

# INDEX GUIDELINE

Solactive Equal Weight Canada Banks Index

Version 1.1

28 February 2025



## Contents

Introduction .....	3
1 Index Specifications .....	4
1.1 Short Name And Isin .....	4
1.2 Initial Value .....	4
1.3 Distribution .....	4
1.4 Prices And Calculation Frequency .....	4
1.5 Weighting .....	5
1.6 Oversight .....	5
1.7 Publication .....	5
1.8 Historical Data .....	5
1.9 Licensing .....	5
2 Composition Of The Index .....	6
2.1 Selection Of The Index Components .....	6
2.2 Ordinary Adjustments .....	6
2.3 Extraordinary Adjustments .....	6
3 Calculation Of The Index .....	7
3.1 Index Formula .....	7
3.2 Accuracy .....	8
3.3 Adjustments .....	8
3.4 Dividends And Other Distributions .....	8
3.5 Corporate Actions .....	9
3.6 Recalculation .....	11
3.7 Market Disruption .....	11
4 Definitions .....	12
5 Miscellaneous .....	14
5.1 Discretion .....	14
5.2 Methodology Review .....	14
5.3 Changes In Calculation Method .....	14
5.4 Termination .....	14



## INTRODUCTION

This document (the "Guideline") is to be used as a guideline with regard to the composition, calculation and management of the Solactive Equal Weight Canada Banks Index (the "Index"). Any changes made to the Guideline are initiated by the Committee specified in Section 1.6. The Index is owned, calculated, administered and published by Solactive AG. ("Solactive") assuming the role as administrator (the "Index Administrator") under the Regulation (EU) 2016/1011 (the "Benchmark Regulation" or "BMR"). The name "Solactive" is trademarked.

The Guideline and the policies and methodology documents referenced herein contain the underlying principles and rules regarding the structure and operation of the Index. Solactive does not offer any explicit or tacit guarantee or assurance, neither pertaining to the results from the use of the Index nor the level of the Index at any certain point in time nor in any other respect. Solactive strives to the best of its ability to ensure the correctness of the calculation. There is no obligation for Solactive – irrespective of possible obligations to issuers – to advise third parties, including investors and/or financial intermediaries, of any errors in the Index. The publication of the Index by Solactive does not constitute a recommendation for capital investment and does not contain any assurance or opinion of Solactive regarding a possible investment in a financial instrument based on this Index.



# 1 INDEX SPECIFICATIONS

- > The Solactive Equal Weight Canada Banks Index (the “Index”) is an Index of Solactive and is calculated, administrated and distributed by Solactive.
- > The Index is a Gross Total Return index.
- > The Index is published in CAD.

## 1.1 SHORT NAME AND ISIN

The INDEX is published under the following identifiers:

Name	ISIN	Currency	Type	RIC	BBG ticker
Solactive Equal Weight Canada Banks Index	DE000SLA3UC1	CAD	GTR	.SOLCBEW	SOLCBEW

## 1.2 INITIAL VALUE

The Index is based on 100 at the close of trading on the start date, March 16<sup>th</sup>, 2007.

## 1.3 DISTRIBUTION

The Index is published on the website of the Index Administrator ([www.solactive.com](http://www.solactive.com)) and is, in addition, available via the price marketing services of Boerse Stuttgart GmbH and may be distributed to all affiliated vendors. Each vendor decides on an individual basis as to whether it will distribute/display the Index via its information systems.

## 1.4 PRICES AND CALCULATION FREQUENCY

The value of the Index is calculated every 15 seconds on each Business Day from 9:30 a.m. to 4:30 p.m. EST based on the prices on the respective Exchanges on which the Index Components are listed. The most recent prices of all Index Components are used. Prices of Index Components not listed in the Index Currency are converted using the current Intercontinental Exchange (the “ICE”) spot foreign exchange rate. Should there be no current price available for an Index Component, the most recent price or the Trading Price for the preceding Trading Day is used in the calculation.



