

# INDEX GUIDELINE

*Solactive US Aggregate Bond Index Family*

*Version 1.0*

*17 June 2024*



## TABLE OF CONTENTS

Introduction .....	3
1. Index Specifications.....	3
1.1. Scope of the Index .....	3
1.2. Identifiers and Publication.....	4
1.3. Initial Level of the Index .....	5
1.4. Prices and calculation frequency.....	5
2. Index Selection .....	5
2.1. Selection of the Index Components .....	6
2.2. Weighting of the Index Components.....	6
3. Ordinary Rebalance.....	7
4. Corporate Actions .....	8
5. Definitions .....	8
6. History of Index Changes.....	9
Contact.....	10



## INTRODUCTION

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

The GUIDELINE and the policies and methodology documents referenced herein contain the underlying principles and rules regarding the structure and operation of the INDEX. SOLACTIVE does not offer any explicit or tacit guarantee or assurance, neither pertaining to the results from the use of the INDEX nor the level of the INDEX at any certain point in time nor in any other respect. SOLACTIVE strives to the best of its ability to ensure the correctness of the calculation. There is no obligation for SOLACTIVE – irrespective of possible obligations to issuers of financial instruments or investment funds referencing the INDEX under a valid license – to advise third parties, including investors and/or financial intermediaries, of any errors in the INDEX. The publication of the INDEX by SOLACTIVE does not constitute a recommendation for capital investment and does not contain any assurance or opinion of SOLACTIVE regarding a possible investment in a financial instrument based on this INDEX.

## 1. INDEX SPECIFICATIONS

### 1.1. SCOPE OF THE INDEX

The Solactive US Aggregate Bond Index aims to track the performance of the USD denominated bond market. The Index is rebalanced once a month. For the selection of the Index Components the universe of the following Solactive indices is eligible:

- Solactive MBS USD Index
- Solactive Agency Bond USD Index
- Solactive Developed Government USD Bond Index
- Solactive Development Bank Bond USD TR Index
- Solactive Select USD Investment Grade Corporate TR Index
- Solactive US Treasury Bond Index

The INDEX implies the yearly review of the eligible market segments and corresponding Solactive indices. The review is performed by the INDEX COMMITTEE. The INDEX COMPONENTS are weighted with the aim to replicate the distribution of the weights of the entire market.

The INDEX is a Total Return Index, i.e. coupon payments will be reinvested in the index on each rebalancing day.

There is a currency version in CAD and a NTR currency version in CAD.



## 1.2. IDENTIFIERS AND PUBLICATION

The INDEX is published under the following identifiers:

Name	ISIN	Currency	Type	Calculation Formula*	RIC	BBG ticker
Solactive US Aggregate Bond Index	DE000SLOAYC0	USD	TR	Periodic	.SOLUSAGG	-
Solactive US Aggregate Bond CAD Index	DE000SLOAYD8	CAD	TR	Periodic	.SOLUSAGGC	-
Solactive US Aggregate Bond CAD NTR Index	DE000SLOAYF3	CAD	NTR	Periodic	.SOLUSAGCN	-
Solactive US Aggregate Bond Hedged to CAD Index	DE000SLOBBR4	CAD	CH	Standard	.SOLUSAGH	-
Solactive US Aggregate Bond Hedged to CAD NTR Index	DE000SLOBBX2	CAD	CH	Standard	.SOLUSANH	-

\*The calculation formula refers to the index calculation's dependency on cash reinvestment, based on whether the cash reinvestment occurs on a daily/direct basis or periodically.

\*TR means that the Index is calculated as Total Return index as described in the Bond Index Methodology, which is available on the Solactive website: <https://www.solactive.com/documents/bond-index-methodology/>

\*CH means that the Index is calculated as Currency Hedge index, as described in the Currency Hedged Index Methodology, which is available on the Solactive website: <https://www.solactive.com/documents/currency-hedged-general-methodology/>

\*NTR means that the INDEX is calculated as Net Return index as described in the Bond Index Methodology, which is available on the SOLACTIVE website: <https://www.solactive.com/documents/bond-index-methodology/>

The INDEX is published on the website of the INDEX ADMINISTRATOR ([www.solactive.com](http://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 and starting date of the INDEX are shown in the table below. Levels of the INDEX published for a period prior to this date have been back-tested. Historical values will be recorded in accordance with Article 8 of the BMR.

Index Name	Index RIC	Date	Initial Value
Solactive US Aggregate Bond Index	.SOLUSAGG	09/21/2020	1002.69
Solactive US Aggregate Bond CAD Index	.SOLUSAGGC	06/07/2020	1000
Solactive US Aggregate Bond CAD NTR Index	.SOLUSAGCN	09/07/2020	1000

### 1.4. PRICES AND CALCULATION FREQUENCY

The INDEX is calculated and distributed once every BUSINESS DAY based on the EVALUATED BID PRICE of the INDEX COMPONENTS. Bonds added in a rebalancing (see Section 3) are included the INDEX at the EVALUATED ASK PRICE on the relevant REBALANCE DAY. Bonds which are excluded from the INDEX in a rebalance are reflected in the calculation of the level of the INDEX for the REBALANCE DAY at the EVALUATED BID PRICE on the relevant REBALANCE DAY. INDEX analytical values are calculated each BUSINESS DAY using the EVALUATED BID PRICE based on FIXING TIME.

