

INDEX GUIDELINE

Solactive Municipal Infrastructure Revenue Bond Index

Version 3.0

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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 Municipal Infrastructure Revenue 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 Municipal Infrastructure Revenue Bond Index is a rules-based, market value weighted index engineered for the tax-exempt bond market. The INDEX is designed to track the U.S. long term tax-exempt bond market. The INDEX is intended to track bonds that have been issued with the intention of funding federal, state, and local infrastructure projects such as water and sewer systems, public power systems, toll roads, bridges, tunnels, and many other public use projects. The INDEX is comprised of tax-exempt municipal securities issued by states, cities, counties, districts, their respective agencies, and other tax-exempt issuers. The INDEX will attempt to only hold those bonds issued by state and local municipalities where the interest and principal repayments are generated from pledged revenues.

The Solactive Municipal Infrastructure Revenue Bond Index is a Total Return Index, i.e. coupon payments will be reinvested in the INDEX.



1.2. IDENTIFIERS AND PUBLICATION

The INDEX is published under the following identifiers:

Name	ISIN	Currency	Type	Calculation Formula*	RIC	BBG Ticker
Solactive Municipal Infrastructure Revenue Bond Index	DE000SLA0DB5	USD	TR	Periodic	.SOLRVNU	SOLRVNU

*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 AG 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 22nd of March 2013 is 1000. Levels of the INDEX published for a period prior to this date have been back-tested. Historical values from the 22nd of March 2013 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 MID PRICE 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 (as specified in Section 3.3). 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 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:

The “Selection Pool” comprises bonds that fulfill the following conditions:

- Municipal bonds
- Amount Outstanding of at least 40 m USD where,
 - Bonds with an amount outstanding of less than 100 m USD will need to be issued after 1st Jan 2012.
 - Bonds with an amount outstanding of more than 100 m USD will not have any issue date restraint.
- Deal Size of at least 100 m USD.
- Federal tax free (bonds subject to the Alternative Minimum Tax and state and local taxes are satisfactory for inclusion in the INDEX).
- Investment grade rating by at least one rating agency.
- Fixed-rate coupon payment (zero coupon bonds are specifically excluded).
- Bonds must not be prefunded / escrowed to maturity.
- Time to maturity must be at least 10 years or longer.
- Callable securities must not be callable within the next 5 years. For the avoidance of doubt, this means the next call date must not lie in the next 5 years.
- Purpose of bond proceeds must be in one of the following areas:
 - Transportation (airports, seaports, bridges, toll roads, tunnels, parking facilities, etc.).
 - Recreation (convention centers, stadiums, sports complexes, etc.).
 - Utility (electric public power, water/sewer, sanitation, etc.).
 - Industrial Economic Development (solid waste recovery, malls, shopping centers, etc.).
 - For the avoidance of doubt the following industries are explicitly excluded: higher education, pollution control, housing, health care or tobacco).
- Proceeds of debt must be used for infrastructure purposes and principal and interest repayment must come from a pledged revenue source (e.g. tolls, sales tax, registration fees, user fees.) or a double-barreled revenue stream (pledged revenue stream + general obligation pledge).
- Municipal bonds, which are paid back solely using a general obligation pledge or a appropriation will be excluded.
- Municipal bonds from Puerto Rico, which are classified as “Sales Tax” will be explicitly excluded.



- Municipal bonds, where the obligor is a corporation are explicitly excluded.
- Bonds must be subject to a public offering.

(the “INDEX COMPONENT REQUIREMENTS”)]

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

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 MID PRICE 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:

The INDEX COMPONENTS are weighted according to their respective Market Value in proportion to the aggregated Market Value of all INDEX COMPONENTS in the INDEX. INDEX COMPONENTS that in aggregate account for at least 80% of the weight of the INDEX each shall have a minimum original principal amount outstanding of 100 million USD or more per ISIN. The INDEX uses a modified market cap weighting methodology. Weightings per issuer are capped at 5%. Any capping will be carried out on the business day following each SELECTION DAY, using the market values as of the SELECTION DAY. If a constituent breaches a cap to the upside, (its weight will be lowered until its weight meets the capping constraint, increasing the weight of all the other constituents proportional to their market value weights. This procedure is carried out iteratively until all the capping conditions have been met.

The weighting methodology may be amended by the OVERSIGHT COMMITTEE if required due to legal framework.

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 with respect to the INDEX each day Monday to Friday, except banking holidays as defined by SIFMA US.

“**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 Intercontinental Exchange (ICE).

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

“SELECTION DAY” is 5 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
1.1	28 February 2013	Index Guideline creation (<i>initial version</i>)
1.2	22 March 2013	Index specifications are updated.
1.3	04 July 2017	Contact Data is updated.
1.4	01 June 2018	Updates on Section 1.4 (Addition: (“Evaluated Mid Prices”) of the respective Index Components whereas newly added bonds are added at the Evaluated Ask Price and bonds leaving the index on the Evaluated Bid Price.)
2.0	10 March 2022	Additional capping requirement and format update
3.0	28 June 2024	Updated to align with the new guideline structure

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