

INDEX GUIDELINE

SOLACTIVE ILIM SUSTAINABLE EQUITY INDEX FAMILY

Version 1.0

09 July 2021



TABLE OF CONTENTS

Introduction	3
1. Index Specifications	4
1.1. Scope of the Index	4
1.2. Identifiers and Publication	4
1.3. Initial Level of the Index	5
1.4. Prices and calculation frequency	5
1.5. Licensing.....	6
2. Index Selection	7
2.1. Index Universe Requirements.....	7
2.2. Selection of the Index Components	7
2.3. Weighting of the Index Components.....	12
3. Rebalance	13
3.1. Ordinary Rebalance	13
3.2. Extraordinary Rebalance	13
4. 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. Miscellaneous	17
5.1. Discretion	17
5.2. Methodology Review.....	17
5.3. Changes in calculation method.....	17
5.4. Termination	18
5.5. Oversight	18
6. Definitions.....	19
ANNEX.....	21
Contact.....	25



INTRODUCTION

This document (the "**GUIDELINE**") is to be used as a guideline with regard to the composition, calculation and maintenance of the Solactive ILM Sustainable Equity Index Family (the "**INDEX**"). Any amendments to the rules made to the GUIDELINE are approved by the OVERSIGHT COMMITTEE specified in Section 5.5. The INDEX is owned, calculated, administered and published by Solactive AG ("**SOLACTIVE**") assuming the role as administrator (the "**INDEX ADMINISTRATOR**") under the Regulation (EU) 2016/1011 (the "**BENCHMARK REGULATION**" or "**BMR**"). The name "Solactive" is trademarked.

The text uses defined terms which are formatted with "SMALL CAPS". Such Terms shall have the meaning assigned to them as specified in 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 Index family aims to track a portfolio of Global, Developed and Emerging Markets securities which have been filtered based on certain controversial activities and weighted based on their exposure to ESG and Climate Factors.
Regional Allocation	Global Markets
Rebalancing Fee	NA
Rebalancing Frequency	Semi-annually

1.2. IDENTIFIERS AND PUBLICATION

The INDEX is published under the following identifiers:

Name	ISIN	Currency	Type	RIC	BBG ticker
Solactive ILIM Sustainable Developed Market Equity Index PR	DE000SL0DF79	EUR	PR	.SOILSDMP	
Solactive ILIM Sustainable Developed Market Equity Index NTR	DE000SL0DF87	EUR	NTR	.SOILSDMN	
Solactive ILIM Sustainable Developed Market Equity Index TR	DE000SL0DF95	EUR	GTR	.SOILSDMT	
Solactive ILIM Sustainable Emerging Market Equity Index PR	DE000SL0DGA5	EUR	PR	.SOILSEMP	
Solactive ILIM Sustainable Emerging Market Equity Index NTR	DE000SL0DGB3	EUR	NTR	.SOILSEMN	
Solactive ILIM Sustainable Emerging Market Equity Index TR	DE000SL0DGC1	EUR	GTR	.SOILSEMT	



Name	ISIN	Currency	Type	RIC	BBG ticker
Solactive ILIM Sustainable Global Market Equity Index PR	DE000SLODGD9	EUR	PR*	.SOILSGMP	
Solactive ILIM Sustainable Global Market Equity Index NTR	DE000SLODGE7	EUR	NTR*	.SOILSGMN	
Solactive ILIM Sustainable Global Market Equity Index TR	DE000SLODGF4	EUR	GTR*	.SOILSGMT	

*PR, NTR, GTR means that the Index is calculated as price return, net total return, 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 21/05/2021, the START DATE, is 100. Historical values from the 09/07/2021 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 9:00 a.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 WM Fixing quoted by Reuters. If there is no 04:00 p.m. London time WM Fixing for the relevant CALCULATION DAY, the last available 04:00 p.m. London time WM Fixing 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

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

Is a **GBS INDEX COMPONENT** (in case the SELECTION DAY is after the GBS REBALANCING DAY) or part/component of the **GBS INDEX UNIVERSE** (in case the SELECTION DAY is before the GBS REBALANCING DAY) of the following indices on a SELECTION DAY.

