

INDEX GUIDELINE

SOLACTIVE EUROPEAN DEEP VALUE SELECT 50 INDEX

Version 5.0

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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 Solactive European Deep Value Select 50 Index (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 objective of the Index is to provide exposure to the performance of a basket of 50 liquid European Companies selected through a Deep Value, Next Dividend and Low Volatility methodology.
Regional Allocation	Europe
Rebalancing Frequency	Monthly

1.2. IDENTIFIERS AND PUBLICATION

The INDEX is published under the following identifiers:

Name	ISIN	Currency	Type	RIC	BBG ticker
Solactive European Deep Value Select 50 Index	DE000SLA0252	EUR	PR	.SOLEDVSP	SOLEDVSP Index
Solactive European Deep Value Select 50 Net Total Return Index	DE000SLA1C34	EUR	NTR	.SOLEDVSN	SOLEDVSN Index
Solactive European Deep Value Select 50 Gross Total Return Index	DE000SLA1C26	EUR	GTR	.SOLEDVSG	SOLEDVSG Index

*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 12/30/2009, the START DATE, is 100. Historical values from the 07/07/2015, 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 8:00 a.m. to 22:30 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

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”):

- Incorporation in one of the following countries: Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and United Kingdom.
- Listing on a Regulated EXCHANGE
- As of the SELECTION DAY Companies with a minimum AVERAGE DAILY VALUE TRADED of at least EUR 10mn over the previous 20 TRADING DAYS. $\min(ADV_{6m}, ADV_{1m}) > 10,000,000 \text{ €}$
- Only the primary or the most liquid listing is considered for each company

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:

Step 1: DEEP VALUE FILTER

For each stock a Solvency Score is calculated based on the solvency criteria (FINANCIAL LEVERAGE and INTEREST COVERAGE for Non-Financials or RETURN ON EQUITY and EBITDA Growth for Financials), a SUSTAINABILITY SCORE based on PAST DIVIDENDS and PAST EARNINGS and a VALUATION SCORE based on CYCLICALLY ADJUSTED P/E RATIO (CAPE), CAPE x PRICE TO BOOK and EARNINGS YIELD. In parallel, the DEEP VALUE SCORE is calculated as the sum of the three scores above (SOLVENCY, SUSTAINABILITY and VALUATION). In order to move to the next step of the selection process, a Company must comply with the following four constraints:

- DEEP VALUE SCORE greater than or equal to 4



- SOLVENCY SCORE greater than or equal to 1
- VALUATION SCORE greater than or equal to 1

All stocks, which don't fulfil with these constraints are removed.

Step 2: Volatility Filter

All companies remaining are ranked according to their historical volatility, as defined by standard deviation of daily returns over the last 6 calendar months, as follows:

$$\sigma_i(t_r) = \sqrt{\frac{1}{N} \sum_{t=t_r}^{t_{r-N+1}} (r_{i,t} - \frac{1}{N} \sum_{t=t_r}^{t_{r-N+1}} r_{i,t})^2}$$

N = the number of Scheduled Trading Days for the stocks in the preceding 6-month period

r_{it} = return of stock i on Business Day t

The Company with the lowest Historical Volatility will be assigned rank number 1; the shares of the company with the second-lowest Historical Volatility will be assigned number 2, etc. The shares of companies which rank in the bottom one-third are excluded.

Step 3: Next Dividend Filter

The shares of the 25 remaining lowest ranked companies which are expected to trade ex-dividend between the first day the new composition becomes effective (ADJUSTMENT DAY+1) and the last day of the adjustment period in one month are chosen as Index Components. The 25 other lowest ranked companies (according to historical volatility) are chosen to complete the Index Composition.

If less than 25 stocks are expected to commence trading ex-dividend within one calendar month, other companies which are not expected to commence trading ex-dividend within one calendar month are selected to complete the Index Composition. The percentage weighting of each Index Component will be equal to 2% (equal weighted).

There will always be 50 companies in the index as of the Index SELECTION DAY. In case less than 50 companies fulfill the criteria of the Deep Value Filter, the index consists of less companies that again will be equal weighted.

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 the weight defined in Step 3 above which is implemented over the REBALANCE PERIOD.



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 each REBALANCE DAY after CLOSE OF BUSINESS.

This is carried out by implementing the weights as determined 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/>.

