

INDEX GUIDELINE

*Solactive Ex-North America DM Select Global
Aggregate Bond Index*

Version 1.4

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TABLE OF CONTENTS

Introduction	3
1. Index Specifications.....	3
1.1. Scope of the Index	3
1.2. Identifiers and Publication.....	4
1.3. Initial Level of the Index	4
1.4. Prices and calculation frequency.....	5
2. Index Selection	5
2.1. Selection of the Index Components	5
2.2. Weighting of the Index Components.....	8
3. Ordinary Rebalance.....	8
4. Corporate Actions	8
5. Definitions	9
6. History of Index Changes.....	11
Contact.....	12



INTRODUCTION

This document (the “GUIDELINE”) is to be used as a guideline with regard to the composition, calculation and maintenance of the Solactive Ex-North America DM Select Global Aggregate Bond Index (the “INDEX”). Any amendments to the rules made to the GUIDELINE are approved by the OVERSIGHT COMMITTEE specified in Section 5.5. 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

1.1. SCOPE OF THE INDEX

- > The Solactive Ex-North America DM Select Global Aggregate Bond Index (“the INDEX”) is designed to track the market of the bonds denominated in developed markets’ currencies excluding USD and CAD.
- > The INDEX is rebalanced once a month and includes the components of the selected versions of the three Solactive indices:
 - Solactive GBP IG Corporate Index TR
 - Solactive Euro IG Corporate Index and
 - Solactive Local Currency World Government Bond Index.
- > The INDEX implies the yearly review of the eligible market segments and corresponding Solactive indices. The review is performed by the INDEX COMMITTEE.
- > To the Solactive Ex-North America DM Select Global Aggregate Bond Index a capping is applied to replicate the distribution of the weights of the entire market.
- > The INDEX is published in CAD.



1.2. IDENTIFIERS AND PUBLICATION

The INDEX is published under the following identifiers:

Name	ISIN	Currency	Type	Calculation Formula*	RIC	BBG Ticker
Solactive Ex-North America DM Select Global Aggregate Bond Index	DE000SLOAYB2	CAD	TR	Periodic	.SOLENADM	-
Solactive Ex-North America DM Select Global Aggregate Bond NTR Index	DE000SLOAYM9	CAD	NTR	Periodic	.SOLENADMN	-
Solactive Ex-North America DM Select Global Aggregate Bond Hedged to CAD Index	DE000SLOAZT1	CAD	CH	Standard	.SOLENADH	-
Solactive Ex-North America DM Select Global Aggregate Bond Hedged to CAD NTR Index	DE000SLOBBW4	CAD	CH	Standard	.SOLENANH	-

*The calculation formula refers to the index calculation's dependency on cash reinvestment, based on whether the cash reinvestment occurs on a daily/direct basis or periodically.

*TR means that the INDEX is calculated as Gross Total Return index as described in the bond index methodology, which is available on the SOLACTIVE WEBSITE: [HTTPS://WWW.SOLACTIVE.COM/DOCUMENTS/BOND-INDEX-METHODOLOGY/](https://www.solactive.com/documents/bond-index-methodology/)

*NTR means that the INDEX is calculated as Net Total Return index as described in the bond index methodology, which is available on the SOLACTIVE WEBSITE: [HTTPS://WWW.SOLACTIVE.COM/DOCUMENTS/BOND-INDEX-METHODOLOGY/](https://www.solactive.com/documents/bond-index-methodology/)

*CH means that the INDEX is calculated as Currency Hedge Index, as described in the Currency Hedged Index Methodology, which is available on the SOLACTIVE website: <https://www.solactive.com/documents/currency-hedged-general-methodology/>

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

Any publication in relation to the INDEX (e.g. notices, amendments to the GUIDELINE) will be available at the website of the INDEX ADMINISTRATOR: <https://www.solactive.com/news/announcements/>.

1.3. INITIAL LEVEL OF THE INDEX

The initial level of the INDEX on the July 2nd 2020 is 1000. Levels of the INDEX published for a period prior to this date have been back-tested. Historical values from the July 2nd 2020 will be recorded in accordance with Article 8 of the BMR.