Index	Index Universe	ISIN Universe
Solactive ILIM Sustainable Global Market Equity Index	Solactive GBS Global Markets Large & Mid Cap USD Index PR	DE000SLA7729
Solactive ILIM Sustainable Developed Market Equity Index	Solactive GBS Developed Markets Large & Mid Cap USD Index PR	DE000SLA41B6
Solactive ILIM Sustainable Emerging Market Equity Index	Solactive GBS Emerging Markets Large & Mid Cap USD Index PR	DE000SLA75V2

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

2.2. SELECTION OF THE 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”):

1. The INDEX UNIVERSE is filtered based on Controversial Activity Criteria, as outlined below in the Exclusion List section.



2. ESG and Carbon Tilt Scores are calculated for all securities at the INDEX level. There will be a scoring system for each Global, Developed and Emerging Market INDEX.
3. Free-Float Market Capitalization based weights of the securities that remain after the application of the Exclusion List are multiplied by the ESG Tilt Score first and then the Carbon Tilt Scores
4. The resulting weights are rescaled to ensure certain deviations in comparison to the INDEX UNIVERSE are not exceeded.

Below the above steps are explained in more detail.

I. Exclusion List

Securities which are involved in any of the below controversial activities are excluded from the index composition. The Exclusion List is determined based on information supplied by the DATA PROVIDER.

Filter	Detail	Commentary
UN GC violators		Remove any UNGC Violators
Controversy	Existing controversies in issues such as operations and employee incidents, human rights, business ethics and water use	Remove companies in the Severe Controversy Category
Controversial Weapons	Anti-Personnel Mines	Remove companies with any detectable involvement in the core weapon system, or components/services of the core weapon system that are considered tailor-made and essential for the lethal use of the weapon
	Biological and Chemical Weapons	
	Cluster Weapons	
	Depleted Uranium	
	Nuclear Weapons	
	White Phosphorus	
Tobacco	Tobacco Products Production	Remove any company which manufactures tobacco products
	Tobacco Products Related Products/Services	Remove any company which derives more than 10% of its revenues from supplying tobacco-related products/services
	Tobacco Products Retail	Remove any company which derives more than 10% of its revenues from the distribution and/or retail sale of tobacco products
Thermal Coal	Thermal Coal Extraction	Remove companies deriving more than 10% of its revenue from thermal coal extraction
	Thermal Coal Power Generation	Remove companies deriving more than 25% of its revenues based on generating electricity from thermal coal



Arctic Oil	Arctic Oil & Gas Exploration Extraction	Remove companies deriving more than 10% of its revenues from oil and gas exploration in Arctic regions
Oil Sands	Oil Sands Extraction	Remove companies deriving more than 10% of its revenues from oil sands extraction

II. ESG Tilt Score

1. For each security within its INDEX UNIVERSE an ESG Tilt Score is calculated
2. A company level ESG Risk Rating, which has been determined by the DATA PROVIDER, is adjusted by removing its sector average. The sector is defined as based on the mapping outlined in the Annex.

Note: In the case of securities assigned to the Emerging Market segment, a second adjustment is applied to the resulting scores above, by adding the difference between the Developed Markets and Emerging Markets regional averages.

3. The scores are then normalized based on the following z-scoring formula, capped at +-3 and inverted, to change their direction.

$$ESG\ Risk\ Zscore = \frac{Adj\ ESG\ Risk\ Rating - Average\ Adj\ ESG\ Rating}{STD(Adj\ ESG\ Rating)}$$

4. Additionally, the ESG Risk Rating Momentum, which again has been determined by the DATA PROVIDER, is normalized based on the same z-scoring formula above, capped at +-3 and inversed.

Note: Securities missing an ESG Risk Rating or Momentum value are assigned a value of 0.

5. The two individual z-scores above are then combined into an Average ESG z-score:

$$Average\ ESG\ Zscore = ESG\ Risk\ Zscore + ESG\ Risk\ Momentum\ Zscore / 3$$

6. Which is renormalized and divided by 3 to create a score ranging from -1 to 1 defined as the ESG Tilt Score.
7. At this stage a 'Best in Class' step is implemented. The objective is to determine the worst laggard companies within the ESG Tilt Score and to remove these from the investible universe.
8. To this end ESG Tilt Scores determined in Step 6 are sorted from low to high and the companies with the lowest ESG Tilt Scores satisfying the following two criteria are removed from the universe
 - o Minimum number of names: A minimum of 5% up to a maximum of 10% of securities are intended to be removed.
 - o Minimum market cap weights: A minimum of 3% of the FREE-FLOAT MARKET CAPITALIZATION weights and up to a maximum of 7% are intended to be removed.



