

INDEX GUIDELINE

UBS HOLT EQUITY FACTOR FAMILY INDEX NAME

Version 1.0

25 October 2024

TABLE OF CONTENTS

In	trodu	ction	3		
1.	Ir	ndex Specifications	4		
	1.1.	Scope of the Index	4		
	1.2.	Identifiers and Publication	4		
	1.3.	Initial Level of the Index	7		
	1.4.	Prices and calculation frequency	7		
	1.5.	Licensing	8		
2.	lr	ndex Selection	9		
	2.1.	Index Universe Requirements	9		
	2.2.	Selection of the Index Components	9		
	2.3.	Weighting of the Index Components			
3.	R	ebalance	13		
	3.1.	Ordinary Rebalance	13		
	3.2.	Extraordinary Rebalance	13		
4.	С	Calculation of the Index	14		
	4.1.	Index formula	14		
	4.2.	Accuracy	14		
	4.3.	Adjustments	14		
	4.4.	Corporate actions	15		
	4.5.	Recalculation	16		
	4.6.	Market Disruption	16		
5.	Μ	1iscellaneous	17		
	5.1.	Discretion	17		
	5.2.	Methodology Review	17		
	5.3.	Changes in calculation method	17		
	5.4.	Termination			
	5.5.	Index Committee			
6.	D	Definitions	19		
7.	F	actor definitions			
8.	History of Index Changes				
С	ontact	t	25		

INTRODUCTION

This document (the "**GUIDELINE**") is to be used as a guideline with regard to the composition, calculation and maintenance of the UBS HOLT Equity Factor family Index (the "**INDEX**"). Any amendments to the rules made to the GUIDELINE are approved by the INDEX COMMITTEE specified in Section 5.5. The INDEX is 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 Section 6 (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

Category	Description
Asset Class	Equity
Strategy	To provide exposure to a portfolio of European, US, Japanese and Global equities reflecting five investment factors of Value, Momentum, Quality, Beta, and Size factors.
Regional Allocation	Global Market, Europe, US, Japan
Rebalancing Fee	0.0005
Rebalancing Frequency	Quarterly

1.2. IDENTIFIERS AND PUBLICATION

The INDEX is published under the following identifiers:

Name	ISIN	Currency	Туре	RIC	BBG ticker
UBS HOLT Equity Factor European Low Beta EUR Gross Total Return Index	DE000SLA5GY9	EUR	GTR	.UBSHTELG	UBSHTELG
UBS HOLT Equity Factor European Low Beta EUR Net Total Return Index	DE000SLA5GX1	EUR	NTR	.UBSHTELN	UBSHTELN
UBS HOLT Equity Factor European Low Beta EUR Price Return Index	DE000SLA5GW3	EUR	PR	.UBSHTELP	
UBS HOLT Equity Factor European Momentum EUR Gross Total Return Index	DE000SLA5GQ5	EUR	GTR	.UBSHTEMG	UBSHTEMG
UBS HOLI Equity Factor European Momentum EUR Net Total Return Index	DE000SLA5GP7	EUR	NTR	.UBSHTEMN	UBSHTEMN
UBS HOLT Equity Factor European Momentum EUR Price Return Index	DE000SLA5GN2	EUR	PR	.UBSHTEMP	
EUR Gross Total Return Index	DE000SLA5G10	EUR	GTR	.UBSHTEFG	UBSHTEFG
EUR Net Total Return Index	DE000SLA5G02	EUR	NTR	.UBSHTEFN	UBSHTEFN
EUR Price Return Index URS HOLT Equity Factor European Quality EUR	DE000SLA5GZ6	EUR	PR	.UBSHTEFP	
Gross Total Return Index UBS HOLT Equity Factor European Quality EUR	DE000SLA5GK8	EUR	GTR	UBSHTEQG	UBSHTEQG
Net Total Return Index UBS HOLT Equity Factor European Quality EUR	DE000SLA5GJ0	EUR	NIR	UBSHIEQN	UBSHIEQN
Price Return Index UBS HOLT Equity Factor European Size EUR	DE000SLA5GH4	EUR	PK	UBSHIEQP	
Gross Total Return Index UBS HOLT Equity Factor European Size EUR Net	DE000SLA5GV5	EUR	GIR	UBSHIESG	UBSHIESG
Total Return Index	DE000SLA5GU7	EUK	NIK	.UBSHIESN	UBSHIESN

