

INDEX GUIDE

TIM CONSERVATIVE INDEX

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1 INTRODUCTION

1 Introduction

In accordance with Art. 13 No. 1 (a) of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 (the “Benchmark Regulation”), this document provides the rules for calculating and maintaining the TIM Conservative Index (“TIMCI”).

1.1 Objective of Index

The TIM Conservative Index (“The Index”) is a passive approach to track TIM The INCOME Masterclass, a unique (ultra-)conservative, globally diversified income investment strategy.

1.2 About PROSPEROUS Group AG/TIM

PROSPEROUS Group AG/TIM is the “Index Owner”. The Index Owner makes no warranties or representations as to the accuracy and/or completeness of the Index and does not guarantee the results obtained by persons using the Index in connection with trading funds or securities. The Index Owner makes no representations regarding the advisability of investing in any fund or security. The Index Owner reserves the right to update the rules in this index guide. The Index Owner also reserves the right to make, in exceptional cases or in temporary situations, exceptions to the rules in this index guide.

The Index is property of Philippe H. Berthoud represented by PROSPEROUS Group AG. The Index Owner has selected an index administrator (MV Index Solutions GmbH, “MVIS”) to maintain the index.

The use of the index in connection with any financial products or for benchmarking purposes requires a license. Please contact PROSPEROUS Group AG/TIM for more details.

1.3 About MV Index Solutions GmbH

MVIS® is a registered trademark of Van Eck Associates Corporation and therefore protected globally against unlawful usage. MVIS has selected an index calculation agent to calculate the index.

1.4 Approval of Index Methodologies

The Index Owner has established the Index and its methodology covered in this Index Guide. A detailed written “Procedure for Index Development” describes the steps and approvals required to develop, document and approve an Index and its methodology. The intention of the Procedure for Index Development is to ensure that the methodology of an Index meets the requirements of Art. 12 of the Benchmark Regulation and is approved and implemented according to a robust and reliable process.

The methodology for the index and its methodology covered in this Index Guide has been analysed by the Index Administrator’s Index Operations department in order to ensure that it is robust and reliable, has clear rules on use of discretion, allows sustainable validation (based on reasonable back testing) and is traceable and verifiable. Furthermore, the size, liquidity and transparency of the underlying market for each methodology has been tested and particular circumstances for each relevant market have been taken into account.

Each index methodology and the related detailed analysis was presented by the Index Operations Department to the Independent Oversight Function for its approval. Based on the aforementioned approval process and its documentation each Index Methodology was presented to the Management Board (Geschäftsführer) of the Index Administrator for final approval.

1 INTRODUCTION

1.5 Review of this Index Guide

According to Art. 13 No. 1 (b) of the Benchmark Regulation, the Index Owner reviews this Index Guide on an annual basis and immediately in case of special circumstances that require a review. The review takes place in meetings attended by the Independent Oversight Function and the Management Board of the Index Owner. If changes to this Index Guide are considered necessary, the process described in Section 3.1 applies.

2 GENERAL DEFINITIONS

2 General Definitions

2.1 Rebalancing Schedule

The weights are rebalanced monthly (the “Monthly Rebalance Date”). The rebalancings for the Index are based on the closing data on the fifth but last business day in that month. If a security does not trade on a business day, then the last available price for this security will be used.

A “business day” means any day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in Frankfurt.

Adjustments to constituents will be announced four business days prior to the first business day of the next month at 23:00 CET/CEST.

The Index is rebalanced after close of the last business day in each month. Changes become effective on the next business day.

2.2 Index Composition

The index contains the ETFs listed in the table below. The weights are adjusted on a monthly basis as described in Section 2.1.

ETF Name	ISIN	Bloomberg	Target Weight
Xtrackers II Global Government Bond UCITS ETF	LU0908508731	XG7S GT	25%
iShares Core Global Aggregate Bonds UCITS ETF	IE00BZ043R46	AGGU LN	25%
iShares Global Corp Bond UCITS ETF	IE00B7J7TB45	CORP LN	20%
SPDR Dow Jones Global Real Estate UCITS ETF	IE00B8GF1M35	GLRE LN	7.5%
iShares MSCI World ESG Screened UCITS ETF	IE00BFNM3J75	SAWD LN	7.5%
iShares Edge MSCI Min Vol Global ETF	US4642865251	ACWV UF	7.5%
iShares Edge MSCI Multifactor ETF	US46434V3160	ACWF UP	7.5%

Historically the index components were different due to the later launch of some of the ETFs, but followed the same strategy.

2.3 Pricing Source

The pricing source is defined by the Bloomberg ticker. UF and UP refer to the US market, LN to the United Kingdom market, and GT to the German market.

2.4 Index Currency

Real-time USD index values are calculated with the latest available traded price. The USD closing values for the index are calculated at 22:40:00 CET with fixed 17:00 exchange rates from WM company.

