

USD – Net TR CROCI Sectors IV

USD – PR CROCI Sectors IV

Passion to Perform

Index Guide

The ideas discussed in this document are for discussion purposes only. Internal approval is required before DB can commit to any transaction. Only the final terms and conditions of a product must be considered by investors before making an investment decision.



1. Summary

The CROCI Sectors IV – USD – Net TR Index (the **USD Net TR Index**) (Bloomberg ticker: DBGLS4UT; Reuters RIC: . DBGLS4UT) is a rules-based net total return index and the CROCI Sectors IV – USD – PR Index (the **USD PR Index**) (Bloomberg ticker: DBGLS4UP ; Reuters RIC: . DBGLS4UP) is a rules-based price return index that each track the performance of a dynamic portfolio of **Shares** each of which is a constituent of the S&P 500 Index, the Euro STOXX Large Index and the Topix 100 Index selected in accordance with the process described below.

This document applies separately to the **USD Net TR Index** and the **USD PR Index** (each an **Index**) and the terms of this document shall be construed accordingly. Accordingly, this document constitutes a separate **Index Guide** in respect of each **Index** and references below to “**Index**” are to the **USD Net TR Index** or the **USD PR Index** as the case may be.

The **Index** comprises fifteen (15) **Sub-Indices**, which have different **Selection Dates** and/or **Reconstitution Dates**, such that the trading impact of the index reconstitutions is spread over many trading days.

Each **Sub-Index** is reconstituted on a quarterly basis such that for the period from (but excluding) the relevant **Reconstitution Date** to (and including) the next following **Reconstitution Date** such **Sub-Index** will reflect the performance of a portfolio of thirty (30) constituent **Shares** selected from the constituents of the **Reference Indices** as described below. If a constituent **Share** is removed from the **Reference Index**, it should remain in the **Sub-Index** until the subsequent **Reconstitution Date**.

For each **Reconstitution Date**, the **Index Calculation Agent** shall identify, on the third **Calculation Date** immediately preceding such **Reconstitution Date**, the **Sub-Index Constituents** in accordance with the following three steps, each as more fully set out in this **Index Guide**:

- 1) List the **Shares** eligible for selection: Identify the constituent **Shares** of each **Reference Index**, but disregard certain **Shares** on the basis of having a certain sector classification (financials), low **Market Capitalisation**, zero (0) or negative **Trailing Twelve-month Economic P/E** or not being covered by the **CROCI Valuation Group** (the **Shares** identified pursuant to this first step being the **Selection Pool Shares**);
- 2) Select the three (3) **Sectors** with the lowest **Median Trailing Twelve-month Economic P/E** for each **Sector**:
 - a. Determine the **Median Trailing Twelve-month Economic P/E**: group **Shares** into **Sectors**, and determine for each such **Sector** the median of such **Shares**' **Trailing Twelve-month Economic P/E**;
 - b. Select the **Sectors**: Identify the three (3) **Sectors** with the lowest **Median Trailing Twelve-month Economic P/E**. The **Sectors** identified pursuant to this step constitute the **Sub-Index Constituent Sectors**;
- 3) Select ten (10) **Shares** with the lowest **Trailing Twelve-month Economic P/E** in each **Sub-Index Constituent Sector**: Identify ten (10) **Shares** from the **Selection Pool Shares** with the lowest **Trailing Twelve-month Economic P/E** in each of the **Sub-Index Constituent Sectors** (or thirty (30) in aggregate). The **Shares** identified pursuant to this step constitute the **Sub-Index Constituents**.

On the **Reconstitution Date** each **Sub-Index Constituent** shall have an equal weighting within the **Sub-Index**. On each **Sub-Index Rebalancing Date**, each **Sub-Index** will be given equal weighting in the determination of the **Index Level**, in accordance with the **Index Core Provisions**.

