# Global Growth Basket (ZAR)

## Issue 15

## Investment growth, well mapped.

**If you are looking for a capital protected investment that is designed for a low growth environment and that tracks top performing global companies, you’re on the right road.**

Our Global Growth Basket offers investors geared exposure to global equity markets, plus an element of US Dollar/ZAR exposure with 100% capital protection.

# Introduction

**After the huge market correction in March 2020 and with continued global investment market uncertainty, many investors are demanding investment product that can deliver good returns in tepid markets, but do not want to risk losing any of their capital.**

The Global Growth Basket (ZAR) - Issue 15 offers you, full protection of ZAR investment amount on maturity along with geared exposure to global developed equity markets, subject to a maximum (or cap) and some exposure to the ZAR/USD exchange rate on any growth at maturity.

**The Investment is in the form of a Johannesburg Stock Exchange listed equity linked note issued by Absa Bank Limited and made available to investors through a linked endowment policy underwritten by the Insurer referred to in the Investment Schedule.**

# About the Investment

This five-year capital-protected investment is linked to an index that follows the performance of top-performing global companies. The index in question is the Credit Suisse Global Equity Multi-Factor 10% Risk Control (ER) Index.

After five years, you will receive back your full ZAR investment amount, plus geared participation in any growth in the index, subject to a maximum index performance of 20%. The participation rate in any positive index performance (up the max of 20%) will be at least 450%. The final actual participation rate will be determined on the investment start date and confirmed to you shortly thereafter.

Looked at another way, if the index simply does 4% per annum over the next 5 years then investors will earn a return of 90% in ZAR (prior to the FX adjustment).

Any positive index performance will also be exposed to the ZAR/USD exchange rate and will be adjusted accordingly. If the ZAR depreciates against the USD, any returns will be enhanced. If the ZAR appreciates against the USD, any returns will be reduced. Your investment amount will always be 100% protected on maturity, irrespective of currency movements.

**The mechanics of how the investment works and how you can access it are discussed in detail further on in this brochure and the Investment Schedule. Please read this brochure, the Investment Schedule, terms and conditions and quotation carefully and make sure that you understand everything before investing.**

# For whom is the Investment suitable?

**This Investment may be suitable if you:**

- Want to invest in South African rand and have a minimum lump sum of R 250 000.00
- Want to diversify your portfolio to markets and assets outside South Africa
- Are attracted to the growth potential of developed global equity markets
- Would like some foreign currency exposure
- Are of the opinion that the ZAR will depreciate against the USD over the investment term and would like any returns linked to index performance to be further enhanced if this happens
- Are prepared to accept that any positive index performance achieved will be reduced if the ZAR appreciates against the USD
- Understand and are comfortable with the index
- Are able to commit your money for five years
- Do not want to risk your capital, provided that you hold your investment for the full term
- Regard the terms governing the liquidity of the investment and the policy as appropriate for you.

**This Investment may not be suitable if you:**

- Do not want any foreign currency exposure
- Are not prepared to accept that, if the ZAR appreciates against the USD, any returns linked to positive index performance will be reduced accordingly
- Do not understand or are not comfortable with the index
- Are not happy to have your maximum potential return capped
- Are not willing to assume the full credit risk of the issuer (see more information about the issuer later in the brochure).

# How the Investment works

**At the beginning of the investment term (i.e. on the investment start date), we record the following:**

- The closing level of the index on the investment start date. This is called the "initial index level".
- The ZAR/USD exchange rate as published by Reuters.

**Over the last six months of the investment term, we record the following:**

- The closing level of the index on a certain day each month (please refer to the Investment Schedule for specific dates).The arithmetic average of these seven readings is referred to as the "final index level".

**On the maturity date, we record the following:**

- The ZAR/USD exchange rate as published by Reuters.

**On the maturity date, we calculate the index performance:**

- The index performance is the difference between the final index level and the initial index level.
- The maximum index performance is 20%. If it is above this level, the maximum of 20% will be used to calculate any returns due to you.

**On the maturity date, we calculate the movement in the ZAR/USD:**

- We calculate the percentage difference between the ZAR/USD exchange rate on the maturity date and the investment start date.

