

INDEX GUIDELINE

Solactive China A Value Momentum Index

Version 1.0

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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 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 trademarked.

It contains the underlying principles and rules regarding the structure and operation of the Solactive China A Value Momentum Index (the "Index"). Solactive AG shall make every effort to implement the applicable 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 does not constitute a 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.



1 INDEX SPECIFICATIONS

- > The Solactive China A Value Momentum Index (the "Index") is an index of Solactive AG and is calculated and distributed by Solactive AG (the "Index Calculator").
- > The Solactive China A Value Momentum Index (the "Index") aims to track the performance of a value and earnings momentum strategy applied to China A stocks.
- > The Index is calculated in a Price Return/Net Total Return/Gross Total Return version.

1.1 SHORT NAME AND ISIN

The Index is distributed under the below identifiers:

Name	ISIN	Currency	Type	RIC	BBG ticker
Solactive China A Value Momentum Index PR	DE000SLA6YL7	CNY	PR	.SOLVMCP	
Solactive China A Value Momentum Index NTR	DE000SLA6Y74	CNY	NTR	.SOLVMCN	SOLVMCN Index
Solactive China A Value Momentum Index TR	DE000SLA6Y82	CNY	GTR	.SOLVMCT	

1.2 INITIAL VALUE

The Index is based at 1000 on the close of trading on the start date, April 9th 2007.

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 it will distribute/display the Index via its information systems.

1.4 PRICES AND CALCULATION FREQUENCY

The price of each Index is calculated 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. Prices of Index Components not listed in the Index Currency are translated using 4pm WM Fixings quoted by Reuters. 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 Business Day from 9:00 a.m. to 4:00 p.m., CST. 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

On each Review Date, every Index Components is weighted equally and the rebalancing is implemented over 5 Business Days.



1.6 OVERSIGHT

A committee composed of Solactive staff is responsible for decisions regarding any amendments to the rules (in this document referred to as the "Index Committee"). Members of the Index Committee can approve any recommended changes to this guideline.

1.7 PUBLICATION

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

1.8 HISTORICAL DATA

Historical data will be maintained from the launch of the Index on February 11th, 2019.

1.9 LICENSING

Licenses 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 Index is composed of a hypothetical basket of China A stocks (each, a “Basket Component” and together the “Underlying Basket”), determined on a quarterly basis according to a systematic value and momentum scoring methodology.

The value and momentum scoring methodology aims to select the highest scoring stocks according to the following fundamental metrics:

- 1) Value Score
- 2) Earnings Momentum Score

2.1.1 DESCRIPTION

On each Review Date, a Basket Component Score shall be determined for each Eligible Basket Component for which a Value Rank and an Earnings Momentum Rank was determined.

Each Basket Component Score is computed as the average of a value rank (the “Value Rank”) and a momentum rank (the “Earnings Momentum Rank”).

The Value Rank and the Earnings Momentum Rank are determined in respect of an Eligible Basket Component (i) as of Review Date (t_{RW}) according to the following formulas:

$$\text{Value Rank}(i, t_{RW}) = \text{PercentRank}(\text{Total Value Score}(i, t_{RW}))$$

$$\text{Earnings Momentum Rank}(i, t_{RW}) = \text{PercentRank}(\text{Earnings Momentum Score}(i, t_{RW}))$$

Where:

Total Value Score (i, t_{RW}) is the score calculated in respect of Eligible Basket Component (i) as of Review Date t_{RW} as specified in Section 2.1.2(A).

Earnings Momentum Score (i, t_{RW}) is the score calculated in respect of Eligible Basket Component (i) as of Review Date t_{RW} as specified in Section 2.1.2(B).

Percent Rank (x) is calculated, in respect of Index Data [X], as Rank (X) divided by Count (X), where;

Rank (x) is calculated, in respect of Index Data [X], as the rank of X among the set of all available levels of Index Data [X]. For the avoidance of doubt, the lowest level of [X] receives a rank of 1.