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

The Index is rebalanced over a 3 day period to ensure that rebalance transactions stay below the AVERAGE DAILY VALUE TRADED. Beginning on the REBALANCE DAY, and continuing until the second TRADING DAY following the REBALANCE DAY, the weights of the constituents of the index on the n^{th} day are set as follows.

$$Weight_i(t_0 + m) = Weight_i(t_0) + \frac{m * (w_i^{target} - Weight_i(t_0))}{M}, 0 < n \leq 3$$

Where

t_0 = First REBALANCE DAY

$Weight_i(t)$ = Weight of security i at time t

w_i^{target} = TARGET WEIGHT of security i after the rebalance

m = m^{th} day of the REBALANCE PERIOD

M = Total number of TRADING DAYS in the REBALANCE PERIOD (3)

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/>

The first adjustment will be made in March 2017 based on the TRADING PRICES of the Index Components on the REBALANCE DAY.

For the historic Index values before the launch of the Index, m was set to 1.



3.2. EXTRAORDINARY REBALANCE

The INDEX is not rebalanced extraordinarily.

4. CALCULATION OF THE INDEX

4.1. INDEX FORMULA

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

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



conversion in case the price of an INDEX COMPONENT is quoted in a currency other than the INDEX CURRENCY

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

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

4.2. ACCURACY

The level of the INDEX will be rounded to 4 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”, 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

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

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

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

“BUSINESS DAY” is every weekday other than a Saturday or a Sunday.

“CALCULATION DAY” is every weekday other than a Saturday or a Sunday.

“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.

“DEEP VALUE SCORE” is calculated as the sum of the Solvency, Sustainability and Valuation Score.

“DEEP VALUE FILTERS” are the following:

Solvency – FINANCIAL LEVERAGE (for companies that are not assigned to the Financial Sector by the INDEX ADMINISTRATOR)

Data items provided by FactSet (or any reference source taking the place of FactSet and providing comparable data items, acceptable to and as determined by the INDEX CALCULATOR) are used to compute this indicator, which is expressed as the ratio between the company's long-term debt (net of cash) and its EBITDA.

The ratio has to be lower than 2 for the company to score 1 on this criterion.

$$Criterion_{(k,t)} = \frac{LT\ Debt_{(k,t)} - Cash_{(k,t)}}{EBITDA_{(k,t)}}$$

where

$LT\ Debt_{(k,t)}$ is the Company ‘k’ 's last reported long-term debt at the time of Index SELECTION DAY t

$Cash_{(k,t)}$ is the Company ‘k’ 's last reported cash at the time of Index SELECTION DAY t

$EBITDA_{(k,t)}$ is the Company ‘k’ 's last reported annual EBITDA at the time of Index SELECTION DAY t

Solvency – INTEREST COVER (for companies that are not assigned to the Financial Sector by the INDEX ADMINISTRATOR)

Data items provided by FactSet (or any reference source taking the place of FactSet and providing comparable data items, acceptable to and as determined by the INDEX CALCULATOR) data items are used to compute this indicator, which is expressed as the ratio between the company's EBIT and its financial charges (net of financial income).

The ratio has to be greater than 5 for the company to score 1 on this criterion.



$$Criterion_{(k,t)} = \frac{EBIT_{(k,t)}}{Financial\ Charges_{(k,t)} - Financial\ Income_{(k,t)}}$$

where

$EBIT_{(k,t)}$ is the Company 'k' 's last reported annual EBIT at the time of Index SELECTION DAY t

$Financial\ Charges_{(k,t)}$ are the Company 'k' 's last reported annual financial charges at the time of Index SELECTION DAY t

$Financial\ Income_{(k,t)}$ is the Company 'k' 's last reported annual financial income at the time of Index SELECTION DAY t

Solvency – RETURN ON EQUITY (for companies that are assigned to the Financial Sector by the INDEX ADMINISTRATOR)

The estimate has to be greater than 8% to score 1 on this criterion.

Solvency – EBITDA GROWTH (for companies that are assigned to the Financial Sector by the INDEX ADMINISTRATOR)

For every company, the EBITDA Growth criterion is computed as the ratio between two last reported annual EBITDA.

The ratio has to be greater than 1 for the company to score 1 on this criterion.

$$Criterion_{(k,t)} = \frac{EBITDA_{(k,t)}}{EBITDA_{(k,t-1Y)}}$$

where

$EBITDA_{(k,t)}$ is the Company 'k' 's last reported annual EBITDA at the time of Index SELECTION DAY t

$EBITDA_{(k,t-1Y)}$ is the Company 'k' 's second last reported annual EBITDA at the time of Index SELECTION DAY t

Sustainability – PAST DIVIDENDS

Data items provided by FactSet (or any reference source taking the place of FactSet and providing comparable data items, acceptable to and as determined by the INDEX CALCULATOR) are used to compute this indicator, which is expressed as the company's minimum annual dividend payment over the past 10 years.