## 1.5 WEIGHTING

On each Adjustment Day, each Index Component of the Index is equally weighted based on data as of the Selection Day.

## 1.6 OVERSIGHT

A Committee composed of staff from Solactive (the “**Committee**” or the “**Index Committee**”) is responsible for any amendments to the rules of the Index. Any such amendment, which may result in an amendment of the Guideline, must be submitted to the Committee for prior approval and will be made in compliance with the Methodology Policy, which is available on the Solactive website: <https://www.solactive.com/documents/methodology-policy/>.

## 1.7 PUBLICATION

All specifications and information (e.g. notices, amendments to the Guideline) relevant for calculating the Index are made available on the <http://www.solactive.de> web page and sub-pages.

## 1.8 HISTORICAL DATA

Historical data will be maintained in accordance with Article 8 of the BMR from the launch of the Index on August 25<sup>th</sup>, 2017. Data before this date is backtested.

## 1.9 LICENSING

Licences to use the Index as the underlying value for derivative instruments are issued to stock exchanges, banks, financial services providers and investment houses by Solactive.



## 2 COMPOSITION OF THE INDEX

### 2.1 SELECTION OF THE INDEX COMPONENTS

The initial composition of the Index as well as any ongoing adjustment is based on the following rules: On the Selection Days, Solactive defines the Index Universe as outlined in Section 4. All components from the Index Universe will be included in the index.

### 2.2 ORDINARY ADJUSTMENTS

The composition of the Index is ordinarily reviewed two times a year. The composition of the Index is reviewed on the Selection Day and necessary changes are announced.

The first adjustment will be made in September, 2017 based on the Trading Prices of the Index Components on the Adjustment Day. SOLACTIVE will publish any changes made to the INDEX COMPONENTS with sufficient notice before the REBALANCE DAY on the SOLACTIVE webpage under the section "Announcement", which is available at <https://www.solactive.com/news/announcements/>.

### 2.3 EXTRAORDINARY ADJUSTMENTS

An extraordinary adjustment, if applicable, is triggered and applied in compliance with the rules set forth in the [Solactive Guideline for Extraordinary Corporate Actions](#).



## 3 CALCULATION OF THE INDEX

### 3.1 INDEX FORMULA

The Index Value on a Business Day at the relevant time is calculated in accordance with the following formula:

$$Index_t = \sum_{i=1}^n \frac{(x_{i,t} * p_{i,t} * f_{i,t})}{D}$$

With:

$x_{i,t}$	= Number of Index Shares of the Index Component i on Trading Day t
$p_{i,t}$	= Price of Index Component i on Trading Day t
$f_{i,t}$	= Foreign exchange rate to convert the Price of Index Component i on Trading Day t into the Index Currency
$D_t$	= Divisor on Trading Day t

The initial Divisor on the Start Date is calculated according to the following formula:

$$D_t = \frac{\sum_{i=1}^n (p_{i,t} * f_{i,t} * x_{i,t})}{100}$$

After the close of trading on each Adjustment Day t the new Divisor is calculated as follows:

$$D_{t+1} = \frac{\sum_{i=1}^n (p_{i,t} * f_{i,t} * x_{i,t+1})}{Index_t}$$

This Divisor is valid starting the immediately following Business Day.



### 3.2 ACCURACY

- > The value of the Index will be rounded to two decimal places.
- > Trading Prices and foreign exchange rates will be rounded to six decimal places.
- > Divisors will be rounded to six decimal places.

### 3.3 ADJUSTMENTS

Indices need to be adjusted for systematic changes in prices once these become effective. This requires the new Number of Index Shares of the affected Index Component and the Divisor to be calculated on an ex-ante basis.