Count (**x**) is calculated, in respect of Index Data [X], as the number of all available levels of Index Data [X].

Tie Breaker, means in respect of a Review Date t_{RW} and an Eligible Basket Component (i), its Eligible Basket Component Turnover as of such date.

Relevant Data Sources are provided by FactSet Research Systems Inc. ("FactSet"). FactSet is not affiliated with Solactive.

2.1.2 SCORES

A. VALUE SCORE

On each Review Date, a "Total Value Score" shall be determined for each Eligible Basket Component.

Each Total Value Score is computed as the arithmetic average of five (5) value sub-factor scores (the "Value Scores") as described below, or if any such Value Score cannot be computed (i.e., when the data is not available from the "Relevant Data Source", as defined below for each Value Score), the arithmetic average of the Value Scores which are available as of such Review Date. A Total Value Score is calculated only if sufficient data is available for at least two Value Scores.

The Value Scores are defined as the following:

- 1) Book to Price Score
- 2) Earnings to Price Score
- 3) One Year Forward Earnings to Price Score
- 4) EBITDA to Enterprise Value Score
- 5) Free Cash Flow to Price Score

Neither the EBITDA to Enterprise Value Score nor the Free Cash Flow to Price Score is considered for Shares whose Basket Component Sector is "Financials".

Book to Price Score

The Book to Price Score is calculated for each Eligible Basket Component as the difference between (i) the Company Book to Price Ratio for the relevant Share and (ii) the median Company Book to Price Ratio of all companies which have the same Basket Component Sector as the relevant Company (the "Median Book to Price Ratio"):

Book to Price Score = Percent Rank (Company Book to Price Ratio – Median Book to Price Ratio)

Company Book to Price Ratio" is the last reported book value per issued Shares divided by the Current Share Price.

Relevant Data Source: FactSet Fundamentals.

Earnings to Price Score



The Earnings to Price Score is calculated for each Eligible Basket Component as the difference between (i) the Company Earnings to Price Ratio for the relevant Share and (ii) the median Company Earnings to Price Ratio of all companies which have the same Basket Component Sector as the relevant Company (the "Median Earnings to Price Ratio"):

Earnings to Price Score = Percent Rank (Company Earnings to Price Ratio – Median Earnings to Price Ratio)

Company Earnings to Price Ratio is the 12-month trailing earnings per issued Share divided by the Current Share Price.

Relevant Data Source: FactSet Fundamentals.

One Year Forward Earnings to Price Score

The One Year Forward Earnings to Price Score is calculated for each Eligible Basket Component as the difference between (i) the Company One Year Forward Earnings to Price Ratio for the relevant Share and (ii) the median Company One Year Forward Earnings to Price Ratio of all companies which have the same Basket Component Sector as the relevant Company (the "Median One Year Forward Earnings to Price Ratio"):

One Year Forward Earnings to Price Score = Percent Rank (Company One Year Forward Earnings to Price Ratio – Median One Year Forward Earnings to Price Ratio)

Company One Year Forward Earnings to Price Ratio is the average one-year forward consensus earnings per share estimate divided by the Current Share Price.

Relevant Data Source: FactSet Estimates.

EBITDA to Enterprise Value Score

The EBITDA to Enterprise Value Score is calculated for each Eligible Basket Component as the difference between (i) the Company EBITDA to Enterprise Value Ratio for the relevant Share and (ii) the median Company EBITDA to Enterprise Value Ratio of all companies which have the same Basket Component Sector as the relevant Company (the "Median EBITDA to Enterprise Value Ratio"):

EBITDA to Enterprise Value Score = Percent Rank (Company EBITDA to Enterprise Value Ratio – Median EBITDA to Enterprise Value Ratio)

Company EBITDA to Enterprise Value Ratio is the 12-month trailing EBITDA divided by the current enterprise value as of the Review Date, where the enterprise value of a Company is defined as the sum of (i) its current market capitalization, (ii) the aggregate value of its preferred shares, (iii) its total debt and (iv) its accumulated minority interest; such sum being decreased by the cash and cash equivalents of that Company:

Enterprise value = current market capitalisation + preferred shares + total debt + accumulated minority interest – cash and cash equivalents

Relevant Data Source: FactSet Fundamentals.