Deutsche Bank, AG, acting through its London branch may in its sole and absolute discretion delegate and/or transfer any of its obligations or functions under the terms of the **Index** to one or more third parties as it deems appropriate from time to time. In so doing, Deutsche Bank, AG, acting through its London branch is not required to take into account the interests of any investors in or parties to transactions or investments linked to the **Index** or any **Index Constituent**.

Change in methodology of the Index

The **Index Rules** were amended on 1st February 2016. The **Index Rules** governing the calculation, publication and maintenance of the **Index** prior to 1st February 2016 (the **Old Index Rules**) can be obtained free of charge from Deutsche Bank. The **Index** was calculated in accordance with the methodology set out in the **Old Index Rules**, on a retrospective basis, from the **Commencement Date** and, on a live basis, from the **Live Date** to, but excluding, 1st February 2016. The **Index** has been calculated in accordance with the methodology set out in the current **Index Rules** from and including 1st February 2016.

The modifications made to the methodology on 1st February 2016 included (among other things):

- Changing from monthly reconstitutions of the entire portfolio of **Shares** referenced by the **Index** to reconstitution of one third of the portfolio each month over five (5) consecutive **Trading Days**. This is

achieved through the introduction of fifteen (15) **Sub-Indices** each with a different **Reconstitution Date** but each group of five (5) having the same **Selection Date**. Upon the initial introduction of the fifteen **Sub-Indices**, each **Sub-Index** shall be weighted equally as each other **Sub-Index** and their **Sub-Index Constituents** and the respective weights for such **Sub-Index Constituents** shall be equal to the constituents and weights for the corresponding constituents of the **Index** immediately before such introduction. Each **Sub-Index** will be rebalanced according to the **Index Rules** thereafter.

- Using the latest market value in the determination of the **Economic P/E**, instead of an average over the last month.
- Changing the requirement for the **Sub-Index Rebalancing Date** to be a **Trading Day** for selected **Shares**, to one where it must be a **Trading Day** for all **Shares** within the **Reference Indices**.
- Removal of the **Stabilized Economic P/E** concept.
- Removal of the constraint on selected **Shares** to be below the sector median. A consequence of this is the removal of the “backfilling rule” where **Shares** from other sectors were picked if fewer than thirty (30) **Shares** were otherwise selected.

2. About this document

This document (the **Index Guide**) together with the **Index Core Provisions** constitute the rules (the **Index Rules**) governing the calculation, publication and maintenance of the **Index**. The **Index Core Provisions** can be obtained free of charge from Deutsche Bank at <http://index.db.com> or any successor page thereto.

For avoidance of doubt, any capitalized term not defined herein shall have the meaning given to such term in the **Index Core Provisions**. Any capitalized term defined herein and in the **Index Core Provisions** shall have the meaning given to such term herein.

Index Core Provisions means the document entitled “Index Core Provisions – Equities”, as published by the **Index Sponsor**, as may be amended from time to time.

3. General Definitions

The following terms shall have the meanings given to them in the **Index Core Provisions** as supplemented below:

Calculation Date	any London Business Day .
Closing Valuation Time	19:30 New York Time.
Commencement Date	1 February 1996.
Index Calculation Agent	Deutsche Bank, AG, acting through its London branch, or any successor thereof in such capacity.
Index Currency	in respect of the USD Net TR Index and the USD PR Index , United States Dollar (USD), and in respect of the EUR Net TR Index and the EUR PR Index , Euro (EUR).
Index Sponsor	Deutsche Bank, AG, acting through its London branch, or any successor thereof in such capacity.
Live Date	10 April 2015.
Reconstitution Cost	Not applicable.
Reconstitution Date	in respect of each Sub-Index , the day set out in the column under the heading “Reconstitution Date” in section 3.1 (<i>Selection Dates and Reconstitution Dates</i>).
Selection Date	in respect of each Sub-Index , the day set out in the column under the header “Selection Date” in section 3.1 (<i>Selection Dates and Reconstitution Dates</i>).
Sub-Index Determination Day	Not applicable.
Sub-Index Rebalancing Date	the first calendar day of March, June, September and December, or if such day is not a Trading Day , the first Trading Day immediately following such

Trading Price day.
in relation to a Share and a Calculation Date, the relevant Closing Price.

