GUIDELINE

Solactive International Dynamic Allocation Index

Version 1.2 dated Aug 27th, 2015

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This document contains the underlying principles and regulations regarding the structure and the operating of the Solactive International Dynamic Allocation Index. Solactive AG shall make every effort to implement regulations. Solactive AG does not offer any explicit or tacit guarantee or assurance, neither pertaining to the results from the use of the Index nor the Index value at any certain point in time nor in any other respect. The Index is merely calculated and published by Solactive AG and it strives to the best of its ability to ensure the correctness of the calculation. There is no obligation for Solactive AG – 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 AG is no recommendation for capital investment and does not contain any assurance or opinion of Solactive AG regarding a possible investment in a financial instrument based on this Index.

Introduction

This document is to be used as a guideline with regard to the composition, calculation, and management of the Solactive International Dynamic Allocation Index. Any changes made to the guideline are initiated by the Committee specified in section **1.5**. The Solactive International Dynamic Allocation Index is calculated and published by Solactive AG.

1 Index Specifications

The Solactive International Dynamic Allocation Index (the "Index") is a rules-based, systematic strategy index that provides exposure to a weighted portfolio of six country / region ETFs and the iShares 7-10 Year Treasury Bond ETF. The allocation to each country/region ETF is changed every month depending on whether its price is higher or lower than its 6 month moving average. The exposure to the Treasury Bond ETF is 100% minus the sum of all country/region ETF allocations.

The Index is calculated and distributed by Solactive AG.

The Index is calculated and published in USD.

1.1 Short Name and ISIN

The Solactive International Dynamic Allocation Total Return Index is distributed under ISIN <DE000SLA0401>; the WKN is <SLA040>. The Index is published in Reuters under the code <.SOLINCON> and in Bloomberg under the ticker <SOLINCON Index>.

The Solactive International Dynamic Allocation Price Return Index is distributed under ISIN <DE000SLA04Z3>; the WKN is <SLA04Z>. The Index is published in Reuters under the code <.SOLINCOP> and in Bloomberg under the ticker <SOLINCOP Index>..

1.2 Initial Value

The Index is calculated since June 26th, 2015. Backtested data is available since December 30, 2005, where the index is based on with a value of 100.

1.3 Distribution

The Index is published via the price marketing services of Boerse Stuttgart AG and is distributed to all affiliated vendors. Each vendor decides on an individual basis as to whether the vendor will distribute/display the Solactive International Dynamic Allocation Index via the vendor's information systems.

1.4 Prices and Calculation Frequency

The value of the Index is calculated on each Trading Day based on the price of the current Portfolio Weights and the price of the Underlying ETFs. Should there be no current price available, the most recent price for the preceding Trading Day is used in the calculation.

The Index is calculated once every Trading Day at 4:55pm, EST. In the event that data cannot be provided to Reuters or to the pricing services of Boerse Stuttgart AG the Index cannot be distributed.

Any incorrect calculation is adjusted on a retrospective basis.

1.5 Decision-Making Bodies

A Committee, composed of members of Solactive AG is responsible for decisions regarding the composition of the Index as well as any amendments to the rules (in this document referred to as the "Committee"). The Committee shall decide if any Extraordinary Events should occur and the implementation of any necessary adjustments.

1.6 Publication

All specific and information relevant for calculating the Index are made available on the webpage of Solcative AG (http://www.solactive.com)

1.7 Licensing

Licenses, if any, to use the Index as the underlying value for derivative instruments are issued to stock exchanges, banks, financial services providers, and investment houses by Solactive AG.

2 Selection of the Index Components

2.1 Index Universe

The Index Universe is consisted of the seven ETFs listed below (each, an "Index Component")

1 EWJ – iShares MSCI Japan ETF
2 FXI – iShares China Large-Cap ETF
3 VGK – Vanguard FTSE Europe ETF
4 EEM – iShares MSCI Emerging Markets ETF
5 EWA – iShares MSCI Australia ETF
6 EWY – iShares MSCI South Korea Capped ETF
7 IEF - iShares 7-10 Year Treasury Bond ETF

2.2 Ordinary Adjustment

The weights of the Index are determined at the close of the Monthly Observation Date (two Trading Days prior to each Monthly Rebalancing Date) and announced on the following Trading day. On this Monthly Observation date each price of each Index Equity Component is compared with its 6 Month Moving Average to determine the Rebalancing Target Weights. On each observation day the 6 month moving average is calculated per underlying component by calculating the average over all prices from the last 7 observation days (including today's observation day).

