



Index Guideline relating to the

UCITS HFS Investable Index

Version 3.0 dated July 4th, 2011

Introduction

This document (the “**Index Guideline**”) contains the principles, rules and regulations (the “**Index Rules**”) regarding the composition, calculation and publication of the UCITS HFS Investable Index (“**Index**”). Structured Solutions AG and its vicarious agents shall make every effort to implement the Index Rules. Structured Solutions AG does not offer any express or implied guarantee or assurance, neither pertaining to the results from the use of the Index nor the Index Values at any certain point in time nor in any other respect. The Index is merely calculated by Structured Solutions AG and published via the Market Price Dissemination System of Boerse Stuttgart AG and it shall use its best endeavours to ensure the correctness of the calculation. There is no obligation for Structured Solutions AG – 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 Structured Solutions AG does not constitute investment advice and does not contain any assurance or recommendation of Structured Solutions AG regarding a possible investment in a financial instrument based on the Index.

1. General Description

The Index calculated and published by Structured Solutions AG (the “**Index Calculator**”) or its vicarious agents.

1.1 Index Descriptions

The UCITS HFS Investable Index tracks the performance of 11 Eligible Funds (according to UCITS III). Each of the funds is dedicated to one of the 11 Sub-strategies: Arbitrage, Convertible, Credit, CTA, Currency, Event Driven, Fixed Income, Global Macro, Long/Short Equity, Market Neutral and Multi Strategy. From each sub-strategy the fund with the best performance of the last three month will be chosen.

Index	Index Currency	WKN	ISIN	Bloomberg	Reuters
UCITS HFS Investable Index	Euro	SLA0UH	DE000SLA0UH6	UCITSINV Index	.UCITSINV

2. Scope

2.1 Index Universe

The Index Universe includes all Eligible Funds which meet all of the following criteria:

The Funds

- (a) is an index component of the UCITS HFS Index.
- (b) has at least 30 m EUR Assets under Management
- (c) has a track record of at least 6 month.

A maximum of 2 funds from the same vendor can be a constituent in the index universe. If the index universe contains more than two funds from one vendor, the best performing two funds will be chosen into the universe.

One investment strategy can be available through more than one UCITS compliant fund (for example an FCP and a SICAV version) – called the funds and the sister fund. If a fund has less than 30 m EUR Assets under Management, but has a sister fund with more than 30 m Assets under Management, the sister fund will be tracked regardless if it is a part of the UCITS investable index.

2.2. Index Component Selection

On each Selection Day the Index Advisor provides the Index Universe. From the Index Universe, for each Sub-strategy the Fund with the best Performance is chosen as an Index Component. The Funds selected this way constitute the Index from the Valuation Date immediately following the next Adjustment Day onwards.

On the Index Start Date the Index comprises the following members:

Fund	ISIN	WEIGHTING
BERENBERG DYMACS EQ MKT NE-I	DE000A0YKM65 Equity	1/11
PICTET-CNV BD-I€	LU0366534930 Equity	1/11
THREAD FOCUS-CRED OPP-IGA	THCOIGA LN Equity	1/11
ALLIANZ COMMODITIES STRT-W£	ALLCMSW LX Equity	1/11
BNPP L1-WRLD CURRENCY-IH£	LU0396582164 LX Equity	1/11
MLIS YORK DRVN UCI EUR-A-ACC	MLISYO3 equity	1/11
GAM STAR-EM MKTS RATES-€ ACC	GAEMMEA ID Equity	1/11
ARTEMIS STRATEGIC ASSETS-INS	GB00B3VDD431 Equity	1/11
RCM DISCOVERY EURO STRAT-I€	RCMDESI LX Equity	1/11
INVESCO CAPITAL SHLD 90€-C	INVCSCA LX Equity	1/11
INVESTEC GSF-ENH NAT RE-IAG\$	LU0459156112 Equity	1/11

2.3 Distribution

The Index is distributed via the market price dissemination of Boerse Stuttgart AG to all affiliated vendors. Each vendor decides individually as to whether it will distribute/display the Index via its information systems.

2.4 Publication

Specifications and information regarding the Index will be made available on the <http://www.structured-solutions.de> web page and sub-pages.

3. Weighting

3.1 Initial Weighting

On the Adjustment Day preceding the Index Launch Date, the Index Components are weighted equally.

3.2 Re-weighting of the Index

The Index Calculator will re-weight the Index Components on each Adjustment Day (each such procedure a "**Re-weighting**"). All Index Components will be weighted equally on the Adjustment Days.

The basis for a Re-weighting shall be the most recent NAV for each of the Index Components on the Adjustment Day.

