

INDEX GUIDELINE

UBS 130/30

Version 1.0

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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 UBS 130/30 (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	The investment objective of the indices is to provide exposure to a portfolio of US equities reflecting the investment factors as defined in Section 7 herein.
Regional Allocation	US
Rebalancing Fee	-
Rebalancing Frequency	Monthly

1.2. IDENTIFIERS AND PUBLICATION

The INDEX is published under the following identifiers:

Name	ISIN	Currency	Type	RIC	BBG ticker
UBS 130/30	DE000SL0PZE1	USD	PR	CS13030	CS13030
UBS 130/30 Total Return	DE000SL0PZF8	USD	GTR	CS13030T	CS13030T

PR and 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: <https://www.solactive.com/documents/equity-index-methodology/>

The INDEX is published on the website of the INDEX ADMINISTRATOR (www.solactive.com) and is, in addition, available via the price marketing services of Boerse Stuttgart GmbH and may be distributed to all of its affiliated vendors. Each vendor decides on an individual basis as to whether it will distribute or display the INDEX via its information systems.

Any publication in relation to the INDEX (e.g. notices, amendments to the GUIDELINE) will be available at the website of the INDEX ADMINISTRATOR: <https://www.solactive.com/news/announcements/>.

1.3. INITIAL LEVEL OF THE INDEX

The initial level of the INDEX on the 23/04/2008, the START DATE, is 1000. Historical values from the 15/03/2019, the LIVE DATE, will be recorded in accordance with Article 8 of the BMR. Levels of the INDEX published for a period prior to the LIVE DATE have been back-tested.



1.4. PRICES AND CALCULATION FREQUENCY

The level of the INDEX is calculated on each CALCULATION DAY from 3:30 p.m. to 10:50 p.m. CET 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 SOLACTIVE.



2. INDEX SELECTION

The CS 130/30 INDEX is composed of the following two components (the INDEX COMPONENTS):

Comp onent	Name	ISIN	Type	Currency	RIC	BBG Ticker
1	UBS 130/30 Long Basket	DE000SLOPZA9	PR	USD	CS130L	CS130L
2	UBS 130/30 Short Basket	DE000SLOPZC5	PR	USD	CS130S	CS130S

And the CS 130/30 Total Return INDEX is composed of the following two components (the INDEX COMPONENTS):

Comp onent	Name	ISIN	Type	Currency	RIC	BBG Ticker
1	UBS 130/30 Long Basket Total Return	DE000SLOPZB7	GTR	USD	CS130LT	CS130LT
2	UBS 130/30 Short Basket Total Return	DE000SLOPZD3	GTR	USD	CS130ST	CS130ST

2.1. LONG-SHORT INDEX FORMULA

The LONG-SHORT index is calculated according to the following formula:

As of the START DATE:

$$LS_t = 1000$$

On each CALCULATION DAY following the START DATE:

$$LS_t = NOSH_{Long,R} * L_t + NOSH_{Short,R} * S_t$$

Where:

LS_t = The level of the LONG-SHORT index as of CALCULATION DAY t

$NOSH_{Long,R}$ = The number of shares the index is holding in the LONG INDEX as of the REBALANCING DAY immediately preceding CALCULATION DAY t

L_t = The level of the LONG INDEX as of CALCULATION DAY t

$NOSH_{Short,R}$ = The number of shares the index is holding in the SHORT INDEX as of the REBALANCING DAY immediately preceding CALCULATION DAY t

S_t = The level of the SHORT INDEX as of CALCULATION DAY t



The number of shares the index is holding for each of the two components (LONG INDEX and SHORT INDEX) is determined according to:

$$NOSH_{Long,R} = \frac{w_{Long} * LS_R}{L_R}$$

$$NOSH_{Short,R} = \frac{w_{Short} * LS_R}{S_R}$$

Where:

w_{Long} = The weight of the LONG INDEX, which equals 130%

w_{Short} = The weight of the SHORT INDEX, which equals -30%

LS_R = The level of the LONG-SHORT index as of the respective REBALANCING DAY

The close weight of the LONG INDEX and SHORT INDEX as of any given REBALANCING DAY are calculated according to:

$$w_{Long,R}^{Close} = NOSH_{Long,RR} * \frac{L_R}{LS_R}$$

$$w_{Short,R}^{Close} = NOSH_{Short,RR} * \frac{S_R}{LS_R}$$

Where:

RR : The REBALANCING DAY immediately preceding REBALANCING DAY R

2.2. LONG AND SHORT INDEX SELECTION

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

In a first step, the INDEX ADMINISTRATOR determines the INDEX UNIVERSE in accordance with Section 2.2.1. The INDEX UNIVERSE comprises all those financial instruments which fulfill the INDEX UNIVERSE REQUIREMENTS (as specified in Section 2.2.1) 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 2.2.2.