UBS HOLT Equity Factor European Size EUR	DE000SLA5GS1	EUR	PR	.UBSHTESP	
Price Return Index					
OBS HOLI Equity Factor European Value EUR	DE000SLA5GG6	EUR	GTR	.UBSHTEVG	UBSHTEVG
LIBS HOLT Equity Factor European Value FUR					
Net Total Return Index	DE000SLA5GF8	EUR	NTR	.UBSHTEVN	UBSHTEVN
UBS HOLT Equity Factor European Value EUR					
Price Return Index	DE000SLA5GD3	EUR	PR	.UBSHIEVP	
UBS HOLT Equity Factor Global Low Beta USD			стр		
Gross Total Return Index	DE0003LASEKS	030	GIK	.0B3HIGLG	OBSHIGLG
UBS HOLT Equity Factor Global Low Beta USD	DE000SLA5E.15	USD	NTR	UBSHTGI N	UBSHTGLN
Net Total Return Index	DE0000E/ (0E00	000		.oboin oliv	OBOINICEI
UBS HOLT Equity Factor Global Low Beta USD	DE000SLA5EH9	USD	PR	.UBSHTGLP	
Price Return Index					
OBS HOLI Equity Factor Global Momentum USD	DE000SLA5EG1	USD	GTR	.UBSHTGMG	UBSHTGMG
LIBS HOLT Equity Factor Global Momentum LISD					
Net Total Return Index	DE000SLA5EF3	USD	NTR	.UBSHTGMN	UBSHTGMN
UBS HOLT Equity Factor Global Momentum USD					
Price Return Index	DE000SLA5ED8	USD	PR	.UBSHTGMP	
UBS HOLT Equity Factor Global Multi-Factor			СТР		
USD Gross Total Return Index	DE0003LASEQU	030	GIK	.065HIGFG	UDSHIGFG
UBS HOLT Equity Factor Global Multi-Factor	DE000SI A5EN7	USD	NTR	UBSHTGEN	UBSHTGEN
USD Net Total Return Index	DECCOULINGEN	000		.0DOITIOI N	obornorn
UBS HOLT Equity Factor Global Multi-Factor	DE000SLA5EL1	USD	PR	.UBSHTGFP	
USD Price Return Index					
OBS HOLT Equity Factor Global Quality USD	DE000SLA5EV0	USD	GTR	.UBSHTGQG	UBSHTGQG
LIBS HOLT Equity Factor Global Quality LISD Net					
Total Return Index	DE000SLA5ES6	USD	NTR	.UBSHTGQN	UBSHTGQN
UBS HOLT Equity Factor Global Quality USD			00		
Price Return Index	DEUUUSLASER8	USD	PR	.UBSHIGQP	
UBS HOLT Equity Factor Global Size USD Gross			GTR	LIBSHTGSG	LIBSHTOSO
Total Return Index	DE0000E/(0E12	000	om	.000111000	000111000
UBS HOLT Equity Factor Global Size USD Net	DE000SLA5E04	USD	NTR	.UBSHTGSN	UBSHTGSN
I otal Return Index					
OBS HOLT Equily Factor Global Size OSD Price	DE000SLA5EZ1	USD	PR	.UBSHTGSP	
LIBS HOLT Equity Factor Global Value LISD					
Gross Total Return Index	DE000SLA5EY4	USD	GTR	.UBSHTGVG	UBSHTGVG
UBS HOLT Equity Factor Global Value USD Net		1100	NTD		
Total Return Index	DE000SLA5EX6	USD	NIR	.UBSHIGVN	UBSHIGVN
UBS HOLT Equity Factor Global Value USD Price			PR	LIBSHTGVP	
Return Index	DE0000EA3E110	000		.000111011	
UBS HOLT Equity Factor Japan Low Beta JPY	DE000SLA6WP2	JPY	GTR	.UBSHTJLG	UBSHTJLG
Gross Total Return Index					
Total Return Index	DE000SLA6WN7	JPY	NTR	.UBSHTJLN	UBSHTJLN
LIBS HOLT Equity Factor Japan Low Beta IPY					
Price Return Index	9	JPY	PR	.UBSHTJLP	
UBS HOLT Equity Factor Japan Momentum JPY			OTD		
Gross Total Return Index	DE000SLA6WH9	JPY	GIR	.UBSHTJMG	OR2HIJMG
UBS HOLT Equity Factor Japan Momentum JPY		IPY	NTR	LIBSHT IMN	LIBSHTIMN
Net Total Return Index	PLUUUULAUUUUI	21.1	INTEL		000110111
UBS HOLT Equity Factor Japan Momentum JPY	DE000SLA6WF3	JPY	PR	.UBSHTJMP	
Price Return Index	•			···	
Gross Total Return Index	DE000SLA6WS6	JPY	GTR	.UBSHTJFG	UBSHTJFG