**What you will receive on the maturity of your Investment:**

- If the index performance is zero or negative, you will receive no additional returns, but you will receive your full ZAR Investment Amount back.
- If the Index Performance is positive, any returns are calculated by multiplying the Index Performance by the Participation Rate (the Maximum Index Performance possible is 20%).
- A further calculation then takes place. The percentage amount by which the ZAR/USD exchange rate has changed over the Investment term will be multiplied by the return amount calculated above. Assuming the ZAR had weakened against the USD over the Investment term, this would have a positive effect on any return amount (and vice versa in the event the ZAR has strengthened).
- The effect of a ZAR appreciation against the USD can never result in the overall Investment return being a negative number and as such your ZAR Investment Amount is always protected on maturity.

**Please refer to the quote and the Investment Schedule for further information, specific dates and a current estimate of the Participation Rate.**

In addition to the performance of the Index, the repayment of the Investment Amount and any return is subject to the ability of the Issuer to pay and any extraordinary market events that may have occurred (see 'Potential Risks' section later in this brochure).

# Example return scenarios

The below scenarios are based on an investment amount of R1 000 000 and a participation rate of 450% and are for illustrative purposes only.

| Investment Amount | Index Performance at maturity | Participation Rate | Enhanced Index Performance | ZAR/USD movement over term | Investment Return at maturity | Amount repayable at maturity (Before tax) |
|---|---|---|---|---|---|---|
| R1 000 000 | +30%* | 450% | 90% | ZAR depreciated by 15% | 103.50% | R2 035 000 |
| R1 000 000 | +15% | 450% | 67.50% | ZAR depreciated by 15% | 77.63% | R1 776 250 |
| R1 000 000 | +15% | 450% | 67.50% | ZAR appreciated by 15% | 57.38% | R1 573 750 |
| R1 000 000 | -10% | 450% | 0% | N/A | 0% | R1 000 000 |

**The index performance at maturity is above the maximum index performance of 20%, therefore the enhanced index performance is capped at 90% (which is equal to 20% multiplied by 450%).*

# Access to your Investment

**This investment is aimed at investors who do not need access to their money during the investment term. In terms of legislation, you may access your investment once during a policy restriction term of five years by making one full or partial withdrawal. You should be aware of the following:**

- If you need to make an early withdrawal before the end of five years, you can ask the issuer to redeem the entire investment linked to your policy at the prevailing market value.
- If you choose to make a partial withdrawal, no further withdrawals can be made from the policy until the end of the five-year restriction term.

Please note that withdrawals are limited on your policy and any early withdrawal could result in you losing some of your investment amount.

If you need to access your money, please refer to your policy terms and conditions and contact the administrator, who will request the issuer to redeem the investment linked to your policy at the prevailing market value.

Please refer to the back of this brochure for contact details of the administrator.

# About the Index

### Background and investment rationale

Whilst the movement towards index investing has been growing globally since the 1970s, there is an increasingly popular form of index investing that trends away from viewing equities as a single source of risk and towards an approach that deconstructs the equity market into individual drivers of return (referred to as 'equity factor investing'). Equity factor investing aims to harness all the equity market rewarded risks, called 'equity risk premia' (or 'factors') and avoid unrewarded risks.

The ability of the investment management community to deliver consistently superior returns through stock-picking or market timing has been historically challenged by financial research. While outperforming the market has proved difficult, controlling risk (volatility) within a portfolio is achievable and has been a key focus of investors since the 2008 crisis.

By designing an Index with a combined factor and risk control (volatility management) approach, we believe this to be an attractive alternative to traditional actively managed and market cap-weighted index strategies.

### Index construction

The Credit Suisse GEM 10% Risk Control (ER) Index consists of a long-only portfolio of global equities (the 'Equity Component', or 'Equity Portfolio') and US treasuries through futures (the 'Fixed Income Component').