3.1 Selection Dates and Reconstitution Dates

Sub-Index	Selection Date	Reconstitution Date
1	21 March, 21 June, 21 September and 21 December in each year or, if such day is not a Calculation Date, the immediately following Calculation Date.	The third Calculation Date immediately following the Selection Date, or if not a Trading Day, the immediately following Trading Day
2		The first Trading Day following the Reconstitution Date for Sub-Index 1
3		The second Trading Day following the Reconstitution Date for Sub-Index 1
4		The third Trading Day following the Reconstitution Date for Sub-Index 1
5		The fourth Trading Day following the Reconstitution Date for Sub-Index 1
6	21 January, 21 April, 21 July and 21 October in each year or, if such day is not a Calculation Date, the immediately following Calculation Date.	The third Calculation Date immediately following the Selection Date, or if not a Trading Day, the immediately following Trading Day
7		The first Trading Day following the Reconstitution Date for Sub-Index 6
8		The second Trading Day following the Reconstitution Date for Sub-Index 6
9		The third Trading Day following the Reconstitution Date for Sub-Index 6
10		The fourth Trading Day following the Reconstitution Date for Sub-Index 6
11	21 February, 21 May, 21 August and 21 November in each year or, if such day is not a Calculation Date, the immediately following Calculation Date.	The third Calculation Date immediately following the Selection Date, or if not a Trading Day, the immediately following Trading Day
12		The first Trading Day following the Reconstitution Date for Sub-Index 11
13		The second Trading Day following the Reconstitution Date for Sub-Index 11
14		The third Trading Day following the Reconstitution Date for Sub-Index 11
15		The fourth Trading Day following the Reconstitution Date for Sub-Index 11

4. Elections

Gross Total Return Index	Not applicable
Net Total Return Index	In respect of the the USD Net TR Index, applicable. In respect of the USD PR Index, not applicable
Price Return Index	In respect of the USD PR Index, applicable. In respect of the USD Net TR Index, not applicable
Blended Tax Rate	Applicable. The Blended Tax Rate shall be fifteen per cent. (15%).

Real-Time Index Not applicable

5. Reconstitution Process

5.1 Identifying the Selection Pool Shares

On each **Selection Date**, the **Index Calculation Agent** shall determine the **US Selection Pool Shares**, the **Europe Selection Pool Shares** and the **Japan Selection Pool Shares** as described below. Each such **US Selection Pool Share**, **Europe Selection Pool Share** and **Japan Selection Pool Shares** shall be a **Selection Pool Share** for such **Selection Date**.

5.1.1 Identifying the US Selection Pool Shares

On each **Selection Date**, the **Index Calculation Agent** shall identify any **Share** that is a constituent of the **US Reference Index** (each a **US Reference Index Share**) on such **Selection Date**, and:

- 1) Retain only the 251 **US Reference Index Shares** having the largest **Market Capitalisation** on such **Selection Date**; provided, however, that if a **US Reference Index Share** is a **Previous Constituent** and is within the 271 **US Reference Index Shares** with the largest **Market Capitalisation** on such **Selection Date**, it should be retained;
- 2) Exclude any **Share** issued by a **Issuer** classified as “Financials” in the **GICS Sector Classification**;
- 3) Retain only **Shares** in relation to which the **CROCI Valuation Group** has active coverage and produces a **Trailing Twelve-month Enterprise Value**, a **Net Capital Invested** and a **Cash Return on Capital Invested**; and
- 4) Retain only **Shares** having a positive **Trailing Twelve-month Economic P/E** greater than zero (0).

The **Shares** identified pursuant to the foregoing shall be the **US Selection Pool Shares** for such **Selection Date**.

