

## **GUIDELINE**

### **Solactive U.S. Ex-Dividends Index – Series 2027**

January 2018



# Contents

## Introduction

### 1 Index specifications

- 1.1 Short name and ISIN
- 1.2 Initial value
- 1.3 Distribution
- 1.4 Prices and calculation frequency
- 1.5 Weighting
- 1.6 Decision-making bodies
- 1.7 Publication
- 1.8 Historical data
- 1.9 Licensing

### 2 Composition of the Index

- 2.1 Selection of the index components
- 2.2 Ordinary adjustment
- 2.3 Extraordinary adjustment

### 3 Calculation of the Index

- 3.1 Index formula
- 3.2 Accuracy
- 3.3 Adjustments
- 3.4 Dividends and other distributions
- 3.5 Corporate actions
- 3.6 Calculation of the Index in the event of a market disruption

### 4 Definitions

### 5 Appendix

- 5.1 Contact data
- 5.2 Calculation of the Index – change in calculation method

This document contains the underlying principles and regulations regarding the structure and the operating of the Solactive U.S. Equity Ex-Dividends Index – Series 2027. 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 Index. Any changes made to the guideline are initiated by the Committee specified in section 1.6. The Index is calculated and published by Solactive AG. The name “Solactive” is copyrighted.

## 1 Index specifications

The Solactive U.S. Equity Ex-Dividends Index – Series 2027 (the “Ex-Dividends Index”, the “Index”) is an Index of Solactive AG and is calculated and distributed by Solactive AG.

The Ex-Dividends Index aims to represent the current value of 0.25 shares of SPDR S&P 500 ETF (“SPY”), less the current value of ordinary cash dividends expected to be paid on the S&P 500 Index until the Fund’s maturity as represented by the Solactive U.S. Equity Cumulative Dividends Index - Series 2027 (the “Dividend Index”). The Dividend Index aims to represent the discounted present value of all listed annual S&P 500 Dividend Index Futures contracts (“S&P 500 Dividend Futures Contracts”) out to and including the December 2027 dividends futures expiry.

The Index is a price only index.

The Index is published in USD.

### 1.1 Short name and ISIN

The Index is distributed under ISIN DE000SLA3PQ1; the WKN is SLA3PQ. The Index is published in Reuters under the code .SOXDIV27 and in Bloomberg under the code SOXDIV27 <Index>.

### 1.2 Initial value

The Initial Value Index is based on the close of trading on the start date, December 30, 2016.

### 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 he will distribute/display the Index via his information systems.

### 1.4 Prices and calculation frequency

The price of the Index is calculated and disseminated every 15 seconds on each Business Day based on the prices on the respective Exchanges on which the Index Components are listed. The most recent prices of all Index Components are used.

Should there be no current price available on Reuters, the most recent price or the Trading Price on Reuters for the preceding Trading Day is used in the calculation.

The Index is calculated every 15 seconds on any Business Day from 9:00am to 4:30pm, 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.

### **1.5 Weighting**

Since the Index tracks the performance of 0.25 Shares of SPY and sums up the discounted values of the S&P 500 Dividend Index Futures, no weighting is applied.

### **1.6 Decision-making bodies**

The Index is intended to be a static index in that the composition of the Index should not be expected to change after the Index has been originally constituted. Although intended to be static, a Committee composed of staff from 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" or the "Index Committee"). The future composition of the Index, if any, is determined by the Committee on the Selection Days according to the procedure outlined in 2.1 of this document. The Committee shall also decide about the future composition of the 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.

### **1.7 Publication**

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

### **1.8 Historical data**

Historical data will be maintained from the launch of the Index on December 30, 2016.

### **1.9 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 Selection of the Index Components**

The initial composition of the Index is 0.25 shares of SPY less the value of the Solactive U.S. Equity Cumulative Dividends Index – Series 2027. (the “Dividends Index”)

After expiry of the Solactive U.S. Equity Cumulative Dividend Index – Series 2027 (the “Dividends Index Maturity”), the value of the Ex-Dividends Index will be the value of 0.25 shares of SPY.

### **2.2 Ordinary adjustment**

The composition of the Index is not expected to change.

### **2.3 Extraordinary adjustment**

The Committee may, but is under no obligation to, substitute an Index Component with a successor Index Component upon the occurrence of an Extraordinary Event as determined by Solactive AG. Any such successor Index Component shall be included in the Index after the close of business on the day when an Extraordinary Event has been determined by Solactive AG.

## 3 Calculation of the Index

### 3.1 Index formula

The Ex-Dividends Index value is the value of 0.25 shares of SPDR S&P 500 ETF (Ticker: SPY) minus the value of the Solactive U.S. Equity Cumulative Dividends Index – Series 2027..

$$\text{Ex-Dividends Index}_t = \{0.25 * SPY\} - \text{Solactive U.S. Equity Cumulative Dividends Index} - \text{Series 2027}$$

SPDR S&P 500 ETF (SPY) is an exchange-traded fund designed to track the value of the S&P 500 Index. The Solactive U.S. Equity Cumulative Dividends Index – Series 2027 is an index designed to value cumulative dividend paid or expected to be paid on the S&P 500 Index until December 2027. The value of the Dividend Index on a Business Day is equivalent to the sum of the products of all Index Components of the products of (a) the price of the respective S&P 500 Dividend Index Future and (b) the price of the designated corresponding Treasury STRIP (the “Treasury STRIP” or “STRIPS”) with a similar or prior maturity date (the “STRIPS Maturity Date”) (expressed as a percentage of par). Please refer to the Solactive website for a complete description of the index methodology for the calculation of the Dividends Index.

### 3.2 Accuracy

The value of the Index will be rounded to two (2) decimal places.

### 3.3 Adjustments

Upon expiration of the last dividend futures contract, the value of the index will be .25 shares of SPY. In the event of a change in the calculation of any dividend futures contract, the Index calculation will be adjusted to reflect such change.

### 3.4 Miscellaneous

#### 3.4.1 Recalculation

Solactive AG makes the greatest possible efforts to accurately calculate and maintain its indices. However, the occurrence of errors in the index determination process cannot be ruled out. In such cases Solactive AG adheres to its publicly available [Correction Policy](#).

#### 4. Definitions

“**Index Universe**” in respect of an Adjustment Day are SPDR S&P 500 ETF (SPY) and the Dividends Index. In the event that SPY ceases to trade, becomes illiquid or is no longer open for creation or redemption by its authorized participants, Solactive will substitute another exchange-traded fund or index fund designed to track the value of the S&P 500 Index.

“**Index Component**” is each component currently included in the Index.

A “**Business Day**” is a day on which New York Stock Exchange and CME are open for trading.

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

The “**Index Currency**” is USD.

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.

## 5 Appendix

### 5.1 Contact data

#### Information regarding the Index concept

Solactive AG

Jannis Heinitz

Guiollettstr. 54

60325 Frankfurt am Main

Tel.: +49 69 719 160 13

[heinitz@solactive.com](mailto:heinitz@solactive.com)

### 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.