The following table is applicable

Rebalancing Target Weights	**>= 6 Month MA**	**< 6 Month MA**
EWJ	20%	0%
FXI	20%	0%
VGK	30%	0%
EEM	10%	0%
EWA	10%	0%
EWY	10%	0%
IEF	100% - sum of all equity ETF allocation	

The new target weights are rolled over during a two day period starting at the close of business on the Monthly Rebalancing Date and ending at the close of business on the Trading Day immediately following the Monthly Rebalancing Date. Each day for the roll period each component weight is increased / decreased by 50% to reach its Rebalancing Target Weight at the end of the roll period.

2.3 Extraordinary Adjustment

If an index member included in the index is removed from the Index between two Rebalancing Days due to an Extraordinary Event, if necessary, the Committee shall designate a successor. This is announced by Solactive AG after the close of business on the day on which the new composition of the Index was determined by the Committee. The Index is adjusted in such a case with two days notice if possible.

3 Calculation of the Index

3.1 Index Formula

The Index Value on a Trading Day at the relevant time is calculated in accordance with the following formula:

$$Index_t = \frac{\sum_{i=1}^{n} x_{i,t} * p_{i,t} * f_{i,t}}{D_t}$$

with:

$x_{i,t}$ = Number of Index Shares of the Index Component i on Trading Day t

$p_{i,t}$ = Price of Index Component i on Trading Day t

$f_{i,t}$ = Foreign exchange rate to convert the Price of Index Component i on Trading Day t into the Index Currency

D_t = Divisor on Trading Day t

The initial Divisor on the Start Date is calculated according to the following formula:

$$D_t = \frac{\sum_{i=1}^{n} (p_{i,t} * f_{i,t} * x_{i,t})}{100}$$

After the close of trading on each Adjustment Day t the new Divisor is calculated as follows:

$$D_t = \frac{\sum_{i=1}^{n} (p_{i,t} * f_{i,t} * x_{i,t})}{Index_t}$$

This Divisor is valid starting the immediately following Trading Day.

3.2 Accuracy

The value of the Index will be rounded to two decimal places.

The Number of Index Shares of the Index Components will be rounded to six decimal places.

Trading Prices and foreign exchange rates will be rounded to four decimal places.

Divisors will be rounded to six decimal places

3.3 Adjustments

Indices need to be adjusted for systematic changes in prices once these become effective. This requires the new Number of Index Shares of the affected Index Component and the Divisor to be calculated on an ex-ante basis.

Following the Committee's decision the Total Return Index is adjusted for regular and extraordinary distributions, capital increases and stock splits the Price Return Index is adjusted to reflect extraordinary distributions capital increases and stock splits.

This procedure ensures that the first ex quote can be properly reflected in the calculation of the Index. This ex-ante procedure assumes the general acceptance of the Index calculation formula as well as open access to the parameter values used. The calculation parameters are provided by the Index Calculator.

3.4 Dividends and other distributions

Dividend payments and other distributions are included in the Total Return Index. They cause an adjustment of the Divisor. The new Divisor is calculated as follows:

$$D_t = D_{t-1} * \frac{\sum_{i=1}^{n}(x_{i,t} * p_{i,t} * f_{i,t})}{\sum_{i=1}^{n}(x_{i,t} * p_{i,t} * f_{i,t}) + (x_{i,t} * y_{i,t} * g_{i,t})}$$

with

$p_{i,t}$ = Price of Index Component i on Trading Day t

$f_{i,t}$ = Foreign exchange rate to convert the Price of Index Component i on Trading Day t into the Index Currency

$x_{i,t}$ = Number of Index Shares of the Index Component i on Trading Day t

$y_{i,t}$ = Distribution of Index Component i with ex date t

$g_{i,t}$ = Foreign exchange rate to convert the amount of the distribution of Index Component i on Trading Day t into the Index Currency

D_t = Divisor on Trading Day t

D_{t-1} =Divisor on Trading Day t-1

3.5 Corporate actions

3.5.1 Principles

Following the announcement by an issuer of Index Components of the terms and conditions of a corporate action the Index Calculator determines whether such corporate action has a dilutive, concentrative or similar effect on the price of the respective Index Component.

If this should be the case the Index Calculator shall make the necessary adjustments that are deemed appropriate in order to take into account the dilutive, concentrative or similar effect and shall determine the date on which this adjustment shall come into effect.

Amongst other things the Index Calculator can take into account the adjustment made by an Affiliated Exchange as a result of the corporate action with regard to option and futures contracts on the respective share traded on this Affiliated Exchange.