5.1.2 Identifying the Europe Selection Pool Shares

On each **Selection Date**, the **Index Calculation Agent** shall identify any **Share** that is a constituent of the **Europe Reference Index** on such **Selection Date** (each a **Europe Reference Index Share**), and:

- 1) Exclude any **Share** issued by a **Issuer** classified as “Financials” in the **ICB Sector Classification**;
- 2) Retain only **Shares** in relation to which the **CROCI Valuation Group** has active coverage and produces a **Trailing Twelve-month Enterprise Value**, a **Net Capital Invested** and a **Cash Return on Capital Invested**; and
- 3) Retain only **Shares** having a positive **Trailing Twelve-month Economic P/E** greater than zero (0).

The **Shares** identified pursuant to the foregoing shall be the **Europe Selection Pool Shares** for such **Selection Date**.

5.1.3 Identifying the Japan Selection Pool Shares

On each **Selection Date**, the **Index Calculation Agent** shall identify any **Share** that is a constituent of the **Japan Reference Index** on such **Selection Date** (each a **Japan Reference Index Share**), and:

- 1) Exclude any **Share** issued by a **Issuer** classified as “Bank”, “Insurance”, “Securities and Commodities Futures” or “Other Financing Business” in the **Tokyo Stock Exchange Industry Classification**;
- 2) Retain only **Shares** in relation to which the **CROCI Valuation Group** has active coverage and produces a **Trailing Twelve-month Enterprise Value**, a **Net Capital Invested** and a **Cash Return on Capital Invested**; and
- 3) Retain only **Shares** having a positive **Trailing Twelve-month Economic P/E** greater than zero (0).

The **Shares** identified pursuant to the foregoing shall be the **Japan Selection Pool Shares** for such **Selection Date**.

5.2 Calculating Relevant Inputs

On each **Selection Date**, the **CROCI Valuation Group** shall determine the **Trailing Twelve-month Economic P/E** in respect of a **Share** and the **Median Trailing Twelve-month Economic P/E** in respect of a **Sector** in accordance with the following five (5) steps:

5.2.1 Trailing Twelve-month Enterprise Value

On each **Selection Date**, the **CROCI Valuation Group** shall determine the **Trailing Twelve-month Enterprise Value** (expressed in the **CROCI Currency**) in respect of the **Issuer** of a **Share** in accordance with the formula below, being equal to the sum of the following values (each expressed in the **CROCI Currency**):

- 1) the **Market Capitalisation** of such **Issuer** on such **Selection Date**;
- 2) the value of any other equity capital and equity equivalents (e.g. options, in the money convertibles of such **Issuer**) not represented in the **Market Capitalisation** of such **Issuer** on such **Selection Date**;
- 3) the value of non-consolidated equity holdings, joint ventures and minority interests in such **Issuer** on such **Selection Date**; and
- 4) the sum of:
 - a. (i) the number of completed months in the relevant **Current Fiscal Year** as at such **Selection Date** multiplied by the **Current Year Debt**, divided by (ii) twelve (12), being the number of months in a fiscal year; and
 - b. (i) the number of months (including any partially elapsed months) remaining in the relevant **Current Fiscal Year** from such **Selection Date** multiplied by the **Prior Year Debt**, divided by (ii) twelve (12), being the number of months in a fiscal year,

all as determined by the **CROCI Valuation Group**.

Expressed as a formula:

$$EV_T = MC + OE_T + NE_T + \left(\frac{M_{CY} \times D_{CY}}{12} \right) + \left(\frac{(12 - M_{CY}) \times D_{PY}}{12} \right)$$

where:

- D_{CY} = **Current Year Debt** as of the **Selection Date**, T
- D_{PY} = **Prior Year Debt** as of the **Selection Date**, T
- OE_T = **Other equity capital and equity equivalents** as of the **Selection Date**, T
- NE_T = **Non-consolidated equity holdings, joint ventures and minority interests** as of the **Selection Date**, T
- MC = **Market Capitalisation** on the **Selection Date**, T
- M_{CY} = **Number of completed months elapsed in the relevant Current Fiscal Year** as of the **Selection Date**, T