- This is to ensure this step is impactful from both a number of names and weight removed perspective.
 - 9. The 'Best in Class' step is achieved by subtracting the ESG Tilt Score of the security with the highest value from the pool of stocks removed using the above criteria and removing all companies with ESG Tilt Scores less than zero from the investible universe.
 - 10. This determines the ESG Tilt Score, which will be used in the tilting process.
- III. Carbon Tilt Score

1. Carbon Intensity and Carbon Risk Scores are determined by the DATA PROVIDER.
 - a. The Carbon Risk Score is first filled, where missing, with an adjusted Carbon Intensity value to mitigate any sparsity in its availability. The adjusted Carbon Intensity value is determined as:

$$Adj\ CI = \log(Carbon\ Intensity)^2$$

2. Next, each of the two data points are adjusted by removing their sector averages. The sector is determined as based on the mapping outlined in the Annex.
 - a. In case of securities assigned to the Emerging Market segment, a second adjustment is applied to the resulting scores above, by adding the difference between the Developed Markets and Emerging Markets regional averages.

These are the Adjusted Carbon Intensity (CI) values and Adjusted Carbon Risk (CR) Scores.

3. Both values are then normalized based on the same z-scoring formula detailed in the ESG Step above, capped at +-3 and inversed, to change their direction.

$$CI\ Zscore = \frac{Adj\ CI\ Score - Average\ Adj\ CI\ Score}{STD(Adj\ CI\ Score)}$$

And

$$CR\ Zscore = \frac{Adj\ CR\ Score - Average\ Adj\ CR\ Score}{STD(Adj\ CR\ Score)}$$

Note: Securities missing data are assigned a Z-score of 0.

4. Each of the above Z-scores are then adjusted based on the following formula, capped at 1 and floored at 0 to determine a Tilt Score.

$$Tilt\ Score = 0.5 + Zscore/3$$

5. Green Revenue Scores and Brown Revenues scores are calculated as:



$$\text{Green Revenue Tilt Score} = 1 + \text{Green Revenue} * 2$$

$$\text{Brown Revenue Tilt Score} = 1 / (\text{Brown Revenue} * 2 + 1)$$

The Green Revenues are based on the Sustainable Products Research from the DATA PROVIDER. Specifically, these entail:

Green Revenues
Energy Efficiency Overall-Revenue Percentage
Green Buildings Overall-Revenue Percentage
Green Transportation Overall-Revenue Percentage
Renewable Energy Overall-Revenue Percentage
Water Overall-Revenue Percentage
Pollution Prevention & Reduction Overall-Revenue Percentage
Resource Efficiency Technologies & Services Overall-Revenue Percentage

The Brown Revenues comprise the below fields from the DATA PROVIDER:

Brown Revenues
Thermal Coal Extraction-Revenue Percentage
Thermal Coal Power Generation-Revenue Percentage
Oil & Gas Production-Revenue Percentage
Oil & Gas Generation-Revenue Percentage
Oil & Gas Supporting Products/Services-Revenue Percentage

6. The final Carbon Tilt Score is determined by multiplying each of the four indicators

$$\begin{aligned} \text{Carbon Tilt Score} \\ = \text{CI Tilt Score} * \text{CRR Tilt Score} * \text{Green Revenue Tilt Score} \\ * \text{Brown Revenue Tilt Score} \end{aligned}$$

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



2.3. WEIGHTING OF THE INDEX COMPONENTS

On each SELECTION DAY each INDEX COMPONENT is assigned a weight based on the mechanism below:

1. For each security from the INDEX UNIVERSE a FREE-FLOAT MARKET CAPITALIZATION weight is calculated ("Universe Weights") which is multiplied with the ESG Tilt Score. These form the ESG Tilted Weights.
2. In order to control the Tracking Error and to ensure all sustainability metrics are met, the ESG Tilted Weights are added to the FREE-FLOAT MARKET CAPITALIZATION weights in a 60%/40% ratio and rescaled back to 100%.
3. These weights are then multiplied with the Carbon Tilt Score and adjusted a second time based on the same 60%/ 40% ratio versus the FREE-FLOAT MARKET CAPITALIZATION weights. These represent the Final Tilted Weights.
4. An iterative process is then applied in order to ensure the following deviation limits are met:
 - a. Sector and country weight differences between the Final Tilted Weights and the Universe Weights should not exceed 0.5% (50bp). Any weights exceeding this value will be redistributed proportionally across the remaining sectors or countries respectively.
 - b. Individual weight deviation between the Final Tilted Weights and the Universe Weights should not exceed 0.4%. Any weight exceeding this value are to be redistributed proportionally across the remaining securities.
 - c. The weight capping adjustments implemented above, should not invert the active weights determined in Step 3, i.e., comparing the Final Tilted Weights (Step 3) and the Universe Weights (Step 1). If a security has achieved a positive active weight in Step 3 vs the original weight in the INDEX UNIVERSE, then its weight is floored at the INDEX UNIVERSE Weight and vice versa for negative active weights.
 - d. The above process is repeated subsequently until all floors and caps are met. If after 100 iterations no solution is found to fulfill all the criteria, the problem causing deviation parameter (sector or country) is being increased in steps of 0.05% until a viable solution can be attained.



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 "Announcement", 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, 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 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.

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. Divisors will be rounded to six 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 “Announcements”, 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 "[Announcement](https://www.solactive.com/news/announcements/)", 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. OVERSIGHT

An oversight committee composed of staff from SOLACTIVE and its subsidiaries (the "**OVERSIGHT 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 OVERSIGHT 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**” 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.

“**DATA PROVIDER**” is Sustainalytics. For more information, please visit: <https://www.sustainalytics.com/>.

“**ELIGIBLE REBALANCING DAY**” is each day that is a TRADING DAY at the New York Stock Exchange, the London Stock Exchange, the EUREX Exchange, and the Tokyo Stock Exchange.

“**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.

“**FIXING DAY**” is equal to the SELECTION 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.

“**GBS INDEX UNIVERSE**” is the INDEX UNIVERSE as defined in the guideline of the Solactive Global Benchmark Series (<https://solactive.com/downloads/Guideline-Solactive-GBS-Benchmark-Series.pdf>) for the for the GBS Index specified in Section 2.1.

“**GBS INDEX COMPONENT**” is each security reflected in the GBS Index specified in Section 2.1.

“**GBS REBALANCING DAY**” is the first Wednesday in May and November. If that day is not an ELIGIBLE REBALANCING DAY, the REBALANCE DAY will be the following ELIGIBLE REBALANCING DAY.

“**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.

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

"REBALANCE DAY" is 10 CALCULATION DAYS after the SELECTION DAY. If that day is not an ELIGIBLE REBALANCING DAY, the REBALANCE DAY will be the following ELIGIBLE REBALANCING DAY.

"SELECTION DAY" is the Friday after the first Wednesday in May and November.

"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.



ANNEX

Industry	Sector
Other Metals/Minerals	Materials
Finance/Rental/Leasing	Financials
Homebuilding	Consumer Discretionary
Real Estate Investment Trusts	Real Estate
Multi-Line Insurance	Financials
Beverages: Alcoholic	Consumer Staples
Investment Managers	Financials
Industrial Conglomerates	Industrials
Aerospace & Defense	Industrials
Tobacco	Consumer Staples
Electronic Equipment/Instruments	Information Technology
Major Banks	Financials
Food Retail	Consumer Staples
Food: Major Diversified	Consumer Staples
Publishing: Books/Magazines	Communication Services
Life/Health Insurance	Financials
Electric Utilities	Utilities
Integrated Oil	Energy
Containers/Packaging	Materials
Medical Specialties	Health Care
Pharmaceuticals: Major	Health Care
Industrial Machinery	Industrials
Internet Retail	Consumer Discretionary
Regional Banks	Financials
Information Technology Services	Information Technology
Semiconductors	Information Technology
Packaged Software	Information Technology
Precious Metals	Materials
Chemicals: Specialty	Materials
Specialty Stores	Consumer Discretionary
Property/Casualty Insurance	Financials
Biotechnology	Health Care
Oil & Gas Production	Energy
Food: Meat/Fish/Dairy	Consumer Staples
Oil Refining/Marketing	Energy
Cable/Satellite TV	Communication Services
Telecommunications Equipment	Information Technology
Agricultural Commodities/Milling	Consumer Staples



