

## METORI CAPITAL MANAGEMENT COMPLIANCE STATEMENT

As a Benchmark Administrator according to 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 and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014, and its implementing regulations, technical standards and guidelines, as they relate to a EU-based Benchmark Administrator limited to the administration of non-significant benchmarks.

Detailed references:

- Article 26 (3) of Regulation (EU) 2016/1011
- Regulatory Technical Standard providing the template for such document
- Article 26(1) of Regulation (EU) 2016/1011: *An administrator may choose not to apply Articles 4(2), points (c), (d) and (e) of Article 4(7), Articles 4(8), 5(2), 5(3), 5(4), 6(1), 6(3), 6(5), 7(2), point (b) of Article 11(1), points (b) and (c) of Article 11(2), and Articles 11(3), 13(2), 14(2), 15(2), 16(2) and (3) with respect to its non-significant benchmarks.*

Item	Text field
<b>A – General Information</b>	
1. Date of creation of the compliance statement and of the latest update	Created: December 8, 2017 Last updated: December 8, 2017
2. Identity of the administrator	METORI CAPITAL MANAGEMENT
<b>B – METORI CAPITAL MANAGEMENT chooses to not apply the following provisions of Regulation (EU) 2016/1011 with respect to its non-significant benchmarks listed below</b>	
3. Identification of benchmark(s) for which this section is relevant	Metori China Trend Opportunities
4. (i) clear identification of each single provision; (ii) for each provision listed under point (i), a dedicated, detailed and clear explanation of the reasons why the administrator considers it appropriate not to comply with that specific provision	<i>Article 4(2): The provision of a benchmark shall be operationally separated from any part of an administrator's business that may create an actual or potential conflict of interest</i>
	This provision would not make sense for the type of Indices that METORI is administering because METORI is doing Indices that are strategy indices. As such, the calculation of an Index is very similar to the management of a portfolio. There are no more potential conflicts

METORI CAPITAL MANAGEMENT

Société de gestion de portefeuille agréée par l'AMF sous le n° GP-17000002 en date du 06/02/2017

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	<p>of interest than the potential conflicts of interests that already exist when managing different portfolio for different clients. So the solution of this problem is not separation but treating the administration of an Index in the same way as the management of the portfolio for conflict of interest purposes.</p>
	<p><i>Article 4(8): An administrator shall establish specific internal control procedures to ensure the integrity and reliability of the employee or person determining the benchmark, including at least internal sign-off by management before the dissemination of the benchmark.</i></p>
	<p>As mentioned above, the Administration of a Strategy Index Index is very similar to the management of a portfolio. We therefore did not create a specific procedure and rely on the normal procedure for managing portfolios. However, we did keep the sign-off by the CEO of any Index creation.</p>
	<p><i>Article 11(1)(b): (b) the input data referred to in point (a) shall be verifiable;</i></p>
	<p>The input data are market data produced by futures exchanges that are regulated in China. Metori cannot reasonably verify them.</p>
	<p><i>Article 11(2) (b and c): Administrators shall ensure that their controls in respect of input data include: (a) (..); (b) a process for evaluating a contributor's input data and for stopping the contributor from providing further input data, or applying other penalties for non-compliance against the contributor, where appropriate; (c) a process for validating input data, including against other indicators or data, to ensure its integrity and accuracy.</i></p>
	<p>The input data are market data produced by futures exchanges that are regulated in China. Metori cannot reasonably manage such a process.</p>
	<p><i>Article 13(2): The procedures required under point (c) of paragraph 1 shall provide for: (a)</i></p>

	<p><i>advance notice, with a clear time frame, that gives the opportunity to analyse and comment upon the impact of such proposed material changes; and (b) the comments referred to in point (a) of this paragraph, and the administrator's response to those comments, to be made accessible after any consultation, except where confidentiality has been requested by the originator of the comments.</i></p>
	<p>Strategy Indices are very technical and specialized. We may from time to time consult clients on some modifications of the methodology, but we will rather rely on our own competence to maintain and modify the methodologies. Moreover, a public consulting process would be very cumbersome for Indices that have small assets referencing them.</p>