5.2.2 Trailing Twelve-month Net Capital Invested

On each **Selection Date**, the **CROCI Valuation Group** shall determine the **Trailing Twelve-month Net Capital Invested** (expressed in the **CROCI Currency**) in respect of the **Issuer** of a **Share** in accordance with the formula below, being equal to:

- 1) the sum of:
 - a. the number of completed months in the relevant **Current Fiscal Year** as at such **Selection Date** multiplied by the relevant **Current Year Net Capital Invested** in respect of such **Issuer** (expressed in the **CROCI Currency**); and

- b. the number of months remaining in the relevant **Current Fiscal Year** from such **Selection Date** (including any partially elapsed month) multiplied by the relevant **Prior Year Net Capital Invested** (expressed in the **CROCI Currency**) in respect of such **Issuer**; divided by

2) twelve (12), being the number of months in a fiscal year,

Expressed as a formula:

$$\text{Trailing Twelve - month NCI} = \frac{(M_{CY} \times NCI_{CY}) + ((12 - M_{CY}) \times NCI_{PY})}{12}$$

Where:

M_{CY} = Number of completed months elapsed in the relevant **Current Fiscal Year**, as of the relevant **Selection Date**

NCI_{CY} = Relevant **Current Year Net Capital Invested**, as of the relevant **Selection Date**

NCI_{PY} = Relevant **Prior Year Net Capital Invested**, as of the relevant **Selection Date**

5.2.3 Trailing Twelve-month CROCI

On each **Selection Date**, the **CROCI Valuation Group** shall determine the **Trailing Twelve-month CROCI** in respect of the **Issuer** of a **Share** in accordance with the formula below, being equal to:

1) the sum of:

- a. the number of completed months in the relevant **Current Fiscal Year** as at such **Selection Date** multiplied by the relevant **Current Year CROCI**; and
- b. the number of months remaining in the relevant **Current Fiscal Year** from such **Selection Date** (including any partially elapsed month) multiplied by the relevant **Prior Year CROCI**; divided by

2) twelve (12), being the number of months in a fiscal year,

Expressed as a formula:

$$\text{Trailing Twelve - month CROCI} = \frac{(M_{CY} \times CROCI_{CY}) + ((12 - M_{CY}) \times CROCI_{PY})}{12}$$

Where:

M_{CY} = Number of completed months elapsed in the relevant **Current Fiscal Year**, as of the relevant **Selection Date**

$CROCI_{CY}$ = Relevant **Current Year CROCI**, as of the relevant **Selection Date**

$CROCI_{PY}$ = Relevant **Prior Year CROCI**, as of the relevant **Selection Date**

5.2.4 Trailing Twelve-month Economic P/E

On each **Selection Date**, the **CROCI Valuation Group** shall determine the **Trailing Twelve-month Economic P/E** in respect of the **Issuer** of a **Share** and a **Selection Date** as:

1) the quotient of:

- a. the **Trailing Twelve-month Enterprise Value** for such **Issuer** on such **Selection Date**; divided by
- b. the **Trailing Twelve-month Net Capital Invested** for such **Issuer** on such **Selection Date**; divided by

2) the **Trailing Twelve-month CROCI** for such **Issuer** on such **Selection Date**.

5.2.5 Median Trailing Twelve-month Economic P/E

On each **Selection Date**, the **Index Calculation Agent** shall determine the **Median Trailing Twelve-month Economic P/E** in respect of a **Sector** as the median of the **Trailing Twelve-month Economic P/E** of each **Selection Pool Share** belonging to such **Sector**.

5.3 Selection Process

5.3.1 Identifying the Sectors

The **Index Calculation Agent** shall rank each **Sector** on the relevant **Selection Date** by increasing value of **Median Trailing Twelve-month Economic P/E** (such that a **Sector** with a higher **Median Trailing Twelve-month Economic P/E** will have a higher rank than a **Sector** with a lower **Median Trailing Twelve-month Economic P/E**); provided that, if two (2) or more **Sectors** have the same **Median Trailing Twelve-month Economic P/E**, then such **Sectors** will be ranked by decreasing value of **Aggregate Market Capitalisation** (such that a **Sector** with a higher **Aggregate Market Capitalisation** will have a lower rank than a **Sector** with a lower **Aggregate Market Capitalisation**).