Free Cash Flow to Price Score



The Free Cash Flow to Price Score is calculated for each Eligible Basket Component as the difference between (i) the Company Free Cash Flow to Price Ratio for the relevant Share and (ii) the median Company Free Cash Flow to Price Ratio of all companies which have the same Basket Component Sector as the relevant Company (the “Median Free Cash Flow to Price Ratio”):

Free Cash Flow to Price Score = PercentRank (Company Free Cash Flow to Price Ratio – Median Free Cash Flow to Price Ratio)

Company Free Cash Flow to Price Ratio is the 12-month trailing free cash flow per issued Shares divided by the Current Share Price as of the Review Date, where the free cash flow of a Company is computed as (i) its net cash from operating activities, minus (ii) its fixed capital expenditures.

Relevant Data Source: FactSet Fundamentals.

B. EARNINGS MOMENTUM SCORE

On each Review Date, an “Earnings Momentum Score” shall be determined for each Eligible Basket Component. This is calculated according to the following formula:

$$\text{Earnings Momentum Score}_i(t_{RW}) = \text{PercentRank}(UP_i(t_{RW}) - \text{Sector Median}_i(t_{RW}))$$

Where:

$UP_i(t_{RW})$ – Eligible Basket Component Up Revisions Ratio.

$\text{Sector Median}_i(t_{RW})$ - means, in respect of a Review Date (t_{RW}) and an Eligible Basket Component (i), the median of Eligible Basket Component Up Revision Ratios of all Eligible Basket Components which have the same Eligible Basket Component Sector as such Eligible Basket Component (i)

The $UP_i(t_{RW})$ is calculated as the ratio of the corresponding Total EPS Up Revisions by its Total EPS Revisions:

$$UP_i(t_{RW}) = \frac{\text{Total } UP_i(t_{RW})}{\text{Total } Rev_i(t_{RW})}$$

The $\text{Total } UP_i(t_{RW})$ and the $\text{Total } Rev_i(t_{RW})$ are calculated in respect of a Review Date (t_{RW}) and Component (i) based on the following formulas:

$$\begin{aligned} \text{Total } UP_i(t_{RW}) &= UP_i^{1Y}(t_{RW}) + UP_i^{2Y}(t_{RW}) - DOWN_i^{1Y}(t_{RW}) - DOWN_i^{2Y}(t_{RW}) \\ \text{Total } Rev_i(t_{RW}) &= \text{TOTAL}_i^{1Y}(t_{RW}) + \text{TOTAL}_i^{2Y}(t_{RW}) \end{aligned}$$

Where:

$UP_i^{1Y}(t_{RW})$ – 1-year EPS Up Revisions, meaning the number of upward revisions of its one year forward earnings per share

$UP_i^{2Y}(t_{RW})$ - 2-year EPS Up Revisions, meaning the number of upward revisions of its two year forward earnings per share

$DOWN_i^{1Y}(t_{RW})$ - 1-year EPS Down Revisions, meaning the number of downward revisions of its one year forward earnings per share



$DOWN_i^{2Y}(t_{RW})$ - 2-year Down Revisions, meaning the number of downward revisions of its two year forward earnings per share

$TOTAL_i^{1Y}(t_{RW})$ - 1-year EPS Total Revisions, meaning the number of total revisions of its one year forward earnings per share

$TOTAL_i^{2Y}(t_{RW})$ - 1-year EPS Total Revisions, meaning the number of total revisions of its two year forward earnings per share

For the avoidance of doubt, an Earnings Momentum Score for an Eligible Basket Component is not calculated in the following cases:

- a.) If the Review Date is on or before 4th January 2013 and $Contrib_i(t_{RW})$ for the relevant Eligible Basket Component is less than 2; or
- b.) If the Review Date is after 4th January 2013 and $Contrib_i(t_{RW})$ for the relevant Eligible Basket Component is less than 3; or

Where:

$Contrib_i(t_{RW})$ – EPS Number of Contributors, meaning the number of estimates considered in the calculation of a consensus.

