

INDEX GUIDELINE

Solactive German French Inflation Linked Select Bond Index

Version 1.2

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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 German French Inflation Linked Select Bond 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 INDEX is designed to mirror the performance of 10-year French/German INFLATION-LINKED BONDS issued by the central government. The INDEX is rebalanced on an annual basis in January.

The bonds focus on the European HICP and the French Local Inflation rate. The index replicates the performance of real-interest-rate with an INFLATION ADJUSTED MODIFIED DURATION target of approximatively 10 years.



1.2. IDENTIFIERS AND PUBLICATION

The INDEX is published under the following identifiers:

Name	ISIN	Currency	Type	Calculation Formula*	RIC	BBG ticker
Solactive German French Inflation Linked Select Bond Index	DE000SLOBS T4	EUR	TR	Direct	.SOLGEFRIL	SOLGEFRI

*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 INDEX on the 2021-10-22 is 1000. Levels of the INDEX published for a period prior to this date have been back-tested. Historical values from the 2021-10-22 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 LAST EVALUATED BID PRICE of the INDEX COMPONENTS. Bonds added in a rebalancing (see Section 3) are included the INDEX at the LAST EVALUATED BID 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 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.



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 starting universe of the INDEX is determined using the following rules:

- The bonds must be issued either by the Government of France or Germany.
- The bonds must be denominated in EUR.
- Only INFLATION-LINKED BONDS are eligible.
- The reference inflation rate shall be the European inflation (HICP), excluding tobacco, or the final French Consumer Price Index, excluding tobacco, for all households in metropolitan France and its Overseas Départements.
- The bonds must be issued before year end of the previous year before SELECTION DAY.
- A price from the PRICING PROVIDER must be available for each INDEX COMPONENT on each SELECTION DAY.

Based on the starting universe, two distinct portfolios are created:

- Portfolio 1:
 - Portfolio 1 includes 5 French bonds:
 - The reference bond (“BOND FR”): the bond with an INFLATION ADJUSTED MODIFIED DURATION closest to 10 years will be selected.
 - The lower band bucket: two bonds with an INFLATION ADJUSTED MODIFIED DURATION below and closest to 10 years INFLATION ADJUSTED MODIFIED DURATION of the “BOND FR”.
 - The upper band bucket: two bonds with an INFLATION ADJUSTED MODIFIED DURATION above and the closest to 10 years INFLATION ADJUSTED MODIFIED DURATION of the “BOND FR”.
- Portfolio 2:
 - Portfolio 2 includes 1 German bond:
 - The reference bond (“BOND GE”): if the average INFLATION ADJUSTED MODIFIED DURATION of portfolio 1 is equal or above 10 years, the German bond with



the INFLATION ADJUSTED MODIFIED DURATION of 10 years or if not applicable under but closest to 10 years will be selected (“BOND GE”). If the average INFLATION ADJUSTED MODIFIED DURATION of portfolio 1 is below 10 years, the German inflation-linked bond with the INFLATION ADJUSTED MODIFIED DURATION of 10 years or if not applicable above and closest to 10 years will be selected (“BOND GE”).

(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 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:

- Based on the starting universe, we will define two new portfolios A and B.
 - Portfolio A will select all the French bonds between or equal to 5-15 years inflation adjusted modified duration. The total amount outstanding weights will be calculated ($weight_A$).
 - Portfolio B will select all the German bonds between or equal to 5-15 years inflation adjusted modified duration. The total amount outstanding weights will be calculated ($weight_B$).
- Portfolio 1 gets the total weight equal to $weight_A$. Each bond in portfolio 1 will be equally weighted.
 - $Portfolio\ 1 = \frac{weight_A}{weight_A + weight_B}$
- Portfolio 2 gets the total weight equal to $weight_B$. The weight of the bond in portfolio 2 is equal to $100\% - weight_A$.
 - $Portfolio\ 2 = \frac{weight_B}{weight_A + weight_B}$



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:

Common European banking holidays. For more details, please refer to Bond Index Methodology: <https://www.solactive.com/documents/bond-index-methodology/>

“**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

“INFLATION-LINKED BONDS” are bonds whose principal and coupon payments are indexed to inflation.

“INFLATION ADJUSTED MODIFIED DURATION” is the modified duration after adjustment for inflation rates.

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

“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 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 the month.

“SELECTION DAY” is 15 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”.

“SPOT” is the spot foreign exchange rate to convert the currency of the INDEX COMPONENT into the denomination of the INDEX CURRENCY.

“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.



6. HISTORY OF INDEX CHANGES

Version	Date	Description
1.0	26 October 2021	Index Guideline creation (<i>initial version</i>)
1.1	10 January 2022	Corrected the definition of the “Rebalance Day” in line with Section 1.1 and corrected a spelling mistake.
1.2	03 July 2024	Updating to new format

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