

# INDEX GUIDELINE

SOLACTIVE FUTURE SERIES EUROPEAN CARBON CREDIT ROLLING FUTURES  
INDEX

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## INTRODUCTION

This document (the "**GUIDELINE**") is to be used as a guideline with regard to the composition, calculation and maintenance of the Solactive Future Series European Carbon Credit Rolling Futures 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 owned, calculated, administrated, and published by Solactive AG ("**SOLACTIVE**") assuming the role as index owner (the "**INDEX OWNER**"), and index 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

The INDEX tracks the performance of the ICE EUA (Carbon Emission Allowances) futures listed on ICE and rolls the exposure over five days from the ACTIVE CONTRACT into the NEXT ACTIVE CONTRACT.

## 1.2. IDENTIFIERS AND PUBLICATION

The INDEX is published under the following identifiers:

Name	ISIN	Currency	Type	RIC	BBG
Solactive Future Series European Carbon Credit Rolling Futures Index	DE000SL0L5Y9	EUR	ER	.SOFACFIO	SOFACFIO Index

ER\* means the Index is calculated as Excess Return.

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 of the INDEX on the START DATE is 100. Historical values from 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 08:00 to 19:00 CET based on the TRADING PRICES on the EXCHANGES on which the INDEX COMPONENT(S) are listed. In addition to the intraday calculation a closing level of the INDEX for each CALCULATION DAY is also calculated. This closing level is calculated based on the SETTLEMENT LEVEL of the INDEX COMPONENT(S) on the respective EXCHANGE(S) on which the INDEX COMPONENT(S) are listed.



## 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

INDEX COMPONENTS are selected according to the ROLL PERIOD specified in Section 2.1 and in accordance with the ROLL SCHEDULE defined in Section 2.2.

### 2.1. ROLL PERIOD

The replacement of the ACTIVE CONTRACT by the NEXT ACTIVE CONTRACT will be implemented over a "NRoll"-day ROLL PERIOD. The ROLL PERIOD starts on ROLL START DATE, which is a TRADING DAY preceding the Expiry Day of the ACTIVE CONTRACT by fifteen TRADING DAY(S). The CONTRACT ROLL WEIGHT of the ACTIVE CONTRACT is then decreased by 1/NRoll after the close of each TRADING DAY of the ROLL PERIOD starting at 100% while the CONTRACT ROLL WEIGHT of the NEXT ACTIVE CONTRACT is increased by 1/NRoll after the close of each TRADING DAY of the ROLL PERIOD starting at 0%. After the end of the ROLL PERIOD (ROLL END DATE included) the NEXT ACTIVE CONTRACT becomes the ACTIVE CONTRACT. The weighting process is further explained in Section 2.3.

Base RIC	Number of Roll Days (NRoll)	Exchange	Roll Start
0#CFI2:	5	IFEU	15 business days before last TRADING DAY

### 2.2. ROLL SCHEDULE

The ACTIVE CONTRACT and the NEXT ACTIVE CONTRACT are selected based on the current/next month as follows:

#### ACTIVE CONTRACT:

Contract/Month	1	2	3	4	5	6	7	8	9	10	11	12
CFI2		Z	Z	Z	Z	Z	Z	Z	Z	Z	Z	Z+

#### NEXT ACTIVE CONTRACT:

Contract/Month	1	2	3	4	5	6	7	8	9	10	11	12
CFI2		Z+	Z+	Z+	Z+	Z+	Z+	Z+	Z+	Z+	Z+	Z++

A "+" defines a contract of the following year.



The following naming convention of the contracts holds:

Identifier	Month	Identifier	Month
F	January	N	July
G	February	Q	August
H	March	U	September
J	April	V	October
K	May	X	November
M	June	Z	December

The ACTIVE CONTRACT is always the current year European Union Carbon Emission Allowances December expiry with vintage year matching the current future's year of expiry. Current expiry is from the perspective of the index basket at a given date. Immediately after the roll in December, current expiry references the next calendar year.

For example, the contract EUA Futures Dec2024 is rolled into EUA Futures Dec2025 over the ROLL PERIOD following the ROLL START DATE.

## 2.3. WEIGHTING OF THE INDEX COMPONENTS

Once ROLL ANCHOR (column "Roll Anchor" of Appendix – Table 1),  $anchor_t$  as of CALCULATION DAY  $t$  is determined, in relation to CALCULATION DAY  $t$ , the ROLL START  $RollStart_t$  is set to the negative of the "Roll Offset" (column "Roll Offset" of Appendix – Table 1) plus one CALCULATION DAY before  $anchor_t$ .

ROLL END,  $RollEnd_t$  as of CALCULATION DAY  $t$  is set to be exactly the number of "Roll Days" many CALCULATION DAYS after ROLL START,  $RollStart_t$ .

In relation to CALCULATION DAY  $t$ , the CONTRACT ROLL WEIGHT of the ACTIVE CONTRACT is calculated as follows:

$$CRW_t^c = \begin{cases} 1.0 & \text{if } t \leq RollStart_t \\ \frac{\#CDays_{t, RollEnd_t}}{RollDays} & \text{if } RollStart_t < t < RollEnd_t \\ 0.0 & \text{if } RollEnd_t \leq t \end{cases}$$

Where:

$RollDays$ : has the meaning given to it in column "Roll Days" of Appendix – Table 1.