Relevant Data Source: FactSet Estimates

2.1.3 REVIEW OF THE UNDERLYING BASKET

On each Review Date, the Index Calculation Agent will determine the new composition of the Index in accordance with the rules set forth herein, which will be implemented on the following Rebalancing Date. Therefore, the Basket Components are selected in accordance with Section 2.1.3 (A) and weighted in accordance with Section 2.1.3 (B).

A. INDEX SELECTION RULES

To determine the Shares that are eligible to be included in the Underlying Basket as of Review Date (t_{RW}), the Index Calculation Agent will:

- (i) Include Shares from the Universe that satisfy the following criteria:
 - > Basket Component Market Cap greater than USD 250 million, and;
 - > Basket Component Turnover greater than the Underlying Basket Minimum 90-day Turnover of USD 4 million.

All together the “Eligible Universe”



- (ii) From the Underlying Basket on the immediately preceding Review Date, select the highest ranked 80 stocks according to the Basket Component Score as of the current Review Date
- (iii) From the list of Shares in the Eligible Universe but excluding the Shares already selected as per above, determine the highest ranked 40 stocks according to the Basket Component Score as of the current Review Date.
- (iv) For the avoidance of doubt, shares whose Basket Component Trading status is either halted or suspended and are not included in the Underlying Basket on the immediately preceding Review Date will be excluded.

B. DETERMINATION OF THE BASKET COMPONENT TARGET WEIGHT

The Basket Component Target Weight, in respect of a Rebalancing Date (N) and a Basket Component (i), is determined in accordance with the following formula:

$$TW_i(t_{REB} + N) = W_i(t_{REB}) + \frac{N}{5} \times \left(\frac{1}{N_{Stocks}} - W_i(t_{REB}) \right), 0 < N \leq 5$$

Where:

$TW_i(t_{REB} + N)$ – The Target Opening Weight in respect of index component i and Rebalancing Date $t_{REB} + N$

$W_i(t_{REB})$ – The Weight in respect of index component i and the First Rebalancing Date t_{REB}

N – means, the N^{th} day of the Rebalancing Period

The Index is calculated net of the following fees and costs:

Fixed Basket Replication Costs: None Applicable

Fixed Transaction Costs: 0.15%

The transaction cost is applied on each day of the Rebalancing Period according to the below formula:

$$I_{t+1}^{adj} = I_t - \sum_k |w_{t,close}^k - w_{t+1,open}^k| * TC * I_t$$

With:

I_{t+1}^{adj} = Adjusted opening index level on Trading Day $t + 1$

I_t = Closing index level on Trading Day t

$w_{t,close}^k$ = Closing weight of component k on Trading Day t

$w_{t+1,open}^k$ = Opening weight of component k on Trading Day $t + 1$



TC = Fixed Transaction Costs, amounting to 0.15%

2.2 ORDINARY ADJUSTMENT

The Index will be rebalanced on the Rebalancing Dates following each Review Date. The quantity of each Basket Component as of each Rebalancing Date is determined using the last available Basket Component Closing Price on each day of the Rebalancing Period such that the Index is weighted in accordance with Section 2.1.3(B).

Any changes made to the index composition will be reflected on the Solactive website on the day immediately following the start of the Rebalancing Period.

2.3 EXTRAORDINARY ADJUSTMENT

An extraordinary adjustment, if applicable, is triggered and applied in compliance with the rules set forth in the [Solactive Guideline for Extraordinary Corporate Actions](#).



