Index Rule Book

CAC Vol Bonus Index

Version 23-01

Effective from 2023-10-16

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Index

1. GENERAL

This document is applicable to the CAC Vol Bonus Index, which consists of all the Indices as mentioned in the Reference Table.

The index aims to have an allocation between a risky asset (CAC 40 Index) and a non-risky asset (€STR) based on a rule which aims to achieve a stable predefined realized volatility of the strategy itself. The targeted level of volatility is the driving element of the allocation rule.

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VERSION NOTES

Version	Effective date	New or changed parts	Reference/announcement
23-01	16-10-2023	Launch Date	

2. INDEX METHODOLOGY

2.1 RELEVANT DATES DEFINITION

Trading Day	Any day on which the index is scheduled to be published.
ACT(t_1,t_2)	The number of calendar days between Trading Day t_1 and t_2.
Base Date, "t_0"	4th of April 2012
Publication Date	Live date of the Index: 16th of October 2023

2.2 INDEX TERMS DEFINITION

Underlying Index Level, "UIL"	CAC 40 Index (mnemo = PX1)
Interest Rate, "IR"	Applicable interest rate at time of calculation. For the indices on CAC Index, this is €STR.
Exposure, "W"	Exposure of the Index to the Underlying Index.
Realized Volatility,"$VOL_{d,t}$"	Annualized realized volatility of the Underlying Index over a period d at Trading day t.
Volatility Target, "VT"	As defined in the reference table
Volatility Cap,"CAP"	As defined in the reference table

2.3 INDEX LEVEL CALCULATION

For each Trading Day t, The index Level "IL(t)" will be calculated following the formula below:

For $t > t_0$:

$$IL_t = IL_{t-1} * \left(1 + W_{t-1} * \left(\frac{UIL_t}{UIL_{t-1}} - 1\right) + (1 - W_{t-1}) * IR_{t-1} * \frac{ACT(t, t-1)}{360}\right)$$

$$W_t = \min\left(1 + \frac{VT}{\max\left(VOL_{20,t-1}, VOL_{60,t-1}\right)}, CAP\right)$$

$$VOL_{d.t} = \sqrt{\frac{252}{d-1} \sum_{k=1}^{d} \left(\ln\left(\frac{UIL_{t-i+1}}{UIL_{t-i}}\right) - Average_{d.t}\right)^2}$$

$$Average_{d.t} = \frac{1}{d} \sum_{k=1}^{d} \ln\left(\frac{UIL_{t-i+1}}{UIL_{t-i}}\right)$$

Where: $IL(t_0) = 1000$

REFERENCES

2.4 REFERENCE TABLE

Index name	Isin code	Mnemo	Bloom-berg Code	Reuters code	Volatility Target	Volatility Cap	Index Type
CAC Vol Bonus Index	FRIX00002298	CACVB	CACVOLB	.CACVB	10%	200%	Volatility Target

2.5 BASE CURRENCY

The Base Currency of this index is Euro.

2.6 PUBLICATION

The levels of the Indices are in principle published daily at the end of day, when Euronext Markets are open for trading.