

INDEX GUIDELINE

*Solactive Paris Aligned Global Corporate High Yield
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 Paris Aligned Global Corporate High Yield Index family (the “**INDEX**”). Any amendments to the rules made to the **GUIDELINE** are approved by the **OVERSIGHT COMMITTEE**. 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 text uses defined terms which are formatted with “SMALL CAPS”. Such Terms shall have the meaning assigned to them as specified in the section Definitions.

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** – 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** aims to track the performance of global high yield corporate bonds denominated in Euro and US Dollar. The **INDEX** provides exposure to a portfolio, which is based on ISS ESG climate analysis and is in line with 1.5°C scenario through 2050.
- To achieve the 1.5°C scenario, the weighted **GROSS GHG EMISSIONS** and **GHG INTENSITY** of the underlying subindices and of the **INDEX** are reduced compared to their respective benchmark indices and over time.
- At the launch **GROSS GHG EMISSIONS** as well as **GHG INTENSITY** of the **INDEX** are reduced by a minimum of 50% compared to the **BENCHMARK INDEX**. Throughout the life of the index the **GROSS GHG EMISSIONS** as well as the **GHG INTENSITY** of the **INDEX** must always fulfill the **SELF-DECARBONIZATION TRAJECTORY** as well as the 50% reduction against the **BENCHMARK INDEX**.
- On a semi-annual basis, for the selection days in January and July, the **GROSS GHG EMISSIONS** and **GHG INTENSITY** of the index is reduced to be in line with a yearly **SELF-DECARBONIZATION TRAJECTORY** of at least 7%.
- The basis in time for the **SELF-DECARBONIZATION TRAJECTORY** is the **BASE DATE**.



- The currency distribution of the INDEX matches the currency distribution of the BENCHMARK INDEX as closely as permitted by the GHG CONDITIONS.
- The index is calculated in the currency stated in the table in section 1.2.

1.2. IDENTIFIERS AND PUBLICATION

The INDEX versions are published under the following identifiers:

Name	ISIN	Currency	Type	Calculation Formula	RIC	BBG ticker
Solactive Paris Aligned Global Corporate High Yield Index	DE000SLOCMX7	EUR	TR	Periodic	.SOLEUHPAB	-
Solactive Paris Aligned Global Corporate High Yield USD Index	DE000SLOBTH7	USD	TR	Periodic	.SOUEUHPAB	-
Solactive Paris Aligned Global Corporate High Yield GBP Index	DE000SLOCM63	GBP	TR	Periodic	.SOGHGPAB	-
Solactive Paris Aligned Global Corporate High Yield USD Hedged Index	DE000SLODG78	USD	CH	Standard	.SOLEUHDH	-
Solactive Paris Aligned Global Corporate High Yield EUR Hedged Index	DE000SLODG60	EUR	CH	Standard	.SOLEUHCH	-
Solactive Paris Aligned Global Corporate High Yield GBP Hedged Index	DE000SLOCM89	GBP	CH	Standard	.SOGHGPAB	-

*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/>

*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 Börse 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 levels of the INDEX FAMILY on the LIVE DATE is shown in the table below. Historical values from the LIVE DATE will be recorded in accordance with Article 8 of the BMR.

Index Name	Index RIC	Date	Initial Value
Solactive Paris Aligned Global Corporate High Yield Index	.SOLEUHPAB	06.07.2022	1000
Solactive Paris Aligned Global Corporate High Yield USD Index	.SOUEUHPAB	11.08.2022	1000
Solactive Paris Aligned Global Corporate High Yield GBP Index	.SOGHGPAB	16.08.2022	1000
Solactive Paris Aligned Global Corporate High Yield USD Hedged Index	.SOLEUHDH	05.07.2023	1473.32
Solactive Paris Aligned Global Corporate High Yield EUR Hedged Index	.SOLEUHCH	05.07.2023	1127.61
Solactive Paris Aligned Global Corporate High Yield GBP Hedged Index	.SOGHGPAB	05.07.2023	1009.06

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 ASK 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. Prices of INDEX COMPONENTS not listed in the INDEX CURRENCY are converted using the 4 PM London Fixing quoted by Reuters.