The Equity Component is rebalanced on a quarterly basis and selected from global developed equity markets, including the US, Europe and Australasia. This Equity Portfolio aims to maximise or minimise exposure to a range of five equity risk premia against a global equity benchmark, subject to a set of constraints such as liquidity. The objective of the portfolio is to outperform such benchmarks by delivering the purest risk factor exposure achievable with limited tracking error. The full equity portfolio methodology is available to you from your financial adviser.

| Equity Risk Premia | What is it? | Optimisation |
|---|---|---|
| **Value** | Aims to measure the relative valuation of a given stock. | Find the best value stocks |
| **Quality** | Aims to measure the relative operational performance of a given stock. | Find the best quality stocks |
| **Low Beta** | Aims to measure the sensitivity of a given stock against market moves. | Find the lowest beta stocks |
| **Momentum** | Aims to capture the effects of relative stock price changes and earnings revisions. | Find the stocks with most momentum |
| **Size** | Aims to capture the stock market capitalization. | Find the best small cap stocks |

The Index has an embedded daily risk control mechanism that allocates between the Equity Portfolio and the Fixed Income Component. This mechanism aims to minimise drawdowns (or losses) in the Index by lowering allocation to the Equity Component as equities become volatile. As volatile markets have often historically been associated with negative equity performance (e.g. 2008), the Index aims to reduce allocation to such assets when it is the most challenged.

In such periods, government bonds (seen as lower risk assets) tend to move in the opposite direction to equity markets. The

Index aims to exploit this market phenomenon by also adding allocation to US treasuries when its correlation to the Equity Portfolio turns negative. The Index has a target volatility/risk control level set at 10%. The exposure to the Equity Portfolio and US treasuries will be adjusted daily based upon the observed volatility of the underlying equity markets.

Exposure to the Equity Portfolio will be based on its observed volatility. If its observed volatility is lower than 10%, the Index will allocate more than 100% to the Equity Portfolio, subject to a limit of 150%. Conversely, the Index will lower its exposure to the Equity Portfolio as its volatility increases. When observed correlation between US treasuries and the Equity Portfolio is deemed negative, the Index will increase exposure to the US treasuries, provided that the cumulative exposure between the Equity Portfolio and US treasures is limited to 150%.

### Scenario analysis

| Equity Portfolio Volatility | Correlation | Allocation to Equity Portfolio | Allocation to US treasuries |
|---|---|---|---|
| 8% | 10% | 125% | 0% |
| 8% | -10% | 125% | 25% |
| 10% | 10% | 100% | 0% |
| 10% | -10% | 100% | 40% |
| 12,50% | 10% | 80% | 0% |
| 12,50% | -10% | 80% | 40% |

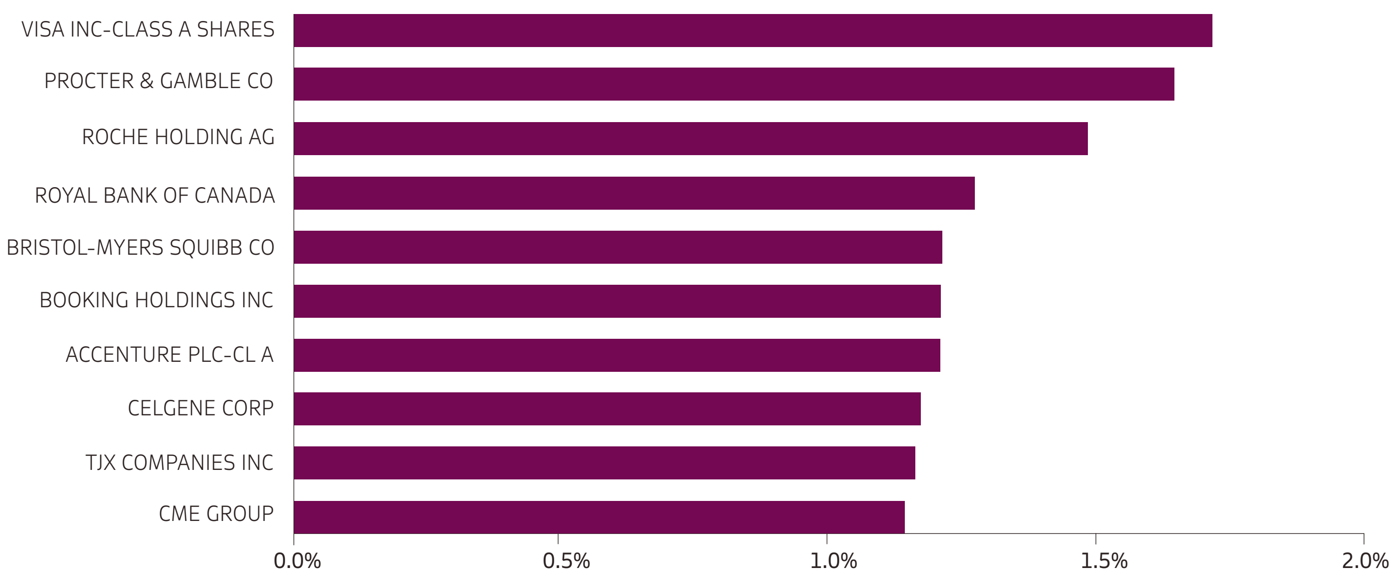
Source: Absa Corporate and Investment Banking, February 2020

