



Marex Investable Uranium 12% Risk Control Index

Methodology



February 7th, 2024

Version History

Readers can access other versions of the methodology for the Marex Investable Uranium 12% Risk Control Index online when they become available on Compass Financial Technologies website (www.compass-ft.com).

Date	Version	Change
December 7 th , 2023	1.0	Methodology Publication
February 7 th , 2024	1.1	Add reference to the Index Adjustment and Disruption Policy

Table of Contents

1	Introduction	3
2	Underlying Components	4
3	Index Calculation	5
3.1	Definition	5
3.2	Determination of the Underlying Component Level	5
3.3	Determination of the Basket Index Level	5
3.4	Determination of the Exposure allocated to the Basket	6
3.5	Determination of the Index Level	6
3.6	Rounding of Data	6
3.7	Calculation Date	6
3.8	Calculation frequency and dissemination	6
4	Index Governance	7
4.1	Index Administrator	7
4.2	Index Calculation Agent	7
4.3	Index Committees – Supervisor	7
5	Methodology applicable	9
6	Methodology Changes - Maintenance	9
7	Expert Judgment	9
8	Cases not covered in rules	9
9	Liability	10
10	Disclaimer	11

1 Introduction

The Marex Investable Uranium 12% Risk Control Index (the *MRXURA12*, the *Indices* or the *Index*) is an index which provides exposure to physical uranium and to the uranium industry while controlling the volatility of the strategy. The exposure is done via a basket of liquid investment funds invested in physical uranium and in the main companies involved in uranium mining and the production of nuclear components, including those in extraction, refining, exploration, or manufacturing of equipment for the uranium and nuclear industries.

The Index leverages on index engineering expertise to offer investors a risk controlled exposure to the uranium market.

The *MRXURA12 Index* can be accessed online on the Compass Financial Technologies website (www.compass-ft.com) or on Bloomberg or Refinitiv.

The Index is owned by Compass Financial Technologies S.A. The Index Administrator and Calculation Agent is Compass Financial Technologies.

Marex Investable Uranium 12% Risk Control Index		
Index	Bloomberg Code	Refinitiv Code
Marex Investable Uranium 12% Risk Control Index	MRXURA12 Index	.MRXURA12

Table 1: Marex Investable Uranium 12% Risk Control Index - Publication Codes

2 Underlying Components

The Underlying Components of the Index are investments funds exposed to the uranium market. Currently the list of investment products are the following:

Marex Investable Uranium 12% Risk Control Index Underlying Components		
Index	Bloomberg Code	Refinitiv Code
Sprott Physical Uranium Trust	U-U CN Equity	U_u.CCP
Global X Uranium ETF	URA US Equity	URA

Table 2: Marex Investable Uranium 12% Risk Control Index - Underlying Components

In respect of Calculation Date t and Underlying Component i , Underlying Component prices are closing levels on t , as displayed on the Bloomberg or Refinitiv pages provided in Table 2 or the last available closing price if no closing price is available on t .

3 Index Calculation

3.1 Definition

- t is the Calculation Date
- BL_t is the Basket index level on t
- $HV_{20,t}$ is the 20 days historical volatility on t of the Basket index level
- VCF_t is the volatility control factor t
- $MaxE$ is the maximum exposure allowed to the Basket. $MaxE$ is equal to 100%
- $VCFwindow$ is the number of days considered when computing the volatility control factor. VCF is equal to 10
- ACT_{t_1,t_2} is the number of calendar days between t_1 and t_2
- R_t is the level of the SOFRRATE rate on t , as displayed on Bloomberg ticker SOFRRATE Index. If such rate dated as of t is missing, it means the latest rate available
- TV is the Target Volatility and is equal to 12%
- TC is the Index Transaction Cost and is equal to 0.25% per annum
- $S_{i,t}$ is the Underlying Component spot price of the Underlying Component i on day t expressed in local currency as displayed under the field Close on Refinitiv
- $Div_{i,t}$ is the aggregate net cash dividend, as displayed on Refinitiv, after the deduction of the Withholding Tax Rate if any, and attached to the Underlying Component i for which Calculation Date t is the Ex-Date. If an Ex-Date occurs on a date that is not a Calculation Date, such Ex-Date is deemed to occur on the first Calculation Date immediately following such date.
- $UCL_{i,t}$ is the Underlying Component Level expressed in USD and adjusted for potential dividend
- $FX_{i,t}$ is in respect of a Underlying Component i and a Calculation Date t , the foreign spot exchange rate to convert in USD one unit of the Underlying Component currency obtained using the WM Reuters Rate displayed on the Bloomberg page “WMCO” on such Calculation Date, or any successor service or page for the purpose of displaying such foreign spot exchange rate, as determined by the Calculation Agent or the latest WM Reuters Rate if no such rate is published as of such date.
- $N_{c,t}$ is the set of the Underlying Components included in the Basket on t .
- t_{IB} is Index Base Date. t_{IB} means 3rd January 2017
- t_{CB} is Underlying Component Base Date. t_{CB} means 30th November 2016

