

INDEX GUIDELINE

MICRO FINANCE FUND INDEX

Version 1

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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 micro finance fund Index (the "INDEX"). Any amendments to the rules made to the GUIDELINE are approved by the OVERSIGHT COMMITTEE specified in Section 5.5.

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 Index contained in this document is the sole property of fair-finance asset management Ltd., incorporated in Malta under the company registration number C82093, assuming the role as (i) the Index Sponsor (the "INDEX SPONSOR") and (ii) the Data Provider (as defined below).

The text uses defined terms which are formatted with "SMALL CAPS". Such Terms shall have the meaning assigned to them as specified in Section 6 (Definitions).

The GUIDELINE and the policies and methodology documents referenced herein contain the underlying principles and rules regarding the structure and operation of the INDEX.

Neither the INDEX SPONSOR nor SOLACTIVE does 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

Category	Description
Asset Class	Mutual Funds
Strategy	Representation of microfinance funds which fund microfinance institutions all around the globe in developing and emerging countries
Regional Allocation	Global Markets
Rebalancing Frequency	Quarterly

1.2. IDENTIFIERS AND PUBLICATION

The INDEX is published under the following identifiers:

Name	ISIN	Currency	Type	RIC	BBG ticker
micro finance fund Index	DE000SLOEPZ1	EUR	TR*	.MIFIFUND	MIFIFUND 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 the 30/09/2019, the START DATE, is 100. Historical values from the 01/03/2022, 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

A closing level of the INDEX for each CALCULATION DAY is calculated. This closing level is based on the NET ASSET VALUES for the INDEX COMPONENTS. The NET ASSET VALUES of INDEX COMPONENTS not listed in the INDEX CURRENCY are converted using the 4pm London time WM Fixing quoted by Refinitiv. If there is no 4pm London time WM Fixing for the relevant CALCULATION DAY, the last available 4pm London time WM Fixing will be used for the closing level calculation.

The calculation of the INDEX for a specific CALCULATION DAY is performed with a two-day lag to accommodate delay in the publication of the INDEX COMPONENTS NET ASSET VALUES.

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 the INDEX SPONSOR.

The INDEX designator *micro finance fund Index* is as such protected against improper use. An index data contract grants the user of data the right to use the INDEX for various purposes. The usage fee depends on the actual use. Questions on obtaining index data and the use of the INDEX designator should be sent to the INDEX SPONSOR.



2. INDEX SELECTION

On each SELECTION DAY, the INDEX ADMINISTRATOR will revise the composition of the INDEX.

In a first step, the INDEX ADMINISTRATOR determines the INDEX UNIVERSE in accordance with Section 2.1. The INDEX UNIVERSE comprises all those financial instruments which fulfill the INDEX UNIVERSE REQUIREMENTS (as specified in Section 2.1) and will constitute a starting pool from which the components of the INDEX will be selected. Based on this INDEX UNIVERSE, the new composition of the INDEX will be determined by applying the rules outlined in Section 2.2.

Each new INDEX COMPONENT will be assigned a weight as described in Section 2.3.

2.1. INDEX UNIVERSE REQUIREMENTS

The INDEX UNIVERSE is comprised of all financial instruments which fulfill the below requirements (the "INDEX UNIVERSE REQUIREMENTS"):

The INDEX UNIVERSE is static and comprises the below list of mutual funds. Each mutual fund will receive a weight between 0% and 20% during the selection and weighting process.

The determination of the INDEX UNIVERSE is fully rule-based and the INDEX ADMINISTRATOR cannot make any discretionary decisions.

Name	ISIN	BBG	LipperRIC
BlueOrchard Mircofinance	LU0973080392	ORCHIEU LX Equity	LP68231351
GLS Microfinance	LU1323423696	GLSMIKC LX Equity	LP68394787
IIV Invest in Visions	DE000A1H44S3	HIIVMFI GR Equity	LP68132795
responsAbility Mirco&SME Finance Leaders	LU0520963082	RESMLES LX Equity	LP68115019
responsAbility Agriculture Fund	LU1709333030	REAAGIE LX Equity	LP68545987
Triodos Microfinance	LU0402513328	TRIMIAE LX Equity	LP68059414



DRF Microfinance	Vision	LU0306115196	DRVMIII LX Equity	LP65096010
DRF Microfinance Currency	Vision Local	LU0533938022	DRVMLCI LX Equity	LP68063588
responsAbility and SME Finance Fund EUR-II	Micro	LU1050624516	RGMHIII LX Equity	LP68268025
responsAbility and SME Finance Debt Fund I-II-EUR*	Mirco	LU1303877564	REMIIII LX Equity	LP68348885
Erste Microfinance A.	Responsible	AT0000A0G256	ESVIMIT AV Equity	LP68035183
KCD-Mikrofinanzfonds III		LU1106543249	KCDM3UV LX Equity	LP68298016
Luxembourg Microfinance And Development Fund B Acc		LU0456966935	LMDSVCB LX Equity	LP68176353
EMF Microfinance Fund AGmvK S T EUR (H)		LI0498082135	EMEMRFT LE Equity	LP68583143