UBS HOLT Equity Factor Japan Multi-Factor JPY					
Net Total Return Index	DE000SLA6WR8	JPY	NTR	.UBSHTJFN	UBSHTJFN
UBS HOLT Equity Factor Japan Multi-Factor JPY			חח		
Price Return Index	DEUUUSLAGWQU	JPY	PK	.0BSHIJFP	
UBS HOLT Equity Factor Japan Quality JPY Gross		IDV	CTP		
Total Return Index	DE0000EA0WE0		OIN	.000111300	Obsinitiço
UBS HOLT Equity Factor Japan Quality JPY Net		IPY	NTR	UBSHTION	UBSHTION
Total Return Index	DECCOCENTRO	<i></i>		.oboimogit	oborningit
UBS HOLT Equity Factor Japan Quality JPY Price	DE000SLA6WC0	JPY	PR	.UBSHTJQP	
Return Index					
UBS HOLT Equity Factor Japan Size JPY Gross	DE000SLA6WL1	JPY	GTR	.UBSHTJSG	UBSHTJSG
101al Return Index					
Beturn Index	DE000SLA6WK3	JPY	NTR	.UBSHTJSN	UBSHTJSN
LIBS HOLT Equity Factor Japan Size IPV Price					
Return Index	DE000SLA6WJ5	JPY	PR	.UBSHTJSP	
UBS HOLT Equity Factor Japan Value JPY Gross					
Total Return Index	DE000SLA6WB2	JPY	GTR	.UBSHTJVG	UBSHTJVG
UBS HOLT Equity Factor Japan Value JPY Net			NTD		
Total Return Index	DE000SLA6WA4	JPY	NIK	.UBSHIJVN	ORSHIJAN
UBS HOLT Equity Factor Japan Value JPY Price			חח		
Return Index	DEUUUSLAGV93	JPY	PK	.00301375	
UBS HOLT Equity Factor US Low Beta USD Gross		חפוו	GTR		
Total Return Index	DE0003EASITI	000	OIN	.0DSITIOLG	OBSITIOLO
UBS HOLT Equity Factor US Low Beta USD Net		USD	NTR		
Total Return Index		000		.0DOIN OLIV	OBOINIOEN
UBS HOLT Equity Factor US Low Beta USD Price	DE000SLA5FR5	USD	PR	.UBSHTULP	
Return Index					
UBS HOLI Equity Factor US Momentum USD	DE000SLA5FQ7	USD	GTR	.UBSHTUMG	UBSHTUMG
Gross Total Return Index					
UBS HOLT Equily Factor US Momentum USD Net	DE000SLA5FP9	USD	NTR	.UBSHTUMN	UBSHTUMN
LIBS HOLT Equity Factor LIS Momentum LISD					
Price Return Index	DE000SLA5FN4	USD	PR	.UBSHTUMP	
UBS HOLT Equity Factor US Multi-Factor USD					
Gross Total Return Index	DE000SLA5FY1	USD	GTR	.UBSHTUFG	UBSHTUFG
UBS HOLT Equity Factor US Multi-Factor USD					
Net Total Return Index	DE000SLA5FX3	USD	NIK	.UBSHIUFN	UBSHIUFN
UBS HOLT Equity Factor US Multi-Factor USD		חפוו	DD		
Price Return Index	DE0003EAJI W3	000	111	.000111011	
UBS HOLT Equity Factor US Quality USD Gross	DE000SI A5E29	USD	GTR	UBSHTUOG	UBSHTUOG
Total Return Index	B 200002, 101 20	002	•		02011040
UBS HOLT Equity Factor US Quality USD Net	DE000SLA5F11	USD	NTR	.UBSHTUQN	UBSHTUQN
I OTAL RETURN INDEX					-
DBS HOLT Equily Factor US Quality USD Price	DE000SLA5F03	USD	PR	.UBSHTUQP	
HERE HOLT Equity Factor LIS Size LISD Gross					
Total Beturn Index	DE000SLA5F86	USD	GTR	.UBSHTUSG	UBSHTUSG
LIBS HOLT Equity Factor US Size LISD Net Total					
Return Index	DE000SLA5F78	USD	NTR	.UBSHTUSN	UBSHTUSN
UBS HOLT Equity Factor US Size USD Price					
Return Index	DE000SLA5F60	USD	PR	.UBSHTUSP	
UBS HOLT Equity Factor US Value USD Gross			OTD		
Total Return Index	DEUUUSLASF32	030	GIR	.00301000	00001000
UBS HOLT Equity Factor US Value USD Net Total			NTR		LIBSHTUWN
Return Index		000	1111	.000110VN	
UBS HOLT Equity Factor US Value USD Price	DE000SI A5E37	USD	PR	UBSHTUVP	
Return Index		565			

*PR, NTR, GTR means that the Index is calculated as price return, net total return, and gross total return Index as described in the Equity Index Methodology, which is available on the SOLACTIVE website: <u>https://www.solactive.com/documents/equity-index-methodology/</u>

The INDEX is published on the website of the INDEX ADMINISTRATOR (<u>www.solactive.com</u>) 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: <u>https://www.solactive.com/news/announcements/</u>.

1.3. INITIAL LEVEL OF THE INDEX

The initial level of the Global region INDEX on the 15/02/2002, the START DATE, is 100. Historical values from the 27/04/2018, the LIVE DATE, will be recorded in accordance with Article 8 of the BMR.

The initial level of the Europe and US region INDEX on the 08/03/2002, the START DATE, is 100. Historical values from the 06/06/2018, the LIVE DATE, will be recorded in accordance with Article 8 of the BMR.

The initial level of the Japan region INDEX on the 08/03/2002, the START DATE, is 100. Historical values from the 18/02/2019, the LIVE DATE, will be recorded in accordance with Article 8 of the BMR.

1.4. PRICES AND CALCULATION FREQUENCY

The level of the INDEX is calculated on each CALCULATION DAY from 9:00 a.m. to 10:50 p.m. CET for the Global, Europe, and Japan region INDICES, and from 03:30 a.m. to 10:50 p.m. CET for the US region INDICES based on the TRADING PRICES on the EXCHANGES on which the INDEX COMPONENTS are listed. TRADING PRICES of 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 INDEX COMPONENTS on the respective EXCHANGES on which the INDEX COMPONENTS are listed. The CLOSING PRICES of INDEX COMPONENTS not listed in the INDEX CURRENCY are converted using the 04:00 p.m. London time rates provided by WM/ Refinitiv (the "WM/ Refinitiv Rate"). If there is no 04:00 p.m. London time WM/ Refinitiv Rate for the relevant CALCULATION DAY, the last available 04:00 p.m. London time WM/ Refinitiv Rate will be used for the closing level calculation.

1.5. LICENSING

Licenses to use the INDEX as the underlying value for financial instruments, investment funds and financial contracts may be issued to stock exchanges, banks, financial services providers and investment houses by client.

2. INDEX SELECTION

On each SELECTION DAY, the SELECTION PARTY will revise the composition of the INDEX.

In a first step, the SELECTION PARTY determines the INDEX UNIVERSE in accordance with Section 2.1. The INDEX UNIVERSE comprises all those financial instruments which fulfill the INDEX UNIVERSE REQUIREMENTS (as specified in Section 2.1) and will constitute a starting pool from which the components of the INDEX will be selected. Based on this INDEX UNIVERSE, the new composition of the INDEX will be determined by applying the rules outlined in Section 2.2.

Each new INDEX COMPONENT will be assigned a weight as described in Section 2.3.

2.1. INDEX UNIVERSE REQUIREMENTS

The INDEX UNIVERSE for each region including US, Europe, Japan, and Global is comprised of all financial instruments which fulfill the below requirements

(the "Index Universe Requirements"):

- INVESTIBLE UNIVERSE comprising all cap securities across the regions including US, Europe, Japan, and Global.
- The securities in INVESTIBLE UNIVERSE within each region are selected and constitute the REGION-SPECIFIC INDEX BENCHMARK based on the methodology that is available here: <u>https://solactive.com/downloads/Guideline_UBSHT_univesre.pdf</u>.