1.4. PRICES AND CALCULATION FREQUENCY

The INDEX is calculated and distributed once every BUSINESS DAY based on the EVALUATED BID PRICE of the INDEX COMPONENTS. Bonds added in a rebalancing (see Section 3) are included the INDEX at the EVALUATED ASK PRICE on the relevant REBALANCE DAY. Bonds which are excluded from the INDEX in a rebalance are reflected in the calculation of the level of the INDEX for the REBALANCE DAY at the EVALUATED BID PRICE on the relevant REBALANCE DAY. INDEX analytical values are calculated each BUSINESS DAY using the LAST EVALUATED PRICE based on FIXING TIME.

The currency hedged indices are calculated based on TRADING PRICES on the exchanges on which the UNDERLYING INDEX COMPONENTS are listed. TRADING PRICES of the UNDERLYING INDEX COMPONENTS not listed in the INDEX CURRENCY are converted using the current Intercontinental Exchange (ICE) spot foreign exchange rate. Should there be no current TRADING PRICE for an INDEX COMPONENT, the later of: (i) the most recent CLOSING PRICE; or (ii) the last available TRADING PRICE for the preceding TRADING DAY is used in the calculation.

In addition to the intraday calculation a closing level of the INDEX for each CALCULATION DAY is also calculated. This closing level is based on the CLOSING PRICES for the underlying index and 4:00 PM London WM Spot and Forward Fixings quoted by Reuters. If there is no 4:00 PM London time WM Fixing for the relevant CALCULATION DAY, the last available 4:00 PM London time WM Fixing will be used for the closing level calculation.

2. INDEX SELECTION

On each SELECTION DAY, all bonds which meet the INDEX COMPONENT REQUIREMENTS are eligible for inclusion in the INDEX and will be added as INDEX COMPONENT on the REBALANCE DAY. Additionally, on each SELECTION DAY, it will be evaluated whether all current INDEX COMPONENTS still meet the INDEX COMPONENT REQUIREMENTS. Each INDEX COMPONENT that does not meet the INDEX COMPONENT REQUIREMENTS will be removed from the INDEX on the next REBALANCE DAY.

2.1. SELECTION OF THE INDEX COMPONENTS

The initial composition of each INDEX, as well as any selection for a rebalance (as specified in Section 3) is determined using the following rules:

The INDEX includes the selected compositions of three Solactive Indices:

The INDEX must include the bonds of the Solactive Local Currency World Government Bond Index (ISIN: DE000SLA9SU4), denominated in the currencies of the countries defined as “Developed Country” according to the [Bond Market Classification Framework](#), excluding USD and CAD.

The Solactive GBP IG Corporate Index TR (ISIN: DE000SLA5SM9) and the Solactive Euro IG Corporate Index (ISIN: DE000SLA8MS3) are limited to 20% of the number of the INDEX COMPONENTS accordingly, using the selection rules as follows:

All INDEX COMPONENTS of the Solactive GBP IG Corporate Index TR and the Solactive Euro IG Corporate Index are the starting universe for the select version of the corresponding index. From this starting



universe of each index the approximately 20% securities, which represent the corresponding index according to the filtering process described below, are included in the select indices.

This involves a 4-step selection process.

Each security in the selection pool will be assigned to a specific bucket according to the securities' rating and TIME TO MATURITY. There are 10 rating buckets and 11 TIME TO MATURITY buckets (exact definitions of buckets can be found under section 6. Index Definitions).

Market weights of each bucket, relative to the entire selection pool, are calculated. According to the weight of each bucket the number of bonds which represent the specific bucket is determined. This is done by applying the following formula:

$$\text{Number of Bonds Per Bucket}_j = \text{Bucket Weight}_j * \text{Target Number of Bonds}$$

Please note that *Number of Bonds Per Bucket_j* has to be integer number. This is ensured by cutting off all decimals. This will lead to a lower number of bonds in the INDEX than initially set by the target. To compensate for this the buckets with the largest difference between the exact number of bonds and the integer number of bonds will receive one extra security. This step is performed for each bucket until the INDEX reaches the target number of constituents.

Once the target number of bonds per bucket is defined. The appropriate number of bonds are selected which display the largest amount outstanding of the respective bucket and which are not classified as securities registered under 144a registration rights.

After this step bond weights will be assigned. Securities are weighted according to market capitalisation within their buckets. The bucket weights were determined in step 2.