2.2. SELECTION OF THE INDEX COMPONENTS

Based on the INDEX UNIVERSE, the initial composition of the INDEX as well as any selection for an ordinary rebalance is determined on the SELECTION DAY in accordance with the following rules (the "INDEX COMPONENT REQUIREMENTS"):

fair-finance Asset Management Ltd, incorporated in Malta, assuming the role as a Data Provider (the "DATA PROVIDER") provides a score for each INDEX COMPONENT from the INDEX UNIVERSE.

The INDEX COMPONENTS are then ranked according to these scores. A better score means a lower rank, hence the INDEX COMPONENT with the best (highest) score will have rank 1, the second-best score will induce rank 2



and so on. Those INDEX COMPONENT which are ranked from 1 to 8 will receive a positive weight (subject to the provisions in Section 3.1).

The selection of the INDEX COMPONENTS is fully rule-based and the INDEX ADMINISTRATOR cannot make any discretionary decision.

2.3. WEIGHTING OF THE INDEX COMPONENTS

On each SELECTION DAY, each INDEX COMPONENT is assigned a weight (denoted $w_{i,s}$) according to the following table:

RANK	WEIGHT
1	20%
2	18%
3	16%
4	14%
5	12%
6	10%
7	5%
8	5%
9	0%
10	0%
11	0%
12	0%
13	0%
14	0%

If there is a tie in scores (and hence ranks), each INDEX COMPONENT will receive a weight equal to the average of the weights of the (duplicate) rank and the next best rank.

For the avoidance of doubt:



If two INDEX COMPONENTS each share rank 6 (10%), then each of these two INDEX COMPONENTS would receive a weight of $(10\% + 5\%)/2 = 7.5\%$, where 5% is the weight of the next best rank (7) in this example.

3. REBALANCE

3.1. ORDINARY REBALANCE

In order to reflect the new selection of the INDEX COMPONENTS determined on the SELECTION DAY (in accordance with Section 2.1 and 2.2) the INDEX is adjusted on the REBALANCE DAY after CLOSE OF BUSINESS.

This is carried out by implementing the weights as determined on the SELECTION DAY.

An ordinary rebalance only takes place if either of the following two conditions is fulfilled. If both conditions are not fulfilled, then no ordinary rebalance will take place.

Define $Rank_{i,S}$ as the rank of INDEX COMPONENT i as of SELECTION DAY S , and $Rank_{i,S-1}$ as the rank of INDEX COMPONENT i as of the SELECTION DAY immediately preceding SELECTION DAY S .

With these definitions, we can define the maximum absolute change in rankings across INDEX COMPONENTS, and the average absolute change in rankings across INDEX COMPONENTS:

$$change_max = \max_i abs(Rank_{i,S} - Rank_{i,S-1})$$

$$change_mean = \frac{1}{14} \sum_i abs(Rank_{i,S} - Rank_{i,S-1})$$

Condition 1:

$$change_max \geq 6$$

Condition 2:

$$change_mean > 1.5$$

If either Condition 1 or Condition 2 (or both) are fulfilled, then an ordinary rebalance will take place, and the weights as determined by the ranking mechanism will be implemented. If neither Condition 1 nor Condition 2 is fulfilled, then the no ordinary rebalance takes place.

The INDEX ADMINISTRATOR will publish any changes made to the INDEX COMPONENTS with sufficient notice before the REBALANCE DAY on the SOLACTIVE webpage under the section "Announcement", which is available at <https://www.solactive.com/news/announcements/>



3.2. EXTRAORDINARY REBALANCE

The INDEX is not rebalanced extraordinarily.



4. CALCULATION OF THE INDEX

4.1. INDEX FORMULA

The level of the INDEX is calculated according to the following set of formulae for each CALCULATION DAY t after the START DATE:

$$Index_t = \sum_{i=1}^{14} NOSH_{i,R} * NAV_{i,t}$$

Where:

$Index_t$: The level of INDEX the as of CALCULATION DAY t

$NOSH_{i,R}$: The number of shares of INDEX COMPONENT i as of REBALANCE DAY R immediately preceding CALCULATION DAY t

$NAV_{i,t}$: The NET ASSET VALUE of INDEX COMPONENT i as of CALCULATION DAY t

The number of shares of INDEX COMPONENT i as of REBALANCE DAY R immediately preceding CALCULATION DAY t is determined on each ordinary rebalance according to:

$$NOSH_{i,R} = w_{i,S} * Index_R / NAV_{i,R}$$

Therefore, on each ordinary rebalance, an amount equal to $w_{i,S} * Index_R$ is invested in INDEX COMPONENT i . The number of shares the INDEX is invested in INDEX COMPONENT i is derived by dividing this amount by the INDEX COMPONENT 's NET ASSET VALUE as of REBALANCE DAY R .