4. Calculation of the Index

4.1 Index formula

The value of the Index (the “**Index Value**”, which shall be deemed to be a monetary value in the Index Currency) will be calculated and published by the Index Calculator on each Valuation Date, subject to a Market Disruption Event, in accordance with the following formula and rounded to two decimal places:

$$Index_t = \sum_{i=1}^n x_{i,t} * p_{i,t}$$

with:

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

$p_{i,t}$ = Relevant NAV of Index Component i on Trading Day t

4.2. Distributions

Distributions of the Index Components are included in the index calculation and lead to an adjustment of the respective Number of Fund Shares. The new Number of Fund Shares is calculated as follows:

$$x_{i,t} = x_{i,t-1} * \frac{P_{i,t-1}}{P_{i,t-1} - D_{i,t}}$$

with

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

$D_{i,t}$ = Distribution on Business Day t multiplied by the Distribution Correction Factor of the respective country, if applicable

4.3 Prices and calculation frequency

Each Index is calculated by the Index Calculator on each Valuation Date, using the Relevant NAVs of the Index Components. NAVs not quoted in the Index Currency are converted into the Index Currency using the most recent applicable foreign exchange rates. In the event that data cannot be provided to Reuters or to the pricing services of Boerse Stuttgart AG, the publication and distribution of the Index will temporarily be suspended.

On each Valuation Date, each Index is published around 7:00pm, CET.

Any error in the calculation may be corrected by the Index Calculator at any time in its sole and absolute discretion, including on a retrospective basis.

4.4 Market Disruption Pertaining to Index Calculation

If, in the determination of the Index Calculator, a Market Disruption Event has occurred on any Business Day, the Index Value of the respective Index will be calculated and published by the Index Calculator on the first succeeding Business Day on which the Index Calculator determines that there is no Market Disruption Event.

If, in the determination of the Index Calculator, a Market Disruption Event has occurred on any Adjustment Day, the Re-weighting of the affected Index shall be postponed to the first succeeding Business Day on which the Index Calculator determines that there is no Market Disruption Event.

On each Valuation Date on which the Index Calculator determines that a Market Disruption Event has occurred and is continuing, the Index Calculator shall not calculate or publish the Index Value of the affected Index.

4.5 Adjustment Events

This Index Guideline, and each of the clauses herein, may be adjusted, amended, deleted or otherwise altered by the Index Calculator acting in good faith in a commercially reasonable manner at any time, on such date as the Index Calculator shall designate. These adjustments may include, but are not limited to the following:

- (a) Illegality: any adjustments required because it has become unlawful in any applicable jurisdiction to sell or purchase any of the Index Components; or
- (b) UCITS: any adjustments made to the Index to ensure that the Index complies with the requirements of the Council Directive of 20 December 1985 on the co-ordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (No 85/611/EEC) as amended from time to time and supplemented in similar laws or regulations for financial indices; or
- (c) Clarificatory: any adjustments required for clarificatory or for minor or technical reasons; or
- (d) Integrity: such other adjustments as are necessary to ensure the integrity of the Index.

each an “**Adjustment Event**”. The Index Calculator shall publish notices of any Adjustment Events in accordance with the Index Guidelines.

4.6 Notice

On the occurrence of an Adjustment Event, or if otherwise provided for herein, it is the Index Calculator’s intention that notice of the occurrence of the relevant Adjustment Event will be published on the Index Calculator’s web page www.structured-solutions.de.

The Index Calculator may publish such additional notices relating to the Index as it determines necessary, but is under no obligation to publish any particular notice. Such notices may be published on the Index Calculator’s web page www.structured-solutions.de.

4.7 Index Committee

The Index Committee may meet on a quarterly basis and at any other time, at the request of a committee member. The principal purpose of the Index Committee is to decide the need for adjustments to the index composition of an Index and/or the weights of the Index Components of an Index which the Index Committee determines are necessary, as a result of any of: (i) a Market Disruption Event; (ii) a change in the liquidity, of an Eligible Fund; and or (iii) the occurrence of any other event which would in the opinion of the Index Calculator, acting in good faith and in a commercially reasonable manner, require an amendment to this Index Guideline or the Index Composition to ensure the integrity of the Index. For the avoidance of doubt, changes to the Index Guideline made by the Index Committee may include, amongst others but without limitation: (i) valuing an Eligible Fund at a value as determined by the Index Calculator, at its sole and absolute discretion, which value may be zero; (iii) suspending the calculation of the Index until such time as an Eligible Fund NAV becomes available for the relevant Eligible Fund; and (iv) discontinuing the calculation or publication of an Index.

The Index Calculator will publish a notice in accordance with Section 4.6 (Notice) with details of any adjustment to an Index within five Business Days.

5. Definitions

5.1 Substrategies

The Eligible Funds are classified into the following Substrategies (each a “**Substrategy**”, jointly the “**Substrategies**”):

“Arbitrage Strategy”

This strategy comprises all relative value strategies, that don't belong to one of the other strategies defined, exploiting mispricing between two related and often correlating securities.