The INDEX ADMINISTRATOR has outsourced the determination of the INDEX UNIVERSE to the SELECTION PARTY. Such outsourcing has been made in accordance with the requirements of the BMR (Article 10 BMR).

The determination of the INDEX UNIVERSE is fully rule-based and the SELECTION PARTY cannot make any discretionary decisions.

2.2. SELECTION OF THE INDEX COMPONENTS

Based on the INDEX UNIVERSE, the initial composition of the FACTOR INDEXES as well as any selection for an ordinary rebalance is determined on the SELECTION DAY in accordance with the following rules:

(the "INDEX COMPONENT REQUIREMENTS"):

- 1. The VALUE FACTOR, QUALITY FACTOR, MOMENTUM FACTOR, BETA FACTOR, and SIZE FACTOR are calculated as defined in Section 7.
- 2. A raw Z-score is calculated to standardize the Scores within Value Factor, Quality Factor, and Momentum Factor. Raw Z-score of Scores within Value Factor, Quality Factor, and Momentum Factor are winsorized at a 5% level within its corresponding Region-Specific INDEX BENCHMARK. This

means values below the 5^{th} percentile will be set equal to the 5^{th} percentile, and values above the 95^{th} percentile will be set equal to the 95^{th} percentile.

3. Then VALUE FACTOR, QUALITY FACTOR, and MOMENTUM FACTOR are calculated based on the weighted average of the winsorized Z-score of their Scores according to the definitions outlined in Section 7.

The INDEX ADMINISTRATOR has outsourced the selection of the INDEX COMPONENTS to the SELECTION PARTY. Such outsourcing has been made in accordance with the requirements of the BMR (Article 10 BMR). Any discretionary decision of the SELECTION PARTY will be made in accordance with the specifications regarding the exercise of discretion or expert judgement established by the INDEX ADMINISTRATOR.

2.3. WEIGHTING OF THE INDEX COMPONENTS

The final weight of each INDEX COMPONENT on any SELECTION DAY is determined through an optimization. It aims to maximize the exposure to the relevant VALUE FACTOR, QUALITY FACTOR, MOMENTUM FACTOR, or minimize the exposure to the relevant BETA FACTOR, and SIZE FACTOR within each REGION-SPECIFIC INDEX BENCHMARK for the INDICES optimized for a single FACTOR. Additionally, it seeks to maximize exposure to the VALUE FACTOR, QUALITY FACTOR, MOMENTUM FACTOR, and minimize exposure to the BETA FACTOR, and SIZE FACTOR, QUALITY FACTOR, MOMENTUM FACTOR, and minimize exposure to the BETA FACTOR, and SIZE FACTOR in the MULTI-FACTOR INDICES. The optimization is subject to a set of constraints as follows:

- The weight of each INDEX COMPONENT must exceed 0.15% for each FACTOR in Global region, and 0.25% for each FACTOR in Europe, US, and Japan regions
- Ex-ante forecast tracking error with respect to the REGION-SPECIFIC INDEX BENCHMARK must not exceed 3% for INDICES optimized for a single FACTOR and 5% for MULTI-FACTOR INDICES.
- The weight of each sector in region-specific INDEX must not differ from the one of its REGION-SPECIFIC INDEX BENCHMARK by more than 5% in absolute term.
- The weight of each industry group in an INDEX must not differ from the one of its REGION-SPECIFIC INDEX BENCHMARK by more than 2% in absolute term.
- The weight of each country in the INDEX must not differ from the one of its REGION-SPECIFIC INDEX BENCHMARK by more than 5% in absolute term.
- The weight of each INDEX COMPONENT must not be less than the respective weight in the REGION-SPECIFIC INDEX BENCHMARK by a 2.5% margin and not more than the respective weight in the REGION-SPECIFIC INDEX BENCHMARK by a 1% margin.
- The exposure of the INDICES optimized for a single FACTOR to the non-optimized FACTORS must not exceed 10% in absolute term from the exposure to the non-optimized FACTORS in the REGION-SPECIFIC INDEX BENCHMARK.
- The exposure of the MULTI-FACTOR INDICES to the IDIOSYNCRATIC VOLATILITY FACTOR must not differ by more than 1% in absolute terms from the exposure to the IDIOSYNCRATIC VOLATILITY FACTOR of the REGION-SPECIFIC INDEX BENCHMARK.



- The weight increase of each INDEX COMPONENT on each REBALANCE DAY must remain below $\frac{1}{13.34}$ of its 20-day AVERAGE DAILY VALUE TRADED divided by the REFERENCE LIQUIDITY.
- The weight assigned to each INDEX COMPONENT on each REBALANCE DAY must remain below $\frac{1}{3}$ of its 20-day AVERAGE DAILY VALUE TRADED divided by the REFERENCE LIQUIDITY.
- The weight decreases of each INDEX COMPONENT on each REBALANCE DAY must remain below $\frac{1}{6.67}$ of its 20- day AVERAGE DAILY VALUE TRADED divided by the REFERENCE LIQUIDITY in absolute terms.
- The two-way turnover is capped at 50%.
- The weight assigned to each INDEX COMPONENT on each REBALANCE DAY must remain below 0.35% of its TOTAL MARKET CAPITALIZATION.
- The weight of financials sector in INDICES optimized for a single QUALITY FACTOR must not differ from its REGION-SPECIFIC INDEX BENCHMARK by more than 0.5% in absolute terms.
- The exposure of each MULTI-FACTOR INDICES to any FACTOR must be positive if the optimization is set to maximization and negative if the optimization is set to minimization.
- The aggregate weights of the INDEX COMPONENTS in any INDEX shall not exceed 100%.