The **Index Calculation Agent** shall identify, on the relevant **Selection Date**, three (3) lowest ranked **Sectors**. Each such **Sector** will be a **Sub-Index Constituent Sector** from (and including) the next following **Reconstitution Date**.

5.3.2 Identifying the Shares

The **Index Calculation Agent** shall identify, on each **Selection Date**, each **Selection Pool Share** for which the **Sector** is one of the **Sub-Index Constituent Sectors** as determined pursuant to the rules above. Each such **Selection Pool Share** will be a **Sector Pool Share** on the relevant **Selection Date**.

The **Index Calculation Agent** shall rank each **Sector Pool Share** within each **Sub-Index Constituent Sector** on the relevant **Selection Date** by increasing value of **Trailing Twelve-month Economic P/E** (such that a **Sector Pool Share** with a higher **Trailing Twelve-month Economic P/E** will have a higher rank than a **Sector Pool Share** with a lower **Trailing Twelve-month Economic P/E**); provided that, if two (2) or more **Sector Pool Shares** have the same **Trailing Twelve-month Economic P/E**, then such **Sector Pool Shares** will be ranked by decreasing value of **Market Capitalisation** (such that a **Sector Pool Share** with a lower **Market Capitalisation** will have a higher rank than a **Sector Pool Share** with a higher **Market Capitalisation**). If such **Sector Pool Shares** have equal **Market Capitalisation**, the **Index Calculation Agent** shall determine the relative rank of such **Sector Pool Shares** in its sole and absolute discretion.

The **Index Calculation Agent** shall identify, on the relevant **Selection Date**, the ten (10) lowest ranked **Sector Pool Shares** within each **Sub-Index Constituent Sector**. Each such **Share** will be a **Sub-Index Constituent** from (and including) the next following **Reconstitution Date**.

5.4 Determining the New Weight of each Sub-Index Constituent

The **Index Calculation Agent** shall calculate the **New Weight** of each **Sub-Index Constituent**, as identified in section 5.3.2 (*Identifying the Shares*) above, as an amount equal to one (1) divided by the number of **Sub-Index Constituents**.

5.5 Definitions

Aggregate Market Capitalisation means, in relation to a **Selection Date** and a **Sector**, the sum of the **Market Capitalisation** in respect of each **Selection Pool Share** for which such **Sector** is the relevant **Sector**.

CROCI or Cash Return on Capital Invested means, in relation to the **Issuer** of a **Share**, the inflation adjusted, economic return on such **Issuer's** assets as determined by the **CROCI Valuation Group** as at the relevant time and for the relevant period for which it is required to be determined pursuant to these **Index Rules**. For each such **Issuer**, the economic return is determined differently from the accounting return (as determined in accordance with relevant accounting standards) and is the discount rate over the economic life of the assets which, when applied to the after-tax gross earnings, before interest, depreciation and amortization, of such **Issuer** causes the resultant figure to be equal to the weighted average of the total economic capital of the **Issuer**. The total economic capital is the value of such **Issuer's** tangible fixed assets and advertising and research and

development items that are normally expensed in the profit and loss account of such **Issuer's** financial statements, but which the **CROCI Valuation Group** considers to have an economic life longer than one (1) year and other economic assets excluded from the balance sheet, such as leased assets.

The weighted average of the total economic capital is determined by the **CROCI Valuation Group** according to the estimated economic life of the **Issuer's** assets, rather than the depreciable life of the assets determined for accounting purposes.