Each new INDEX COMPONENT will be assigned a weight as described in Section 2.2.3.



2.2.1. UNIVERSE REQUIREMENTS FOR LONG AND SHORT INDEX

The INDEX UNIVERSE is comprised of all financial instruments which fulfill the below requirements (the “**INDEX UNIVERSE REQUIREMENTS**”):

- It is component of AXIOMA UNIVERSE which is represented by 1500 large, mid, and small MARKET CAPITALIZATION US companies.
- The top 500 large cap securities are selected and constitute the INDEX BENCHMARK.

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

2.2.2. SELECTION OF THE LONG AND SHORT INDEX COMPONENTS

Based on the INDEX 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 COMPONENT REQUIREMENTS**”):

I. Factor Calculation

1. Using the components of the INDEX BENCHMARK, the ALPHA SCORE is obtained after calculating the respective ALPHA FACTORS.
2. Each ALPHA FACTOR is calculated based on the average of the relative SUB-FACTORS which are computed according to the definitions outlined in Section 7.
3. Each SUB-FACTOR marked with an (x) in Section 7 are multiplied with -1 such that lower values get the higher score.
4. Each SUB-FACTOR marked with an (m) in Section 7 utilizes a median over the AXIOMA UNIVERSE instead of an average for normalization.

II. Score Normalization

1. On each SELECTION DAY, each INDEX COMPONENT will receive an ALPHA SCORE. The ALPHA SCORE is normalized across all scores in the AXIOMA UNIVERSE.
2. Each company SUB-FACTOR SCORE is normalized across all SUB-FACTOR SCORES in the AXIOMA UNIVERSE by the following formula:

$$\mu_{Sub-Factor Score} = \frac{\sum_u^{Index Benchmark} MktCap^u \times Sub-Factor Score^u}{\sum_u^{Index Benchmark} MktCap^u}$$

$$\sigma_{Sub-Factor Score} = \frac{\sum_u^{Axioma Universe} (Sub-Factor Score^u - \mu_{Sub-Factor Score})^2}{WeightingNumber - 1}$$



$$Sub-Factor Score_{norm}^{abc} = \frac{Sub-Factor Score^{abc} - \mu_{Sub-Factor Score}}{\sigma_{Sub-Factor Score}}$$

where:

$MktCap^u$ is the MARKET CAPITALIZATION of each company.

$WeightingNumber$ is the number of companies in the AXIOMA UNIVERSE.

3. Companies with normalized SUB-FACTOR SCORE exceeding 10 are excluded. Cap-weighted mean and standard deviation are recalculated based on the remaining companies:

$$\mu_{filtered Sub-Factor Score} = \frac{\sum_u^{Index Benchmark Filtered} MktCap^u \times Sub-Factor Score^u}{\sum_u^{Index Universe Filtered} MktCap^u}$$

$$\sigma_{filtered Sub-Factor Score} = \frac{\sum_u^{Axioma Universe Filtered} (Sub-Factor Score^u - \mu_{Sub-Factor Score})^2}{WeightingNumberFiltered - 1}$$

$$Filtered Sub-Factor Score^{abc} = \frac{Sub-Factor Score^{abc} - \mu_{filtered Sub-Factor Score}}{\sigma_{filtered Sub-Factor Score}}$$

where:

$WeightingNumberFiltered$ is the number of companies in the AXIOMA UNIVERSE after filtering.