**Following the Committee's** decision, the Index is adjusted for distributions, capital increases and stock splits.

This procedure ensures that the first ex quote can be properly reflected in the calculation of the Index. This ex-ante procedure assumes the general acceptance of the Index calculation formula as well as open access to the parameter values used. The calculation parameters are provided by the Index Administrator. Solactive will announce the Index adjustment giving a notice period of at least two Trading Days (with respect to the affected Index Component) on the **Solactive website under the Section "Announcements"**, which is available at <https://www.solactive.com/news/announcements/>. The Index adjustments will be implemented on the effective day specified in the respective notice.

### 3.4 DIVIDENDS AND OTHER DISTRIBUTIONS

Dividend payments and other distributions are included in the Index. They cause an adjustment of the Divisor. The new Divisor is calculated as follows:

$$D_{t+1} = D_t * \frac{\sum_{i=1}^n (p_{i,t} * f_{i,t} * x_{i,t}) - (x_{i,t} * y_{i,t} * g_{i,t})}{\sum_{i=1}^n (p_{i,t} * f_{i,t} * x_{i,t})}$$

With:

$p_{i,t}$  = Price of Index Component i on Trading Day t

$f_{i,t}$  = Foreign exchange rate to convert the Price of Index Component i on Trading Day t into the Index Currency





- $x_{i,t}$  = Number of Index Shares of the Index Component i on Trading Day t
- $y_{i,t}$  = Distribution of Index Component i with ex-date t+1 multiplied by the Dividend Correction Factor
- $g_{i,t}$  = Foreign exchange rate to convert the amount of the distribution of Index Component i on Trading Day t into the Index Currency
- $D_t$  = Divisor on Trading Day t
- $D_{t+1}$  = Divisor on Trading Day t+1

## 3.5 CORPORATE ACTIONS

### 3.5.1 PRINCIPLES

Following the announcement by an issuer of Index Components of the terms and conditions of a corporate action the Index Administrator determines whether such corporate action has a dilutive, concentrative or similar effect on the price of the respective Index Component.

If this should be the case the Index Administrator shall make the necessary adjustments that are deemed appropriate in order to take into account the dilutive, concentrative or similar effect and shall determine the date on which this adjustment shall come into effect.

Amongst other things the Index Administrator can take into account the adjustment made by an Affiliated Exchange as a result of the corporate action with regard to option and futures contracts on the respective share traded on this Affiliated Exchange.

### 3.5.2 CAPITAL INCREASES

In the case of capital increases with ex-date t+1 the Index is adjusted as follows:

$$x_{i,t+1} = x_{i,t} * \frac{1 + B}{1}$$

With:

- $x_{i,t+1}$  = Number of Index Shares of Index Component i on Trading Day t+1
- $x_{i,t}$  = Number of Index Shares of Index Component i on Trading Day t
- $B$  = Shares received for every share held

$$p_{i,t+1} = \frac{p_{i,t} + s * B}{1 + B}$$



With:

$p_{i,t+1}$	= Hypothetical Price of Index Component i on Trading Day t+1
$p_{i,t}$	= Price of Index Component i on Trading Day t
$s$	= Subscription Price in the Index Component currency
$B$	= Shares received for every share held

$$D_{t+1} = D_t * \frac{\sum_{i=1}^n (p_{i,t} * f_{i,t} * x_{i,t}) + \sum_{i=1}^n [(x_{i,t+1} * p_{i,t+1} * f_{i,t}) - (x_{i,t} * p_{i,t} * f_{i,t})]}{\sum_{i=1}^n (p_{i,t} * f_{i,t} * x_{i,t})}$$

With:

$D_{i,t+1}$	= Divisor on Trading Day t+1
$D_{i,t}$	= Divisor on Trading Day t
$p_{i,t}$	= Price of Index Component i on Trading Day t
$f_{i,t}$	= Foreign exchange rate to convert the Price of Index Component i on Trading Day
t into	the Index Currency
$x_{i,t}$	= Number of Index Shares of the Index Component i on Trading Day t
$p_{i,t+1}$	= Hypothetical price of Index Component i on Trading Day t+1
$x_{i,t+1}$	= Number of Index Shares of the Index Component i on Trading Day t+1

