



MSCI World Variable Decrement Indices

Benchmark Statement

June 18th, 2025

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1 General Information

Index Family Name : MSCI World Variable Decrement Indices

Initial Date of Publication : June 18th, 2025

Index Sponsor : MSCI

Index Administrator : Compass Financial Technologies (France)

Index Calculation Agent : Compass Financial Technologies (France)

2 Index Description

The MSCI World Variable Decrement Indices (the *Index* or the *Indices*) is a family of indices which provides exposure to a *Parent Index* after applying a variable decrement.

Each Index is designed to reflect the performance of a strategy that tracks the Parent Index, while applying a time-varying, daily performance adjustment—termed a variable decrement. This adjustment is based on the observed basis between the relevant Cash Index and the relevant Futures Tracker Index over a trailing period of 20 days.

As a result of the variable decrement mechanism, the Index may generally underperform the Parent Index. In particular, during periods when the trailing 20-day return of the Cash Index exceeds that of the relevant Futures Tracker Index, the applied decrement—scaled by a leverage factor—may increase, leading to a higher percentage performance deduction. The impact of the leverage factors is that any such increases may correspondingly increase the variable decrement and impact Index performance.

3 Regulatory Information

The Indices are non-significant benchmarks according to EU Regulation 2016/1011 given:

1. they are not used directly or indirectly within a combination of benchmarks as a reference for financial instruments or financial contracts or for measuring the performance of investment funds having a total average value of at least EUR 50 billion on the basis of all the range of maturities or tenors of the benchmark, where applicable, over a period of six months; and
2. they have market-led substitutes and, in the event that the benchmarks cease to be provided or is provided on the basis of input data no longer fully representative of the underlying market or economic reality or unreliable input data, the benchmark(s) administrator do not anticipate a significant and adverse impact on market integrity, financial stability, consumers, the real economy or the financing of households or businesses in the EU.

4 Index Methodology

4.1 Index Composition

Each Index is exposed to its related Parent Index.

4.2 Index Computation Mechanism

Calculation of the Index level

For any Business Day t following t_0 the Index level is determined by:

$$IL_t = IL_{t-1} \times \left(\frac{UIL_t}{UIL_{t-1}} - Leverage \times VariableDecrement_{t-1} \times \frac{ACT_{t-1,t}}{365} \right)$$

With

$$IL_{t_0} = 100$$

Determination of the *VariableDecrement_t*

For any Business Day t following or equal to t_0 the *VariableDecrement* is computed as:

$$VariableDecrement_t = \left(\frac{CIL_t}{CIL_{t-20}} - \frac{FTIL_t}{FTIL_{t-1}} \right) \times \frac{365}{ACT_{t-20,t}}$$

Where

- CIL_t is with respect to Business Day t , the official index level of the relevant Cash Index
- $FTIL_t$ is with respect to Business Day t , the relevant Futures Tracker Index Level
- UIL_t is with respect to Business Day t , the official index level of the relevant Parent Index

5 Amendment to the Index methodology

The Index 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, the Index is reviewed annually. Changes in Index methodology decided during the annual review will be published on the Compass website (www.compass-ft.com).

The Index Administrator shall inform Index licensees of any amendment to the Index methodology with reasonable prior notice. The notification document shall provide Index licensees with the amendments, the reasons for making such amendment and the effective date of the changes.

6 Cessation of the Index

The Index Administrator has established procedures to be followed for termination of the Index. Any termination of the Index must be approved in advance by the Index Sponsor and the Index Committee. A notice to licensees will be published in advance of the termination. Before deactivating the Index, the Index Administrator always determines whether there are any listed financial products issued on that index as the underlying. The Index Administrator terminates indices only provided that:

- All existing commercial customers have been consulted, and commercial relationships have been terminated or transitioned accordingly.
- Consultations with stakeholders have not led to the decision to continue the index.

The Index Administrator is not responsible for determining or offering an alternative index to its subscribers or other stakeholders when the Index is terminated. However, the Index Administrator may recommend an alternative index if it considers, based on various criteria, that this alternative index could be a credible substitute index.

7 Disclaimer

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