CROCI Currency	means, in relation to a Share or the Issuer of such Share , the currency in which such Issuer publishes its financial statements.
CROCI Exchange Rate	means, in relation to a Share and a Selection Date , the rate of exchange on such Selection Date between the currency in which the Market Price of such Share is expressed (the Reference Currency) and the relevant CROCI Currency (expressed as the number of units of the Reference Currency or a fraction thereof required to buy one (1) unit of the relevant CROCI Currency) as determined by the CROCI Valuation Group by reference to such source(s) as the CROCI Valuation Group may determine to be appropriate. The CROCI Valuation Group may determine any CROCI Exchange Rate by reference to any time or times on the relevant Selection Date or by reference to any time or times on one (1) or more days approximate thereto.
CROCI Valuation Group	means Deutsche Bank, AG acting through its CROCI Investment Strategy & Valuation Group or any successor thereto.
Current Fiscal Year	means, in relation to the Issuer of a Share and a Selection Date , the fiscal year of such Issuer in which such Selection Date falls, as determined by the CROCI Valuation Group .
Current Year CROCI	means, in relation to the Issuer of a Share and a Selection Date , the CROCI for such Issuer calculated as of such Selection Date and in respect of the Current Fiscal Year calculated as of such Selection Date .
Current Year Debt	means, in relation to the Issuer of a Share and a Selection Date , the value of all such Issuer's debt and debt equivalents such as pension liabilities, provisioning and items such as advance payments, which may or may not be counted as debt by the Issuer , calculated as of such Selection Date and in respect of the Current Fiscal Year , as determined by the CROCI Valuation Group .
Current Year Net Capital Invested	means, in relation to the Issuer of a Share and a Selection Date , the Net Capital Invested calculated as of such Selection Date and in respect of the Current Fiscal Year .
Europe Reference Index	means the Euro STOXX Large Index (Bloomberg ticker: LCXE Index).
Europe Selection Pool Share	means any Share identified as such pursuant to the rules set out in section 5.1.2 (<i>Identifying the Europe Selection Pool Shares</i>).
Exchange	means, in relation to a Share , an exchange, trading system or quotation system on which, in the Index Calculation Agent's determination, such Share usually trades.
GICS Sector Classification	means, in relation to an Issuer and a Selection Date , the industrial sector in which such Issuer operates as reported by MSCI (or any successor thereto) under the "GICS Sector" heading.
ICB Sector Classification	means, in relation to an Issuer and a Selection Date , the industrial sector in which such Issuer operates as reported by FTSE International Limited under the "ICB Sector" heading.
Japan Reference Index	means the TOPIX 100 Index (Bloomberg ticker: TPX100 Index).

