

INDEX GUIDELINE

Solactive Canadian Select Bond Index Family

Version 1.0

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INTRODUCTION

This document (the “GUIDELINE”) is to be used as a guideline with regard to the composition, calculation and maintenance of the Solactive Canadian Select Bond 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 Canadian Select Bond Index Family consists of three indices: The Solactive Canadian Select Universe Bond Index, the Solactive Canadian Select Corporate Bond Index, and the Solactive Canadian Select Short Term Bond Index. These indices are rules-based and designed to measure the performance of the Canadian bond market denominated in CAD.
- The Solactive Canadian Select Universe Bond Index is designed to measure the performance of the Canadian investment grade bond market (government and corporate bonds) by selecting a representative group of bonds from the available universe.
- The Solactive Canadian Select Corporate Bond Index measures the performance of solely the corporate bond component of the available universe.
- The Solactive Canadian Select Short Term Bond Index measures the performance of the short-term component (5 years TTM or less) of the universe.
- Each index is calculated as a total return index (i.e. coupon payments will be reinvested in the index), but each also has a price return equivalent.



1.2. IDENTIFIERS AND PUBLICATION

The INDEX is published under the following identifiers:

Name	ISIN	Currency	Type	Calculation Formula*	RIC	BBG ticker
Solactive Canadian Select Universe Bond Index	DE000SLA3FB4	CAD	TR	Standard	.SOLHBB	SOLHBB
Solactive Canadian Select Universe Bond PR Index	DE000SLA4FB2	CAD	PR	Standard	.SOLHBBPR	SOLHBBPR
Solactive Canadian Select Corporate Bond Index	DE000SLA3FC2	CAD	TR	Standard	.SOLHCB	-
Solactive Canadian Select Corporate Bond PR Index	DE000SLA4FC0	CAD	PR	Standard	.SOLHCBPR	SOLHCBPR
Solactive Canadian Select Short Term Bond Index	DE000SLA3FD0	CAD	TR	Standard	.SOLHSB	SOLHSB
Solactive Canadian Select Short Term Bond PR Index	DE000SLA4FD8	CAD	PR	Standard	.SOLHSBPR	SOLHSBPR

*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/>

*PR means that the INDEX is calculated as Price 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 Canadian Select Universe Bond Index on January 3rd, 2012 is 951.37. Levels of the INDEX published for a period prior to this date have been back-tested. Historical values from January 3rd, 2012 will be recorded in accordance with Article 8 of the BMR.



The initial level of the Solactive Canadian Select Universe Bond PR Index on February 3rd, 2014 is 1002.2. Levels of the INDEX published for a period prior to this date have been back-tested. Historical values from February 3rd, 2014 will be recorded in accordance with Article 8 of the BMR.

The initial level of the Solactive Canadian Select Corporate Bond Index on January 3rd, 2012 is 906.29. Levels of the INDEX published for a period prior to this date have been back-tested. Historical values from January 3rd, 2012 will be recorded in accordance with Article 8 of the BMR.

The initial level of the Solactive Canadian Select Corporate Bond PR Index on February 25th, 2014 is 1001.72. Levels of the INDEX published for a period prior to this date have been back-tested. Historical values from February 25th, 2014 will be recorded in accordance with Article 8 of the BMR.

The initial level of the Solactive Canadian Select Short Term Bond Index on January 3rd, 2012 is 904.93. Levels of the INDEX published for a period prior to this date have been back-tested. Historical values from January 3rd, 2012 will be recorded in accordance with Article 8 of the BMR.

The initial level of the Solactive Canadian Select Short Term Bond PR Index on January 2nd, 2018 is 999.48. Levels of the INDEX published for a period prior to this date have been back-tested. Historical values from January 2nd, 2018 will be recorded in accordance with Article 8 of the BMR.