The ratio has to be strictly positive for the company to score 1 on this criterion.

$$Criterion_{(k,t)} = \min_{j=1}^{j=10} (Div(k, t - j))$$

where

$Div(k, t - j)$ is the dividend paid by Company 'k' as of the j-th year prior to Index SELECTION DAY t



Sustainability – PAST EARNINGS

Data items provided by FactSet (or any reference source taking the place of FactSet and providing comparable data items, acceptable to and as determined by the INDEX CALCULATOR) are used to compute this indicator, which is expressed as the company's minimum earnings per share over the past 10 years.

The ratio has to be strictly positive for the company to score 1 on this criterion.

$$Criterion_{(k,t)} = \text{Min}_{j=1}^{j=10} (EPS(k, t - j))$$

where

$EPS(k, t - j)$ is the EPS generated by Company 'k' as of the j-th year prior to Index SELECTION DAY t

Valuation – CYCLICALLY ADJUSTED P/E RATIO (CAPE)

Data items provided by FactSet (or any reference source taking the place of FactSet and providing comparable data items, acceptable to and as determined by the INDEX CALCULATOR) are used to compute this indicator, which is expressed as the company's share price divided by the average of its EPS over the past 5 years.

The ratio has to be lower than 15 for the company to score 1 on this criterion.

$$Criterion_{(k,t)} = \frac{Share\ Price_{(k,t)}}{Average_{j=1}^{j=5} (EPS(k, t - j))}$$

where

$Share\ Price_{(k,t)}$ is Company's last available CLOSING PRICE on Index SELECTION DAY t

$Average_{j=1}^{j=5} (EPS(k, t - j))$ is the EPS generated by Company 'k' as of the j-th year prior to Index SELECTION DAY t

Valuation – CAPE x PRICE-TO-BOOK

Data items provided by FactSet (or any reference source taking the place of FactSet and providing comparable data items, acceptable to and as determined by the INDEX CALCULATOR) are used to compute this indicator, which is expressed as the product between the company's CAPE as defined in (g) above and its Price-to-Book ratio.

The ratio has to be lower than 30 for the company to score 1 on this criterion.

$$Criterion_{(k,t)} = CAPE_{(k,t)} * PBV_{(k,t)}$$

where

$CAPE_{(k,t)}$ is the Company's CAPE as defined and calculated on Index SELECTION DAY t

$PBV_{(k,t)}$ is the Company's Price-to-Book ratio on Index SELECTION DAY t



Valuation – EARNINGS YIELD

FactSet (or any reference source taking the place of FactSet and providing comparable data items, acceptable to and as determined by the INDEX CALCULATOR) data items are used to compute this indicator, which is expressed as the ratio between the company's FY1 EPS mean estimate and its last available share price.

The ratio has to be higher than 5% for the company to score 1 on this criterion.

$$Criterion_{(k,t)} = \frac{EPS_{(k,t)}}{Share Price_{(k,t)}}$$

where

$EPS_{(k,t)}$ is the Company 'k' 's FY1 earnings per share mean estimate at the time of Index SELECTION DAY t

$Share Price_{(k,t)}$ is Company's last available CLOSING PRICE on Index SELECTION DAY t

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

"ELIGIBLE REBALANCE DAY" is each day that is a TRADING DAY.

"EXCHANGE" is with respect to the INDEX and every INDEX COMPONENT, the respective exchange where the INDEX COMPONENT has its primary listing as determined in accordance with the rules in Section 2. The OVERSIGHT COMMITTEE may decide to declare a different stock exchange, the "Exchange" for trading reasons, even if the company is only listed there via a STOCK SUBSTITUTE.

"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 AG or any other appropriately appointed successor in this function.

"INDEX COMPONENT" is each security currently included in the INDEX or, during a REBALANCING PERIOD, each security currently included in the INDEX and to be included in the INDEX during the REBALANCING PERIOD.

"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 the first TRADING DAY of each calendar Month.



“REBALANCE PERIOD” is the period starting from (and including) the REBALANCE DAY until and (including) the immediately following two TRADING DAYS.

“SELECTION DAY” is five week days before the scheduled REBALANCE DAY.

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

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

“STOCK SUBSTITUTE” includes in particular American Depositary Receipts (ADR) and Global Depositary Receipts (GDR).

“TARGET WEIGHT” is defined as the weight that will be implemented for an Index Component at the end of the Adjustment Period.

“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. HISTORY OF INDEX CHANGES

Version	Date	Description
3.0	<i>30 September 2019</i>	<i>(Previous version)</i>
4.0	<i>27 February 2024</i>	Change to Solactive Standard calculation from “Guru” Logic
5.0	<i>31 December 2024</i>	Change of Selection Day definition

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