The INDEX ADMINISTRATOR has outsourced the weighting of the INDEX COMPONENTS to the SELECTION PARTY. Such outsourcing has been made in accordance with the requirements of the BMR (Article 10 BMR). Any discretionary decision of the SELECTION PARTY will be made in accordance with the specifications regarding the exercise of discretion or expert judgement established by the INDEX ADMINISTRATOR.

Index Name	Factor	Optimisation	Company Min Weight	Number of Companies
UBS HOLT Equity Factor Global Value Index	Value	Max	0.15%	145 to 155 (Target
UBS HOLT Equity Factor Global Quality Index	Quality	Max	0.15%	150)
UBS HOLT Equity Factor Global Momentum Index	Momentum	Max	0.15%	
UBS HOLT Equity Factor Global Size Index	Size	Min	0.15%	
UBS HOLT Equity Factor Global Low Beta Index	Low Beta	Min	0.15%	
UBS HOLT Equity Factor Global Multi-Factor Index	All Factors	Aggregate	0.15%	
UBS HOLT Equity Factor Europe Value Index	Value	Max	0.25%	



UBS HOLT Equity Factor Europe Quality Index	Quality	Max	0.25%	95 to 105 (Target
UBS HOLT Equity Factor Europe Momentum Index	Momentum	Max	0.25%	100)
UBS HOLT Equity Factor Europe Size Index	Size	Min	0.25%	
UBS HOLT Equity Factor Europe Low Beta Index	Low Beta	Min	0.25%	
UBS HOLT Equity Factor Europe Multi-Factor Index	All Factors	Aggregate	0.25%	
UBS HOLT Equity Factor US Value Index	Value	Max	0.25%	
UBS HOLT Equity Factor US Quality Index	Quality	Max	0.25%	
UBS HOLT Equity Factor US Momentum Index	Momentum	Max	0.25%	
UBS HOLT Equity Factor US Size Index	Size	Min	0.25%	
UBS HOLT Equity Factor US Low Beta Index	Low Beta	Min	0.25%	
UBS HOLT Equity Factor US Multi-Factor Index	All Factors	Aggregate	0.25%	
UBS HOLT Equity Factor Japan Value Index	Value	Max	0.25%	
UBS HOLT Equity Factor Japan Quality Index	Quality	Max	0.25%	
UBS HOLT Equity Factor Japan Momentum Index	Momentum	Max	0.25%	
UBS HOLT Equity Factor Japan Size Index	Size	Min	0.25%	
UBS HOLT Equity Factor Japan Low Beta Index	Low Beta	Min	0.25%	
UBS HOLT Equity Factor Japan Multi-Factor Index	All Factors	Aggregate	0.25%	

3. REBALANCE

3.1. ORDINARY REBALANCE

In order to reflect the new selection of the INDEX COMPONENTS determined on the SELECTION DAY (in accordance with Section 2.1 and 2.2) the INDEX is adjusted on the REBALANCE DAY after CLOSE OF BUSINESS.

This is carried out by implementing the shares as determined on the FIXING DAY based on the weights calculated on the SELECTION DAY.

For more information on the rebalance procedure please refer to the Equity Index Methodology, which is incorporated by reference and available on the Solactive website: <u>https://www.solactive.com/documents/equity-index-methodology/.</u>

The INDEX is rebalanced over the REBALANCE PERIOD to downsize rebalance transactions in accordance with the Equity Index Methodology, which is incorporated by reference and available on the SOLACTIVE website: <u>https://www.solactive.com/documents/equity-index-methodology/</u>.

On each REBALANCE DAY there is a 0.5% rebalancing fee subtracted based on the total absolute change in the weights of each financial instrument entering or leaving the INDEX. The rebalancing fee will be applied in compliance with the Solactive Equity Index Methodology, which is incorporated by reference and available on the SOLACTIVE website: <u>https://www.solactive.com/documents/equity-index-methodology/</u>.

SOLACTIVE will publish any changes made to the INDEX COMPONENTS with sufficient notice before the REBALANCE DAY on the SOLACTIVE website under the section "News", which is available at https://www.solactive.com/news/announcements/.

3.2. EXTRAORDINARY REBALANCE

The INDEX is not rebalanced extraordinarily.

4. CALCULATION OF THE INDEX

4.1. INDEX FORMULA

The INDEX is calculated as a price return, net total return, and gross total return Index.

The calculation is performed according to the Equity Index Methodology, which is available on the SOLACTIVE website: <u>https://www.solactive.com/documents/equity-index-methodology/</u>. The standard index formula stipulates that the level of the INDEX changes based on the change of the prices of its INDEX COMPONENTS taking into account their weight in the INDEX and any currency conversion in case the price of an INDEX COMPONENT is quoted in a currency other than the INDEX CURRENCY.

Any dividends or other distributions are reinvested back into the INDEX COMPONENT paying the dividend or other distribution at the opening of the effective date (the so-called ex-date) of the payment of such dividend or other distribution.

A more detailed description of the mechanics of the index calculation formula can be found in the Equity Index Methodology under Section 1.2.

4.2. ACCURACY

The level of the INDEX will be rounded to 16 decimal places. TRADING PRICES and foreign exchange rates will be rounded to six decimal places.

