

INDEX GUIDELINE

SOLACTIVE LUXURY DYNAMIC
FACTORS 10% DAILY RISK

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 Solactive Luxury Dynamic Factors 10% Daily Risk Control TR Index (the "INDEX"). Any amendment to the GUIDELINE is approved by the OVERSIGHT COMMITTEE specified in Section 3.6. The INDEX is 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 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

The INDEX is owned, administered, calculated, and published by SOLACTIVE.

The INDEX is dynamically exposed to the Solactive Luxury Dynamic Factors Index NTR ("BASE INDEX"). This exposure varies between 0% and 100% and may be adjusted on each Trading Day to aim to achieve a volatility of 10% for the Index.

The Index is total return, which reflects the weighted performance of the BASE INDEX (as defined below) and a cash position accrued daily by hypothetical investing at EURO 3 Month EURIBOR fixing (RIC: EURIBOR3M=).

The Index is denominated in EUR.

1.2. IDENTIFIERS AND PUBLICATION

The INDEX is published under the following identifiers:

Name	ISIN	Currency	Type	RIC	BBG ticker
Solactive Luxury Dynamic Factors 10% Daily Risk Control TR Index	DE000SLOA782	EUR	TR*	.SOLUX10F	SOLUX10F Index

*TR means that the Index is calculated as total return.

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 18th September 2007, the START DATE, is 100. Historical values from 9th October 2020, 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 closing level of the Index is calculated on each CALCULATION DAY based on the closing level of the BASE INDEX.

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 AG.



2. CALCULATION OF THE INDEX

2.1. INDEX FORMULA

The closing level of the Index in respect of each CALCULATION DAY after the START DATE ("CALCULATION DAY t") shall be calculated in accordance with the following formula:

$$IL_t = IL_{t-1} \times \left(1 + \text{Exp}_{t-2} \times \left(\frac{BIL_t}{BIL_{t-1}} - 1 \right) \right) + (1 - \text{Exp}_{t-2}) * r_{t-1} \times \frac{DC_{t-1,t}}{360}$$

Where:

IL_t Means the closing level of the Index in respect of CALCULATION DAY t;

IL_{t-1} Means the closing level of the Index in respect of the CALCULATION DAY immediately preceding CALCULATION DAY t;

BIL_t Means the closing level of the Base Index in respect of CALCULATION DAY t;

BIL_{t-1} Means the closing level of the Base Index in respect of the CALCULATION DAY immediately preceding CALCULATION DAY t;

r_{t-1} Means the EURO 3 Month EURIBOR fixing in respect of the CALCULATION DAY immediately preceding CALCULATION DAY t;

DC_{t-1,t} Means the number of Calendar Days from (but excluding) the CALCULATION DAY immediately preceding CALCULATION DAY t to (and including) CALCULATION DAY t;

Exp_{t-2} Means the exposure in respect of the CALCULATION DAY immediately preceding the CALCULATION DAY immediately preceding CALCULATION DAY t, calculated in accordance with the following formula:

$$\text{Exp}_{t-2} = \min \left(\text{Max Exposure}, \frac{\text{Target Volatility}}{RV_{t-3}} \right)$$

Where:

Max Exposure means 100%;

Target Volatility means 10%;

RV_{t-3} means the Realized Volatility (as defined in section 2.2) in respect to of the CALCULATION DAY immediately preceding the CALCULATION DAY immediately preceding CALCULATION DAY t-1.



2.2. REALIZED VOLATILITY CALCULATION

The REALIZED VOLATILITY in respect of each CALCULATION DAY t shall be calculated in accordance with the following formula:

$$RV_t = \max (RV_{s,t}, RV_{l,t})$$

Where:

RV_t Means the Realized Volatility in respect of Index Business Day t;

$RV_{s,t}$ Means the short term realized volatility in respect of Index Business Day t, calculated in accordance with the following formula:

$$RV_{s,t} = \sqrt{252 \times \text{Var}_{s,t}}$$

Where:

$\text{Var}_{s,t}$ Means the short term realized variance in respect of Index Business Day t, determined in accordance with the following formula:

$$\text{Var}_{s,t} = \lambda_s \times \text{Var}_{s,t-1} + (1 - \lambda_s) \times \left[\ln \left(\frac{BIL_t}{BIL_{t-1}} \right) \right]^2$$

$\text{Var}_{s,t-1}$ Means the short term realized variance in respect of the Index Business Day immediately preceding Index Business Day t, provided that the short term realized variance in respect of 14th September 2007 shall be equal to 0.0121126475805821%;

λ_s Means 0.94;

$RV_{l,t}$ Means the long term realized volatility in respect of Index Business Day t, calculated in accordance with the following formula:

$$RV_{l,t} = \sqrt{252 \times \text{Var}_{l,t}}$$

Where:

$\text{Var}_{l,t}$ Means the long term realized variance in respect of Index Business Day t, determined in accordance with the following formula:

$$\text{Var}_{l,t} = \lambda_l \times \text{Var}_{l,t-1} + (1 - \lambda_l) \times \left[\ln \left(\frac{BIL_t}{BIL_{t-1}} \right) \right]^2$$



$\text{Var}_{1,t-1}$ Means the long term realized variance in respect of the Index Business Day immediately preceding Index Business Day t, provided that the long term realized variance in respect of 14th September 2007 shall be equal to 0.0111004463563073%;

λ_1 Means 0.97;

BIL_t Means the closing level of the Base Index in respect of CALCULATION DAY t;

BIL_{t-1} Means the closing level of the Base Index in respect of the CALCULATION DAY immediately preceding CALCULATION DAY t;

2.3. ACCURACY

The level of the INDEX will be rounded to 2 decimal places.

2.4. 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 a variety of 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 dependent on the INDEX COMPONENT and are specified in the Solactive Correction Policy, which is incorporated by reference and available on the SOLACTIVE website: <https://www.solactive.com/documents/correction-policy/>.

2.5. 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.



3. MISCELLANEOUS

3.1. DISCRETION

Any discretion which may need to be exercised in relation to the determination of the INDEX shall be limited to (i) exercising routine judgment (in the expert view of the INDEX ADMINISTRATOR) in the administration of the Index rules, provided, however, that such routine judgment does not include deviations or alterations to the Index rules that are designed to improve the financial performance of the Index, (ii) correcting errors in the implementation of the rules or calculations made pursuant to the rules, or (iii) making an adjustment to respond to an unanticipated event outside of SOLACTIVE's control.

3.2. 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](https://www.solactive.com/news/announcements/)", which is available at <https://www.solactive.com/news/announcements/>. The date of the last amendment of this INDEX is contained in this GUIDELINE.

3.3. 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.



3.4. 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 3.2 "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/>.

3.5. OVERSIGHT COMMITTEE

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/>.



4. DEFINITIONS

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

"BMR" shall have the meaning as defined in Section "Introduction".

"BASE INDEX" means Solactive Luxury Dynamic Factors Index NTR.

"CALCULATION DAY" is any day on which New York Stock Exchange (MIC: XNYS), London Stock Exchange (MIC: XLON) and Euronext Paris (MIC: XPAR) are open for trading.

"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.

"EXCHANGE" means New York Stock Exchange (MIC: XNYS), London Stock Exchange (MIC: XLON) and Euronext Paris (MIC: XPAR)

"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 COMPONENT" is each security reflected in the INDEX.

"INDEX CURRENCY" is the currency specified in the column "Currency" in the table in Section 1.2.

"LIVE DATE" shall have the meaning as defined in Section 1.3.

"OVERSIGHT COMMITTEE" shall have the meaning as defined in Section 3.6.

"REALIZED VOLATILITY" shall have the meaning as defined in Section 2.2.

"SOLACTIVE" shall have the meaning as defined in Section "Introduction".

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

"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 determining whether a certain day is a TRADING DAY.

"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.



