INDEX GUIDELINE

Solactive Canadian Bond Universe 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 Bond Universe TR Index (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 Bond Universe Index Family is composed by a main index (SOLCAUTR) and four sub-indices:

- Short-Term Bond Universe index (SOLCASTR)
- Solactive 1-5 Year Laddered Canadian Corporate Bond TR Index (SOLCACTR)
- Solactive 1-5 Year Laddered Canadian Government Bond TR Index (SOLCAGTR), and
- Solactive Canadian Bond Universe Corporate TR Index (SOLCAUCR)

The Solactive Canadian Bond Universe TR Index (SOLCAUTR) aims to track the performance of CAD denominated bonds issued in the Canadian market. The index provides a broad and liquid measure of the Canadian Investment Grade bond market including instruments issued by government, quasi-government, and corporate bonds.
The Solactive Short-Term Canadian Bond Universe TR Index is a sub-index of SOLCAUTR tracking the performance of debt with the EFFECTIVE TIME TO MATURITY between 1 and 5 years. The Solactive 1-5 Year Laddered Canadian Corporate (and Government) Bond TR Indices are sub-indices of SOLCAUTR tracking the return of a 1-5-year bond ladder in investment-grade Corporate (and Government) Bonds respectively. Maturity Buckets are 1-1.99 years, 2-2.99 years, 3-3.99 years, 4-4.99 years, and 5-5.99 years. The Solactive Canadian Bond Universe Corporate TR Index (SOLCAUCR) is a sub-index of SOLCAUTR tracking the performance of corporate bonds only.

The indices are calculated with LAST EVALUATED MID PRICE and are rebalanced quarterly. New issuances are added daily, if they fulfill the selection criteria, there is an available price from the PRICING PROVIDER, and the issue date is not greater than one (1) day from the review date.

To be eligible, bonds need to be denominated in Canadian Dollars (CAD) and have been issued in the Canadian Market. Eligible bonds must have a TMX ADJUSTED AMOUNT outstanding greater than CAD 100 million on SELECTION DATE as well as a EFFECTIVE TIME TO MATURITY not shorter than 12 months from REBALANCING DATE. Bonds issued by foreign issuers in the Canadian market will be included provided that they are available for purchase in the Canadian market. For the Short-Term Bond Universe index, bonds should not have a EFFECTIVE TIME TO MATURITY greater than 5 years from REBALANCING DATE.

1.2. IDENTIFIERS AND PUBLICATION

The INDEX is published under the following identifiers:

Name	ISIN	Currency	Type	Calculation Formula*	RIC	BBG ticker
Solactive Canadian Bond Universe TR Index	DE000SLA25Z8	CAD	TR	Direct	SOLCAUTR	SOLCAUTR
Solactive Short-Term Canadian Bond Universe TR Index	DE000SLA2506	CAD	TR	Direct	SOLCASTR	SOLCASTR
Solactive 1-5 Year Laddered Canadian Corporate Bond TR Index	DE000SLA2530	CAD	TR	Direct	SOLCACTR	SOLCACTR
Solactive 1-5 Year Laddered Canadian Government Bond TR Index	DE000SLA2522	CAD	TR	Direct	SOLCAGTR	SOLCAGTR
Solactive Canadian Bond Universe Corporate TR Index	DE000SL0EK97	CAD	TR	Direct	SOLCAUCR	SOLCAUCR

*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 a 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 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

Name	RIC	Date	Initial Value
Solactive Canadian Bond Universe TR Index	SOLCAUTR	March 22 2017	1000
Solactive Short-Term Canadian Bond Universe TR Index	SOLCASTR	March 22 2017	1000
Solactive 1-5 Year Laddered Canadian Corporate Bond TR Index	SOLCACTR	March 22 2017	1000
Solactive 1-5 Year Laddered Canadian Government Bond TR Index	SOLCAGTR	March 22 2017	1000
Solactive Canadian Bond Universe Corporate TR Index	SOLCAUCR	January 25 2024	1000

1.4. PRICES AND CALCULATION FREQUENCY

The INDEX is calculated and distributed once every BUSINESS DAY based on the PRICE CONVENTION of the INDEX COMPONENTS. Bonds added in a rebalancing (see Section 3) are included the INDEX at the LAST EVALUATED MID 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 LAST EVALUATED MID PRICE on the relevant REBALANCE DAY. INDEX analytical values are calculated each BUSINESS DAY using the LAST 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 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:

- Government and corporate bonds denominated in CAD.
- The minimum TMX ADJUSTED AMOUNT outstanding should be of at least CAD 100 million.
- The minimum EFFECTIVE TIME TO MATURITY on SELECTION DAY should be of 1 year from REBALANCE DAY.
- Bonds should be available in the Canadian Market. This includes domestic issued bonds as well as global issued bonds as well as private placements which have an ISIN beginning with the CA characters.

- Only bonds with semi-annual coupons and the following coupon types are eligible: FIXED RATE BONDS (lifetime), FIX TO FLOAT and FIX TO VARIABLE bonds, provided they are within the FIX COUPON PERIOD and not less than one year prior to the reset date.
- Zero coupon bonds, pay in kind bonds, ABS, repackaged bonds, convertible bonds, MBS (except 1st mortgages), inflation linked bonds, flat trading, hybrid, and defaulted bonds are excluded.
- The NVCC is eligible in general except for LRCN and preferred shares. P3 is also excluded.
- Bonds with a callable, puttable, extendible, sinkable, and perpetual maturity type are eligible.
- The average rating of the bonds must be investment grade (BBB- or above). The average rating is calculated by summing up the numerical score of all available ratings from S&P, DBRS and Moody's and dividing it by the number of available ratings. If only one rating is available, it must be IG. If two or more ratings are available, the lowest must be IG.
- There must be an available price on SELECTION DATE.
- In the event that identical bonds qualify for the index, the following criteria will be used to select only one issuance:
  - Private Placements are excluded.
  - RegS issues are preferred over 144a.
  - Series 1A issues are preferred over other series.
  - Bonds issued with a series are preferred over bonds issued without one.

