

INDEX GUIDELINE

Solactive Select USD Investment Grade Corporate 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 Select USD Investment Grade Corporate Family (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 Select USD Investment Grade Corporate Indices are rules-based, market value weighted indices engineered to mirror the worldwide performance of investment grade corporate bonds issued in USD. The Solactive Select USD Investment Grade Corporate Index will be distributed both as a Total Return Index (i.e. coupon payments will be reinvested in the index on each Rebalancing Day) and a Price Return Index (i.e. coupon payments will not be considered in the index). The Solactive Select USD Investment Grade in CAD TR Index is a version of the Solactive Select USD investment Grade Corporate TR Index where the index currency is CAD. The Solactive Select USD Investment Grade Hedged to CAD TR Index is a currency hedged version of the Solactive Select USD Investment Grade in CAD TR index.

Solactive Select USD Investment Grade Corporate Indices select a representative subset of the Solactive USD Investment Grade Corporate Index targeting a similar performance.



1.2. IDENTIFIERS AND PUBLICATION

The INDEX is published under the following identifiers:

Name	ISIN	Currency	Type	Calculation Formula*	RIC	BBG ticker
Solactive Select USD Investment Grade Corporate TR Index	DE000SLA44J3	USD	TR	Direct	.SOLUSSTR	n/a
Solactive Select USD Investment Grade Corporate PR Index	DE000SLA44K1	USD	PR	Direct	.SOLUSSPR	n/a
Solactive Select USD Investment Grade Corporate in CAD TR Index	DE000SLA4536	USD	TR	Direct	.SOLUSCAD	n/a
Solactive Select USD Investment Grade Corporate Hedged to CAD TR Index	DE000SLA4544	USD	CH	Standard	.SOLUSSCH	SOLUSSCH Index

*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 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 29th of December 2017 is 1000. Levels of the INDEX published for a period prior to this date have been back-tested. Historical values from the 29th of December 2017 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 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.

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 New York time WM Spot and Forward Fixings quoted by Reuters. If there is no 4:00 PM New York time WM Fixing for the relevant CALCULATION DAY, the last available 4:00 PM New York 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:



The Solactive USD Investment Grade Corporate Index serves as a starting universe for all Solactive Select USD Investment Grade Corporate Indices. All index members of the Solactive USD Investment Grade Corporate Index are potentially eligible for inclusion in the indices. From this starting universe, the approximately 500 securities which are most likely to represent the entire Solactive USD Investment Grade Corporate Bond Index best are included in the indices. This involves a 4-step selection process:

1. Each security in the selection pool will be assigned to a specific bucket according to the securities' rating and modified duration. There are 10 RATING BUCKETS and 11 MODIFIED DURATION BUCKETS (exact definitions of buckets can be found under 4.1. Index Specific Definitions).
2. Market weights of each bucket, relative to the entire selection pool, are calculated. According to the weight of each bucket, the number of bonds which represent the specific bucket is determined. This is done by applying the following formula:

$$\text{Number of Bonds Per Bucket}_j = \text{Bucket Weight}_j \times \text{Target Number of Bonds}$$

Please note that "Number of Bonds Per Bucket" has to be an integer number. This is ensured by cutting off all decimals. This will lead to a lower number of bonds in the index than initially set by the target. To compensate for this, the buckets with the largest difference between the exact number of bonds and the integer number of bonds will receive one extra security. This step is performed for each bucket until the index reaches the target number of constituents.

3. Once the target number of bonds per bucket is defined, the appropriate number of bonds are selected which display the largest amount outstanding of the respective bucket and which are not classified as securities registered under 144A registration rights.
4. After this step, bond weights will be assigned. Securities are weighted according to market capitalization within their buckets. The bucket weights were determined in step 2. Formally, the weight of each security is derived in the following way:

$$\begin{aligned} & \text{FinalBondWeight}_i \\ &= \left(\frac{\text{BucketWeight}_j}{\text{Sum of BucketWeights} - \sum (\text{BucketWeight}_j \times (\text{TargetNumberOfBonds per Bucket}_j = 0))} \right) \\ & \times \frac{\text{InitialBondWeight}_i}{\text{Sum of InitialWeightsof Bucket}_j} \end{aligned}$$

Where,



Bucket Weight_j = Weight of respective Bucket j relative to entire selection pool

Sum of Bucket Weights = Sum of all Bucket Target Weight

Bucket Sum (Bond = 0 = Sum of all Buckets with a target number of bonds = 0.

These buckets may exist due to the integer constraint of target number of bonds per bucket.

Initial Bond Weight_i = Market Weight relative to entire selection pool

Sum of Initial Weights of Bucket_j = Sum of Initial Bond Weights of respective bucket j

Target Number of Bonds = Number of index constituents fixed by Guideline

(the "INDEX COMPONENT REQUIREMENTS")]

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 REBALANCE DAY each INDEX COMPONENT is weighted using the market value based on the LAST EVALUATED BID 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 the weighting scheme described under chapter 2.1 Selection of the INDEX COMPONENTS.

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 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 and SIFMA.

"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.

"MODIFIED DURATION BUCKETS" are defined as followed. The lower boundary is always exclusive, while the upper boundary is always inclusive.

Modified Duration	Bucket
0-2	1
2-4	2
4-6	3
6-8	4
8-10	5
10-12	6
12-14	7
14-16	8
16-18	9
18-20	10
20+	11

"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/>

"RATING BUCKETS" Only Investment Grade rated debt is eligible for the index. The ratings and their corresponding buckets are defined as follows:

Rating Category	Bucket
AAA	1
AA+	2
AA	3



AA-	4
A+	5
A	6
A-	7
BBB+	8
BBB	9
BBB-	10

"REBALANCE DAY" is the last BUSINESS DAY of the month.

"SELECTION DAY" is 2 BUSINESS DAYS before the scheduled REBALANCE DAY, disregarding any potential change of the REBALANCE DAY.

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	23 July 2020	Index Guideline creation (initial version)
2.0	09 June 2024	Currency Hedged version guideline combined

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