

INDEX GUIDELINE

*Solactive Euro Corporates 0-3 Year Liquid EUR
Index Family*

Version 2.0

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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 Euro Corporates 0-3 Year Liquid EUR Index Family (the “INDEX”). Any amendments to the rules made to the GUIDELINE are approved by the INDEX COMMITTEE. The INDEX is owned, calculated, administered and published by SOLACTIVE AG (“Solactive”) assuming the role as INDEX 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 guidelines 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 INDEX is designed to replicate the performance of the Euro denominated Investment Grade Corporate Bond market. The INDEX includes 90 large Euro denominated Bonds with a maturity between 3 months and 3 Years. Furthermore, only plain vanilla fixed rate, senior bonds are eligible for the INDEX. The INDEX consists out of 4 distinct buckets.

The first bucket consists of the 20 largest bonds which are issued by financial corporations and are rated either BBB+, BBB or BBB-. The second bucket comprises the 10 largest bonds which are issued by financial corporations and hold a rating better than BBB+. The third bucket holds the 40 largest bonds issued by non-financial corporations with a rating of BBB+, BBB or BBB-. The last bucket includes the 20 largest bonds issued by non-financial corporations which are rated above BBB+.



1.2. IDENTIFIERS AND PUBLICATION

The Index is published under the following identifiers:

Name	ISIN	Currency	Type	Calculation Formula*	RIC	BBG ticker
Solactive Euro Corporates 0-3 Liquid EUR TR Index	DE000SLA8P16	EUR	TR	Direct	.SOLEIG3T	SOLEIG3T Index
Solactive Euro Corporates 0-3 Liquid EUR PR Index	DE000SLA8RY0	EUR	PR	Direct	.SOLEIG3P	SOLEIG3P Index

*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 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. In the event that data cannot be provided to the price marketing services of Boerse Stuttgart GmbH, the Index cannot be published.

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 15th May 2019, is 1000. Historical values from this date will be recorded in accordance with Article 8 of the BMR. Levels of the INDEX published for a period prior to this date have been back-tested.

1.4. PRICES AND CALCULATION FREQUENCY

The INDEX is calculated and distributed once every BUSINESS DAY based on the LAST EVALUATED BID PRICES of the INDEX COMPONENTS. Bonds added in a rebalancing (see Section 3) are included the INDEX at the LAST EVALUATED ASK PRICE on the relevant REBALANCE DAY. Bonds which are excluded from the INDEX in a rebalancing are reflected in the calculation of the level of the INDEX for the REBALANCE DAY at the LAST EVALUATED BID PRICE on the relevant REBALANCE DAY. Index analytical values are calculated each BUSINESS DAY using the LAST EVALUATED BID PRICE based on Fixing Time. Prices of INDEX COMPONENTS not listed in the INDEX CURRENCY are converted using the WM Fixing quoted by Reuters

Should there be no current SPOT foreign exchange rate available on Reuters the most recent spot foreign exchange on Reuters for the preceding TRADING DAY is used in the calculation.



2. INDEX SELECTION

On each SELECTION DAY, all bonds which meet the INDEX COMPONENT REQUIREMENTS (as specified in Section 2.1) 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 should be denominated in Euros (EUR).
- b. Minimum amount outstanding of 500 million EUR is required.
- c. Securities & collateralized bonds are not eligible
- d. Bond issuers that are majority government owned are not eligible
- e. Only plain vanilla Fixed Coupon Bonds are eligible for inclusion. Callable bonds are eligible. Zero Coupon Bonds are not eligible.
- f. Only senior debt is included this includes (1st Lien, Secured and Senior Unsecured)
- g. Newly issued bonds must have a minimum Effective Time to Maturity of at least 1.5 years, measured as of the Adjustment Day.
- h. Bonds already in the index must have a minimum Effective Time to Maturity of at least 3 months, measured as of the Adjustment Day.
- i. Country of Risk is within the Eurozone, Denmark, Norway, Sweden, Switzerland or the United Kingdom
- j. Country of Incorporation is within the Eurozone, Denmark, Norway, Sweden, Switzerland or the United Kingdom
- k. Bonds have a minimum average rating (by Moody's and S&P Ratings) of at least BBB-. In the case the bond has two different ratings assigned by the rating agencies the worst one is taken into account.

The index consists of four different buckets based on the rating and sector of the issuing entity. The four buckets are:

1. Bonds issued by financial corporations which are rated either BBB+, BBB or BBB-
2. Bonds issued by financial corporations which are rated better than BBB+
3. Bonds issued by non-financial corporations which are rated either BBB+, BBB or BBB-



4. Bonds issued by non-financial corporations which are rated better than BBB+

Only one bond per issuer can be in each bucket. This approach caps the maximum number of bonds at 4 per issuer in the entire index. Within the first bucket the 20 largest bonds are selected, within the second bucket the 10 largest bonds are selected. Within the third and fourth bucket the 40 respectively 20 largest bonds are selected.

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 PRICES 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:

3 Business Days before the scheduled REBALANCE DAY any issuer may not have a weight of more than 4% in the INDEX. In case any issuer has a weight of more than 4%, the weight of the smallest bond of this issuer will be reduced in such a way that the issuer will comply with the maximum issuer weight rule.

Furthermore 3 Business Days before the scheduled REBALANCE DAY bonds within the 2-3-year maturity bucket must have at least a weight of 34%. If the weight of the 2-3-year bucket is below 34% the weight of all bonds in this bucket will be proportionally increased in order to ensure the weight of the 2-3-year bucket is at least 34%

All capping rules will be applied 3 Business Days before the scheduled REBALANCE DAY.

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 which falls on the last Business Day of January, April, July and October.

The composition of the Index is ordinarily reviewed on the Selection Day. The Selection Day is 6 Business Days prior to the Adjustment Day. The weight adjustment is carried out on the Capping Day, which is 3 Business Days following the Selection Day and becomes effective on the Rebalance Day.

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 a day on which XETRA is open for general business. Saturday and Sunday as well as the 24th and 31th of December, Good Friday are not considered Business Days.

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

“**EFFECTIVE TIME TO MATURITY**” is the minimum of the next call or put date and the final maturity date.

“**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.

“**GOVERNMENT-RELATED ENTITIES**” are the entities that are more than 50%-owned by national governments, their departments or entities which carry out government-sponsored roles, particularly in the public sphere.

“**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 available under <https://www.solactive.com/documents/bond-pricing-provider/>

“**REBALANCE DAY**” is the last BUSINESS DAY of January, April, July and October.

“**SELECTION DAY**” is 6 Business Days before the scheduled 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
1.1*	22 May 2019	Index Guidelines creation
2.0	17 June 2024	New Format Family Guidelines

** All versions older than the first entry are historical.*

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