Please note that by employing the strategies described above, the Index intends to produce a return by lessening the effect of downward movements in the Index and increasing the effect of upward movements. However, returns from share markets are uncertain and the strategy might not work. You might receive little or no return on your Investment because the equity factors perform poorly relative to the market cap-weighted indices. You could also receive little or no return because the method of limiting the effect of any volatility in the market results in you receiving no benefits or reduced benefits during periods when the level of the equity factors rise and correlations between equities and US treasuries are positive, but volatility remains high.

The Index is calculated on an excess-return basis and includes fees.

# Index components

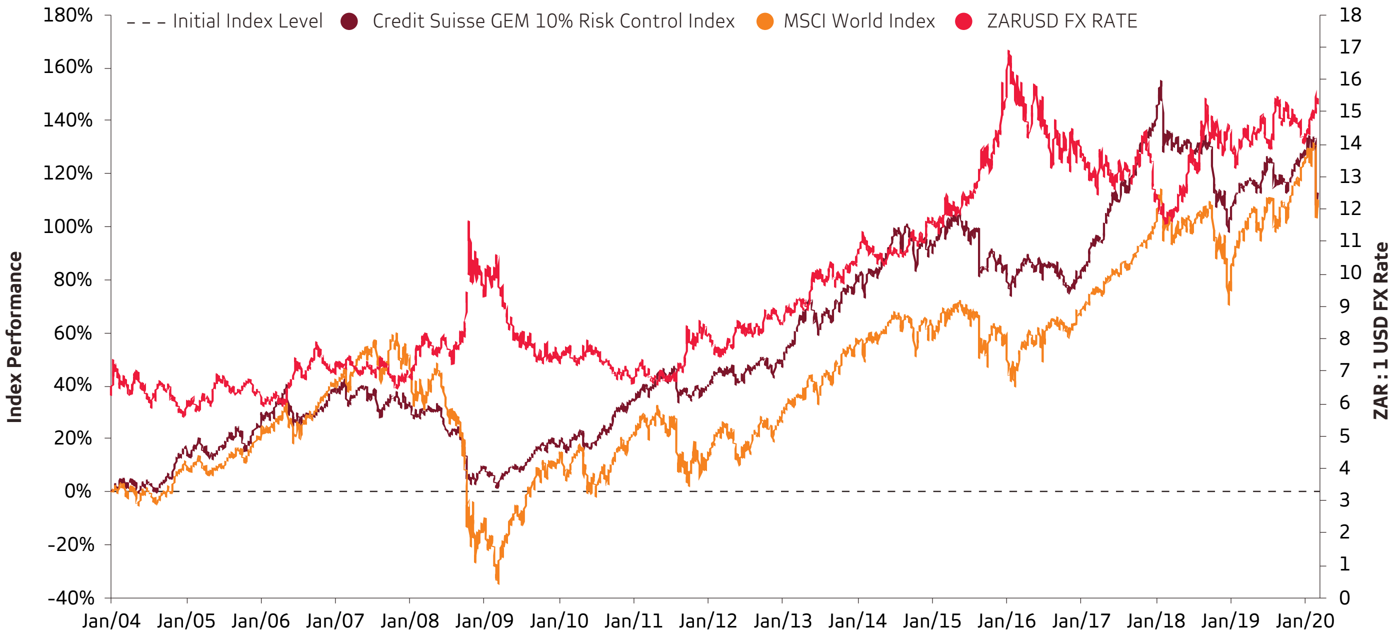
The current top-ten holdings in the index are:




Source: Credit Suisse, February 2020

# Index performance

The chart below shows the rebased performance of the Index and a comparison with the MSCI World Index (market-cap weighted) Index from January 2004 to March 2020 and highlights that the indices may go down as well as up. It also includes the ZAR : 1 USD FX Rate over the same period and also illustrates the volatility in this FX pairing, albeit with a strong bias to general ZAR depreciation over the long term.




Source: Credit Suisse, Refinitiv, Absa Corporate and Investment Banking, March 2020. Index Launch Date, 20 March 2019. Prior to Launch Date, the results do not represent those of actual trading as the Index did not exist. Statistical analysis is the result of back- tested simulated performance by means of a retroactive application of a model designed with a benefit of hindsight. There are frequently sharp differences between simulated performance results and the actual results subsequently achieved by any particular trading programme.

# Conclusion

The Index intends to lessen the effect of downward market movements or losses and increase participation in upward market movements. However, returns from stock markets are uncertain and the strategy may underperform at times. Poor performance can be attributable to (1) risk premia underperformance relative to market cap weighted indices, or (2) periods where volatility remains high despite a rising equity market, and positive correlations between equity and US Treasuries.

The Index is calculated on an excess-returns basis and includes fees and adjustments; this is explained further on in the Index factsheets or methodology documents that can be found on our website.

Note that the performance of the Index will determine whether you receive any return on your investment after five years. Also note that the Index only measures the prices of the stocks included and no allowance is made for dividends. Past performance of the Index is not a guide to its future performance.

# Important information about the Investment

## About Absa

Absa Bank Limited ("Absa"/"the issuer") has been serving clients locally for more than 100 years and we have one of the largest distribution networks across Africa. As a winner of major banking awards, we have the capacity to meet your in-country needs and deliver a wealth of local knowledge.

Absa Corporate and Investment Banking has a diverse footprint that extends from Cape Town to Cairo, serving clients across 14 countries, and is an award-winning provider of structured products.

## The Issuer

This investment is issued by Absa.

The payments due to you depend on both parties meeting their obligations to you. If they cannot meet their obligations, you may lose some or all of your investment amount.

Banks and other issuers of investments are assigned credit ratings to indicate to investors how capable they are of meeting any payments due to holders of investments. (See 'Credit risk' section). Current credit ratings are detailed in the Investment Schedule.

Before making any investment decision, you should satisfy yourself that you fully understand the risks relating to the investment and seek professional advice as you deem necessary to make an informed decision.

# Your questions answered

### How can I invest?

You can speak to your financial adviser, who will help you make sure the investment is suitable for you. Once you regard this investment proposition as suitable for you, you can complete the relevant application form and investment instruction with your financial adviser and submit it to the address on the forms.

### How can I monitor the performance of my investment?

You will receive an investment confirmation soon after you have invested. We will regularly make the performance fact sheets available on our financial adviser website, which you can obtain by speaking to your financial adviser. You will also receive regular investment statements from the administrator of your investment. You can speak to your financial adviser if you have any questions.

### Is there any currency risk on the investment?

Your investment is made in South African rand and the index is quoted in US dollar. Any positive index performance will be exposed to the movement in the ZAR/USD exchange rate over the investment term.

Assuming the ZAR weakens against the USD over the investment term, this would have a positive effect on any growth amount (and vice versa in the event of the ZAR appreciating).

The effect of a ZAR appreciation against the USD can never result in the overall investment return being a negative figure and as such your investment amount is always protected on maturity.

This investment does not utilise any of your individual foreign exchange allowances.

### Can I access my investment before the maturity date and are there any fees involved?

The investment is aimed at investors who do not need access to their money before the end of the five-year investment term.

Because the investment is held in an assurance policy, there are restrictions on the number of withdrawals you can make during the first five years. Any early withdrawal will be based on the prevailing market value of the investment at the time.