3.2 Determination of the Underlying Component Level

If $t > t_{CB}$,

$$UCL_{i,t} = UCL_{i,t-1} \times \left(\frac{S_{i,t} + Div_{i,t}}{S_{i,t-1}} \times \frac{FX_{i,t}}{FX_{i,t-1}} \right)$$

Otherwise, $UCL_{i,t} = 1000$

3.3 Determination of the Basket Index Level

If $t > t_{CB}$,

$$BL_t = BL_{t-1} \times \left(1 + \sum_{i \in N_{c,t}} 0.5 \times \left(\frac{UCL_{i,t}}{UCL_{i,t-1}} - 1 \right) \right)$$

Otherwise, $BL_t = 1000$

3.4 Determination of the Exposure allocated to the Basket

$$E_t = \min \left(\frac{TV}{VCF_{t-1}}; MaxE \right)$$

With, If $t > t_{IB}$,

$$HV_{20,t} = \sqrt{\frac{252}{20} \times \sum_{k=0}^{19} \left(\ln \left(\frac{BL_{t-k}}{BL_{t-k-1}} \right) \right)^2}$$

$$VCF_t = \max_{t-VCFwindow+1 \leq j \leq t} HV_{20,j}$$

3.5 Determination of the Index Level

The Index price level on Calculation Date t from its base date onwards is calculated as:

$$IL_t = IL_{t-1} \times \left[1 + E_{t-1} \times \left(\frac{BL_t}{BL_{t-1}} - 1 - R_{t-1} \times \frac{ACT(t-1, t)}{360} \right) - TC \times \frac{ACT(t-1, t)}{360} \right]$$

If $t \leq t_{IB}$, $IL_t = 1000$

3.6 Rounding of Data

Weights E_t are not rounded. The index level is calculated without rounding but the publication is rounded to 3 decimals.

3.7 Calculation Date

A Calculation Date means any day other than a Saturday or a Sunday on which all Underlying Components are open for trading.

3.8 Calculation frequency and dissemination

The Marex Investable Uranium 12% Risk Control Index is calculated and published once a day on every Calculation Date.

Index levels are published on the Compass Financial Technologies website (www.compass-ft.com) and are distributed to Bloomberg and Refinitiv under the ticker symbols listed in table 1.

4 Index Governance

4.1 Index Administrator

Compass Financial Technologies (France) is the Administrator of the Index ("the Index Administrator"). The Index Administrator is responsible for the day-to-day management of the Index and is also responsible for decisions regarding the interpretation of these rules.

4.2 Index Calculation Agent

Compass Financial Technologies is the Calculation Agent of the Marex Investable Uranium 12% Risk Control Index. It is responsible for the day-to-day management of the Index computation according to this methodology.

4.3 Index Committees – Supervisor

Compass Financial Technologies has established governance functions to review and provide challenges on all aspects of the Index determination process. Governance functions are managed by the Compass Oversight Committee and by the Index Steering Committee.

Compass Oversight Committee:

The Compass Oversight Committee oversees all areas of the benchmark determination processes. It is responsible for supervising and controlling the Index operations team on all Compass indices. It is also responsible for:

1. Periodic review of incidents
2. Making final decisions in case the Index operations team are not capable or allowed to take decisions
3. Defining and implementing organisation procedures for the Index operations team
4. Defining and overseeing measures that allow for mitigation of operational risks
5. Supervising internal or external audit results
6. The implementation and supervision of the potential codes of conduct that have to be implemented

The Committee is comprised of senior representatives of Compass Financial Technologies and external industry experts.

Index Steering Committee (the Steering Committee):

The Steering Committee is responsible for:

1. Determining the calculation methodology and the rules governing the publication of the Index
2. Making periodic reviews of the Index to validate the robustness of the methodology and to analyse the impact of methodology changes
3. Organising consultation with Index stakeholders if necessary
4. Ensuring that Index offers a reliable and representative view of the market

The Steering Committee is composed of members from Compass and from other entities. The Steering Committee may include individuals or representatives of companies, academics, external counsels, or market participants.

The Steering Committee assembles once a year in November. However, at the request of a member of the committee, the Steering Committee may meet on any other day of the year to discuss potential "market emergency" and "force majeure" events or any other situation, which makes an extraordinary meeting necessary.