### 3.5.3 SHARE SPLITS

In the case of share splits with ex-date on Trading Day t+1 it is assumed that the prices change in ratio of the terms of the split. The new Number of Index Shares is calculated as follows:

$$x_{i,t+1} = x_{i,t} * B$$

With:



$x_{i,t+1}$	= Number of Index Shares of the affected Index Component on Trading Day t+1
$x_{i,t}$	= Number of Index Shares of the affected Index Component on Trading Day t
$B$	= Shares after the share split for every share held before the split

### 3.5.4 STOCK DISTRIBUTIONS

In the case of stock distributions with ex-date on Trading Day t+1 it is assumed that the prices change according to the terms of the distribution. The new Number of Index Shares is calculated as follows:

$$x_{i,t+1} = x_{i,t} * (1 + B)$$

With:

$x_{i,t+1}$	= Number of Index Shares of the affected Index Component on Trading Day t+1
$x_{i,t}$	= Number of Index Shares of the affected Index Component on Trading Day t
$B$	= Shares received for every share held

## 3.6 RECALCULATION

Solactive makes the greatest possible efforts to accurately calculate and maintain its indices. However, errors in the determination process may occur from time to time for variety reasons (internal or external) and therefore, cannot be completely ruled out. Solactive endeavors to correct all errors that have been identified within a reasonable period of time. The understanding of "a reasonable period of time" as well as the general measures to be taken are generally depending on the underlying and is specified in the Solactive Correction Policy, which is incorporated by reference and available on the Solactive website: <https://www.solactive.com/documents/correction-policy/>.

## 3.7 MARKET DISRUPTION

In periods of market stress Solactive calculates its indices following predefined and exhaustive arrangements as described in the Solactive Disruption Policy, which is incorporated by reference and available on the Solactive website: <https://www.solactive.com/documents/disruption-policy/>. Such market stress can arise due to a variety of reasons, but generally results in inaccurate or delayed prices for one or more Index Components. The determination of the Index may be limited or impaired at times of illiquid or fragmented markets and market stress.



## 4 DEFINITIONS

The "Index Universe" in respect of a Selection Day are companies that fulfill the following criteria:

- a) Primarily listed on the Toronto Stock Exchange, listed in the form of common stock;
- b) Classified under the following Factset Industries: "Major Banks", "Regional Banks";
- c) New index members must have a minimum share class Free Float Market Capitalization of CAD 10 billion; current index members must have a minimum share class Free Float Market Capitalization of CAD 5 billion;
- d) Index members must have a minimum Average Daily Trading Value (ADV) of CAD 10 million. ADV is measured as the minimum of the 1-month and 6-month value, and accounts for Canada composite trading data for securities trading in CAD.

"Index Component" is each share currently included in the Index.

"Total Shares" is in respect of an Index Component and any given Business Day the number or fraction of shares included in the Index. It is calculated for any Index Component as the ratio of (A) the Percentage Weight of an Index Component multiplied by the Index value and the Divisor and (B) its Trading Price (converted into the index currency according to the principles laid out in Section 1.4 of this document).

"Percentage Weight" of an Index Component is the ratio of its Trading Price multiplied by its Number of Shares divided by the Index value and the Divisor.

"Dividend Correction Factor" is equal to 1.

With regard to an Index component (subject to the provisions given above under "Extraordinary Events") the "Trading Price" in respect of a Trading Day is the closing price on this Trading Day determined in accordance with the Exchange regulations. If the Exchange has no closing price for an Index Component, the Index Administrator shall determine the Trading Price and the time of the quote for the share in question in a manner that appears reasonable to him.

A "Trading Day" is in relation to the Index or an Index Component a Trading Day on the Exchange (or a day that would have been such a day if a market disruption had not occurred), excluding days on which trading may be ceased prior to the normal Exchange closing time. The Index Administrator is ultimately



responsible as to whether a certain day is a Trading Day with regard to the Index or an Index Component or in any other connection relating to this document.