“Convertible Strategy”

This strategy tries to generate profit by buying different securities from the same issuer, for example purchasing convertible securities while at the same time shorting the corresponding stock. The combined position is expected to have low or no correlation to the market.

“Credit Strategy”

This strategy tries to take advantage of pricing inefficiencies between credit sensitive securities of different issuers. Instruments commonly traded are Collateralized Debt Obligations and Credit Default Swaps.

“CTA Strategy”

This strategy (often referred to as Managed Futures) generally invests in listed bond, equity, commodity futures and currency markets. Often systematic trading programmes are used that rely on historical market data, while the fund is highly leveraged.

“Currency Strategy”

This strategy tries to take advantage of temporary discrepancies in exchange rates in different money markets by buying a currency in one market and selling it in another market.

“Event Driven Strategy”

This strategy tries to generate profit in “special situations” like liquidations, bankruptcies, restructurings asset-sales, spin-offs, litigations as well as other types of corporate events. This is achieved through investments in the equity, debt, trade claims or derivatives.

“Fixed Income Strategy”

This strategy tries to generate profit from exploiting price anomalies and market inefficiencies between related interest rate securities.

“Global Macro Strategy”

This strategy tries to anticipate market movements by analysing macroeconomic and political trends. Investments can take place in any financial instrument and market worldwide if an opportunity arises.

“Market Neutral Strategy”

This strategy normally uses long and short positions in stocks, trying to exploit opportunities in a specific group of stocks while trying to eliminate market risk by having a neutral exposure to broad groups of stock, either defined by country, region, industry, sector or market capitalization.

“Multi Strategy”

This strategy has the ability to employ different strategies, allocating capital based on market opportunities. Constant positive returns should be delivered by diversification and use of multiple strategies at the same time, thus reducing the risk. Often used strategies (but not limited to) are all kinds of arbitrage strategies and long short equity.

“L/S Equity Strategy”

This strategy invests in both long and short sides of the market, mostly focusing on diversifying or hedging across particular sectors or regions. While not being market neutral, shifting from a net long to net short position is possible, futures, options and equity related securities can be traded.

5.2 Index Series specific definitions

“Adjustment Day” means the 5th business day after the Selection day.

“Assets under Management” means the total outstanding Fund Shares multiplied with the NAV of the respective fund. For each fund, the Assets under Management include all share classes.

“Performance” means the development of the (EUR-) NAV in percentage in the last three month.

“Business Day” means any day (other than a Saturday or Sunday) on which Boerse Stuttgart is open for trading.

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

“Eligible Fund” means each UCITS III compliant fund.

“Index Advisor” means 2n20.com AG or its vicarious agent or its successor in such function.

“Index Calculator” means Structured Solutions AG or its vicarious agent or its successor in such function.

“Index Committee” means the committee as convened by the Index Calculator and the Index Advisor, for the purpose of considering issues relating to the Index and comprised of equal numbers of staff from the Index Calculator and the Index Advisor.

“Index Component” means each fund currently included in the Index.

“Index Currency” means Euro.

“Index Launch Date” means 03.01.2010

“Index Value” means the value of an Index as published at approximately 7:00pm, CET on each Valuation Date, as determined by the Index Calculator.

“Valuation Date” means each Friday, which is also a Business Day. If a Friday is not a business day, then the Valuation Date will be the next Business day.

“Market Disruption Event” means the occurrence of the following event unless the Index Calculator in its sole and absolute discretion determines such event not to be sufficiently material so as to constitute a Market Disruption Event: a general moratorium is declared in respect of banking activities in the country in which any of the Eligible Funds is domiciled.

“NAV” means net asset value.

“Number of Fund Shares” means in respect of each Index Component and each Adjustment Day, an amount (which may include a fraction of a share), as determined by the Index Calculator, calculated in accordance with the following formula:

$$x_0^i = \frac{I_0 \times w_0^i}{P_0^i}$$

where:

“ I_0 ”	means the Index Value;
“ P_0^i ”	means in respect of the i-th Index Component the final NAV of the Index Component on the Adjustment Day, converted into the Index Currency, if applicable;
“ w_0^i ”	means in respect of the i-th Index Component, the fraction of (A) the number of Index Components and (B) 100;
“ x_0^i ”	means in respect of the i-th Index Component, the Number of Fund Shares

“**Relevant NAV**” is the NAV of each Index component

- For each Valuation Date: The most recent NAV.

“**Selection Day**” is the fifth Business Day after the last Business day in March, June, September and December. If 93% of all components have published an End-of month NAV, the Relevant NAV for the missing 7% is the NAV on the Business Day where the Index Component most recently published an NAV.

“**Sister Fund**” is a UCITS compliant Eligible funds, which is launched in two different types of enterprises (for example an FCP and a SICAV version), and is not a part of the UCITS investable index.

“**UCITS**” means Undertakings for Collective Investment in Transferable Securities.

6. Appendix

Contact details

Price and Index licences

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