Formally the weight of each security is derived in the following way:

$$\begin{aligned} \text{Final Bond Weight}_i &= (\text{Bucket Weight}_j + \frac{\text{Bucket Weight}_j}{\text{Sum of Bucket Weights}} * \text{Bucket Sum}_{\text{Bond}=0}) \\ &* \frac{\text{Initial Bond Weight}_i}{\text{Sum of Intial Weights of Bucket}_j} \end{aligned}$$

Where:

Bucket Weight_j = Weight of respective Bucket j relative to entire selection pool

Sum of Bucket Weights = Sum of all Bucket Target Weights.



*Bucket Sum*_{Bond=0} = Sum of all Buckets with a target number of bonds = 0. These buckets may exist due to the integer constraint of target number of bonds per bucket.

*Initial Bond Weight*_{*i*} = Market Weight relative to entire selection pool.

*Sum of Initial Weights of Bucket*_{*j*} = Sum of Initial Bond Weights of respective bucket *j*.

Target Number of Bonds = Number of index constituents fixed by Guideline

The select versions of the three indices described above are merged into the final composition of the Index.

A price from the PRICING PROVIDER must be available for each INDEX COMPONENT on each SELECTION DAY (the “INDEX COMPONENT REQUIREMENTS”)]

The eligible universe of Solactive indices for selection might vary over time. In a yearly review the OVERSIGHT COMMITTEE will decide whether further relevant bond market segments will be added or irrelevant eliminated from the index. The yearly review will take place every June; the results of the review will be implemented in the selection of June and will become effective on the first BUSINESS DAY of July. The purpose of this review is to include those bond market segments that are deemed most appropriate to represent the entire market. The changes of the market segments covered by the INDEX will be incorporated in the GUIDELINE and announced on the SOLACTIVE website <https://www.solactive.com/news/announcements/>.

The determination of the INDEX COMPONENTS is fully rule-based and the INDEX ADMINISTRATOR has no discretion.

2.1.1 SELECTION OF THE INDEX CURRENCY COMPONENTS

Based on the INDEX CURRENCY UNIVERSE, the initial composition of the INDEX as well as any selection for an ordinary rebalance is determined on the SELECTION DAY in accordance with the following rules (the “INDEX CURRENCY COMPONENT REQUIREMENTS”):

- All of the currencies from the INDEX CURRENCY UNIVERSE



2.2. WEIGHTING OF THE INDEX COMPONENTS

On each REBALANCE DAY each INDEX COMPONENT is weighted using the market value based on the LAST EVALUATED BID PRICE and accrued interest as on the SELECTION DAY in order to achieve the aim of the INDEX. The weighting of the INDEX COMPONENTS will be as follows:

The INDEX COMPONENTS are weighted in the way to replicate the weights of the three indices based on which the select versions were created. In particular, the weighting includes of two steps:

- > Create a universe which consists of the Solactive GBP IG Corporate Index TR, Solactive Euro IG Corporate Index and Solactive Local Currency World Government Bond Index (including only DM currencies without USD and CAD). -Calculate the weights of these indexes in the universe.
- > Cap the weights of the bonds in the select versions of Solactive GBP IG Corporate Index TR, Solactive Euro IG Corporate Index and Solactive Local Currency World Government Bond Index (including only DM currencies without USD and CAD) in the way that they replicate the weights of the corresponding indices in step 1.

2.2.1 WEIGHTING OF THE INDEX CURRENCY COMPONENTS

On each SELECTION DAY, the weight of each INDEX CURRENCY COMPONENT is assigned according to the aggregated weights of all the UNDERLYING INDEX COMPONENTS quoted in the respective currency.

3. ORDINARY REBALANCE

In order to reflect the new selection of the INDEX COMPONENTS determined on the SELECTION DAY (in accordance with Section 2.1) the INDEX is adjusted on the REBALANCE DAY after CLOSE OF BUSINESS.

For more information on the rebalance procedure please refer to the Bond Index Methodology, which is incorporated by reference and available on the SOLACTIVE website: <https://www.solactive.com/documents/bond-index-methodology/>.

SOLACTIVE will publish any changes made to the INDEX COMPONENTS with sufficient notice before the REBALANCE DAY on the SOLACTIVE webpage.