Should there be no current 4 PM London Fixing available on Reuters the most recent 4 PM London Fixing on Reuters for the preceding BUSINESS DAY is used in the calculation.

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 the INDEX, as well as any selection for a rebalance (as specified in Section 3) is determined using the following rules:

- A price from the PRICING PROVIDER must be available for each INDEX COMPONENTS on each SELECTION DAY
- INDEX COMPONENTS must be included in one of the SINGLE CURRENCY CORPORATE PAB INDICES.

The determination of the INDEX COMPONENTS is fully rule-based and the INDEX ADMINISTRATOR 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

On each SELECTION DAY, relative to the other constituents of each SINGLE CURRENCY CORPORATE PAB INDICES, each INDEX COMPONENT is weighted proportionally to its weight in the underlying SINGLE CURRENCY CORPORATE PAB INDEX .

To match the currency distribution of the BENCHMARK INDEX as closely as feasible, the currency distribution of the INDEX is then determined as follows:

1. Initially it is set as equal to the currency distribution of the BENCHMARK INDEX.
2. If this distribution does not allow the index to satisfy the GHG CONDITIONS, bonds of the SINGLE CURRENCY CORPORATE PAB INDEX with the higher weighted emissions will be



underweighted step-wise to the benefit of the other index until this target is met. In each reduction step, 1% of the previous weight of the former will be subtracted from it.

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**” is the Solactive EUR USD High Yield Corporate Index (SOLEUSHY).

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

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

“**BUSINESS DAY**” is any day Monday to Friday, except the following sets of days: Common European Banking Holidays, holidays as defined by the New York Stock Exchange (NYSE) and SIFMA as well as the 24th and 31st of December.

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

“**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.



“SINGLE CURRENCY CORPORATE PAB INDICES” are the Solactive Euro Corporate IG PAB Index, the Solactive USD Corporate IG PAB Index and the Solactive GBP Corporate IG PAB Index.

“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/>.

“GHG CONDITIONS” are the requirements that the weighted average GROSS GHG EMISSIONS and the weighted average GHG INTENSITY match or undercut the TARGET EMISSIONS and the TARGET INTENSITY, respectively.

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

“GROSS GHG EMISSIONS” are the Greenhouse Gas Emissions of a company as provided by the ESG DATA PROVIDER. GROSS GHG EMISSIONS are updated annually.

“GHG INTENSITY” is a metric which is used to normalize GROSS GHG EMISSIONS across different companies. Normalization is done by dividing the GROSS GHG EMISSIONS of an issuer by the book value of equity and the book value of debt of the respective issuer

“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.

“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 the month.

“SELECTION DAY” is the later SELECTION DAY of the Solactive Euro Corporate HY PAB Index and the Solactive USD Corporate HY PAB Index.