The market value will be calculated by the issuer and paid to the insurer.

Please note that any such early withdrawal could result in you losing some or all of your investment amount.

### What happens to the investment in the event of death?

In the event of death, the value of your investment is the prevailing market value at the time as calculated by the issuer, who will act on instructions from the executor of the estate. Long-term assurance policies allow for estate planning and there may be benefits to consider from the estate planning options available via an assurance policy.

### What happens at the end of the investment term?

On maturity of the investment, the issuer will pay the capital and any investment returns to the insurer within seven business days and your policy will be credited with this amount. You may then take your proceeds or choose to reinvest in any of the investment options that we may have available at the time.

### What other documents should I read before I invest/ what are the transaction documents?

Please read and understand this brochure and Investment Schedule in detail to help you understand the investment. This brochure represents what we at Absa believe to be the most relevant summary of the features and risks of the investment, but is not intended to be the sole basis for any evaluation. You can access the pricing supplement on our website to more fully appreciate the information associated with the investment.

### Is there a cooling-off period?

The long-term insurer of the policy, will allow up to 37 days from the investment start date in which to change your mind about investing. However, any cancellation made after the investment start date, as detailed above, might result in a capital loss as the cancellation will be done at the prevailing fair market price of the investment. All advice and administration fees that may have been paid will be refunded in full.

### What are the tax implications of the investment?

Generally speaking, the long term insurer is subject to tax on the growth and maturity of this policy. The policy benefit paid out to the policyholder may not be subject to tax in the hands of the policyholder.

A long term insurer is required to maintain five separate funds, of which four are liable for tax. Each of the four tax paying funds is subject to specific income tax and capital gains tax rates.

Depending on the type of policy, insurance companies pay different rates of tax on investment returns. The effective tax rates may also differ between insurance companies, based on their level of expenses. Any amendment to South African tax legislation, which changes the tax status of the policy or tax treatment thereof, may affect the surrender and maturity value. In such an event, the Insurer will have the right to adjust the benefit payable under this policy resulting from the amendment to such tax legislation.

For more details, please refer to your quotation.

Please obtain your own tax advice, relevant to your circumstances, prior to investing.

## What are the potential risks associated with the investment?

### Credit risk

This investment is issued by Absa Bank Limited and available through a linked endowment policy. The payments due to you depend on the issuer meeting its obligations to you. If it cannot meet its obligations, you may lose some or all of your investment amount.

In the event of insolvency all investors will rank as unsecured creditors. That means that only after secured creditors have received payment of their secured claims and preferential creditors' claims have been settled in full, unsecured creditors will receive a Pro-rata dividend in accordance with the size of their claims from the remaining funds.

Financial institutions get credit ratings to indicate to investors how capable they are of meeting any payment commitments. Credit ratings are assigned by two leading ratings agencies: Standard & Poor's (S&P) and Moody's National. The highest ratings given by these agencies are AAA from Moody's National and AAA from S&P indicating, in their view, the least risky or most likely to meet payments when due.

The lowest ratings that they give, denoting the riskiest or least likely to meet payments, are C (Moody's National) and D (S&P). The actual and perceived ability of the counterparty to make payments due to you in respect of the investment, may affect the market value of your investment. Furthermore, if the counterparty fails to pay, you may get back less than is due to you, or nothing at all. Please refer to the Investment Schedule for Absa's current credit ratings.

### Market risk

The value of the investment on maturity depends on the level of the index and the indices comprising the index, but future performance of the index cannot be guaranteed. The value of your investment during the investment term can change unpredictably because of:

- the performance of the index and the indices comprising the index; and/or
- external factors including financial, political and economic events and other market conditions; and/or
- sudden and unpredictable changes in interest rates.

### Early redemption

Your investment is designed to be held until maturity. If you surrender your investment before the maturity date, you could lose some or all of your investment amount. Please refer to 'Can I access my investment before the maturity date and are there any fees involved?'.

