



Rules for the Triple Short indices

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1. Definition of the Triple Short indices

- 1.1 *General scope* The rules that are laid down in this document apply to the CAC 40® Triple Short, AEX® Triple Short, BEL 20® Triple Short and PSI 20® Triple Short indices.
- 1.2 *Definition of the Triple Short index* The Triple Short index tracks the performance of a strategy that combines a triple inverse exposure to an underlying index with the exposure to a risk-free money-market instrument (EONIA). Thus, the Triple Short index reflects purely a strategy that aims at producing on a daily basis the triple inverse performance of an underlying index with an additional monetary gain.
- 1.3 *The Euronext Triple Short indices*
- 1.3.1 *The CAC 40 Triple Short index* The CAC 40 Triple Short index aims at replicating a Triple Short strategy as applied to the CAC 40 Net Total Return index¹
- 1.3.2 *The AEX Triple Short index* The AEX Triple Short index aims at replicating a Triple Short strategy as applied to the AEX Total Return index.
- 1.3.3 *The BEL 20 Triple Short index* The BEL 20 Triple Short index aims at replicating a Triple Short strategy as applied to the BEL 20 Total Return index (Institutional version).
- 1.3.4 *The PSI 20 Triple Short index* The PSI 20 Triple Short index aims at replicating a Triple Short strategy as applied to the PSI 20 Total Return index.

¹ The CAC 40 Total Return index takes into account the reinvestment of gross dividends for French stocks and the reinvestment of net dividends (i.e. net of withholding tax) for foreign stocks included in the CAC 40 index.

2. Calculation of the Triple Short indices

- 2.1 *General formula* The general formula of the Triple Short indices is defined as follows:

$$TSH_t = TSH_T \left[1 - 3 \times \left(\frac{UI_t}{UI_T} - 1 \right) \right] + 4 \times TSH_T \times \left[\frac{EONIA_T}{360} \right] D_{t,T} - 3 \times TSH_T \left[\frac{REPO}{360} \right] D_{t,T}$$

TSH_t = Triple Short index on day t

TSH_T = closing Triple Short index at the previous calculation date

UI_t = Total Return version of the underlying index level (Total Return version of the CAC 40, the AEX, the BEL 20 or the PSI 20) at time t

UI_T = Total Return version of the underlying index level at the previous calculation date

$D_{t,T}$ = is the number of days between the day of calculation and the previous calculation day T

$EONIA_T$ = Euro Overnight Index Average at the previous calculation date

$REPO$ = is the rate reflecting the repurchase agreement embedded in the strategy and specific to each underlying index

- 2.1.1 *REPO activation* The REPOs relative to the Triple Short indices were set at 0 at the launching date on February 2nd 2009.

The REPOs would be activated in case the Compiler of the Triple Short indices decides that the cost of borrowing the underlying index portfolio should be reflected in the economic profit and loss profile of the strategy. In such a case, a notification period of two one week should pass before this change becomes effective.

In case the activation is carried out in accordance with the conditions laid down above, a monthly reassessment of this parameter will be implemented on the third Friday of each month.

- 2.1.2 *Initial value of the indices* The value of the Triple Short indices was set at 10, 000 on December 31st 2002.

- 2.2 *Start of calculation* The calculation of the Triple Short indices starts as soon as the first real time indices levels of the underlying indices are available.

- 2.3 *Calculation frequency* The Triple Short indices are calculated at the same calculation frequencies as their respective underlying indices, that is every 15s.

- 2.4 *Closing index Level* The calculation of the Triple Short closing index levels are based on the respective official closing levels of the Total Returns indices published by Euronext.

3. Special circumstances of trading

- 3.1 *Unavailability of the underlying index level* In case the underlying index level of the Triple Short index is not available during a time period outside the regular closing time of the Euronext markets, the level of the Triple Short index will not be calculated.

If the unavailability extends over the closing auction time of the Euronext markets, the closing value of the Triple Short index will be the last level known before the unavailability of the underlying.

- 3.2 *Suspension of the Triple Short index* The compiler of the Triple Short indices will decide to suspend the calculation of the Triple Short index if at the time t the underlying Total Return index level gains more than 15% compared to its previous closing value.

That is, the Triple Short index will be suspended if :

$$\left(\frac{UI_t}{UI_T} - 1 \right) > 15\%$$

In this case, Euronext will confirm the index level to be considered as the closing index value at the market close.

4. Final provisions

- 4.1 *Liability* The Compiler will do everything within its power to ensure the accuracy of the composition, calculation, publication and adjustment of the Triple Short indices in accordance with relevant rules. However, neither Euronext N.V., nor the Compiler of the Triple Short indices is liable for any inaccuracy in the calculation of the underlying index levels, calculations and the publication of the Triple Short indices.
- Furthermore, Euronext NV., its subsidiaries, the Compiler of the Triple Short indices do not guarantee nor the continuity of the calculation of the Triple Short indices, nor the continuity of the dissemination of the Triple Short index levels.
- 4.2 *Ownership and trademarks* Euronext NV. owns all intellectual and other property rights to the CAC 40 Triple Short, AEX Triple Short, BEL 20 Triple Short and PSI 20 Triple Short indices including the names and their calculation.