A "Business Day" is a day on which Toronto Stock Exchange is open for trading.

The "Index Administrator" is Solactive AG or any other appropriately appointed successor in this function.

The "Index Currency" is CAD.

"Free Float Market Capitalization" is with regard to each of the shares in the Index Universe on a Selection Day or Adjustment Day the value published as the share class Free Float Market Capitalization for this day. As at the date of this document Free Float Market Capitalization is defined as the value of a company calculated by multiplying the number of free float shares outstanding of the company by its share price.

"Adjustment Day" is the Business Day 5 Business Days after the Selection Day.

"Selection Day" is the second Friday in March and September. If this day is not a Business Day due to a holiday, the immediate following Business Day is the Selection Day.

An "Affiliated Exchange" is with regard to an Index Component an exchange, a trading or quotation system on which options and futures contracts on the Index Component in question are traded, as specified by the Index Administrator.



## 5 MISCELLANEOUS

### 5.1 DISCRETION

Any discretion which may need to be exercised in relation to the determination of the INDEX (for example the determination of the INDEX UNIVERSE (if applicable), the selection of the INDEX COMPONENTS (if applicable) or any other relevant decisions in relation to the INDEX) shall be made in accordance with strict rules regarding the exercise of discretion or expert judgement.

### 5.2 METHODOLOGY REVIEW

The methodology of the Index is subject to regular review, at least annually. In case a need of a change of the methodology has been identified within such review (e.g. if the underlying market or economic reality has changed since the launch of the Index, i.e. if the present methodology is based on obsolete assumptions and factors and no longer reflects the reality as accurately, reliably and appropriately as before), such change will be made in accordance with the Solactive Methodology Policy, which is incorporated by reference and available on the Solactive website: <https://www.solactive.com/documents/methodology-policy/>.

Such change in the methodology will be announced on the Solactive website under the Section "Announcement", which is available at <https://www.solactive.com/news/announcements/>. The date of the last amendment of this Index is contained in this Guideline.

### 5.3 CHANGES IN CALCULATION METHOD

The application by the Index Administrator of the method described in this document is final and binding. The Index Administrator shall apply the method described above for the composition and calculation of the Index. However, it cannot be excluded that the market environment, supervisory, legal and financial or tax reasons may require changes to be made to this method. The Index Administrator may also make changes to the terms and conditions of the Index and the method applied to calculate the Index that it deems to be necessary and desirable in order to prevent obvious or demonstrable error or to remedy, correct or supplement incorrect terms and conditions. The Index Administrator is not obliged to provide information on any such modifications or changes. Despite the modifications and changes, the Index Administrator will take the appropriate steps to ensure a calculation method is applied that is consistent with the method described above.

### 5.4 TERMINATION

Solactive makes the greatest possible efforts to ensure the resilience and continued integrity of its indices over time. Where necessary, Solactive follows a clearly defined and transparent procedure to adapt Index methodologies to changing underlying markets (see Section 5.2 "Methodology Review") in order to maintain continued reliability and comparability of the indices. Nevertheless, if no other options are available the orderly cessation of the Index may be indicated. This is usually the case when the underlying



market or economic reality, which an index is set to measure or to reflect, changes substantially and in a way not foreseeable at the time of inception of the index, the index rules, and particularly the selection criteria, can no longer be applied coherently or the index is no longer used as the underlying value for financial instruments, investment funds and financial contracts.

Solactive has established and maintains clear guidelines on how to identify situations in which the cessation of an index is unavoidable, how stakeholders are to be informed and consulted and the procedures to be followed for a termination or the transition to an alternative index. Details are specified in the Solactive Termination Policy, which is incorporated by reference and available on the Solactive website: <https://www.solactive.com/documents/termination-policy/>.