3.5.2 Capital increases

In the case of capital increases with ex date t+1 the Index is adjusted as follows:

$$x_{i,t+1} = x_i * \frac{1+B}{1}$$ with:

$x_{i,t+1}$ = Number of Index Shares of Index Component i on Trading Day t+1

$x_{i,t}$ = Number of Index Shares of Index Component i on Trading Day t

B = Shares received for every share held

$$p_{i,t+1} = \frac{p_{i,t} + s * B}{1+B}$$ with:

$p_{i,t}$ = Price of Index Component i on Trading Day t

$p_{i,t+1}$ = Hypothetical Price of Index Component i on Trading Day t+1

s = Subscription Price in the Index Component currency

$$D_{t+1} = D_t * \frac{\sum_{i=1}^{n}(p_{i,t} * f_{i,t} * x_{i,t}) + \sum_{i=1}^{n}\left[(x_{i,t+1} * p_{i,t+1} * f_{i,t}) - (x_{i,t} * p_{i,t} * f_{i,t})\right]}{\sum_{i=1}^{n}(p_{i,t} * f_{i,t} * x_{i,t})}$$

with

$p_{i,t}$ = Price of Index Component i on Trading Day t

$f_{i,t}$ = Foreign exchange rate to convert the Price of Index Component i on Trading Day t into the Index Currency

$x_{i,t}$ = Number of Index Shares of the Index Component i on Trading Day t

$p_{i,t+1}$ = Hypothetical price of Index Component i on Trading Day t+1

$x_{i,t+1}$ = Number of Index Shares of the Index Component i on Trading Day t+1

D_t = Divisor on Trading Day t

D_{t+1} = Divisor on Trading Day t (close)

3.5.3 Share splits

In the case of share splits with ex date on Trading Day t+1 it is assumed that the prices change in ratio of the terms of the split. The new Number of Index Shares is calculated as follows:

$$x_{i,t+1} = x_{i,t} * B$$

$x_{i,t}$ = Number of Index Shares of the affected Index Component on Trading Day t

$x_{i,t+1}$ = Number of Index Shares of the affected Index Component on Trading Day t+1

B = Shares after the share split for every share held before the split

3.5.4 Stock distributions

In the case of stock distributions with ex date on Trading Day t+1 it is assumed that the prices change according to the terms of the distribution. The new Number of Index Shares is calculated as follows:

$$x_{i,t+1} = x_{i,t} * (1 + B)$$

$x_{i,t}$ = Number of Index Shares of the affected Index Component on Trading Day t

$x_{i,t+1}$ = Number of Index Shares of the affected Index Component on Trading Day t+1

B = Shares received for every share held

3.6 Calculation of the Index in the event of a Market Disruption Event

The Index is not calculated in the event of a Market Disruption Event. If the Market Disruption Event continues over a period of eight Trading Days, then the Committee will determine the necessary action (including but not limited to taking into account the market conditions prevailing at the point in time, the last quoted Underlying Index value as well as any other conditions that it deems relevant for calculating the Index value) such that the Underlying Index value resulting from the Market Disruption Event is no longer causing such disruption to occur.

4. Definitions

"Trading Day" means a day on which the New York Stock Exchange is open

"Exchange" means the New York Stock Exchange Arca or any other appropriate successor

"Index Sponsor" means Solactive AG

The **"Index Calculator"** is Solactive AG or any other appropriately appointed successor in this function

The **"Index Currency"** is USD

"Monthly Rebalancing Date" is the 3rd last Trading Day of each month.

"Roll period" is the Monthly Rebalancing Date and the Trading Day immediately following the Monthly Rebalancing Date.

"Monthly Observation Date" occurs 2 Trading Days prior to each Monthly Rebalancing Date

A **"Monthly Observation"** is the closing price of an Index Component on its Monthly Observation Date

"**6 Month Moving Average**" means the average of the last 7 Monthly Observations including the current Monthly Observation

A **"Market Disruption Event"** is defined as a Trading Day where the Underlying is not published

5.1 Contact data

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5.2 Calculation of the Index – change in calculation method

The application by the Index Calculator of the method described in this document is final and binding. The Index Calculator 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, financial or tax reasons may require changes to be made to this method. The Index Calculator may also make changes to the terms and conditions of the Index and the method applied to calculate the Index, which he 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 Calculator is not obliged to provide information on any such modifications or changes. Despite the modifications and changes the Index Calculator will take the appropriate steps to ensure a calculation method is applied that is consistent with the method described above.