3 CALCULATION OF THE INDEX

3.1 INDEX FORMULA

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

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

With:

- $x_{i,t}$ = Number of Shares of the Index Component i on Trading Day t
- $p_{i,t}$ = Price of Index Component i on Trading Day t in Index Currency

3.2 ACCURACY

- > The value of the Index will be rounded to 2 decimal places.
- > The Number of Shares of the Index Components 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 Index is adjusted for 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 Index. They cause an adjustment of the Number of Shares. The new Number of Shares is calculated as follows:

$$x_{i,t} = x_{i,t-1} * \frac{p_{i,t-1}}{p_{i,t-1} - D_{i,t}}$$

with:

- $x_{i,t}$ = Number of Shares of the Index Component i on Trading Day t
- $D_{i,t}$ = Payment on Trading Day t multiplied by the Dividend Correction Factor of the respective country



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 (from the company's own resources or through cash contributions) the new Numbers of Shares are calculated as follows:

$$x_{i,t} = x_{i,t-1} * \frac{p_{i,t-1}}{p_{i,t-1} - rB_{i,t-1}} \quad \text{with:} \quad rB_{i,t-1} = \frac{p_{i,t-1} - B - N}{BV + 1}$$

with:

- $x_{i,t}$ = Number of Shares of Index Component i on the day of the distribution
- $x_{i,t-1}$ = Number of Shares of Index Component i on the day prior to the distribution
- $p_{i,t-1}$ = Closing price on the day prior to ex-date
- $rB_{i,t-1}$ = Calculated value of rights issue
- B = Price of rights issue
- N = Dividend disadvantage
- BV = Subscription ratio

$B = 0$ if capital is increased from the company's own resources.

The last dividend paid or the announced dividend proposal is applied as the dividend disadvantage.



3.5.3 Capital reductions

In the case of capital reductions, the new Number of Shares is determined as follows:

$$x_{i,t} = x_{i,t-1} * \frac{1}{H_{i,t}}$$

with:

$H_{i,t}$ = Reduction ratio of the company on day t

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

$x_{i,t-1}$ = Number of Shares of the affected Index Component on the day prior to the distribution

3.5.4 Share splits and par value conversions

In the case of share splits and par value conversions it is assumed that the prices change in ratio to the number of shares or to the par values. The new Number of Shares is calculated as follows:

$$x_{i,t} = x_{i,t-1} * \frac{N_{i,t-1}}{N_{i,t}}$$

with:

$N_{i,t-1}$ = Former par value of security class i (or new number of shares)

$N_{i,t}$ = New par value of security class i (or former number of shares)

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

$x_{i,t-1}$ = Number of Shares of the affected Index Component on the day prior to the distribution

3.6 MISCELLANEOUS

3.6.1 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](#).

3.6.2 Market Disruption

In periods of market stress Solactive AG calculates its indices following predefined and exhaustive arrangements set out in its publicly available [Disruption Policy](#).



4 DEFINITIONS

"Announcement Day" means the 3rd (third) Business Day immediately following each Review Date.

A **"Business Day"** is any weekday from Monday through Friday on which Shanghai and Shenzhen Exchanges are open for Trading.

"Dividend Correction Factor" is 1 for the Price Return and Total Return Indices. For the Net Total Return Indices, the Dividend Correction Factor is calculated as 1 minus the applicable withholding tax rate and/or other applicable tax rate prevalent in the respective country. The table can be accessed on the Solactive website at: [Withholding Tax Rates](#).

"Eligible Basket Component" means any Share that is a part of the Universe as of such Review Date.

The **"Exchange"** is, in respect of the Index and every Index Component, the respective primary exchange where the Index Component has its primary listing. The Index 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.

In particular, an **"Extraordinary Event"** is

- > a Merger
- > a Takeover Bid
- > a Delisting
- > the Nationalization of a company
- > Insolvency.

An Index Component is **"Delisted"** if the Exchange announces pursuant to the Exchange regulations that the listing of, the trading in, or the issuing of public quotes on the Index Component at the Exchange has ceased immediately or will cease at a later date, for whatever reason (provided the Delisting is not because of a Merger or a Takeover Bid), and the Index Component is not immediately listed, traded or quoted again on an exchange, trading or listing system, acceptable to the Index Calculator.