### Adjustments

The terms of the investment permit us to delay, reduce or withhold payment in certain circumstances. These provisions are not intended to circumvent what is legally due to you as an investor, but rather to cover unforeseen events which may affect your return, such as:

- a deferral or delay in calculating the level of an index or the price of any of the individual indices that make up an index;
- errors in calculating an index;
- changes in the way an index is calculated;
- an error in calculating the return itself.

While we will exercise due care and diligence in undertaking our responsibilities in relation to the investment, the effects of the exceptional types of circumstances referred to in the 'Adjustments' and 'Index risk' scenarios may decrease the value of your investment.

### Index risk

We as issuer do not control or calculate the indices in the index or the index itself. While we do not expect this to happen, it is theoretically possible that, during the term of the investment, any of the indices or the index itself may cease to exist, cannot be calculated, is modified or cancelled. This is beyond our control and if it were to happen, the level of the relevant index could fall. What this means is that you, as investor, could lose some or all of your investment amount, especially where the issuer is forced by events to mature the investment early. In these circumstances we could look for a replacement index or try to calculate the index ourselves.

We also have the right to redeem or cancel your investment early, which could negatively impact the performance of your investment.

The performance of indices is unpredictable and depends on financial, political, economic and other events as well as the performance of each underlying share or the issuer's performance, market conditions, risk situations and structures, where applicable.

### Early termination and adjustment of risk

Your investment may be terminated before maturity if there are certain market disruptions or other extraordinary events.

Absa may also delay, reduce, adjust or withhold payment in certain circumstances. These provisions are only intended to cover unforeseen events beyond our control which may impact the investment.

### Portfolio diversification

You should carefully consider the exposure that investing in this investment would have on your overall investment portfolio.

### Issuance programme risk

The listed Note held by the insurer is from the issuer's Master Structured Note Programme. As part of its construction, certain special conditions could cause the listed Note to mature early. These include certain corporate actions, for example delisting of the underlying securities if the reference index ceases to exist. In the unlikely event that these special conditions occur, the issuer would have to redeem the listed Note and calculate the early redemption repayment amount as if an early redemption instruction had been received from an investor. There is the potential of capital loss or a change in tax treatment, especially if these events happen in the first 3 years.

### General risks

**Other risks include the following, which could have an adverse effect on the value of your investment:**

- Inflation could erode the real value of your investment.
- Market disruptions could adversely affect the performance of your investment.
- Settlement disruptions may mean delays or failure to make payments or returns by Absa, your investment platform, clearing system or other third-party paying agents or intermediaries.
- Index returns could differ from the actual returns on the shares that make up an index. This is because an index may not take into account income or changes to its constituents over time, and fees and commissions may be deducted.
- An investment in an index may be taxed differently from a direct investment in the components of the same index.
- An index provider could change an index and adjust the composition or calculation methodology, or even suspend or cancel an index.
- Foreign exchange risk could positively or negatively impact any investment returns if you invest in an investment denominated in a currency other than your home currency.
- Potential return/underperformance risk means that your returns could be less than if you invested in a deposit account or directly or if the terms of the investment allow for conversion of your principal investment into another currency.

**The risks associated with this investment are not limited to those described above, but are merely the key risks. Before investing, you should satisfy yourself that you fully understand the risks and you should consult your own professional financial, tax or legal adviser where necessary.**

# Important information

**This document is for information purposes only.** All applications made by your investment platform to purchase an investment on your behalf require subsequent formal agreement by Absa, which will be subject to internal approvals and binding transaction documents.

**Advice**
This brochure and Investment Schedule do not constitute advice. Please consult your financial and tax adviser before investing.

**You have no claim against the underlying asset(s) to which the Investment is linked.** You will not have any recourse against any issuer, sponsor, manager, obligatory or other connected person in respect of the indices.

**Regulatory disclosure**
Absa may disclose any information relating to your Investment that is required by regulators.

**Confidentiality**
This document is confidential. No part of it may be reproduced, distributed or transmitted without Absa's written permission.



## Investor Declaration

The Investor hereby confirms that they have read and understood the information contained in this brochure and the Investment Schedule.

