

## **GUIDELINE**

# **Solactive 10-Year U.S. Treasury Future Index**

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This document contains the underlying principles and regulations regarding the structure and the operating of the Solactive 10-Year U.S. Treasury Future 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 10-Year U.S. Treasury Future Index. Any changes made to the guideline are initiated by the Committee specified in section 1.6. The Solactive 10-Year U.S. Treasury Future Index is calculated and published by Solactive AG. The name “Solactive” is copyrighted.

## 1 Index specifications

The Solactive 10-Year U.S. Treasury Future Index (“Solactive 10-Year U.S. Treasury Future Index”, the “Index”) is an Index of Solactive AG and is calculated and distributed by Solactive AG.

The Solactive 10-Year U.S. Treasury Future Index aims to track the continuous rolling 10-Years U.S. Treasury Futures performance

The Index is published in USD.

### 1.1 Short name and ISIN

The Solactive 10-Year U.S. Treasury Future Index is distributed under ISIN DE000SLA2DS5; the WKN is SLA2DS. The Index is published in Reuters under the code < .SOLUS10T> and in Bloomberg under the code SOLUS10T <Index>.

### 1.2 Initial value

The Index is based on 100 at the close of trading on the start date, January 03, 2000

### 1.3 Distribution

The Solactive 10-Year U.S. Treasury Future 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 he will distribute/display the Solactive 10-Year U.S. Treasury Future Index via his information systems.

### 1.4 Prices and calculation frequency

The Index Level of the Solactive 10-Year U.S. Treasury Future Index is calculated on each Business Day based on the settlement prices on the respective Exchanges on which the Index Components are listed. Should there be no current price available on Reuters, the settlement price on Reuters for the preceding Trading Day is used in the calculation.

The Solactive 10-Year U.S. Treasury Future Index is calculated every Business Day at 16:45, ET. 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.

## **1.7 Decision-making bodies**

A Committee composed of staff from Solactive AG is responsible for decisions regarding the composition of Solactive 10-Year U.S. Treasury Future Index as well as any amendments to the rules (in this document referred to as the "Committee" or the "Index Committee"). The future composition of the Solactive 10-Year U.S. Treasury Future Index is determined by the Committee on the Review Days according to the procedure outlined in 2.1 of this document. The Committee shall also decide about the future composition of the Solactive 10-Year U.S. Treasury Future Index, if any Extraordinary Events should occur and the implementation of any necessary adjustments.

Members of the Committee can recommend changes to the guideline and submit them to the Committee for approval.

## **1.8 Publication**

All specifications and information relevant for calculating the Index are made available on the <http://www.solactive.de> web page and sub-pages.

## **1.9 Historical data**

Historical data will be maintained from the launch of the Index on June 8, 2016.

## **1.10 Licensing**

Licences 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 Composition of the Index**

### **2.1 Index Components**

At any given time, the index consist of a single 10-Year US Treasury futures with the nearest Expiry date, except the period after the first notice date, where the Current Future Contract is replaced by the Future Contract with the 2nd nearest Expiry Date.

### **2.2 Extraordinary adjustment**

If an underlying included in Solactive 10-Year U.S. Treasury Future Index is removed from the Index between Rebalancing Day 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.

If all information is readily available to Solactive AG, Solactive AG tries to provide two Business Days prior notice before the day on which the new Index composition will become effective.

### 3 Calculation of the Index

#### 3.1 Determination of the index level

$$Il(t) = Il(T_{Rb}(t)) \times \left[ 1 + \left( \frac{TF(t)}{TF(T_{Rb}(t))} - 1 \right) \right]$$

$Il(t_0)$  - Start value of Index

$TF(t)$  - Settlement Price of the Treasury Futures in respect of Business Day (t)

#### 3.2 Accuracy

The index level will be rounded to two 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 Shares of the affected Index Component to be calculated on an ex-ante basis.

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 Solactive AG.