1.4. PRICES AND CALCULATION FREQUENCY

Each INDEX is calculated and distributed once every BUSINESS DAY based on the EVALUATED MID PRICE of the INDEX COMPONENTS. Bonds added in a rebalancing (see Section 3) are included in each INDEX at the EVALUATED MID PRICE on the relevant REBALANCE DAY. Bonds which are excluded from each INDEX in a rebalance are reflected in the calculation of the level of the INDEX for the REBALANCE DAY at the EVALUATED MID PRICE on the relevant REBALANCE DAY. Analytical values for each INDEX are calculated each BUSINESS DAY using the EVALUATED MID 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 an 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 universe for the Solactive Canadian Select Bond Index Family on each SELECTION DAY of an ordinary rebalance (as specified in Section 3) is determined using the following rules:

- a) Bonds are denominated in CAD.
- b) Country of issuance and country of the issuing entity is Canada.
- c) All Bonds have an Amount Outstanding of at least 100 Million CAD.



- d) All Bonds have an effective time to maturity of 12 months or greater.
- e) Only fixed rate bonds are eligible for inclusion.
- f) All bonds must have a rating of at least BBB- or its equivalent from either S&P, Moody's or DBRS.
- g) Floating rate notes, convertibles, mortgage-backed securities, asset backed securities, inflation linked securities, flat trading or defaulted securities are specifically excluded from the available universe.
- h) A price from the PRICING PROVIDER must be available for each INDEX COMPONENT.

(the "INDEX COMPONENT REQUIREMENTS")]

After the initial universe is determined (refer to the INDEX COMPONENT REQUIREMENTS section) Further selection criteria will be applied to each INDEX in the family as outlined below:

2.1.1 Solactive Canadian Select Universe Bond Index

- The market value weights for all government bonds are calculated and then aggregated by issuer to find the total weight per issuer. Government issuers who's weighting is within the 99th percentile will then have their bonds eligible for inclusion into the final composition of the INDEX.
- The market value weights for all corporate bonds are calculated and then aggregated by issuer to find the total weight per issuer. Corporate issuers who's weighting is within the 85th percentile will then have their bonds eligible for inclusion into the final composition of the INDEX.
- The final composition of the INDEX is the combination of government and corporate bonds that are within the 99th and 85th percentile respectively.
- For greater certainty, bonds may only be removed from the INDEX if they breach any of the criteria from the INDEX COMPONENT REQUIREMENTS section. If an issuer (corporate or government) is already included in the INDEX and on the SELECTION DAY their weighting is no longer in the 85th or 99th percentile respectively, their bond(s) will remain in the index, so long as they still meet the criteria outlined in the INDEX COMPONENT REQUIREMENTS section.

2.1.2 Solactive Canadian Select Corporate Bond Index

- All corporate bonds which are a part of the final composition for the Solactive Canadian Select Universe Bond Index are selected as an INDEX COMPONENT for this INDEX.

2.1.3 Solactive Canadian Select Short Term Bond Index

- All bonds which are a part of the final composition for the Solactive Canadian Select Universe Bond Index and have an effective time to maturity of less than 5 years, are selected as an INDEX COMPONENT for this INDEX.



2.2. WEIGHTING OF THE INDEX COMPONENTS

On each SELECTION DAY each INDEX COMPONENT apart of the Total Return indices in the index family is weighted using the market value based on the EVALUATED MID PRICE and accrued interest as of the SELECTION DAY in order to achieve the aim of each INDEX. For the Price Return indices in the index family, accrued interest will not be considered in the market value calculation.

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:

- Any holidays defined by the Investment Industry Association of Canada (IIAC)

“**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.

“**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

“**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 Candéal.

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

“**SELECTION DAY**” is 7 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”.

“**TRADING PRICES**” in respect of an INDEX COMPONENT and a TRADING DAY is the most recent published price at which the INDEX COMPONENT was traded on the respective EXCHANGE.

“**UNDERLYING INDEX COMPONENTS**” is each security reflected in the composition of the UNDERLYING INDEX.

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	17 June 2024	Family Index Guideline creation (<i>initial version</i>)

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