The currency hedged indices are calculated based on TRADING PRICES on the EXCHANGES on which the UNDERLYING INDEX COMPONENTS are listed. TRADING PRICES of the UNDERLYING INDEX COMPONENTS not listed in the INDEX CURRENCY are converted using the current Intercontinental Exchange (ICE) spot foreign exchange rate. Should there be no current TRADING PRICES for an INDEX COMPONENT, the later of: (i) the most recent CLOSING PRICE; or (ii) the last available TRADING PRICE for the preceding TRADING DAY is used in the calculation.

In addition to the intraday calculation a closing level of the INDEX for each CALCULATION DAY is also calculated. This closing level is based on the CLOSING PRICES for the UNDERLYING INDEX and 4:00 PM New York WM Spot and Forward Fixings quoted by Reuters. If there is no 4:00 PM New York time WM Fixing for the relevant CALCULATION DAY, the last available 4:00 PM New York time WM Fixing will be used for the closing level calculation.

## 2. INDEX SELECTION

On each SELECTION DAY, all bonds which meet the INDEX COMPONENT REQUIREMENTS are eligible for inclusion in the INDEX and will be added as INDEX COMPONENT on the REBALANCE DAY. Additionally, on each SELECTION DAY, it will be evaluated whether all current INDEX COMPONENTS still meet the INDEX COMPONENT REQUIREMENTS. Each INDEX COMPONENT that does not meet the INDEX COMPONENT REQUIREMENTS will be removed from the INDEX on the next REBALANCE DAY.



## 2.1. SELECTION OF THE INDEX COMPONENTS

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

- The Index must include all the INDEX COMPONENTS of the indices listed below:
  - Solactive MBS USD Index (ISIN: DE000SL0AYE6)
  - Solactive Agency Bond USD Index (ISIN: DE000SL0AYG1)
  - Solactive Developed Government USD Bond Index (ISIN: DE000SL0AYH9)
  - Solactive Development Bank Bond USD TR Index (ISIN: DE000SLA5SZ1), excluding issuers with Country of Risk classified as Emerging markets according to the Bond Market Classification Framework
  - Solactive Select USD Investment Grade Corporate TR Index (ISIN: DE000SLA44J3)
  - Solactive US Treasury Bond Index (ISIN: DE000SLA4CA1)
- A price from the PRICING PROVIDER must be available for each INDEX COMPONENT on each SELECTION DAY

(the “INDEX COMPONENT REQUIREMENTS”)]

The eligible universe of Solactive indices for selection might vary over time. In a yearly review the OVERSIGHT COMMITTEE will decide whether further relevant bond market segments will be added or irrelevant eliminated from the index. The yearly review will take place every June; the results of the review will be implemented in the selection of June and will become effective on the first BUSINESS DAY of July. The purpose of this review is to include those bond market segments that are deemed most appropriate to represent the entire market. The changes of the market segments covered by the index will be incorporated in the GUIDELINE and announced on the SOLACTIVE website <https://www.solactive.com/news/announcements/>.

The determination of the INDEX COMPONENTS is fully rule-based and the Index Administrator has no discretion.

### 2.1.1 SELECTION OF THE INDEX CURRENCY COMPONENTS

Based on the INDEX CURRENCY UNIVERSE, the initial composition of the INDEX as well as any selection for an ordinary rebalance is determined on the SELECTION DAY in accordance with the following rules (the “INDEX CURRENCY COMPONENT REQUIREMENTS”):

- All of the currencies from the INDEX CURRENCY UNIVERSE

## 2.2. WEIGHTING OF THE INDEX COMPONENTS

On each REBALANCE DAY each INDEX COMPONENT is weighted using the market value based on the EVALUATED BID PRICE and accrued interest as on the SELECTION DAY in order to achieve the aim of the INDEX. The weighting of the INDEX COMPONENTS will be as follows:



The INDEX COMPONENTS are weighted in the way to replicate the weights of the three indices based on which the select versions were created. In particular, the weighting includes of two steps:

1. Create a universe which consists of the benchmark indices:

- a. Solactive MBS USD Index
- b. Solactive Agency Bond USD Index
- c. Solactive Developed Government USD Bond Index
- d. Solactive Development Bank Bond USD TR Index
- e. Solactive USD Investment Grade Corporate TR Index
- f. Solactive US Treasury Bond Index

Calculate the weights of these indexes in the universe.