2 GENERAL DEFINITIONS

2.5 Identifiers

The TIM Conservative Index has the following identifiers:

Index Type	ISIN	SEDOL	WKN	Bloomberg	Reuters
Price Return Index	DE000SLA73M6	BJGTTK3	SLA73M	TIMCI	.TIMCI
Gross Return Index	DE000SLA73N4	BJGTTM5	SLA73N	TIMCIGR	.TIMCIGR

The index was launched on 6 May 2019 with a base index value of 1000.00 as of 31 December 2015.

3 ONGOING MAINTENANCE

3 Ongoing Maintenance

3.1 Changes to the Index Guide

Any changes to the Index Guide will be reviewed and approved by the index owner and MVIS's Legal and Compliance Department. Legal and Compliance may also request a conclusive description and further information on any change and may consult the operations department on such changes. The key elements to be analysed in this phase of the change process are robustness, transparency, reliability and integrity. The result of the review will be communicated to the operations department. The email will be archived by the operations department.

In case of changes that might immediately change the composition of an index or must be considered material for any other reason also need to be approved by the Independent Oversight Function ("IOF") prior to their publication and implementation.

In case of material changes an advance notice will be published and provided to users. MVIS will generally disseminate a notification related to an Index Guide change 60 days prior to the change. A shorter period of time may be applied at MVIS's discretion if the relevant index has not been licensed for a financial product to a third party. The notice will describe a clear time frame that gives the opportunity to analyse and comment upon the impact of such proposed material change. Any material comments received in relation to the Index Guide change and MVIS's response to those comments will be made publicly accessible after any consultation, except where confidentiality has been requested by the originator of the comments.

3.2 Discretion regarding the Use of Input Data

Pursuant to Art. 12 No.1. (b), MVIS has established the following rules identifying how and when discretion may be exercised in the administration of an index.

In case input data are or appear to be qualitatively inferior or different sources provide different data, or a situation is not covered by the index rules, MVIS may use or change the data at its own discretion according to the following discretion policy after a plausibility check. This may include

- Liquidity and size data,
- Event information,
- Other secondary data.

Any changes to input data that MVIS intends to apply because of missing data, different data from different sources or other information concluding the inappropriateness or incorrectness of data must subject to reasonable discretion. The decision on any change must be required, appropriate, commensurable and in line with the respective index scope and objective and must reasonably consider in a balance weight the interest of Users, investors in related products and the integrity of the market.

Index operations ensures consistency in the use of discretion in its judgement and decision. Employees involved in the operations team must have shown the respective experience and skills. Significant decisions are subject to sign-off by a supervisor. In case of material changes to data the relevant situation will be analysed in detail, described and presented to the IOF and discussed and reviewed with the IOF.

The broad range of possible data quality problems does not allow to define specific steps for each possible instance. MVIS will always weight the different interest of the index users, the integrity of the market and other involved parties and determine the least disadvantageous measure that equally considers the relevant interests best.

3 ONGOING MAINTENANCE

In order to avoid individual decisions on the use of data in similar cases for the future an update of the index rules can be taken into consideration if applicable. Other possible mitigation measures are the change of input data sources or providers and/or own data research where possible and reasonable.

Records are kept about material judgement or discretion by MVIS and will include the reasoning for said judgement or discretion.

3.3 Input Data and Contributor Selection

According to the input data requirements under Art. 11 of the Benchmark Regulation, the following shall apply with regard to the input data used for the management and provision of an index and the relevant input data providers ("Contributors"):

- the input data shall be sufficient to represent accurately and reliably the market or economic reality that the benchmark is intended to measure;
- the input data shall be transaction data, if available and appropriate. If transaction data is not sufficient or is not appropriate to represent accurately and reliably the market or economic reality that the index is intended to measure, input data which is not transaction data may be used, including estimated prices, quotes and committed quotes, or other values;
- the input data shall be verifiable;
- clear guidelines regarding the types of input data, the priority of use of the different types of input data and the exercise of expert judgement, to ensure compliance with the Index Guide and index methodology and the aforementioned requirements are defined in the Code of Conduct for Contributors; and
- where an index is based on input data from Contributors, MVIS will obtain, where appropriate, the input data from a reliable and representative panel or sample of Contributors so as to ensure that the resulting index is reliable and representative of the market or economic reality that the index is intended to measure.

In order to control the quality of contributors, MVIS will conduct the following controls:

- Evaluate market share, reputation, quality and cost of possible input data sources and providers before selecting them on the basis of the gathered information and data;
- Compare the input data of one Contributor with the input data from one or more other Contributors in order to ensure the integrity and accuracy of the input data and in case of bad quality replace a Contributor with another Contributor.

MVIS will not use input data from a contributor if it has any indication that the Contributor does not adhere to its Code of Conduct for Contributors and in such a case shall obtain representative publicly available data.

4 CALCULATION

4 Calculation

4.1 Index Formula

The Index is calculated using the Laspeyres' formula:

$$Index\ Value = \frac{\sum_{i=1}^n p_i * w_i * fx_i}{D} = \frac{M}{D}$$

Where (for all units (i) in the Index):

- p_i = price,
- w_i = weighting cap factor (if applicable, otherwise set to 1),
- fx_i = exchange rate (trading currency to USD),
- M = market capitalisation of the index,
- D = divisor.