4. Any company with a normalized FILTERED SUB-FACTOR SCORE greater than 10 is capped at 10, and any score less than -10 is capped at -10.
5. Each company FACTOR SCORE is the average of the relevant FILTERED SUB-FACTOR SCORES and normalized by the following formula:

$$FactorScorePrelim_i = \frac{\sum_{Sub-Factors Scores} Filtered Sub-Factor Score^{abc}}{NumberSub-Factors}$$

$$\mu = \frac{\sum_u^{Index Benchmark} MktCap^u \times FactorScorePrelim_u}{\sum_u^{Index Universe Filtered} MktCap^u}$$

$$\sigma = \sqrt{\frac{\sum_u^{Axioma Universe} (FactorScorePrelim_u - \mu)^2}{WeightingNumberFiltered - 1}}$$

$$FactorScore_i = \frac{FactorScorePrelim_i - \mu}{\sigma}$$

where:

$NumberSub-Factors$ is the number of sub-factors for a given ALPHA FACTOR.



6. Companies with FILTERED FACTOR SCORE exceeding 10 are excluded. Cap-weighted mean and standard deviation are recalculated based on the remaining companies:

$$\mu_{\text{filtered}} = \frac{\sum_u^{\text{Index Benchmark Filtered}} \text{MktCap}^u \times \text{FactorScore}_u}{\sum_u^{\text{Index Universe Filtered}} \text{MktCap}^u}$$

$$\sigma_{\text{filtered}} = \sqrt{\frac{\sum_u^{\text{Axioma Universe Filtered}} (\text{FactorScore}_u - \mu_{\text{filtered}})^2}{\text{WeightingNumberFiltered} - 1}}$$

$$\text{FilteredFactorScore}_i = \frac{\text{FactorScore}_i - \mu_{\text{filtered}}}{\sigma_{\text{filtered}}}$$

7. The ALPHA SCORE for each stock is the equal weighted average of all the FILTERED FACTOR SCORES:

$$\text{AlphaScore}_i = \frac{\sum_{\text{Factors}} \text{FilteredFactorScore}}{10}$$

The selection of the INDEX COMPONENTS is fully rule-based and the INDEX ADMINISTRATOR cannot make any discretionary decision.

2.2.3. WEIGHTING OF THE LONG AND SHORT 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 ALPHA SCORE as well as to minimize the risk in the INDEX with a penalty for turnover at 0.25% as a percentage change in weights. The optimization is subject to certain constraints as follows:

- The maximum absolute weight deviation of 0.4% from the weight in the INDEX BENCHMARK for the Individual securities weights, or the floor of 0.05% for Individual securities weights
- The maximum absolute beta deviation of 0.05 from the beta in the INDEX BENCHMARK.
- The long (securities with the positive weights) exposure must be equal to 130%.
- The short (securities with the negative weights) exposure must be equal to 30%.
- The aggregate of the weights for all the INDEX COMPONENT shall not exceed 100%.

The long INDEX comprised the positive final weights resulted from the optimization above, and the short INDEX comprised the positive final weights. The final weight for each INDEX COMPONENT is rescaled to 100%.



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: <https://www.solactive.com/documents/equity-index-methodology/>.

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 and gross total return Index.

The calculation is performed according to the Equity Index Methodology, which is available on the SOLACTIVE website: <https://www.solactive.com/documents/equity-index-methodology/>. The divisor 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 for the UBS 130/30 and UBS 130/30 Total Return as Standard indices.

Any dividends or other distributions are reinvested across the entire basket of Index Components by means of a divisor at the opening of the effective date (the so-called ex-date) of the payment of such dividend or other distribution for the rest of Indices (divisor indices).

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 2 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 <https://www.solactive.com/news/announcements/>. 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: <https://www.solactive.com/documents/equity-index-methodology/>. 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: <https://www.solactive.com/documents/disruption-policy/>. 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.

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: <https://www.solactive.com/documents/termination-policy/>.

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: <https://www.solactive.com/documents/methodology-policy/>.



6. DEFINITIONS

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

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

“CALCULATION DAY” any day on which the relevant EXCHANGES is scheduled to be open for trading during its regular trading session with respect to all INDEX COMPONENTS in the INDEX UNIVERSE.

“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.

“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.

“ALPHA FACTOR” shall have the meaning as defined in Section 2.2.

“ALPHA SCORE” shall have the meaning as defined in Section 2.2.

“AXIOMA UNIVERSE” shall have the meaning as defined in Section 2.1.

“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 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.

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

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

“REBALANCE DAY” is the third Friday in each month. If that day is not a TRADING DAY, the REBALANCE DAY will be the immediately preceding TRADING DAY.

“SELECTION DAY” is the first Tuesday following the first Friday of each month.