"Insolvency" occurs with regard to an Index Component if (A) all shares of the respective issuer must be transferred to a trustee, liquidator, insolvency administrator or a similar public officer as result of voluntary or compulsory liquidation, insolvency or winding-up proceedings or comparable proceedings affecting the issuer of the Index Components or (B) the holders of the shares of this issuer are legally enjoined from transferring the shares.

A **"Takeover Bid"** is a bid to acquire, an exchange offer, or any other offer or act of a legal person that results in the related legal person acquiring as part of an exchange or otherwise more than 10% and less than 100% of the voting shares in circulation from the issuer of the Index Component or the right to acquire these shares, as determined by the Index Calculator based on notices submitted to public or self-regulatory authorities or other information considered by the Index Calculator to be relevant.



With regard to an Index Component, a **"Merger"** is

- (i) a change in the security class or a conversion of this share class that results in a transfer or an ultimate definite obligation to transfer all the shares in circulation to another legal person,
- (ii) a merger (either by acquisition or through forming a new structure) or a binding obligation on the part of the issuer to exchange shares with another legal person (except in a merger or share exchange under which the issuer of this Index Component is the acquiring or remaining company and which does not involve a change in security class or a conversion of all the shares in circulation),
- (iii) a takeover offer, exchange offer, other offer or another act of a legal person for the purposes of acquiring or otherwise obtaining from the issuer 100% of the shares issued that entails a transfer or the irrevocable obligation to transfer all shares (with the exception of shares that are held and controlled by the legal person), or
- (iv) a merger (either by acquisition or through forming a new structure) or a binding obligation on the part of the issuer of the share or its subsidiaries to exchange shares with another legal person, whereby the issuer of the share is the acquiring or remaining company and it does not involve a change in the class or a conversion of the all shares issued, but the shares in circulation directly prior to such an event (except for shares held and controlled by the legal person) represent in total less than 50% of the shares in circulation directly subsequent to such an event.

"First Rebalancing Date" is the 3rd (third) Business Day immediately following the Announcement Date.

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

The **"Index Component"** is each share currently included in the Index.

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.

2. trading on the Exchange or an Affiliated Exchange is ceased prior to the “**Normal Exchange Closing Time**”, which is the time at which the Exchange or an Affiliated Exchange is normally closed on working days without considering after-hours trading or other trading activities carried out outside the normal trading hours. An exception to this classification as a Market Disruption Event is where the early cessation of trading is announced by the Exchange or Affiliated Exchange on this Trading Day at least one hour before
 - 2.1. the actual closing time for normal trading on the Exchange or Affiliated Exchange on the Trading Day in question or, if earlier.
 - 2.2. the closing time (if given) of the Exchange or Affiliated Exchange for the execution of orders at the time the quote is given.
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 its decision based on those circumstances that it considers reasonable and appropriate.

The “**Merger Date**” is the date on which a Merger is concluded or the date specified by the Index Calculator if such a date cannot be determined under the law applicable to the Merger.

“**Nationalization**” is a process whereby all shares or the majority of the assets of the issuer of the shares are nationalized or are expropriated or otherwise must be transferred to public bodies, authorities or institutions.

The “**Percentage Weight**” of an Index Component is the ratio of its Trading Price multiplied by its Number of Shares divided by the Index value and the Divisor.

The “**Rebalancing Date**” means each of the 5 (five) Business Dates following and including any First Rebalancing Date.

The “**Review Date**” is the last week day of every March, June, September and December, independent of any stock exchange holidays.

“**Basket Component Sector**” means, in respect of an Eligible Basket Component (i), its sector obtained from FactSet Industry as per the mapping defined in Appendix 2.

The “**Total Shares**” are 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 the Divisor and (B) its Trading Price (converted into the Index Currency according to the principles laid out in Section 1.4 of this document).

