

# Consultation Notice on proposed amendments to the methodology of the Credit Suisse truVol® US Target Sectors Index

## (Bloomberg Ticker: CSEATVUS)

This Notice is addressed to all users and stakeholders of the Credit Suisse truVol® US Target Sectors Index (the “**Index**”) and is published by Credit Suisse International (“**CSI**”) in its capacity as Index Administrator (as defined below) of the Index.

CSI is authorised by the Prudential Regulation Authority (“**PRA**”) and regulated by the Financial Conduct Authority (“**FCA**”) and the PRA. CSI is registered with the FCA as a benchmark administrator.

### **Introduction and scope of Consultation**

CSI is the sponsor (the “**Index Sponsor**”) of the Index. CSI also acts as (i) the administrator (the “**Index Administrator**” and “**Index Administration**”) of the Index for the purposes of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds as it forms part of the domestic law of the United Kingdom (the “**UK BMR**”) and (ii) the index calculation agent (the “**Index Calculation Agent**”). CSI, as the Index Sponsor and Index Administrator, may, acting through its index committee (the “**Index Committee**”), make decisions on any amendments to the Index Methodology (as defined below).

CSI, as Index Sponsor and Index Administrator has proposed amendments to the Index Methodology (as defined below) and as Index Administrator is hereby consulting on those proposed amendments (the “**Consultation**”).

The aim of the Consultation is to provide users and stakeholders with (i) applicable background information, (ii) the rationale for, and clear information on, the proposed amendments, (iii) an opportunity to ask questions or provide comments in respect of the proposed amendments and (iv) practical information on responding to the Consultation and next steps.

Capitalised terms used but not defined herein shall have the meaning ascribed to them in the CS Index Rules (as defined below).

If you do not understand the contents of this Notice or are unsure how this affects you, you should consult an appropriate professional adviser.

### **Current Index Methodology**

The current methodology used for the Index (the “**Index Methodology**”) is set out in the Index Rules for the Credit Suisse truVol® US Target Sectors Index (“**CSEATVUS**”) dated as of March 19, 2021, as amended from time to time (the “**CS Index Rules**”).

### **Background to the Consultation and rationale for the proposed amendments to the Index Methodology**

On June 12, 2023, UBS announced the completion of the acquisition of Credit Suisse. Credit Suisse Group AG was merged into UBS Group AG (the “**UBS/CS Acquisition**”) and the combined entity has since operated as a consolidated banking group. CSI has become a wholly owned indirect subsidiary of UBS Group AG. Following the UBS/CS Acquisition

the decision has been taken in conjunction with CSI and the Index Committee, to conduct an orderly exit (the “**Index Administrator Exit**”) from CSI’s role as an administrator under UK BMR and this will impact the Index.

As part of the implementation of the Index Administrator Exit, CSI on a date which is expected to be on or around 1 May 2024 (the “**Transfer Effective Date**”), proposes to transfer its role as Index Sponsor of the Index to UBS AG, London Branch or an affiliate (the “**Index Sponsor Transfer**”), which in turn proposes to appoint MerQube, Inc as Index Administrator and Index Calculation Agent (succeeding CSI in those capacities) for the Index (the “**Third Party Administrator Appointment**”) on the Transfer Effective Date. MerQube, Inc. has delegated its index administration and index calculation activities to its subsidiary, MerQube UK Limited (“**MerQube**”), and MerQube would therefore undertake the duties of the Index Administrator and the Index Calculation Agent for the Index following the Transfer Effective Date.

MerQube is registered as an administrator by the FCA under UK BMR.

MerQube, Inc. has been an established index administrator and index calculation agent since 2019. Further information on MerQube, Inc and MerQube can be found at <https://merqube.com/home>.

Amendments to the Index Methodology relating to the Index are necessary from the Transfer Effective Date, as a result of the proposed Index Sponsor Transfer, Index Administrator Exit and Third Party Administrator Appointment.

### **Proposed amendments to the Index Methodology**

In the context of the matters outlined above, it is proposed that with effect from the Transfer Effective Date the following amendments (the “**Amendments**”) are to be made in respect of the Index:

- CSI will transfer its role as Index Sponsor to UBS AG, London Branch and CSI will cease to be the Index Sponsor, Index Administrator and Index Calculation Agent;
- the Index will be renamed to the UBS truVol® US Target Sectors Index;
- UBS AG, London Branch, as Index Sponsor, will appoint MerQube, Inc., subject to delegation to MerQube to act as Index Administrator and Index Calculation Agent, replacing CSI in such roles;
- MerQube will publish and calculate the level of the Index under the same Bloomberg Ticker, in place of CSI;
- The Reference Fixed Income Asset – Risk On, currently the Credit Suisse 10-Year US Treasury Note Futures Index (Bloomberg Ticker CSRFTYUE), will be substituted with the UBS 10Y US Treasuries ER Index (Bloomberg Ticker MLTAU10E).  
The UBS 10Y US Treasuries ER Index is sponsored by UBS AG, is administered by MerQube Inc. (subject to delegation to MerQube) and provides exposure to the same contract (subject to a roll date 1 business day earlier than the Credit Suisse 10-Year US Treasury Note Futures Index);
- The Reference Fixed Income Asset – Risk Off, currently the Credit Suisse 2-Year US Treasury Note Futures Index (Bloomberg Ticker CSRFTUUE), will be substituted with the UBS 2Y US Treasuries ER Index (Bloomberg Ticker MLTAUS2E).  
The UBS 2Y US Treasuries ER Index is sponsored by UBS AG, is administered by MerQube Inc. (subject to delegation to MerQube) and provides exposure to the same contract (subject to a roll date 1 business day earlier than the Credit Suisse 2-Year US Treasury Note Futures Index); and
- the CS Index Rules for the Index will be replaced by the index rules prepared by MerQube (the “**MerQube Index Rules**”). The MerQube Index Rules will contain the Index Methodology, with amendments to reflect the changes above and certain other amendments to reflect the ongoing roles of MerQube as Index Administrator and Index Calculation Agent of the Index.

### **Consultation Period and availability of documentation**

In order to take into account the views of users and stakeholders of the Index, CSI, as Index Administrator, is conducting the Consultation on the proposed amendments. The Consultation opens on 15 March, 2024 and will run until close of business in New York on 10 April, 2024 (the “**Consultation Period**”).

Within the Consultation Period, users and stakeholders are invited to send any feedback or comments on the Consultation to [list.qis-consultation@credit-suisse.com](mailto:list.qis-consultation@credit-suisse.com), including a reference to the Bloomberg Ticker in their email, along with their name and details of their status as a user or stakeholder.

Copies of the CS Index Rules and draft MerQube Index Rules will be made available to users and stakeholders of the Index upon request to the same email address within the Consultation Period.

Please note that this Notice and any relevant updates on the Consultation will be made accessible on the following website : <https://www.credit-suisse.com/uk/en/investment-banking/financial-regulatory/customer-notices.html?a=32>

### **Credit Suisse International**

Dated: 15 March, 2024