

INDEX GUIDELINE

Solactive Local Currency World Government 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 Local Currency World Government 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 Solactive Local Currency World Government Bond Index Series is a global benchmark to measure the performance of worldwide bonds issued by central governments in their respective currency converted into USD.
- The series is designed to provide a broad coverage of the investible universe of developed and emerging market bonds according to the relevant Bond Market Classification Framework. All government-related bonds are excluded.
- Customized versions of these indices, with additional selection criteria as by example rating, market size liquidity or maturity as well as other weighted schema, capping rules or hedged versions are available on request.



1.2. IDENTIFIERS AND PUBLICATION

The INDEX is published under the following identifiers:

Name	ISIN	Currency	Type	Calculation Formula*	RIC	BBG ticker
Solactive Local Currency World Government Bond Index	DE000SLA9SU4	USD	TR	Periodic	.SOLLCWGB	-

*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 January 29th, 2020 is 1000. Levels of the INDEX published for a period prior to this date have been back-tested. Historical values from the January 29th, 2020 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 Prices of the INDEX COMPONENTS. Bonds added in a rebalancing (see Section 3) are included the INDEX at the LAST EVALUATED ASK PRICES 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 Prices on the relevant REBALANCE DAY. INDEX analytical values are calculated each BUSINESS DAY using the LAST EVALUATED BID Prices based on FIXING TIME. Prices of INDEX COMPONENTS not listed in the INDEX CURRENCY are converted using the 4 pm London Time WM Fixing quoted by Reuters.

Should there be no current 4 PM London WM Fixing available on Reuters the most recent 4 PM London WM Fixing on Reuters for the preceding Business Day is used in the 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 issued by a CENTRAL GOVERNMENT or the local CENTRAL BANK.
- Bonds must be issued in domestic currency of the issuing country.
- Coupons and principal denominated in the same currency.
- The country of the bonds issuer must be included in the Bond Market Classification Framework (<https://www.solactive.com/documents/bond-market-classification-framework/>) as Developed or Emerging market.
- Bonds must be issued prior to the REBALANCE DAY.
- The maturity of bonds must be at least 18 months for entering the INDEX and the remaining EFFECTIVE TIME TO MATURITY must be at least 1 year from the REBALANCE DAY.
- FIXED COUPON BONDS or ZERO-COUPON BONDS are eligible.
- TREASURY BILLS, FLOATING RATE NOTES, INFLATION-LINKED BONDS, SINKABLES, PERPETUALS, PUTABLES, CALLABLES, EXTENDABLE, PRINCIPAL ONLY STRIPS AND INTEREST ONLY STRIPS are not eligible.
- Bonds must not be predominantly retail focused, non-144A PRIVATE PLACEMENTS are not eligible. The bonds issued under MTN or EMTN series are not eligible for the index.
- When both a Reg S and a 144A version of the bond are available, the Reg S version will be preferred.
- Price from the PRICING PROVIDER and reference data must be available.
- The bonds must meet the minimum amount outstanding as shown in the following table for eligible countries. For US Treasuries (Sovereign debt from United States), UK Gilts (Sovereign debt from United Kingdom) and Japanese Government Bonds (Sovereign debt from Japan) amount outstanding figures will be adjusted for respective central banks holdings. This list may evolve due to the addition or deletion of countries in the Bond Market Classification Framework (<https://www.solactive.com/documents/bond-market-classification-framework/>). The minimum amount outstanding may change due to technical currency conversion (i.e. currency reform) and will be converted with the corresponding exchange rate.



Country	Currency	Min. Bond Size
Argentina	ARS	57.500.000.000
Brazil	BRL	12.000.000.000
Chile	CLP	300.000.000.000
Colombia	COP	4.500.000.000.000
Dominican Republic	DOP	250.000.000.000
Mexico	MXN	30.000.000.000
Czech republic	CZK	30.000.000.000
Hungary	HUF	275.000.000.000
Romania	RON	4.000.000.000
Russia	RUB	100.000.000.000

Country	Currency	Min. Bond Size
Turkey	TRY	6.000.000.000
Poland	PLN	5.000.000.000
South Africa	ZAR	20.000.000.000
Malaysia	MYR	3.000.000.000
Indonesia	IDR	15.000.000.000.000
Peru	PEN	1.500.000.000
Philippines	PHP	30.000.000.000
Thailand	THB	30.000.000.000
Taiwan	TWD	40.000.000.000

Country	Currency	Min. Bond Size
Member States of the European Union whose currency is the Euro	EUR	1.500.000.000
Denmark	DKK	15.000.000.000
United States	USD	1.500.000.000
United Kingdom	GBP	1.500.000.000
Canada	CAD	1.500.000.000
Israel	ILS	15.000.000.000
Norway	NOK	15.000.000.000
Switzerland	CHF	1.500.000.000
Sweden	SEK	15.000.000.000
Australia	AUD	1.500.000.000
Japan	JPY	150.000.000.000
Singapore	SGD	1.500.000.000
New Zealand	NZD	1.500.000.000
Hong Kong	HKD	15.000.000.000

- A price from the PRICING PROVIDER must be available for each INDEX COMPONENT on each SELECTION DAY.
(the “INDEX COMPONENT REQUIREMENTS”)

2.1.1 ELEGIBLE COUNTRIES

The list of eligible emerging markets is reviewed once a year for the June selection in May and takes into account the following factors:

- The classification under the Solactive Bond Market Country Classification Framework. Countries which are classified as Developed will not normally be classified as an Emerging Market.
- Accessibility for foreign investors, including the presence of capital controls, currency convertibility, availability and transparency of market data, registration restrictions, limits on foreign ownership and taxation policies.



2.2. WEIGHTING OF THE INDEX COMPONENTS

On each REBALANCE DAY each INDEX COMPONENT is weighted using the market value based on the LAST EVALUATED BID PRICES and accrued interest as on the REBALANCE DAY in order to achieve the aim of the INDEX. The weighting of the INDEX COMPONENTS will be as follows:

The INDEX COMPONENTS are weighted according to their respective Market Values in proportion to the aggregated Market Value of all INDEX COMPONENTS in the index.

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: holidays as defined by the New York Stock Exchange (NYSE) and SIFMA. The SIFMA holiday recommendations are set out on the following website (or any successor page): <http://www.sifma.org/services/holiday-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.



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

“**REBALANCE DAY**” is the close of the last Business Day of each month.

“**SELECTION DAY**” is 6 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.

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
1.2	26 June 2024	Guideline updated to new format
1.1	11 May 2020	Format changes
1.0	29 January 2020	Index Guideline creation (initial version)

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