Signed at

Signature of Investor (or duly authorised person/s for minor Investors)

Date (dd-mm-ccyy)

Signature of Contact Person or Legal Guardian

Date (dd-mm-ccyy)

Signature of authorised and mandated Financial Adviser

Date (dd-mm-ccyy)

# Contact us

**Investor**
If you have any questions about this Investment or any other Absa investments, please contact your financial adviser.

**Financial advisers**
Financial Advisers please contact the Structured Products team directly:

**Tel:** 0861 345 223, Option 2 | **Email:** aiss@absa.co.za

**Complaints**
Please contact your financial adviser or our compliance officer on:

**Tel:** 011 895 6263 | **Email:** Mike.Pithey@absa.africa
**Postal address:** 15 Alice Lane, Sandton, 2196, Gauteng, South Africa.

## Legal disclaimer – Absa Bank Ltd



Absa Bank Limited, Reg No 1986/004794/06, Authorised Financial Services Provider Registered Credit Provider Reg No NCRCP7

## Credit Suisse Credit Suisse Dynamic GEM 10% Optimised Hedging Allocation Excess Return Index disclaimer

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CS or its affiliates may, therefore, in each of its capacities face a conflict in its obligations carrying out such role with investors in the Investment Products. In addition, the Index Rules and the Index Description are not to be used or considered as an offer or solicitation to buy or subscribe for such Investment Products nor are they to be considered to be or to contain any advice or a recommendation with respect to such products. Before making an investment decision in relation to such products one should refer to the prospectus or other disclosure document relating to such products. The Index Rules and the Index Description are published for information purposes only and CS and its affiliates expressly disclaim (to the fullest extent permitted by applicable law and regulation except for where loss caused by the Fault of CS or its affiliates) all warranties (express, statutory or implied) regarding this document and the Index, including but not limited to all warranties of merchantability, fitness for a particular purpose of use and all warranties arising from course of performance, course of dealing or usage of trade and their equivalents under applicable laws of any jurisdiction unless losses result from the breach of such warranties where such losses are caused by the Fault of CS or its affiliates. 'Fault' means negligence, fraud or wilful default. CS is described as Index Administrator, Index Sponsor and Index Calculation Agent under the Index Rules. CS may transfer or delegate to another entity, at its discretion and in compliance with applicable law and regulation, some or all of the functions and calculations associated with the role of Index Administrator, Index Sponsor and Index Calculation Agent respectively under the Index Rules. CS as Index Administrator is the final authority on the Index and the interpretation and application of the Index Rules. CS as Index Administrator may supplement, amend (in whole or in part), revise or terminate these Index Rules in compliance with applicable law and regulation at any time. The Index Rules may change without prior notice. CS will apply the Rules in its discretion exercised in good faith and a commercially reasonable manner and (where there is a corresponding applicable regulatory obligation) shall act independently and honestly in its capacity as the Index Administrator and take into account whether fair treatment is achieved by any such exercise of discretion in accordance with its applicable regulatory obligations, and in doing so may rely upon other sources of market information. Neither CS as Index Administrator nor CS as Index Calculation Agent warrants or guarantees the accuracy or timeliness of calculations of Index values or the availability of an Index value on any particular date or at any particular time. Neither CS nor any of its affiliates (including their respective officers, employees and delegates) shall be under any liability to any party on account of any loss suffered by such party (however such loss may have been incurred) in connection with anything done, determined, interpreted, amended or selected (or omitted to be done, determined or selected) by it in connection with the Index and the Index Rules, unless such loss is caused by CS or any of its affiliates' Fault. Without prejudice to the generality of the foregoing and unless caused by CS or any of its affiliates' Fault, neither CS nor any of its affiliates shall be liable for any loss suffered by any party as a result of any determination, calculation, interpretation, amendment or selection it makes (or fails to make) in relation to the construction or the valuation of the Index and the application of the Index Rules and, once made, neither CS nor any of its affiliates shall be under any obligation to revise any calculation, determination, amendment, interpretation and selection made by it for any reason. Neither CS nor any of its affiliates makes any warranty or representation whatsoever, express or implied, as to the results to be obtained from the use of the Index, or as to the performance and/or the value thereof at any time (past, present or future). The strategy underlying the Index (the 'Index Strategy') is a proprietary strategy of the Index Administrator. 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