5. APPENDIX

INDEX STARTING UNIVERSE for the Base Index

Name	SEDOL	Bloomberg Ticker
ACCOR SA	5852842	AC FP Equity
ASTON MARTIN LAGONDA GLOBAL	BFXZC44	AML LN Equity
BROWN-FORMAN CORP-CLASS B	2146838	BF/B UN Equity
BURBERRY GROUP PLC	3174300	BRBY LN Equity
CANADA GOOSE HOLDINGS INC	BF0B2F6	GOOS CT Equity
CAPRI HOLDINGS LTD	BJ1N1M9	CPRI UN Equity
CARNIVAL CORP	2523044	CCL UN Equity
CHOW TAI FOOK JEWELLERY LTD.	B4R39F7	1929 HK Equity
COMPAGNIE FINANCIERE RICHEMONT SA	BCRWZ18	CFR SE Equity
COTY INC-CL A	BBBSMJ2	COTY UN Equity
CROWN RESORTS LTD	B29LCJ0	CWN AT Equity
DAVIDE CAMPARI-MILANO SPA	BZ4CMZ5	CPR IM Equity
DIAGEO PLC	237400	DGE LN Equity
ESTEE LAUDER COMPANIES INC	2320524	EL UN Equity
FARFETCH LTD	BFD20M9	FTCH UN Equity
FERRARI NV	BD6G507	RACE IM Equity
GALAXY ENTERTAINMENT GP.	6465874	27 HK Equity
HERMES INTERNATIONAL SCA	5253973	RMS FP Equity
HUGO BOSS AG	B88MHC4	BOSS GY Equity



HYATT HOTELS CORP	B5B82X4	H UN Equity
INTERCONTINENTAL HOTELS GROUP PLC	BF7NT10	IHG UN Equity
KERING SA	5505072	KER FP Equity
L OREAL SA	4057808	OR FP Equity
LAS VEGAS SANDS CORP	B02T2J7	LVS UN Equity
LVMH MOET HENNESSY LOUIS VUITTON SE	4061412	MC FP Equity
MACAU LEGEND DEVELOPMENT LTD	BBMR4Z8	1680 HK Equity
MARRIOTT INTERNATIONAL -CL A	2210614	MAR UW Equity
MELCO RESORTS & ENTERTAINMENT LTD	B1KYHF2	MLCO UW Equity
MGM RESORTS INTERNATIONAL	2547419	MGM UN Equity
MONCLER SPA	BGLP232	MONC IM Equity
NORWEGIAN CRUISE LINE HOLDINGS LTD	B9CGTC3	NCLH UN Equity
PANDORA A/S	B44XTX8	PNDORA DC Equity
PERNOD RICARD SA	4682329	RI FP Equity
POLARIS INC	2692933	PII UN Equity
PORSCHE AUTOMOBIL HOLDING SE	7101069	PAH3 GY Equity
PRADA S.P.A.	B4PFFW4	1913 HK Equity
PVH CORP	B3V9F12	PVH UN Equity
RALPH LAUREN CORP	B4V9661	RL UN Equity
REMY COINTREAU SA	4741714	RCO FP Equity
ROLLS-ROYCE HOLDING PLC	B63H849	RR/ LN Equity
ROYAL CARIBBEAN CRUISES LTD	2754907	RCL UN Equity



SALVATORE FERRAGAMO SPA	B5VZ053	SFER IM Equity
SANDS CHINA LTD	B5B23W2	1928 HK Equity
SHANGRI LA ASIA LTD ORD	6771032	69 HK Equity
SHISEIDO CO LTD	6805265	4911 JT Equity
SIGNET JEWELERS LTD	B3CTNK6	SIG UN Equity
SJM HOLDINGS	B2NR3Y6	880 HK Equity
SKYCITY ENTERTAINMENT GROUP LIMITED	6823193	SKC NZ Equity
SWATCH GROUP AG	7184736	UHRN SE Equity
TAPESTRY INC	BF09HX3	TPR UN Equity
TIFFANY & CO	2892090	TIF UN Equity
TOLL BROTHERS INC	2896092	TOL UN Equity
TREASURY WINE ESTATES LIMITED	B61JC67	TWE AT Equity
USS CO (TOKAI) LTD ORD	6171494	4732 JT Equity
VAIL RESORTS INC	2954194	MTN UN Equity
WYNN RESORTS LTD	2963811	WYNN UW Equity



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