Japan Selection Pool Share	means any Share identified as such pursuant to the rules set out in section 5.1.3 (<i>Identifying the Japan Selection Pool Shares</i>).
Market Capitalisation	means, in relation to the Issuer of a Share and a Selection Date , the Market Price for such Share for such Selection Date , converted, if applicable, into the CROCI Currency by reference to the CROCI Exchange Rate on such Selection Date , multiplied by the number of outstanding Shares of such Issuer as determined by the CROCI Valuation Group by reference to such sources as it determines to be appropriate.
Market Price	means, in relation to a Share , the closing price of such Share on the relevant Selection Date (or if such day is not a Trading Day , the immediately preceding Trading Day) determined by reference to such time(s) and source(s) (including, but not limited to, third party providers selected by the CROCI Valuation Group from time to time) as the CROCI Valuation Group determines to be appropriate.
Median Trailing Twelve-month Economic P/E	means, in relation to a Sector and a Selection Date , the quantity determined by the Index Calculation Agent in accordance with the rules set out in section 5.2.5 (<i>Median Trailing Twelve-month Economic P/E</i>).
MSCI	means Morgan Stanley Capital International, Inc.
Net Capital Invested or NCI	means, in relation to the Issuer of a Share , an amount as determined by the CROCI Valuation Group as at the relevant time and for the relevant period for which it is required to be determined pursuant to these Index Rules equal to the sum of the tangible fixed assets, intangible assets (such as research and development, leased assets and other depreciable intangible assets such as brands) and non-depreciable capital (such as net working capital), less estimated economic accumulated depreciation. The resultant amount is then adjusted for inflation and represents the net, inflation-adjusted value of all cash spent on creating such Issuer's asset base.
Previous Constituent	means, in relation to a Share and a Selection Date , that such Share was selected as a Sub-Index Constituent on the Selection Date in respect of the relevant Sub-Index immediately preceding such Selection Date .
Primary Exchange	means, in relation to a Share , the Exchange that in the Index Calculation Agent's determination is the principal venue for trading such Share .
Prior Fiscal Year	means, in relation to the Issuer of a Share and a Selection Date , the fiscal year of such Issuer immediately preceding the Current Fiscal Year of such Issuer .
Prior Year CROCI	means, in relation to the Issuer of a Share and a Selection Date , the CROCI for such Issuer in respect of the Prior Fiscal Year calculated as of such Selection Date .
Prior Year Debt	means, in relation to the Issuer of a Share and a Selection Date , the value of all such Issuer's debt and debt equivalents such as pension liabilities, provisioning and items such as advance payments, which may or may not be counted as debt by the Issuer , calculated in respect of the end of the Prior Fiscal Year by the CROCI Valuation Group .
Prior Year Net Capital Invested	means, in relation to the Issuer of a Share and a Selection Date , such Issuer's Net Capital Invested , calculated in respect of the Prior Fiscal Year .
Reference Indices	means the Europe Reference Index , the Japan Reference Index and the US Reference Index (each a Reference Index).
Sector	means, (i) in relation to an Issuer of a US Reference Index Share and a Selection Date , the relevant GICS Sector Classification , (ii) in relation to an Issuer of a Europe Reference Index Share and a Selection Date , the

	relevant ICB Sector Classification, and (iii) in relation to an Issuer of a Japan Reference Index Share and a Selection Date, the relevant Tokyo Stock Exchange Industry Classification.
Sector Pool Share	means any Share identified as such by the Index Calculation Agent pursuant to the rules set out in section 5.3.2 (<i>Identifying the Shares</i>).
Selection Pool Share	has the meaning given to it in section 5.1 (<i>Identifying the Selection Pool Shares</i>).
Share	means a financial instrument issued by a company that is in legal form a share in the equity capital of that company.
Sub-Index Constituent Sector	means, in relation with a Selection Date, each Sector selected pursuant to the rules set out in section 5.3.1 (<i>Identifying the Sectors</i>).
Tokyo Stock Exchange Industry Classification	means the industry classification determined and published by the Tokyo Stock Exchange.
Trading Day	means (notwithstanding the definition in the Index Core Provisions): <ol style="list-style-type: none"> 1) in relation to a Share, any day the Primary Exchange in respect of such Share is scheduled to be open for its regular trading session; and 2) in relation to the Index, any day that is a Trading Day in respect of all Shares comprising the Reference Indices.
Trailing Twelve-month CROCI	means the quantity determined by the CROCI Valuation Group in accordance with the rules set out in section 5.2.3 (<i>Trailing Twelve-month CROCI</i>).
Trailing Twelve-month Economic P/E	means the quantity determined by the CROCI Valuation Group in accordance with the rules set out in section 5.2.4 (<i>Trailing Twelve-month Economic P/E</i>).
Trailing Twelve-month Enterprise Value	means the quantity determined by the CROCI Valuation Group in accordance with the rules set out in section 5.2.1 (<i>Trailing Twelve-month Enterprise Value</i>).
Trailing Twelve-month Net Capital Invested	means the quantity determined by the CROCI Valuation Group in accordance with the rules set out in section 5.2.2 (<i>Trailing Twelve-month Net Capital Invested</i>).
US Reference Index	means the S&P 500 Index (Bloomberg ticker: SPX Index).
US Selection Pool Share	means any Share identified as such pursuant to the rules set out in section 5.1.1 (<i>Identifying the US Selection Pool Shares</i>).