business Days; the Selected Portfolio can only be one of three possible Portfolios; the Trend Signal is determined based on a linear regression methodology; the Trend Signal will not trigger a rebalancing if the Trend Signal fails to meet a test of statistical significance; and the Volatility Signal is based on a realized volatility look-back period of 63 Index Business Days. There is nothing inherent in any of these specific parameters that necessarily makes them the right specific parameters to use for the Index. If the Index had used different parameters, the Index might have achieved significantly better returns.

The Index Will Be Calculated Pursuant to a Set of Fixed Rules and Will Not Be Actively Managed. If the Index Performs Poorly, the Index Administrator Will Not Change the Rules in an Attempt to Improve Performance. The Index tracks the hypothetical performance of the rules-based investment methodology described in the Index Description. The Index will not be actively managed. If the rules-based investment methodology tracked by the Index performs poorly, the Index Administrator will not change the rules in an attempt to improve performance. Accordingly, an investment in an Index Linked Product is not like an investment in a mutual fund. Unlike a mutual fund, which could be actively managed by the fund manager in an attempt to maximize returns in changing market conditions, the Index Rules will remain unchanged, even if those rules might prove to be ill-suited to future market conditions.

The Index Has Limited Actual Performance Information. The Index launched on June 13, 2016. Accordingly, the Index has limited actual performance data. Because the Index is of recent origin with limited performance history, an investment linked to the Index may involve a greater risk than an investment linked to one or more indices with an established record of performance. A longer history of actual performance may have provided more reliable information on which to assess the validity of the Index’s hypothetical investment methodology. However, any historical performance of the Index is not an indication of how the Index will perform in the future.
Hypothetical Back-Tested Index Performance Information Is Subject to Significant Limitations. All information regarding the performance of the Index prior to June 13, 2016 is hypothetical and back-tested, as the Index did not exist prior to that time. It is important to understand that hypothetical back-tested Index performance information is subject to significant limitations, in addition to the fact that past performance is never a guarantee of future performance. In particular:

- The Index Administrator developed the rules of the Index with the benefit of hindsight—that is, with the benefit of being able to evaluate how the Index Rules would have caused the Index to perform had it existed during the hypothetical back-tested period. The fact that the Index generally appreciated over the hypothetical back-tested period may not therefore be an accurate or reliable indication of any fundamental aspect of the Index methodology.

- The hypothetical back-tested performance of the Index might look different if it covered a different historical period. The market conditions that existed during the historical period covered by the hypothetical back-tested Index performance information are not necessarily representative of the market conditions that will exist in the future.

- Because the Constituents were not published during the entire period for which the Index Administrator has prepared hypothetical back-tested Index performance information, the hypothetical back-tested Index levels have been calculated by the Index Administrator based in part on hypothetical back-tested levels of the Constituents that were prepared by the index sponsor of the Constituents. The Index Administrator is not aware of the assumptions made by the index sponsor of the Constituents when it calculated the hypothetical back-tested index levels for the Constituents.

It is impossible to predict whether the Index will rise or fall. The actual future performance of the Index may bear no relation to the historical or hypothetical back-tested levels of the Index.

The Index Administrator, which is our Affiliate, and the Index Calculation Agent May Exercise Judgments under Certain Circumstances in the Calculation of the Index. Although the Index is rules-based, there are certain circumstances under which the Index Administrator or Index Calculation Agent may be required to exercise judgment in calculating the Index, including the following:

- The Index Administrator will determine whether an ambiguity, error or omission has arisen and the Index Administrator may resolve such ambiguity, error or omission, acting in good faith and in a commercially reasonable manner, and may amend the Index Rules to reflect the resolution of the ambiguity, error or omission in a manner that is consistent with the commercial objective of the Index.

- The Index Calculation Agent’s calculations, determinations, rebalancings and adjustments in respect of the Index are subject to review by the Index Administrator, and, in the event of any conflict, the Index Administrator’s determinations will control.

- The Index Calculation Agent will determine if any Index Business Day is a Disrupted Day with respect to any Constituent and, if the disruption is continuing on the fifth succeeding Scheduled Trading Day after such scheduled Index Business Day in respect of such Constituent, the Index Calculation Agent will determine the closing level of that Constituent on that day in its good faith discretion.

- If an Adjustment Event occurs with respect to a Constituent, the Index Calculation Agent will determine whether to replace such Constituent and the Index Administrator will determine whether to discontinue the Index.

- The Index Calculation Agent will determine whether a Regulatory Event occurs and whether such event has a material effect on the Index. Following the occurrence of a material Regulatory Event, the Index Administrator will determine whether to amend the Index Rules
or discontinue and cancel the Index. Following the occurrence of a nonmaterial Regulatory Event, the Index Calculation Agent will determine whether to replace the affected Constituent.

In exercising these judgments, the Index Administrator’s status as our affiliate may cause its interests to be adverse to yours. The Index Administrator and Index Calculation Agent are not your fiduciaries and are not obligated to take your interests into account in calculating the Index. Any actions taken by the Index Administrator or Index Calculation Agent in calculating the level of the Index could adversely affect the performance of the Index.

**Investors in the Index Linked Products Will Not Have Any Ownership or Other Interest in the Futures Contracts Underlying the Constituents.** The Selected Portfolio is described as a hypothetical investment portfolio because there is no actual portfolio of assets to which any investor is entitled or in which any investor has any ownership or other interest. The Index is merely a mathematical calculation that is performed by reference to hypothetical positions in the Constituents included in the Selected Portfolio, and the other Index Rules, and each Constituent is merely a mathematical calculation that is performed by reference to hypothetical positions in the futures contracts included in such Constituent.