Data Processing Services	Information Technology
Electrical Products	Industrials
Major Telecommunications	Communication Services
Electronics/Appliance Stores	Consumer Discretionary
Restaurants	Consumer Discretionary
Air Freight/Couriers	Industrials
Recreational Products	Consumer Discretionary
Oil & Gas Pipelines	Energy
Gas Distributors	Utilities
Internet Software/Services	Communication Services
Electronic Components	Information Technology
Miscellaneous Commercial Services	Industrials
Railroads	Industrials
Wireless Telecommunications	Communication Services
Medical Distributors	Health Care
Trucks/Construction/Farm Machinery	Industrials
Household/Personal Care	Consumer Staples
Forest Products	Industrials
Steel	Materials
Other Consumer Services	Consumer Discretionary
Beverages: Non-Alcoholic	Consumer Staples
Hotels/Resorts/Cruiselines	Consumer Discretionary
Financial Publishing/Services	Financials
Apparel/Footwear	Consumer Discretionary
Investment Banks/Brokers	Financials
Environmental Services	Industrials
Discount Stores	Consumer Discretionary
Advertising/Marketing Services	Communication Services
Specialty Telecommunications	Communication Services
Financial Conglomerates	Financials
Chemicals: Major Diversified	Materials
Department Stores	Consumer Discretionary
Chemicals: Agricultural	Materials
Wholesale Distributors	Industrials
Insurance Brokers/Services	Financials
Broadcasting	Communication Services
Food: Specialty/Candy	Consumer Staples
Oilfield Services/Equipment	Energy
Construction Materials	Materials
Computer Communications	Information Technology
Home Improvement Chains	Consumer Discretionary
Managed Health Care	Health Care
Trucking	Industrials



Electronic Production Equipment	Information Technology
Casinos/Gaming	Consumer Discretionary
Auto Parts: OEM	Consumer Discretionary
Specialty Insurance	Financials
Building Products	Industrials
Drugstore Chains	Consumer Staples
Services to the Health Industry	Health Care
Home Furnishings	Consumer Discretionary
Motor Vehicles	Consumer Discretionary
Computer Peripherals	Information Technology
Other Transportation	Industrials
Industrial Specialties	Materials
Apparel/Footwear Retail	Consumer Discretionary
Tools & Hardware	Industrials
Airlines	Industrials
Food Distributors	Consumer Staples
Medical/Nursing Services	Health Care
Hospital/Nursing Management	Health Care
Electronics/Appliances	Consumer Discretionary
Automotive Aftermarket	Consumer Discretionary
Engineering & Construction	Industrials
Real Estate Development	Real Estate
Marine Shipping	Industrials
Movies/Entertainment	Communication Services
Miscellaneous Manufacturing	Industrials
Publishing: Newspapers	Communication Services
Media Conglomerates	Consumer Discretionary
Pulp & Paper	Materials
Pharmaceuticals: Other	Health Care
Personnel Services	Industrials
Computer Processing Hardware	Information Technology
Coal	Energy
Aluminum	Materials
Other Consumer Specialties	Consumer Discretionary
Pharmaceuticals: Generic	Health Care
Metal Fabrication	Industrials
Commercial Printing/Forms	Industrials
Textiles	Consumer Discretionary
Contract Drilling	Energy
Electronics Distributors	Information Technology
Investment Trusts/Mutual Funds	Energy
Miscellaneous	Industrials
Water Utilities	Utilities



Catalog/Specialty Distribution	Health Care
Alternative Power Generation	Utilities
Savings Banks	Financials
Office Equipment/Supplies	Industrials
Consumer Sundries	Consumer Discretionary

CONTACT

Solactive AG
German Index Engineering
Platz der Einheit 1
60327 Frankfurt am Main
Germany

Tel.: +49 (0) 69 719 160 00

Fax: +49 (0) 69 719 160 25

Email: info@solactive.com

Website: www.solactive.com

© Solactive AG