4.3. ADJUSTMENTS

Under certain circumstances, an adjustment of the INDEX may be necessary between two regular REBALANCE DAYS. Such adjustment has to be made if a corporate action (as specified in Section 4.4 below) in relation of an INDEX COMPONENT occurs. Such adjustment may have to be done in relation to an INDEX COMPONENT and/or may also affect the number of INDEX COMPONENTS and/or the weighting of certain INDEX COMPONENTS and will be made in compliance with the Solactive Equity Index Methodology, which is incorporated by reference and available on the SOLACTIVE website: https://www.solactive.com/documents/equity-index-methodology/.

SOLACTIVE will announce the INDEX adjustment giving a notice period of at least two TRADING DAYS (with respect to the affected INDEX COMPONENT) on the SOLACTIVE website under the section "News", which is available at <u>https://www.solactive.com/news/announcements/</u>. The INDEX adjustments will be implemented on the effective day specified in the respective notice.

4.4. 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. Corporate actions will be implemented from the cum-day to the ex-day of the corporate action, so that the adjustment to the INDEX coincides with the occurrence of the price effect of the respective corporate action.

Adjustments to the INDEX to account for corporate actions will be made in compliance with the Equity Index Methodology, which is available on the SOLACTIVE website: <u>https://www.solactive.com/documents/equity-index-methodology/</u>. This document contains for each corporate action a brief definition and specifies the relevant adjustment to the INDEX variables.

While SOLACTIVE aims at creating and maintaining its methodology for treatment of corporate actions as generic and transparent as possible and in line with regulatory requirements, it retains the right in accordance with the Equity Index Methodology to deviate from these standard procedures in case of any unusual or complex corporate action or if such a deviation is made to preserve the comparability and representativeness of the INDEX over time.

SOLACTIVE considers following, but not conclusive, list of corporate actions as relevant for INDEX maintenance:

- > Cash Distributions (e.g. payment of a dividend)
- > Stock distributions (e.g. payment of a dividend in form of additional shares)
- > Stock distributions of another company (e.g. payment of a dividend in form of additional shares of another company (e.g. of a subsidiary))
- > Share splits (company's present shares are divided and therefore multiplied by a given factor)
- > Reverse splits (company's present shares are effectively merged)
- > Capital increases (such as issuing additional shares)
- > Share repurchases (a company offer its shareholders the option to sell their shares to a fixed price)
- > Spin-offs (the company splits its business activities into two or more entities and distributes new equity shares in the created entities to the shareholders of the former entity)
- Mergers & Acquisitions (transaction in which the ownership of a company (or other business organizations) are transferred or consolidated with other entities, e.g. fusion of two or more separate companies into one entity)
- > Delistings (company's shares are no longer publicly traded at a stock exchange)
- > Nationalization of a company (effective control of a legal entity is taken over by a state)

> Insolvency

4.5. RECALCULATION

SOLACTIVE makes the greatest possible efforts to accurately calculate and maintain its indices. However, errors in the determination process may occur from time to time for variety reasons (internal or external) and therefore, cannot be completely ruled out. SOLACTIVE endeavors to correct all errors that have been identified within a reasonable period of time. The understanding of "a reasonable period of time" as well as the general measures to be taken are generally depending on the underlying and is specified in the Solactive Correction Policy, which is incorporated by reference and available on the SOLACTIVE website: https://www.solactive.com/documents/correction-policy/.

4.6. MARKET DISRUPTION

In periods of market stress SOLACTIVE calculates its indices following predefined and exhaustive arrangements as described in the Solactive Disruption Policy, which is incorporated by reference and available on the SOLACTIVE website: <u>https://www.solactive.com/documents/disruption-policy/</u>. Such market stress can arise due to a variety of reasons, but generally results in inaccurate or delayed prices for one or more INDEX COMPONENTS. The determination of the INDEX may be limited or impaired at times of illiquid or fragmented markets and market stress.

5. MISCELLANEOUS

5.1. DISCRETION

Any discretion which may need to be exercised in relation to the determination of the INDEX (for example the determination of the INDEX UNIVERSE (if applicable), the selection of the INDEX COMPONENTS (if applicable) or any other relevant decisions in relation to the INDEX) shall be made in accordance with strict rules regarding the exercise of discretion or expert judgement.

For the INDEX, a SELECTION PARTY is used. The determinations of the INDEX UNIVERSE and the INDEX COMPONENTS are subject to decisions of the SELECTION PARTY where the exercise of discretion is needed. The SELECTION PARTY has confirmed that such discretionary decision is performed in accordance with the specifications established by the INDEX ADMINISTRATOR.

5.2. METHODOLOGY REVIEW

The methodology of the INDEX is subject to regular review, at least annually. In case a need of a change of the methodology has been identified within such review (e.g. if the underlying market or economic reality has changed since the launch of the INDEX, i.e. if the present methodology is based on obsolete assumptions and factors and no longer reflects the reality as accurately, reliably and appropriately as before), such change will be made in accordance with the Solactive Methodology Policy_which is incorporated by reference and available on the SOLACTIVE website: https://www.solactive.com/documents/methodology-policy/.

Such change in the methodology will be announced on the SOLACTIVE website under the section "News", which is available at https://www.solactive.com/news/announcements/. The date of the last amendment of this INDEX is contained in this GUIDELINE.

5.3. CHANGES IN CALCULATION METHOD

The application by the INDEX ADMINISTRATOR of the method described in this document is final and binding. The INDEX ADMINISTRATOR shall apply the method described above for the composition and calculation of the INDEX. However, it cannot be excluded that the market environment, supervisory, legal and financial or tax reasons may require changes to be made to this method. The INDEX ADMINISTRATOR may also make changes to the terms and conditions of the INDEX and the method applied to calculate the INDEX that it deems to be necessary and desirable in order to prevent obvious or demonstrable error or to remedy, correct or supplement incorrect terms and conditions. The INDEX ADMINISTRATOR is not obliged to provide information on any such modifications or changes. Despite the modifications and changes, the INDEX ADMINISTRATOR will

take the appropriate steps to ensure a calculation method is applied that is consistent with the method described above.