4. CORPORATE ACTIONS

As part of the INDEX maintenance SOLACTIVE will consider various events – also referred to as corporate actions – which result in an adjustment to the INDEX between two regular REBALANCE DAYS. Such events have a material impact on the price, weighting or overall integrity of INDEX COMPONENTS. Therefore, they need to be accounted for in the calculation of the INDEX. Adjustments to the INDEX to account for corporate actions will be made in compliance with the Bond Index Methodology.



5. DEFINITIONS

“**BENCHMARK REGULATION**” shall have the meaning as defined in Section “Introduction”.

“**BMR**” shall have the meaning as defined in Section “Introduction”.

“**BUSINESS DAY**” is in relation to the INDEX is each day, Monday to Friday, except banking holidays as defined by the New York Stock Exchange (NYSE) and SIFMA, LSE, European Banking Holidays and the last business day of each year.

“**CLOSE OF BUSINESS**” is a time stamp when an INDEX is calculated.

“**CURRENCY HEDGE INDEX**” represent the return resulting from the sum of an underlying index performance and the performance of the hedge of this index using currency forward contracts.

“**FIXING TIME**” is the time when the prices for the INDEX COMPONENTS are fixed for index calculation. This is specified in the Bond Index Methodology, which is available on the SOLACTIVE website: <https://www.solactive.com/documents/bond-index-methodology/>.

“**GUIDELINE**” shall have the meaning as defined in Section “Introduction”.

“**INDEX**” shall have the meaning as defined in Section “Introduction”.

“**INDEX ADMINISTRATOR**” shall have the meaning as defined in Section “Introduction”.

“**INDEX CALCULATOR**” is SOLACTIVE or any other appropriately appointed successor in this function.

“**INDEX COMPONENT**” is each bond reflected in the INDEX.

“**INDEX COMPONENT REQUIREMENTS**” shall have the meaning as defined in Section 2.1.

“**INDEX CURRENCY**” is the currency specified in the column “Currency” in the table in Section 1.2.

“**INDEX CURRENCY COMPONENTS**” is each currency on which UNDERLYING INDEX COMPONENT trades in the market.

“**INDEX CURRENCY COMPONENT WEIGHT**” is value resultant from the sum of all the UNDERLYING INDEX COMPONENT’S weights quoted in the respective currency.

“**INDEX CURRENCY UNIVERSE**” is the sum of all currencies which fulfill the INDEX CURRENCY UNIVERSE REQUIREMENTS.

“**INDEX CURRENCY UNIVERSE REQUIREMENTS**” shall have the meaning as defined in Section 2.1.1

“**LAST EVALUATED ASK PRICE**” the last available evaluated ask price by the designated PRICING PROVIDER.

“**LAST EVALUATED BID PRICE**” the last available evaluated bid price by the designated PRICING PROVIDER.

“**LAST EVALUATED MID PRICE**” is the average between LAST EVALUATED ASK PRICE and LAST EVALUATED BID PRICE.

“**OVERSIGHT COMMITTEE**” shall have the meaning as defined in Section 5.5.

“**PRICING PROVIDER**” is Interactive Data Corporation part of the ICE group.

“**PRIVATE PLACEMENT**” A private placement involves the sale of securities to a relatively small number of select investors. Investors targeted include wealthy accredited investors, large banks, mutual funds, insurance companies and pension funds.



“RATING BUCKETS” are defined as followed

Rating Category	Bucket
AAA	1
AA+	2
AA	3
AA-	4
A+	5
A	6
A-	7
BBB+	8
BBB	9
BBB-	10

“REBALANCE DAY” is the last BUSINESS DAY of the month.

“SELECTION DAY” is 2 BUSINESS DAYS before the scheduled REBALANCE DAY,

For currency hedged indices, the selection day is equal to the rebalance day.

“SOLACTIVE” shall have the meaning as defined in Section “Introduction”.

“TIME TO MATURITY” is measured from the REBALANCE DAY

“TIME TO MATURITY BUCKETS” are defined as followed. The lower boundary is always exclusive, while the upper boundary is always inclusive. The TIME TO MATURITY is measured in years.

TIME TO MATURITY	Bucket
0-2	1
2-4	2
4-6	3
6-8	4
8-10	5
10-12	6



Index Guideline

12-14	7
14-16	8
16-18	9
18-20	10
20+	11

6. HISTORY OF INDEX CHANGES

Version	Date	Description
1.4	26 March 2024	Index Family Guideline creation (<i>initial version</i>)

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