

INDEX GUIDELINE

Solactive ISS ESG Screened
USD EUR SEK NOK High Yield TR Index

Version 1.1

27 June 2024



TABLE OF CONTENTS

Introduction	3
1. Index Specifications.....	3
1.1. Scope Of The Index.....	3
1.2. Identifiers And Publication	3
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.....	7
4. Corporate Actions	7
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 ISS ESG Screened USD EUR SEK NOK High Yield 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 ISS ESG Screened USD EUR SEK NOK High Yield TR Index aims to mirror the performance of ESG Screened 0 – 10 year high yield corporate bonds denominated in USD EUR SEK and NOK. The INDEX is denominated in SEK.

1.2. IDENTIFIERS AND PUBLICATION

The INDEX is published under the following identifiers:

Name	ISIN	Currency	Type	Calculation Formula*	RIC	BBG ticker
Solactive ISS ESG Screened USD EUR SEK NOK High Yield TR Index	DE000SLOBTL9	SEK	TR	Periodic	.SOLCUESN	SOLCUESN
Solactive ISS ESG Screened USD EUR SEK NOK High Yield TR SEK Hedged Index	DE000SLOBTM7	SEK	CH	Standard	.SOLHUESN	SOLHUESN



*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/>

*CH means that the Index is calculated as Currency Hedge Index, as described in the Currency Hedged Index Methodology, which is available on the SOLACTIVE website: <https://www.solactive.com/documents/currency-hedged-general-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 28th April 2022 is 1000. Levels of the INDEX published for a period prior to this date have been back-tested. Historical values from the 28th April 2022 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 (as specified in Section 3). 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.

The currency hedged indices are calculated based on TRADING PRICES on the EXCHANGES on which the UNDERLYING INDEX COMPONENTS are listed. TRADING PRICES of the UNDERLYING INDEX COMPONENTS not listed in the INDEX CURRENCY are converted using the current Intercontinental Exchange (ICE) spot foreign exchange rate. Should there be no current TRADING PRICE for an INDEX COMPONENT, the later of: (i) the most recent CLOSING PRICE; or (ii) the last available TRADING PRICE for the preceding TRADING DAY is used in the calculation.

In addition to the intraday calculation a closing level of the INDEX for each CALCULATION DAY is also calculated. This closing level is based on the CLOSING PRICES for the UNDERLYING INDEX and 4:00 PM London WM Spot and Forward Fixings quoted by Reuters. If there is no 4:00 PM London time WM Fixing for the relevant CALCULATION DAY, the last available 4:00 PM London time WM Fixing will be used for the closing level calculation.

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:

- Bonds must be denominated in EUR, USD, SEK or NOK.
- EUR Denominated bonds must be a component of the Solactive Euro HY Corporate Index.
- USD Denominated bonds must be a component of the Solactive USD High Yield Corporate Index.
- Bonds denominated in USD and EUR must have a minimum amount outstanding of USD 400 Million.
- Bonds denominated in NOK and SEK must have an equivalent minimum amount outstanding of USD 100 Million.
- Bonds must have an EFFECTIVE TIME TO MATURITY of maximum 10 years.
- Bonds must have a credit rating of or between BB+/Ba1 and B-/B3. For the eligibility the respective worst rating of S&P and Moody's is respected. If the bond is rated by one rating agency only this rating is the relevant credit rating.
- 144a issues are not eligible.
- A price from the PRICING PROVIDER must be available for each Index components on each Selection Day.
- Bonds must comply with the following ESG screening:

Theme		Exclusion criterion
Norm-Based Research	Environment	Verified ongoing failure to respect established norms
	Human Rights	
	Corruption	
	Labour Rights	
Controversial Weapons Research	Chemical weapons	Verified ongoing involvement
	Biological weapons	
	Nuclear weapons	
	Depleted Uranium	
	Nuclear weapons outside the NPT	
	Cluster munitions	
Sector-Based Screening	Fossil Fuel	50% Services, 5% Production, 5% Distribution or 5% Exploration
	Oil sands	0% Production, 0% Exploration



	Military	50% Services, 5% Production or 5% Distribution
	Pornography	5% overall, 0% Production
	Tobacco	50% Services, 0% Production or 5% Distribution
	Gambling	50% Services, 5% Production or 5% Distribution
	Alcohol	50% Services, 5% Production or 5% Distribution
	Cannabis	50% Services, 5% Production or 5% Distribution
Explanation: % figures refer to revenue threshold (for degree of involvement) above which criterion is breached		

(the “INDEX COMPONENT REQUIREMENTS”)]

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

2.1.1 SELECTION OF THE INDEX CURRENCY COMPONENTS

Based on the INDEX CURRENCY UNIVERSE, the initial composition of the INDEX as well as any selection for an ordinary rebalance is determined on the SELECTION DAY in accordance with the following rules (the “INDEX CURRENCY COMPONENT REQUIREMENTS”):

- All of the currencies from the INDEX CURRENCY UNIVERSE

2.2. WEIGHTING OF THE INDEX COMPONENTS

The weighting of the INDEX COMPONENTS will be as follows:

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.

Furthermore 2 BUSINESS DAYS before the scheduled REBALANCE DAY any issuer may not have a weight of more than 1%. In case any issuer has a weight of more than 1%, the weights of all bonds of this issuer will be proportionally reduced until the issuer weight reaches 1%. The excess weight is reallocated proportionally between the remaining bonds.

2.2.1 WEIGHTING OF THE INDEX CURRENCY COMPONENTS

On each SELECTION DAY, the weight of each INDEX CURRENCY COMPONENT is assigned according to the aggregated weights of all the UNDERLYING INDEX COMPONENTS quoted in the respective currency.



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

“**BENCHMARK REGULATION**” shall have the meaning as defined in Section “Introduction”.

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

“**BUSINESS DAY**” is in relation to the index is each day, Monday to Friday, except banking holidays as defined by the New York Stock Exchange (NYSE), SIFMA, NOTC and XSTO.

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

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

“**SELECTION DAY**” is 3 BUSINESS DAYS before the scheduled REBALANCE DAY. If that day is a holiday, the next nearest day after the selection of the SOLEUHYC and SOLUSHYC benchmarks is chosen.

For currency hedged indices, the selection day is equal to the rebalance day and rebalancing frequency is monthly.

“**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.

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	19 May 2022	Index Guideline creation (<i>initial version</i>)
1.1	27 June 2024	Currency Hedged version guideline combined

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