5.4. TERMINATION

SOLACTIVE makes the greatest possible efforts to ensure the resilience and continued integrity of its indices over time. Where necessary, SOLACTIVE follows a clearly defined and transparent procedure to adapt Index methodologies to changing underlying markets (see Section 5.2 "Methodology Review") in order to maintain continued reliability and comparability of the indices. Nevertheless, if no other options are available the orderly cessation of the INDEX may be indicated. This is usually the case when the underlying market or economic reality, which an index is set to measure or to reflect, changes substantially and in a way not foreseeable at the time of inception of the index, the index rules, and particularly the selection criteria, can no longer be applied coherently or the index is no longer used as the underlying value for financial instruments, investment funds and financial contracts.

SOLACTIVE has established and maintains clear guidelines on how to identify situations in which the cessation of an index is unavoidable, how stakeholders are to be informed and consulted and the procedures to be followed for a termination or the transition to an alternative index. Details are specified in the Solactive Termination Policy, which is incorporated by reference and available on the SOLACTIVE website: <u>https://www.solactive.com/documents/termination-policy/.</u>

5.5. INDEX COMMITTEE

An index committee composed of staff from SOLACTIVE and its subsidiaries (the "**INDEX COMMITTEE**") is responsible for decisions regarding any amendments to the rules of the INDEX. Any such amendment, which may result in an amendment of the GUIDELINE, must be submitted to the INDEX COMMITTEE for prior approval and will be made in compliance with the Methodology Policy, which is available on the SOLACTIVE website: <u>https://www.solactive.com/documents/methodology-policy/</u>.

6. DEFINITIONS

"AVERAGE DAILY VALUE TRADED" means, in respect of an INDEX COMPONENT, the sum of DAILY VALUE TRADED over the specified period divided by the number of TRADING DAYS that fall in the specified period.

"BENCHMARK REGULATION" shall have the meaning as defined in Section "Introduction".

"BETA FACTOR" shall have the meaning as defined in Section 7.

"BMR" shall have the meaning as defined in Section "Introduction".

"CALCULATION DAY" is every weekday from Monday to Friday.

"CLOSE OF BUSINESS" is the calculation time of the closing level of the INDEX as outlined in Section 1.4.

The **"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.

"DAILY VALUE TRADED" means, in respect of an INDEX COMPONENT and a TRADING DAY, the product of (i) the CLOSING PRICE of such INDEX COMPONENT and (ii) the volume traded (measured as a number of shares) of such INDEX COMPONENT on the EXCHANGE during such TRADING DAY.

"EXCHANGE" is with respect to the INDEX and every INDEX COMPONENT, the respective exchange where the INDEX COMPONENT has its listing as determined in accordance with the rules in Section 2.

"FACTOR" shall have the meaning as defined in Section 7.

"FIXING DAY" is 2 TRADING DAYS prior to REBALANCE DAY.

The **"FREE FLOAT"** is with regard to each of the securities fulfilling the INDEX COMPONENT REQUIREMENTS on a SELECTION DAY the share class-specific fraction of the total number of shares of such share class issued that are available for trading by market participants and not locked-in by long term holders, as sourced from data vendors.

The **"FREE FLOAT MARKET CAPITALIZATION"** is with regard to each of the securities fulfilling the INDEX COMPONENT REQUIREMENTS on a SELECTION DAY the share class-specific free float market capitalization. It is calculated as the multiplication of the shares outstanding in FREE FLOAT (as sourced from data vendors) with the CLOSING PRICE of the share class as of the respective SELECTION DAY.

"GUIDELINE" shall have the meaning as defined in Section "Introduction".

"HOLT" is a corporate performance and valuation service of UBS Global Research and therefore produces data independently and free from influence of any other business area of UBS or any third party. CFROI, CFROE, HOLT, HOLT Lens, HOLTfolio and "Powered by HOLT" are trademarks or registered trademarks of UBS in the United States and other countries. For additional information on the HOLT methodology, please see https://www.ubs.com/global/en/investment-bank/holt.html

"HOLT'S DISCOUNTED CASH FLOW MODEL" can be found in the following link <u>https://www.ubs.com/global/en/investment-bank/holt.html</u>.

"IDIOSYNCRATIC VOLATILITY FACTOR" of an Index is the aggregated Idiosyncratic Volatility of each INDEX COMPONENT. The Idiosyncratic Volatility of each INDEX COMPONENT represents the part of volatility which is specific to the INDEX COMPONENT and it's not explained by its sensitivity to the market.

"INDEX" shall have the meaning as defined in Section "Introduction".

"INDEX ADMINISTRATOR" shall have the meaning as defined in Section "Introduction".

"INDEX BENCHMARK" shall have the meaning as defined in Section 2.1.

"INDEX COMMITTEE" shall have the meaning as defined in Section 5.5.

"INDEX COMPONENT" is each security reflected in the INDEX.

"INDEX COMPONENT REQUIREMENTS" shall have the meaning as defined in Section 2.2.

"INDEX CURRENCY" is the currency specified in the column "Currency" in the table in Section 1.2.

"INDEX UNIVERSE REQUIREMENTS" shall have the meaning as defined in Section 2.1.

"INDEX UNIVERSE" is the sum of all financial instruments which fulfill the INDEX UNIVERSE REQUIREMENTS.

"INVESTIBLE UNIVERSE" shall have the meaning as defined in Section 2.1.

"LIVE DATE" shall have the meaning as defined in Section 1.3.

"MOMENTUM FACTOR" shall have the meaning as defined in Section 7.

"MULTI-FACTOR INDICES" shall have the meaning as defined in Section 2.3.