The **“SHARE CLASS MARKET CAPITALIZATION”** is with regard to each of the securities in the INDEX on a SELECTION DAY the share class-specific market capitalization for any security in the INDEX UNIVERSE. It is



calculated as the multiplication of the shares outstanding with the CLOSING PRICE of the share class as of the respective SELECTION DAY.

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

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

"SUB-FACTOR" shall have the meaning as defined in Section 2.2.

"SUB-FACTOR SCORE" shall have the meaning as defined in Section 2.2.

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.

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

7. FACTORS DEFINITIONS

Each equity risk factor is defined below along with its relative Sub-Factors.

1. Traditional Value:

Comprised of price-to-earnings, price-to-sales, price-to-cash-flow and price-to-book

- Price / 12-month Forward Earnings Consensus Estimate
- Price / Trailing four quarter sales
- Price / Trailing four quarter cash flows
- Dividend yield: total dividends paid in the past year divided by the current price
- Price / Book Value: last quarter's book value



2. Relative Value:

The current spread of each company's value ratios compared with their respective 5 year industry averages

- Industry-relative price / trailing 12-month sales (m)
- Industry relative price / trailing 12-month earnings (m)
- Industry-relative price / trailing 12-month cash flow (m)
- Industry-relative price / trailing 12-month sales (the current spread vs. the 5 year average)
- Industry-relative price / trailing 12-month earnings (the current spread vs. the 5 year average)
- Industry-relative price / trailing 12-month cash flow (the current spread vs. the 5 year average)

3. Historical Growth

Changes in cash flows, revenue trends, earnings growth rates

- Number of consecutive quarters of positive changes in 12-month cash flows (counted over the last 24 quarters)
- Number of consecutive quarters of positive change in trailing 12-month quarterly earnings
- 12-month change in quarterly cash flow
- 3-year average annual sales growth
- 3-year average annual earnings growth
- 12-quarter trendline in trailing 12 month earnings
- 12-quarter trendline in trailing 12 month cash flows

4. Expected Growth

Measures on earnings growth expectations

- 5-year expected earnings growth (Institutional Brokers' Estimate System ("I/B/E/S") consensus)
- Expected earnings growth Fiscal year 2 / fiscal year 1 (I/B/E/S consensus)

5. Profit Trends

Measures of (receivables + inventories) / sales, cash-flow-to-sales, sales-to-assets, overhead-to-sales and earnings-to-sales

- Number of consecutive quarters of declines in (receivables + inventories) / sales
- Number of consecutive quarters of increases in cash flow / sales



- Number of consecutive quarters of declines of overhead / sales
- Industry relative (receivables + inventories) / sales (x) (m)
- Industry relative sales / assets (m)
- 12-month overhead / 12-month sales (x)
- 12-month earnings / 12-month sales

6. Accelerating Sales

Rate of increase in sales growth

- 3-month momentum in 12-month sales
- 6-month momentum in 12-month sales
- Change in slope of 4 quarter trend through quarterly sales

7. Earnings Momentum

Earnings surprises and revisions

- 4-week change in 12-month forward earnings consensus / price
- 8-week change in 12-month forward earnings consensus / price
- Last earnings surprise / current price
- Last earnings surprise / standard deviation of quarterly estimates last quarter (I/B/E/S)

8. Price Momentum

6-12-month returns

- Slope of 52-week trendline (20-day lag)
- Percent above 260-day low (20-day lag)
- 4/52-week price oscillator (20-day lag)
- 39-week return (20-day lag)
- 52-week volume price trend (20-day lag)

9. Price Reversal

1-day to 4-week price mean reversion



- 5-day industry relative return (x)
- 5-day money flow / volume (x)
- 12-26 day moving average convergence divergence (MACD) 10-day signal line (x)
- 14-day relative strength index (RSI) (x)
- 20-day lane's stochastic indicator (x)
- 4-week industry relative return (x)

10. Small Size

Size measures include market capitalization, stock price, assets and sales

- Log of market cap (x)
- Log of market cap cubed (x)
- Log of stock price (x)
- Log of total last quarter assets (x)
- Log of trailing 12-month sales (x)

8. HISTORY OF INDEX CHANGES

Version	Date	Description
1.0	23 December 2024	Index Guideline creation (<i>initial version</i>)

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