2. Cap the weights of the bonds in the sub indices in the way that they replicate the weights of the corresponding indices in step 1. The relation of the index weights must be as follows:

Benchmark index	Subindex of the Solactive US Aggregate Bond Index
Solactive MBS USD Index	Solactive MBS USD Index
Solactive Agency Bond USD Index	Solactive Agency Bond USD Index
Solactive Development Bank Bond USD TR Index	Solactive Development Bank Bond USD TR Index
Solactive USD Investment Grade Corporate TR Index	Solactive Select USD Investment Grade Corporate TR Index
Solactive US Treasury Bond Index + Solactive Developed Government USD Bond Index	Solactive US Treasury Bond Index + Solactive Developed Government USD Bond Index

### 2.2.1 WEIGHTING OF THE INDEX CURRENCY COMPONENTS

On each SELECTION DAY, the weight of each INDEX CURRENCY COMPONENT is assigned according to the aggregated weights of all the UNDERLYING INDEX COMPONENTS quoted in the respective currency.

## 3. ORDINARY REBALANCE

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

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



SOLACTIVE will publish any changes made to the INDEX COMPONENTS with sufficient notice before the REBALANCE DAY on the SOLACTIVE webpage.

## 4. CORPORATE ACTIONS

As part of the INDEX maintenance SOLACTIVE will consider various events – also referred to as corporate actions – which result in an adjustment to the INDEX between two regular REBALANCE DAYS. Such events have a material impact on the price, weighting or overall integrity of INDEX COMPONENTS. Therefore, they need to be accounted for in the calculation of the INDEX. Adjustments to the INDEX to account for corporate actions will be made in compliance with the Bond Index Methodology.

## 5. DEFINITIONS

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

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

“**BUSINESS DAY**” is with respect to the INDEX each day Monday to Friday except banking holidays as defined by the New York Stock Exchange (NYSE) and SIFMA.

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

“**CLOSING PRICE**” in respect of an INDEX COMPONENT and a TRADING DAY is a security's final regular-hours TRADING PRICE published by the EXCHANGE and determined in accordance with the EXCHANGE regulations. If the EXCHANGE has no or has not published a CLOSING PRICE in accordance with the EXCHANGE rules for an INDEX COMPONENT, the last TRADING PRICE will be used.

“**CURRENCY HEDGE INDEX**” represent the return resulting from the sum of an underlying index performance and the performance of the hedge of this index using currency forward contracts.

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

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

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

“**INDEX CALCULATOR**” is SOLACTIVE or any other appropriately appointed successor in this function.

“**INDEX COMPONENT**” is each bond reflected in the INDEX.

“**INDEX COMPONENT REQUIREMENTS**” shall have the meaning as defined in Section 2.1.

“**INDEX CURRENCY**” is the currency specified in the column “Currency” in the table in Section 1.2.

“**INDEX CURRENCY COMPONENTS**” is each currency on which UNDERLYING INDEX COMPONENT trades in the market.

“**INDEX CURRENCY COMPONENT WEIGHT**” is value resultant from the sum of all the UNDERLYING INDEX COMPONENT'S weights quoted in the respective currency.





“**INDEX CURRENCY UNIVERSE**” is the sum of all currencies which fulfill the INDEX CURRENCY UNIVERSE REQUIREMENTS.

“**INDEX CURRENCY UNIVERSE REQUIREMENTS**” shall have the meaning as defined in Section 2.1.1

“**ISSUER**” is the issuing entity of the respective bond.

“**OVERSIGHT COMMITTEE**” shall have the meaning as defined in the Bond Index Methodology.

“**PRICING PROVIDER**” is Intercontinental Exchange (“ICE”).

“**REBALANCE DAY**” is the last BUSINESS DAY of the month.

“**SELECTION DAY**” is 2 BUSINESS DAYS before the scheduled REBALANCE DAY, disregarding any potential change of the REBALANCE DAY. *FOR CURRENCY HEDGED INDICES, THE SELECTION DAY IS EQUAL TO THE REBALANCE DAY AND REBALANCING FREQUENCY IS MONTHLY.*

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

“**SPOT**” is the spot foreign exchange rate to convert the currency of the INDEX COMPONENT into the denomination of the INDEX CURRENCY.

“**TRADING PRICES**” in respect of an INDEX COMPONENT and a TRADING DAY is the most recent published price at which the INDEX COMPONENT was traded on the respective EXCHANGE.

“**UNDERLYING INDEX COMPONENTS**” is each security reflected in the composition of the UNDERLYING INDEX.

**Please note that the definitions included in the Bond Index Methodology apply to this guideline. In case of a discrepancy, the definition presented in the guidelines should prevail.**

## 6. HISTORY OF INDEX CHANGES

Version	Date	Description
1.0	17 June 2024	Family Index Guideline creation (initial version)

# 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](mailto:info@solactive.com)

Website: [www.solactive.com](http://www.solactive.com)

© Solactive AG