4.2 Input Data

The following rounding procedures are used for the index calculation:

- Rounding to 2 decimal places:
 - index values,
- Rounding to 6 decimal places:
 - divisors (D),
- Rounding to 18 decimal places:
 - prices (p_i),
 - exchange rates (fx_i),
 - weighting cap factors (w_i).

4.3 Divisor Adjustments

Index maintenance - reflecting capital actions, reweightings, addition or deletion of components to the Index - should not change the level of the index. This is accomplished with an adjustment to the divisor. Any change in the index that alters the total market value of the index while holding ETF prices constant will require a divisor adjustment.

$$Divisor_{new} = Divisor_{old} * \frac{\sum_{i=1}^n p_i * w_i * fx_i \pm \Delta MC}{\sum_{i=1}^n p_i * w_i * fx_i}$$

ΔMC = Difference between closing and adjusted closing market capitalisation of the index.

4 CALCULATION

4.4 Event Related Adjustments

Events range widely from distributions or buy backs to unusual events like splits. These are listed on the table below with notes about the necessary changes and whether the divisor will be adjusted.

p_i = unit price,

w_i = weighting cap factor.

- | | |
|--|--|
| <ul style="list-style-type: none"> • <i>Cash distribution (for gross return only)</i>
$p_{(i,adjusted)} = p_i - \text{distribution}$ • <i>Special cash distribution (for price and gross return indices)</i>
$p_{(i,adjusted)} = p_i - \text{distribution}$ • <i>Split</i>
Shareholders receive 'B' new shares for every 'A' share held.
$p_{(i,adjusted)} = p_i * A/B$
$w_{(i,adjusted)} = w_i * B/A$ • <i>Addition/Deletion of an ETF</i>
Net change in market capitalisation determines the divisor adjustment. | <p>Divisor change: Yes</p> <p>Divisor change: Yes</p> <p>Divisor change: No</p> <p>Divisor change: Yes</p> |
|--|--|

With events where cash or other assets are distributed to shareholders, the price of the unit will drop on the ex-day (the first day when a new shareholder is eligible to receive the distribution.) The effect of the divisor adjustment is to prevent this price drop from causing a corresponding drop in the Index.

Events are announced at least four days prior to implementation.

4.5 Data Correction and Disruptions

MVIS will usually receive information about errors or disruption from calculation agent, client, internal systems (IT) or by monitoring the respective output.

Incorrect or missing input data will be corrected immediately:

- The error is immediately communicated to the calculation agent, if applicable.
- Calculation agent will be asked to investigate the reason for the error.
- An email will be sent to all affected clients to inform them about the error; this includes the reason for the issue and an estimate on when the issue will be solved.
- MVIS recalculates missing EOD data points and disseminates to vendors and clients.

In case of a material error,

- Legal and Compliance to check the relevant agreements for liability of the calculation agent.
- If MVIS identifies any conduct that may involve manipulation or attempted manipulation of an index by calculation agent it will report this to the regulator.
- Where possible and economically reasonable MVIS will try to use another calculation agent.

4 CALCULATION

Investigations and communication regarding disruptions with calculation agents will be handled by Compliance and Senior Management. They are either caused by disruptions in calculation or dissemination, which might affect different servicers.

- The disruption is immediately communicated to the calculation/dissemination agent, if applicable.
- Calculation/dissemination agent will be asked to investigate the reason for the disruption.
- An email will be sent to all affected clients to inform them about the disruption; this includes the reason for the issue and an estimate on when the issue will be solved.
- MVIS prompts calculation agent to make all efforts to restart index calculation.
- MVIS prompts Dissemination agent to make all efforts to restart index dissemination.
- MVIS recalculates missing EOD data points and disseminates to vendors and clients.
- Legal and Compliance to check the relevant agreements for liability of the calculation/dissemination agent.
- If MVIS identifies any conduct that may involve manipulation or attempted manipulation of an index by calculation/dissemination agent it will report this to BaFin.
- Where possible and economically reasonable MVIS will try to use another calculation and/or dissemination agent.

5 CHANGES TO THE INDEX GUIDE

5 Changes to the Index Guide

Date	IG Version	Change
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6 DISCLAIMER

6 Disclaimer

MVIS has contracted with Solactive AG to maintain and calculate the Index. Solactive AG uses its best efforts to ensure that the Index is calculated correctly subject to the accuracy of any data that has been provided to it by third parties. Irrespective of its obligations towards MV Index Solutions GmbH, Solactive AG has no obligation to point out errors in the Index to third parties. In particular, MVIS is not responsible for the Licensee and/or for Licensee's legality or suitability and/or for Licensee's business offerings. Offerings by Licensee are not sponsored, endorsed, sold, or promoted by MVIS, Van Eck Associates Corporation as its parent company or its affiliates (collectively, "VanEck"), and MVIS and VanEck make no representation regarding the advisability of investing in Licensee and/or in Licensee's business offerings. **MVIS, VanEck AND ITS AFFILIATES MAKE NO WARRANTIES AND BEAR NO LIABILITY WITH RESPECT TO LICENSEE.**