

INDEX GUIDELINE

Solactive GBP Corporate Benchmark Index Family

Version 1.0

26 March 2024



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.....	4
2. Index Selection	4
2.1. Selection of the Index Components	5
2.2. Weighting of the Index Components.....	6
3. Ordinary Rebalance.....	6
4. Corporate Actions	6
5. Definitions	7
6. History of Index Changes.....	8
Contact.....	9



INTRODUCTION

This document (the “GUIDELINE”) is to be used as a guideline with regard to the composition, calculation and maintenance of the Solactive GBP Corporate Benchmark Index Family (the “INDEX”). Any amendments to the rules made to the GUIDELINE are approved by the OVERSIGHT COMMITTEE as specified in the Bond Index Methodology. 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 of financial instruments or investment funds referencing the INDEX under a valid license – 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 GBP IG Corporate Index is a rules-based, market value weighted index engineered to mirror the performance of investment grade bonds (minimum rating of BBB- / Baa3 from S&P and/or Moody’s) denominated in GBP. The issuer’s domicile is not relevant. The Solactive GBP IG Corporate Index is a Total Return Index, i.e. coupon payments will be reinvested in the index on each rebalancing day.
- The Solactive GBP HY Corporate Index is a rules-based, market value weighted index engineered to mirror the performance of corporate bonds with a high-yield rating (below BBB- / Baa3 from S&P and/or Moody’s) denominated in GBP. The issuer’s domicile is not relevant. The Solactive GBP HY Corporate Index is a Total Return Index, i.e. coupon payments will be reinvested in the index on each rebalancing day.



1.2. IDENTIFIERS AND PUBLICATION

The INDEX is published under the following identifiers:

Name	ISIN	Currency	Type	Calculation Formula*	RIC	BBG ticker
Solactive GBP IG Corporate Index	DE000SLA5SM9	GBP	TR	Periodic	.SOLGBIGC	-
Solactive GBP HY Corporate Index	DE000SLA9TJ5	GBP	TR	Periodic	.SOLGBHYC	-

*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 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/>

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 SOLACTIVE GBP IG CORPORATE INDEX on February 28th, 2018, is 1000. Levels of the INDEX published for a period prior to this date have been back-tested. Historical values from February 28th, 2018, will be recorded in accordance with Article 8 of the BMR.

The initial level of the SOLACTIVE GBP HY CORPORATE INDEX on March 25th, 2020, is 1000. Levels of the INDEX published for a period prior to this date have been back-tested. Historical values from March 25th, 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.

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:

- a) Corporate bonds denominated in GBP (Pound Sterling)
- b) Amount Outstanding of at least GBP 250 million for the SOLACTIVE GBP IG CORPORATE INDEX and GBP 100 million for the SOLACTIVE GBP HY CORPORATE INDEX.
- c) Time to maturity of at least 18 months for new issues entering the index. The minimum time to maturity for bonds in the index is 12 months.
- d) Bonds that switch from fixed to floating rate coupons qualify provided:
 - they have at least one year prior to the date the bond transitions from a fixed to a floating rate coupon structure. If they are callable, the call date should be in the fixed rate period.
- e) For the SOLACTIVE GBP IG CORPORATE INDEX: The issue must be rated investment grade by either Standard & Poor's (at least BBB-) or Moody's Investors Service (at least Baa3). For the avoidance of doubt if one of the rating agencies rates the bond lower than investment grade, the issue will still be eligible for inclusion in the index.

For the SOLACTIVE GBP HY CORPORATE INDEX: The issue must be rated sub-investment grade by Standard & Poor's (below BBB-) or Moody's Investors Service (below Baa3). For the avoidance of doubt if one of the rating agencies rates the bond investment grade, the issue will not be eligible for inclusion in the index.

All ratings must be above D (default). If a bond is rated D by S&P or C by Moody's it is removed at the next rebalancing. If only one agency rating is available this rating shall be decisive.
- f) Fixed Coupon Bonds, Zero Coupon Bonds, Callable and puttable bonds (bonds with an announced call for the upcoming month are excluded), Payment-In-Kind Bonds and Step-Up Coupon Bonds are eligible for inclusion in the index.
- g) Bearer Bonds are eligible for inclusion in the index.
- h) Floating Rate Bonds, Convertible Bonds, Inflation-linked Bonds, Contingent Capital Securities, Covered Bonds, Preferred Securities, Securitized or Collateralized Bonds or Collateralized Debt Obligations (CDOs) are not eligible for inclusion in the index.
- i) Callable perpetual securities qualify for inclusion in the index provided they are at least one year from the next call date.
- j) Bonds sold by supranational entities are not eligible for inclusion.



- k) Bonds must not be issued by a government entity. This includes regional and local government issuers, and government agencies with a public mandate under the category 1 classification based on the issuer type, as described in the Bond Index Methodology which is available on the SOLACTIVE website: <https://www.solactive.com/documents/bond-index-methodology/>
- l) Only one bond per tranche with exactly the same parameters (coupon, maturity, etc.) will be selected for inclusion in the index. If several tranches (with the same parameters) are available, bonds globally issued will be preferred, followed by Euro MTN and Domestic issues. Similarly, securities issued under Regulation S are preferred over 144a Series.
- m) Private placements are not eligible for inclusion in the index.

A price from the PRICING PROVIDER must be available for each INDEX COMPONENT on each SELECTION DAY.

(the “INDEX COMPONENT REQUIREMENTS”)]

2.2. WEIGHTING OF THE INDEX COMPONENTS

On each SELECTION 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.

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 with respect to the INDEX each day Monday to Friday except the following sets of days: London Stock Exchange holidays and European Banking Holidays.

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

“CLOSING PRICE” in respect of an INDEX COMPONENT and a TRADING DAY is a security's final regular-hours TRADING PRICE published by the EXCHANGE and determined in accordance with the EXCHANGE regulations. If the EXCHANGE has no or has not published a CLOSING PRICE in accordance with the EXCHANGE rules for an INDEX COMPONENT, the last TRADING PRICE will be used.

“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.

“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.

“ISSUER” is the issuing entity of the respective bond.

“OVERSIGHT COMMITTEE” shall have the meaning as defined in the Bond Index Methodology.

“PRICING PROVIDER” is Intercontinental Exchange (“ICE”).

“REBALANCE DAY” is the last Business Day of each month.

“SELECTION DAY” is 3 BUSINESS DAYS before the scheduled REBALANCE DAY, disregarding any potential change of the REBALANCE DAY

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

Please note that the definitions included in the Bond Index Methodology apply to this guideline. In case of a discrepancy, the definition presented in the guidelines should prevail.



6. HISTORY OF INDEX CHANGES

Version	Date	Description
1.0	26 March 2024	Index Family Guideline creation (<i>initial version</i>)

CONTACT

Solactive AG
German Index Engineering
Platz der Einheit 1
60327 Frankfurt am Main
Germany

Tel.: +49 (0) 69 719 160 00

Fax: +49 (0) 69 719 160 25

Email: info@solactive.com

Website: www.solactive.com

© Solactive AG