#### 3.4 Calculation of the Index in the event of a Market Disruption Event

In the event of a Market Disruption Event, Solactive AG calculates the Index value, taking into account the market conditions prevailing at this point in time, the last available settlement Price for each of the Index Components as well as any other conditions that it deems relevant for calculating the Index value.

## 4. Definitions

“**Index Level -  $IL(t)$** ” means in respect of any Business Day ( $t$ ), the level of the Index calculated and published by the Index Calculation Agent on such date at the Valuation Time, pursuant to the Index Rules set out in Section 3.1.

“**Number of Shares**” is in respect of an Index Component and any given Business Day the number or fraction of shares included in the Index. It is calculated for any Index Component as the ratio of (A) the Percentage Weight of an Index Component multiplied by the Index value and (B) its Settlement Price.

In particular an “**Extraordinary Event**” is

- Any event or restriction, including, without limitation, the entry into force of, or any change in, any applicable law, regulation or Exchange and/or Affiliated Exchange rules (or any change in their interpretation) that would make it impossible (using commercially reasonable efforts) or illegal to implement the strategy
- the terms of the Treasury Futures are changed or modified by the Affiliated Exchange.
- the methodology of Official Settlement Price calculation is changed by the Affiliated Exchange.

The Price for this Index Component on the day the event came into effect is the last available settlement price for this Index Component quoted on the Exchange.

A “**Trading Day**” is in relation to the Index or an Index Component a Trading Day on the Exchange (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 Calculator 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.

A “**Business Day**” is a day on which CME is open for trading of the CME interest rates and fixed income futures (i.e. Columbus and Veterans Day are market holidays)

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

The “**Index Currency**” is USD.

“**Rebalancing day -  $T_{Rb}(t)$** ” is the first notice day. For more information pertaining to the product calendar, please refer to the CME Group Website at [www.cmegroup.com/trading/calendar](http://www.cmegroup.com/trading/calendar)

An “**Affiliated Exchange**” is with regard to an Index Component an exchange, a trading or quotation system on which options and futures contracts on the Index Component in question are traded, as specified by the Index Calculator.

A “**Market Disruption Event**” occurs if

1. one of the following events occurs or exists on a Trading Day prior to the opening quotation time for an Index Component:
  - A) trading is suspended or restricted (due to price movements that exceed the limits allowed by the Exchange or an Affiliated Exchange, or for other reasons):
    - 1.1. across the whole Exchange; or
    - 1.2. in options or futures contracts on or with regard to an Index Component or an Index Component that is quoted on an Affiliated Exchange; or

1.3. on an Exchange or in a trading or quotation system (as determined by the Index Calculator) in which an Index Component is listed or quoted; or

B) an event that (in the assessment of the Index Calculator) generally disrupts and affects the opportunities of market participants to execute on the Exchange transactions in respect of a share included in the Index or to determine market values for a share included in the Index or to execute on an Affiliated Exchange transaction with regard to options and futures contracts on these shares or to determine market values for such options or futures contracts; or

2. trading on the Exchange or an Affiliated Exchange is ceased prior to the usual closing time (as defined below), unless the early cessation of trading is announced by the Exchange or Affiliated Exchange on this Trading Day at least one hour before

(aa) the actual closing time for normal trading on the Exchange or Affiliated Exchange on the Trading Day in question or, if earlier.

(bb) the closing time (if given) of the Exchange or Affiliated Exchange for the execution of orders at the time the quote is given.

**“Normal exchange closing time”** is the time at which the Exchange or an Affiliated Exchange is normally closed on working days without taking into account after-hours trading or other trading activities carried out outside the normal trading hours; or

3. a general moratorium is imposed on banking transactions in the country in which the Exchange is resident if the above-mentioned events are material in the assessment of the Index Calculator, whereby the Index Calculator makes his decision based on those circumstances that he considers reasonable and appropriate.

4. a Market Disruption Event occurs in respect of the Solactive 10-Year U.S. Treasury Future Index according to the index guideline

## **5 Appendix**

### **5.1 Contact data**

Information regarding the Solactive 10-Year U.S. Treasury Future Index concept

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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.