NaroIX Benchmark Statement

TEQ - General Artificial Intelligence Index (GTR)

NARO[IX]

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1 VERSION HISTORY

Version	Editor	Date	Change
1.0	Head of Indexing	04.12.2024	Creation

2 OBJECTIVE

As the administrator of the **TEQ - General Artificial Intelligence Index (GTR)** and in accordance with Article 27 of Regulation (EU) 2016/1011 (referred to as the “Benchmark Regulation” or “BMR”), NaroIX GmbH is required to issue a benchmark statement for the benchmark intended for use within the European Union (the “Benchmark Statement”). This document provides the necessary information as stipulated in Article 27 of the BMR and Article 1 of the Commission Delegated Regulation (EU) 2018/1643.

3 DEFINITIONS

Benchmark Regulation (BMR) is a European Union regulation that aims to ensure the integrity and reliability of benchmarks used in financial markets.

Disruptive Event are significant occurrences that can radically alter industries, markets, or societies. They challenge the status quo and often lead to significant shifts in economic, social, or technological landscapes.

Gross Total Return (GTR) Index is a type of index that measures the total return of an investment portfolio, including both capital gains and income. It is calculated by adding the total dividends, interest payments, and other income received from the portfolio to the change in the portfolio's value over a specific period.

Net Total Return (NTR) Index is a type of index that measures the total return of an investment portfolio, taking into account all income and expenses associated with the portfolio. This includes dividends, interest payments, capital gains, and any fees or expenses incurred.

Price Return (PR) Index measures the change in the market value of the securities included in the index, without considering any income generated by those securities. This means that PR indices only reflect the capital gains or losses from the price appreciation or depreciation of the underlying assets.

4 GENERAL INFORMATION

Creation Date	04.12.2024
Related Benchmark	TEQ - General Artificial Intelligence Index (GTR) - ISIN: DE000A4AKGU4
Benchmark Classification	Non-Significant (Article 3(1)(27) of the BMR)
Benchmark Determination	Based on Contributed Input Data (Article 3(1)(8) of the BMR)

5 MARKET INFORMATION

The Benchmark is a quantitative, investable index governed by specific rules and created by NaroIX GmbH. It is a **Gross Total Return (GTR)** index published in EUR. This type of index aims to mirror the total return from maintaining a portfolio of its constituent assets. To achieve this, the net total return index accounts for payments such as dividends or coupon payments, after subtracting any applicable withholding taxes or other deductions that an investor in the index constituents would typically incur.

Comprehensive details regarding the market or economic conditions that the Benchmark is designed to reflect, including any geographical limitations, as well as the methodology for rebalancing the index constituents, can be found in the index guideline at https://ix.naroiq.com/isin/DE000A4AKGU4.

The Index's methodology has undergone a thorough review and received approval through an internal validation process.

6 INPUT DATA

The Benchmark incorporates input data as a fundamental component in the calculation of daily index values. This input data is sourced from a provider that offers readily accessible information, which is characterized by its origin and the timing of its observation. The Benchmark relies on a singular source for input data, rather than employing a tiered structure of data sources.

The likelihood of inadequate input data is low, given the critical role such data plays in the operation of financial instruments. In instances where input data is insufficient or if any disruptive events occur that could lead to inaccurate or delayed pricing, or a prolonged trading halt for one or more Benchmark constituents, the affected constituent may be represented in the Benchmark at its last available price or may be excluded entirely without value. Such occurrences of inadequate input data or other disruptive events may lead to a failure in accurately reflecting the market or economic conditions that the benchmark value is intended to represent. Additionally, these events may necessitate the postponement of corporate actions, as well as the calculation, publication, and dissemination of the Benchmark beyond the timelines specified in the index guidelines.

In cases of extraordinary and unforeseen events that are not explicitly addressed by the index guidelines, the index committee of NaroIX will exercise expert judgment to determine the appropriate response to such events.

7 CORRECTION AND RESTATEMENT

The Benchmark is calculated with utmost diligence to ensure its precision. However, inaccuracies in the index determination and calculation process may occasionally arise due to various factors, both internal to NaroIX GmbH and external. These inaccuracies can stem from the omission or incorrect execution of a corporate action, the use of erroneous input data, or the improper application of the Benchmark methodology. Errors are to be rectified according to a pre-established process, effective for future calculations. Additionally, if such errors are identified within generally two business days following the event that caused the error, they may lead to a restatement of previous index values. Errors related to the application of management and transaction fees may necessitate a restatement regardless of when they are discovered. In certain situations, the Index Committee will evaluate errors on a case-by-case basis.

8 BENCHMARK CHANGES OR DISCONTINUATION

The Benchmark is established based on a fixed set of guidelines and aims to be all-encompassing; however, various factors, including external influences outside the control of NaroIX GmbH, may require modifications to or the discontinuation of the Benchmark. Any alterations or termination of the Benchmark could negatively affect the financial contracts and instruments that rely on it, as well as the assessment of the performance of investment funds associated with the Benchmark.

9 BENCHMARK STATEMENT REVISIONS

NaroIX GmbH will revise this Benchmark Statement if the information contained within it becomes inaccurate or insufficiently detailed. Specifically, updates to the Benchmark Statement will occur as soon as feasible in the event of a change in the type of Benchmark (for instance, from non-significant to significant) or if there is a substantial alteration in the Benchmark's methodology.

10 INDEX COMMITTEE

The Benchmark utilizes a rigorous rules-based approach designed to be thorough; however, it is possible that ambiguities, mistakes, omissions, or unexpected events may arise, potentially affecting the Benchmark's provision. NaroIX GmbH will address any such issues through the Index Committee, which consists of NaroIX personnel. This committee is tasked with making decisions related to modifications of the Benchmark's methodology, handling unforeseen errors, and overseeing both corrections and the discontinuation of the Benchmark.

11 ESG FACTORS

ESG Factors

Name of the Benchmark Administrator	NaroIX GmbH
Type of Benchmark	Equity
Does the portfolio of the benchmark administrator include any EU Climate Transition Benchmarks, EU Paris-aligned Benchmarks, benchmarks designed to meet ESG objectives, or benchmarks that take ESG factors into account?	No
Name of the Benchmark or Family of Benchmarks	TEQ - General Artificial Intelligence Index (GTR) - ISIN: DE000A4AKGU4
Does the benchmark methodology for the benchmark or its associated family aim to achieve an ESG objective?	No
Does the benchmark methodology for the benchmark or its associated family consider ESG factors?	No

Influence of ESG factors on asset selection, weighting, or exclusion?

Environmental Factors Taken Into Account	Exclusion: None Selection: None Weighting: None
Social Factors Taken Into Account	Exclusion: None Selection: None Weighting: None
Governance Factors Taken Into Account	Exclusion: None Selection: None Weighting: None

Used Data Standards

An overview of the data sources utilized to inform the ESG factors outlined in the benchmark statement is provided. This section details the methods of data collection for the ESG factors, including the extent to which the data is derived from estimations versus reported figures.	When utilizing external ESG and Impact Data vendors, a verification process is undertaken to confirm that the provider has established processes and procedures that: i) align with recognized market standards and ii) guarantee the representativeness and reliability of the data provided. If needed, further assessments for sudden changes or discrepancies in data points are performed, and if relevant, an additional request for clarification is made to the vendor.
Reference standards	The methodology for the index is developed in accordance with the IOSCO standards for financial benchmarks, as well as the market standards mandated by Regulation (EU) 2016/2011, known as the "Benchmark Regulation" (BMR).

For more information visit:

https://www.naroiq.com/governance

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