$\#CDays_{t, RollEnd_t}$ : is the number of CALCULATION DAYS between CALCULATION DAY  $t$  (excluding) and  $RollEnd_t$  (including).



In relation to CALCULATION DAY  $t$  the CONTRACT ROLL WEIGHT of the NEXT ACTIVE CONTRACT is calculated as follows:

$$CRW_t^{nc} = 1 - CRW_t^c$$

ROLL ANCHOR would be set to the ACTIVE CONTRACT'S expiration date. Therefore, ROLL START would be the fifteenth last day before expiration.

## 2.4. FUTURE LEVEL

The FUTURE LEVEL of the FUTURE CONTRACT,  $c$ , as of CALCULATION DAY  $t$  is set to its SETTLEMENT LEVEL:

$$Px_t^c = SettlementLevel_t^c$$

*SettlementLevel<sub>t</sub><sup>c</sup>*: as determined as the last price tick provided by the EXCHANGE of FUTURE CONTRACT  $c$  on CALCULATION DAY  $t$ .

## 3. CALCULATION OF THE INDEX

### 3.1. EXCESS RETURN INDEX FORMULA

The INDEX is calculated on any given TRADING DAY  $t$  and published in INDEX CURRENCY in accordance with the following formula:

$$I_t = I_{t-1} \cdot \left( \frac{CRW_t^c \times Px_t^c}{Px_{t-1}^c} + \frac{CRW_t^{nc} \times Px_t^{nc}}{Px_{t-1}^{nc}} \right)$$

where:

$I_{t-1}$  is the INDEX level on the TRADING DAY immediately preceding TRADING DAY  $t$  with  $I_{Start\ Date} = 100$

$CRW_t^c$  is the CONTRACT ROLL WEIGHT of the ACTIVE CONTRACT,  $c$ , on TRADING DAY  $t$ .

$CRW_t^{nc}$  is the CONTRACT ROLL WEIGHT of the NEXT ACTIVE CONTRACT,  $nc$ , on TRADING DAY  $t$ .

$Px_t^c$  is the SETTLEMENT LEVEL of the ACTIVE CONTRACT,  $c$ , on TRADING DAY  $t$ .

$Px_t^{nc}$  is the SETTLEMENT LEVEL of the NEXT ACTIVE CONTRACT,  $nc$ , on TRADING DAY  $t$ .





### 3.2. ACCURACY

The level of the INDEX will be rounded to 2 decimal places.

### 3.3. 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/>.

### 3.4. 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 COMPONENT(S). The determination of the INDEX may be limited or impaired at times of illiquid or fragmented markets and market stress.



## 4. MISCELLANEOUS

### 4.1. 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.

### 4.2. 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.

### 4.3. 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.

### 4.4. 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/>.

#### 4.5. 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/>.



## 5. DEFINITIONS

“**ACTIVE CONTRACT**” means the contract given in the ROLL SCHEDULE under Section 2.2.

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

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

“**CALCULATION DAY**” is a day on which the EXCHANGE is open for general business.

“**CONTRACT ROLL WEIGHT**” means the target weight described in the Section 2.1.

“**EXCHANGE**” means means Intercontinental Exchange (ICE) (mic: IFEU).

“**FUTURE LEVEL**” shall have the meaning as defined in Section 2.4.

“**FUTURE CONTRACT**” means a contract that confers an obligation to trade the underlying asset at a pre-defined price on a pre-defined date in the future.

“**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 contract currently reflected in the INDEX.

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

“**LIVE DATE**” is 2024-03-15.

“**NEXT ACTIVE CONTRACT**” means the contract given in the ROLL SCHEDULE under Section 2.2.

“**NUMBER OF ROLL DAYS**” as specified in section 2.1.

“**OVERSIGHT COMMITTEE**” shall have the meaning as defined in Section 4.5.

“**ROLL ANCHOR**” shall have the meaning as defined in Section 2.3.

“**ROLL END**” shall have the meaning as defined in Section 2.3.

“**ROLL END DATE**” is a TRADING DAY which is NUMBER OF ROLL DAYS after ROLL START DATE.

“**ROLL PERIOD**” means the number of TRADING DAYS as specified in Section 2.1.

“**ROLL SCHEDULE**” means the schedule for ACTIVE CONTRACT and NEXT ACTIVE CONTRACT Selection as defined in Section 2.2.

“**ROLL START**” is the defined in Section 2.1.

“**ROLL START DATE**” shall have the meaning as defined in Section 2.3.

“The “**SETTLEMENT LEVEL**” in respect of a FUTURE CONTRACT and a CALCULATION DAY is a security's final regular-hours price at which the FUTURE CONTRACT will reference at the end of each CALCULATION DAY and



upon its expiration published by the EXCHANGE and determined in accordance with the EXCHANGE regulations.

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

“**START DATE**” is 2024-01-16.

“**TRADING DAY**” is in respect of the INDEX and an INDEX COMPONENT 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 normal EXCHANGE closing time. The INDEX ADMINISTRATOR is ultimately responsible as to whether a certain day is a TRADING DAY with regard to the INDEX or an INDEX COMPONENT or in any other connection relating to this document.

# APPENDIX

Table 1: Index Parameters

Future Chain RIC	Exchange MIC	Future Currency	Price Definition	Roll Anchor	Roll Offset	Roll Days
0#CFI2:	IFEU	EUR	Settlement	Expiry	14	5

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