"QUALITY FACTOR" shall have the meaning as defined in Section 7.

"**REBALANCE DAY**" is the 6th TRADING DAY of February, May, August, and November for Global region INDICES, and the 6th TRADING DAY of March, June, September, and December for Europe, US, and Japan region INDICES. If that day is not a TRADING DAY the REBALANCE DAY will be the immediately following TRADING DAY.

"**REBALANCE PERIOD**" is the period starting from (and including) the REBALANCE DAY until and (including) the immediately following 4 TRADING DAYS.

"**REFERENCE LIQUIDITY**" is \$300m with respect to MULTI-FACTOR INDICES, otherwise 200m\$.

"Region-Specific Index Benchmark" shall have the meaning as defined in Section 2.2.

"Score" shall have the meaning as defined in Section 7.

"**SELECTION DAY**" is the last TRADING DAY of January, April, July, and October for Global region INDICES, and the last TRADING DAY of February, May, August, and November for Europe, US, and Japan region INDICES.

"Selection Party" is the Axioma, Inc.

"SIZE FACTOR" shall have the meaning as defined in Section 7.

"SOLACTIVE" shall have the meaning as defined in Section "Introduction".

"START DATE" shall have the meaning as defined in Section 1.3.

The **"TOTAL MARKET CAPITALIZATION"** is with regard to each of the securities in the INDEX on a SELECTION DAY the sum of all SHARE CLASS MARKET CAPITALIZATIONS of a company.

"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.

The **"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.

"VALUE FACTOR" shall have the meaning as defined in Section 7.

"WM / REFINITIV RATE" shall have the meaning as defined in Section 1.4.

7. FACTOR DEFINITIONS

Each FACTOR is defined below.

- 1. Value Factor. It aims to measure the relative valuation of a given stock..
 - HOLT Warranted Upside (50%). It is the difference between HOLT's default warranted price and the most recent closing price expressed as a percentage. HOLT's default warranted price is a result of HOLT's DISCOUNTED CASH FLOW MODEL, an algorithmic discount cash flow model which uses consensus estimates and HOLT methodology to forecast company's returns and growth producing an estimate of its equity value.
 - HOLT Economic P/E (30%). It is defined as the HOLT Price/Book Multiple as described below divided by the I/B/E/S-estimate-driven forward 12 month estimation of the company's Cash Flow Return on Investment (CFROI as defined in the Quality Factor).
 - HOLT Price/Book Multiple (20%). It is defined as the sum of the market values of debt and equity, including the value of minority interest divided by the last fiscal year inflation-adjusted net assets plus the market value of investments for the current fiscal year.
- 2. Momentum Factor. It aims to capture the effects of relative stock price changes and the relative earnings revisions that a stock receives from analysts.
 - HOLT CFROI Revisions (60%). It captures the net impact on a firm's forecast CFROI level driven by changes in underlying I/B/E/S consensus earnings per share ("EPS") estimates. The 13-week cumulative CFROI Revisions metric aggregates week-to-week changes in forecast CFROI over the last 13 weeks (3 months).
 - Price Momentum (40%). It measures the 52-week price momentum with the most recent month removed.
- 3. Quality Factor. It is designed to measure the relative operational performance of a stock.
 - HOLT Quality Factor (100% weight for financials, 50% otherwise):
 - CFROI (50%). It represents the economic rate of return a firm earns on its total capital base and takes into account both on- and off-balance sheet assets. Some financial firms such as Banks and Insurance companies that operate spread businesses use HOLT's CFROE (Cash Flow Return on Equity) framework that measures cash earnings as a percent of tangible equity.



- 5-Year Median CFROI (25%). It is the median of past 5 fiscal year end observations of the CFROI (CFROE) metric.
- 5-Year CFROI Range (25%). It is defined as the difference between maximum and minimum CFROI (CFROE) annual metric observations in the past 5 fiscal years.
- Leverage Factor (0% weight for financials, -50% otherwise). It aims to measure a company's exposure to debt levels:
 - Debt-to-assets Ratio (50%). It is calculated as the ratio of long-term and short-term debt to total assets, where assets total is computed as the most recently reported valus.
 - Debt-to-equity Ratio (50%). It is calculated as the ratio of long-term and short-term debt to common equity, where common equity is computed as the average of the four most recently reported values.
- 4. Beta Factor. It aims to measure the sensitivity of a given stock against market moves (the "Historical Beta").

It is calculated by operating a linear regression on the historical stock returns against the market portfolio returns. The composition of the market portfolio depends on the geography and is typically a proxy for the REGION-SPECIFIC INDEX BENCHMARK. The objective of the regression is to express a stock's i return on any given day t in the form of the following linear equation:

$$r_{i,t} = \propto_i + \beta_i r_{M,t} + \varepsilon_{i,t}$$

Where:

 \propto_i is a constant number specific to stock *i*.

 β_i is the regression coefficient called historical beta of stock *i* used to determine the BETA FACTOR.

 $r_{M,t}$ is the market portfolio return at time t.

 $\varepsilon_{i,t}$ is a constant number specific to stock *i*.

5. Size Factor. It is defined as the logarithm of the total stock market capitalisation, averaged over the last month.

It is calculated by the logarithm of the average market capitalization over the last 20 trading days as follows:

$$SIZ_i = \ln\left(\frac{1}{20}\sum_{j=1}^{20}mc_{i,t-j}\right)$$

Where:

 SIZ_i is the Size Factor for stock i.

 $mc_{i,t-j}$ is Market Capitalization for stock i on day t.

8. HISTORY OF INDEX CHANGES

Version	Date	Description
1.0	25 October 2024	Index Guideline creation (<i>initial version</i>)



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