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.

With regard to an Index Component (subject to the provisions given above under "Extraordinary Events") the "**Trading Price**" in respect of a Trading Day is the closing price on this Trading Day determined in accordance with the Exchange regulations. If the Exchange has no closing price for an Index Component, the Index Calculator shall determine the Trading Price and the time of the quote for the share in question in a manner that appears reasonable to it.

"**Universe**" means any Share of the CSI 800 Index. For the avoidance of doubt, should the resulting Universe include several classes of Shares which are issued by the same Company, only the class of Shares with the greatest Basket Component Market Cap will be considered.



6 CHANGES 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 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 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.



APPENDIX 1

Factset Industry Number	Sector	Factset Industry Number	Sector	Factset Industry Number	Sector
1105	Basic Materials	2240	Basic Materials	3435	Consumer Services
1115	Basic Materials	2305	Health Care	3440	Consumer Services
1120	Basic Materials	2310	Health Care	3445	Consumer Services
1125	Basic Materials	2315	Health Care	3450	Consumer Services
1130	Basic Materials	2320	Health Care	3505	Consumer Services
1135	Industrials	2325	Health Care	3510	Consumer Services
1205	Basic Materials	2405	Consumer Goods	3515	Consumer Services
1210	Industrials	2410	Consumer Goods	3520	Consumer Services
1220	Industrials	2415	Consumer Goods	3525	Consumer Services
1225	Consumer Goods	2420	Consumer Goods	3530	Consumer Services
1230	Industrials	2425	Consumer Goods	3535	Consumer Services
1235	Industrials	2430	Consumer Goods	3540	Consumer Services
1245	Consumer Goods	2435	Consumer Goods	3545	Consumer Services
1250	Industrials	2440	Consumer Goods	3550	Consumer Services
1255	Industrials	2450	Consumer Goods	4605	Industrials
1305	Technology	3105	Oil & Gas	4610	Consumer Services
1310	Industrials	3110	Oil & Gas	4615	Industrials
1315	Industrials	3115	Industrials	4620	Industrials
1320	Technology	3120	Industrials	4625	Industrials
1330	Industrials	3130	Oil & Gas	4630	Industrials
1340	Technology	3205	Industrials	4705	Utilities
1345	Technology	3210	Consumer Services	4735	Utilities
1352	Technology	3215	Industrials	4755	Utilities
1355	Technology	3220	Consumer Services	4760	Utilities
1405	Consumer Goods	3235	Industrials	4805	Financials
1410	Consumer Goods	3255	Industrials	4810	Financials
1415	Consumer Goods	3260	Consumer Goods	4825	Financials
1420	Consumer Goods	3265	Technology	4830	Financials
1425	Consumer Goods	3270	Health Care	4840	Financials
1430	Consumer Goods	3305	Industrials	4845	Financials
1435	Consumer Goods	3308	Technology	4850	Financials
1445	Consumer Goods	3310	Technology	4855	Financials
2105	Oil & Gas	3320	Technology	4860	Financials
2110	Oil & Gas	3355	Health Care	4865	Financials
2120	Oil & Gas	3360	Health Care	4875	Financials
2125	Basic Materials	3365	Health Care	4880	Financials
2205	Basic Materials	3370	Health Care	4885	Financials



2210	Basic Materials	3405	Consumer Services	4890	Financials
2215	Basic Materials	3410	Consumer Services	4905	Telecommunications
2220	Consumer Goods	3415	Consumer Services	4910	Telecommunications
2225	Consumer Goods	3420	Consumer Services	4915	Telecommunications
2230	Basic Materials	3425	Consumer Services	6010	Financials
2235	Industrials	3430	Consumer Services		

CONTACT

Solactive AG
German Index Engineering
Guiollettstr. 54
60325 Frankfurt am Main
Germany

Tel.: +49 (0) 69 719 160 00
Fax: +49 (0) 69 719 160 25
Email: info@solactive.com
Website: www.solactive.com

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