For SOLCASTR, the following requirements are applied in addition to the SOLCAUTR index:

The EFFECTIVE TIME TO MATURITY is between 1 and 5 years.

For SOLCAGTR, the following requirements are applied in addition to the SOLCAUTR index:

Each constituent's issuer type must be Government. The TMX ADJUSTED AMOUNT OUTSTANDING must be more than 300 million and not sinkable. Effective maturity must be within 1 – 5.99 years. The constituents will be grouped into five maturity buckets (1-1.99, 2-2.99 etc.). During the initial setup of the index, eight bonds were selected for each bucket, resulting in a total of 40 constituents. In each subsequent rebalance the turnovers are classified into two categories:

1) If a bond is removed from a maturity bucket for reasons other than effective maturity, the bond is to be replaced with the highest effective maturity bonds from the eligible pool of the same bucket. If there is no eligible bond available in the same bucket, a replacement is added in the next higher bucket (i.e. the next highest bucket will have nine constituents, and the current bucket will have only seven). This logic continues until the fifth bucket (bucket of highest maturity). If there is no eligible replacement at the highest bucket, then the bond is removed without a replacement. If Effective Time to Maturity

(TTM) is the same among multiple potential eligible replacements, the issue with the higher amount outstanding is used.

2) If a bond is removed due to effective maturity, the replacement is to be made in the fifth bucket by choosing the highest effective maturity bond (i.e. the fifth bucket will receive a new issue with the highest Effective TTM). If Effective TTM is the same among multiple potential eligible replacements, the issue with the higher amount outstanding is used.
3) The number of outgoing bonds should match the number of incoming bonds, so that the total number of constituents remains at 40.

Time since issuance should not exceed 10 years.

In each year February selection, the buckets are to be rebalanced so that the number of bonds in each bucket falls in between 6 and 10. If the number of constituents in any bucket exceeds 10, the bond with the lowest Effective TTM in that bucket is removed and distributed to the next lower bucket. If the number of constituents in any bucket drops below 6, the bond with the lowest TTM is taken from the next higher bucket and added to the bucket in deficit.

For SOLCACTR, the following requirements are applied in addition to the SOLCAUTR index:

Each constituent's issuer type must be Corporate, the TMX ADJUSTED AMOUNT OUTSTANDING must be more than 300 million and not sinkable. Effective maturity must be within 1 – 5.99 years. The constituents will be grouped into five maturity buckets (1-1.99, 2-2.99 etc.). In each subsequent rebalance the turnovers are classified into two categories:

1) If a bond is removed from a maturity bucket for reasons other than effective maturity, the bond is to be replaced with the highest effective maturity bonds from the eligible pool of the same bucket. If there is no eligible bond available in the same bucket, a replacement is added in the next higher bucket (i.e. the next highest bucket will have nine constituents, and the current bucket will have only seven). This logic continues until the fifth bucket (bucket of highest maturity). If there is no eligible replacement at the highest bucket, then the bond is removed without a replacement. If Effective Time to Maturity (TTM) is the same among multiple potential eligible replacements, the issue with the higher amount outstanding is used.
2) If any bond is deleted from the index due to effective maturity, then every bond that is eligible for the fifth bucket will be added into the index, in the fifth bucket.

Time since issuance should not exceed 5 years.

For SOLCAUCR, the following requirements are applied in addition to the SOLCAUTR index:

The constituents' issuers must be Corporate.

(the "**INDEX COMPONENT REQUIREMENTS**")]

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

2.2. WEIGHTING OF THE INDEX COMPONENTS

On each SELECTION DAY each INDEX COMPONENT is weighted using the market value (MV) based on the PRICE CONVENTION FOR WEIGHTING and accrued interest on the SELECTION DAY.

For SOLCAGTR, the weights of the outgoing bonds are assigned to the weights of the incoming bonds, on a one-to-one basis, based on the Amount Outstanding (AO) of the incoming bonds. The bond weights which remained in the index are recalculated as per usual, in the method described above. In each February selection, the sum of each bucket weight must be between 17.5% to 22.5%. If this weighting is breached in any bucket, then all bucket weights will be reset to 20%.

For SOLCACTR, the aggregate outgoing bonds' weight is retained and assigned to the incoming bonds aggregate weight. Then, based on the MV of the incoming bonds, the individual incoming bond weights are scaled to match the aggregate weight of the outgoing bonds. The bond weights which remained in the index are recalculated as per usual, in the method described above.

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 Index" is the Solactive Canadian Bond Universe TR Index (SOLCAUTR).

"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 is any day other than a Saturday or Sunday or a day on which the Investment Industry Association of Canada (IIAC) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in domestic bond and money markets. The IIAC recommended closings of the domestic Canadian bond and money markets are set out on the following website (or any successor page): http://iiac.ca/market-closure-schedule/.

"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.

"**Effective time to maturity**" is the minimum of the next call, put date, reset date and the final maturity date.

"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 CanDeal.ca Inc. (CanDeal).

"Rebalance Day" is the last Business Day of the 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".

"TMX Adjusted amount outstanding" is the amount outstanding of the bond with a TMX adjustment.

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	27 March 2024	Family Index Guideline creation (initial version)

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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