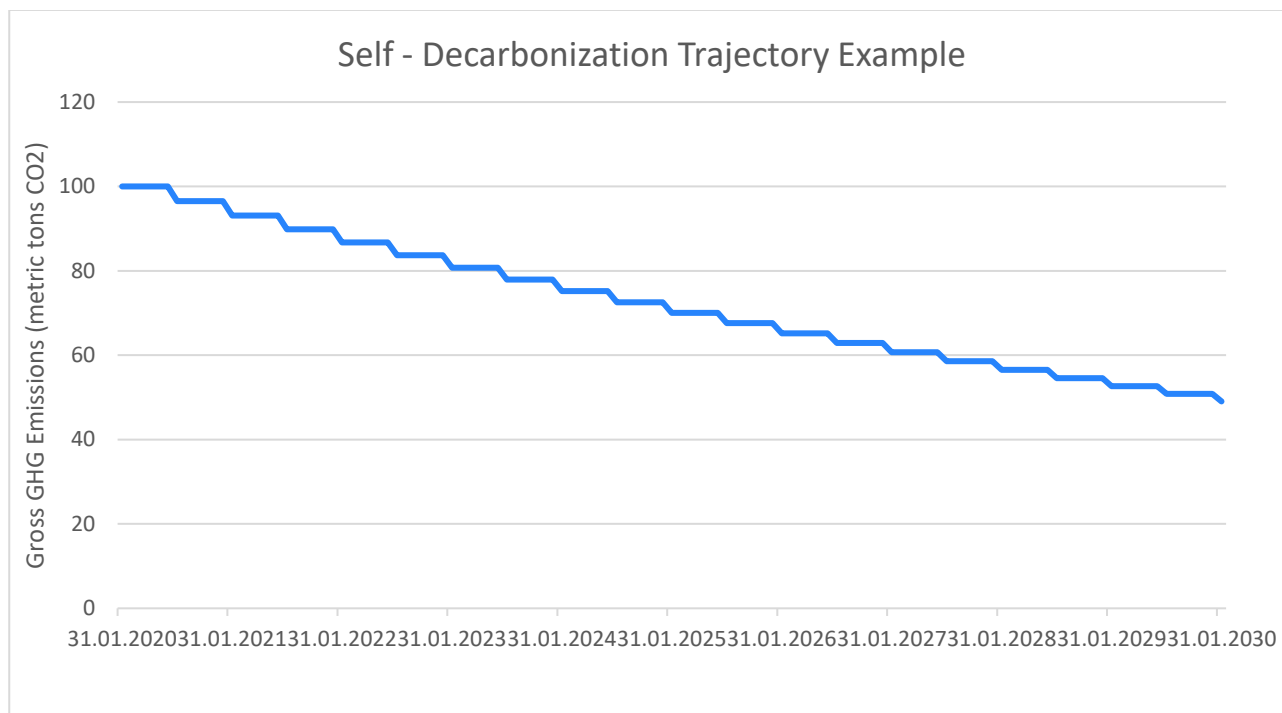
For currency hedged indices, the selection day is equal to the rebalance day and rebalancing frequency is monthly.

“SELF-DECARBONIZATION-TRAJECTORY”: The INDEX follows a self-decarbonization trajectory of at least 7% annually. The decarbonization trajectory is defined by an annual minimum Gross GHG Emissions / GHG Intensity reduction of 7% compared to the GROSS GHG EMISSIONS / GHG INTENSITY of the INDEX on the BASE DATE in a geometric progression. The 7% annual reduction is split into two 3.5% semi-annual reductions which become effective in the end of January and end of July.

In the following chart a hypothetical self-decarbonization trajectory for an Paris-aligned index with GROSS GHG EMISSIONS of 100 at the BASE DATE 31/01/2020 is shown. To be compliant with the self-



decarbonization trajectory the Gross GHG Emissions of the hypothetical index must always be on or below the self-decarbonization trajectory.



“SINGLE CURRENCY CORPORATE PAB INDICES” are the Solactive Euro Corporate HY PAB Index and the Solactive USD Corporate HY PAB Index.

“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.

“TARGET EMISSION” is the minimum between 50% of the BENCHMARK INDEX’s GROSS GHG EMISSIONS and the GROSS GHG EMISSIONS of the SELF-DECARBONIZATION-TRAJECTORY as of the SELECTION DAY.

“TARGET INTENSITY” is the minimum between 50% of the BENCHMARK INDEX’s GHG INTENSITY and the GHG INTENSITY of the SELF-DECARBONIZATION-TRAJECTORY as of the SELECTION DAY.

“TRADING DAY” is with respect to an INDEX COMPONENT included in the INDEX at the REBALANCE DAY and every INDEX COMPONENT included in the INDEX at the CALCULATION DAY immediately following the REBALANCE DAY (for clarification: this provision is intended to capture the TRADING DAYS for the securities to be included in the INDEX as new INDEX COMPONENTS with close of trading on the relevant EXCHANGE on the REBALANCE DAY) a day on which the relevant EXCHANGE is open for trading (or a day that would have been such a day if a market disruption had not occurred), excluding days on which trading may be ceased prior to the scheduled EXCHANGE closing time and days on which the EXCHANGE is open for a scheduled shortened period. The INDEX ADMINISTRATOR is ultimately responsible as to whether a certain day is a TRADING DAY.



“**TRADING PRICE**” 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 COMPONENT**” 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
0.1	17 May 2022	Index guideline creation
0.1.1	14 June 2022	Adjusted naming and RIC of benchmark index
1.0	07 July 2022	Adjusted live date and initial level
1.0.1	25 October 2022	Added USD and GBP index versions
2.0	17 June 2024	New Family Guidelines

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