All Committee decisions will be published without delay following the Committee decision.

The Steering Committee members as of December 2023 are:

- Edouard Mouton, Compass Financial Technologies
- Guillaume Le Fur, Compass Financial Technologies

As of December 7th, 2023, Guillaume Le Fur chairs the Steering Committee.

5 Methodology applicable

The Index is computed and maintained in accordance with this Methodology and the *Index Adjustment and Disruption Policy* (www.compassft.com/Index_Adjustment_and_Disruption_Policy.pdf). In the event of any inconsistency between the *Index Adjustment and Disruption Policy* and the Index Methodology, the Index Methodology shall prevail.

6 Methodology Changes - Maintenance

This methodology may be supplemented, amended in whole or in part, revised or withdrawn at any time. Supplements, amendments, revisions and withdrawals may also lead to changes in the way the Index is compiled or calculated or affect the Index in another way.

In the absence of exceptional circumstances affecting the Index calculation or methodology, this Methodology is reviewed annually. The review will include, inter alia, the following points:

1. Verify if the methodology and computation are still in line with the original purpose of the Index
2. Make sure the quality and quantity of the input data remain sufficient

Changes made to this methodology are published after the review date and implemented on a reasonable time horizon.

Compass Financial Technologies may terminate the Index due to certain extraordinary market circumstances.

Changes or termination will be subject to the review and approval of the Steering Committee which will receive all the information related to the change or termination. In case of material changes, a notice will be provided at least two weeks in advance.

The results of the Steering Committee meetings will be published in a press release on Compass Financial Technologies website and distributed timely to data vendors and major news sources.

7 Expert Judgment

The Index is based on written and transparent rules and procedures with the purpose of minimising as much as possible the exercise of discretion and expert judgment.

The Index is built from input data that is not interpolated, extrapolated or adjusted. In case of lack of data, the last available data is employed.

Nevertheless, the exercise of expert judgment may become necessary in case of errors and Index restatements, delayed and missing data, hard forks, airdrops, or unexpected situations arising from market stress.

In the event that expert judgment is exercised, this will be done by resorting to the written procedures reported in the methodology and by communicating the decisions taken to the Steering Committee and the Internal Compliance Function in order to prevent conflicts of interest and to protect the integrity and the independence of the Index determinations. In addition, the interest of the Index users and the market integrity will be taken into account.

8 Cases not covered in rules

In cases which are not expressly covered in these rules, operational adjustments will take place along the lines of the aim of every Index. Operational adjustments may also take place if, in the opinion of the Index Administrator, it is desirable to do so to maintain a fair and orderly market in derivatives on the Index and/or this is in the best interests of the investors in products based on the Index and/or the proper functioning of

the markets. The Index Administrator will report to the Supervisor if it took a decision about a case which is not specifically covered in the rules for comments and review.

9 Liability

The Index Administrator and the Supervisor are not liable for any losses resulting from supplementing, amending, revising or withdrawing the rules for every Index. The Administrator will do everything within its power to ensure the accuracy of the composition, calculation, publication and adjustment of the Index in accordance with relevant rules. However, neither the Index Administrator, nor the Supervisor are liable for any inaccuracy in the Index composition, calculation and the publication of the Index levels, the information used for making adjustments to the Index and the actual adjustments. Furthermore, the Index Administrator and the Supervisor do not guarantee the continuity of the composition of any of the Index, the continuity of the method of calculation of the Index, the continuity of the dissemination of the Index levels, and the continuity of the calculation of the Index.

10 Disclaimer

Nothing contained herein shall constitute or shall be deemed to constitute a financial, legal, tax or other advice of any kind, or a solicitation to purchase, sell or invest in any financial products or to engage in any financial strategy. Compass Financial Technologies SA or any of its affiliates (“Compass”) (i) does not guarantee the adequacy, the accuracy, the timeliness, the completeness, the evolution and/or the movements of its indices or any data included therein (the “Indices” or the “Index”), (ii) shall not have any liability for any errors, omissions, delays or interruptions therein and (iii) makes no warranty, express or implied, as to results to be obtained by owners of any securities, or by any other person or entity from the use of the Indices. Compass does not make any express or implied warranties, and expressly disclaims, all warranties of merchantability or fitness for a particular purpose or use with respect to the Indices. Without limiting any of the foregoing, in no event shall Compass have any liability for any lost profits or indirect, punitive, special or consequential damages or losses, even if notified of the possibility thereof.



Compass Financial Technologies SA

Chemin de Mornex 6
1003 Lausanne, Switzerland

Compass Financial Technologies (France)

Rue Henner 8
75009 Paris, France

info@compass-ft.com