4.2. ACCURACY

The level of the INDEX will be rounded to 4 decimal places. NET ASSET VALUES and foreign exchange rates will not be rounded.



4.3. ADJUSTMENTS

Under certain circumstances, an adjustment of the INDEX may be necessary between two regular REBALANCE DAYS. Such adjustment has to be made if a corporate action (as specified in Section 4.4 below) in relation of an INDEX COMPONENT occurs. Such adjustment may have to be done in relation to an INDEX COMPONENT and/or may also affect the number of INDEX COMPONENTS and/or the weighting of certain INDEX COMPONENTS and will be made in compliance with the Solactive Equity Index Methodology, which is incorporated by reference and available on the SOLACTIVE website: <https://www.solactive.com/documents/equity-index-methodology/>.

The INDEX ADMINISTRATOR will announce the INDEX adjustment giving a notice period of at least two TRADING DAYS (with respect to the affected INDEX COMPONENT) on the SOLACTIVE website under the Section "Announcements", which is available at <https://www.solactive.com/news/announcements/>. The INDEX adjustments will be implemented on the effective day specified in the respective notice.

4.4. CORPORATE ACTIONS

As part of the INDEX maintenance the INDEX ADMINISTRATOR will consider various events – also referred to as corporate actions – which result in an adjustment to the INDEX between two regular REBALANCE DAYS. Such events have a material impact on the price, weighting or overall integrity of INDEX COMPONENTS. Therefore, they need to be accounted for in the calculation of the INDEX. Corporate actions will be implemented from the cum-day to the ex-day of the corporate action, so that the adjustment to the INDEX coincides with the occurrence of the price effect of the respective corporate action.

Adjustments to the INDEX to account for corporate actions will be made in compliance with the Equity Index Methodology, which is available on the SOLACTIVE website: <https://www.solactive.com/documents/equity-index-methodology/>. This document contains for each corporate action a brief definition and specifies the relevant adjustment to the INDEX variables.

While the INDEX ADMINISTRATOR aims at creating and maintaining its methodology for the treatment of corporate actions as generic and transparent as possible and in line with regulatory requirements, it retains the right in accordance with the Equity Index Methodology to deviate from these standard procedures in case of any unusual or complex corporate action or if such a deviation is made to preserve the comparability and representativeness of the INDEX over time.

The INDEX ADMINISTRATOR considers the following, but not conclusive, list of corporate actions as relevant for the INDEX maintenance:

- > Cash Distributions (e.g. payment of a dividend)
- > Stock distributions (e.g. payment of a dividend in form of additional shares)
- > Stock distributions of another company (e.g. payment of a dividend in form of additional shares of another company (e.g. of a subsidiary))
- > Share splits (company's present shares are divided and therefore multiplied by a given factor)



- > Reverse splits (company's present shares are effectively merged)
- > Capital increases (such as issuing additional shares)
- > Share repurchases (a company offer its shareholders the option to sell their shares to a fixed price)
- > Spin-offs (the company splits its business activities into two or more entities and distributes new equity shares in the created entities to the shareholders of the former entity)
- > Mergers & Acquisitions (transaction in which the ownership of a company (or other business organizations) are transferred or consolidated with other entities, e.g. fusion of two or more separate companies into one entity)
- > Delistings (company's shares are no longer publicly traded at a stock exchange)
- > Nationalization of a company (effective control of a legal entity is taken over by a state)
- > Insolvency

4.5. RECALCULATION

The INDEX ADMINISTRATOR 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 variety reasons (internal or external) and therefore, cannot be completely ruled out. The INDEX ADMINISTRATOR 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 depending on the underlying and is specified in the Solactive Correction Policy, which is incorporated by reference and available on the SOLACTIVE website: <https://www.solactive.com/documents/correction-policy/>.

4.6. MARKET DISRUPTION

In periods of market stress the INDEX ADMINISTRATOR 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.



5. MISCELLANEOUS

5.1. DISCRETION

Any discretion which may need to be exercised in relation to the determination of the INDEX (for example the determination of the INDEX UNIVERSE (if applicable), the selection of the INDEX COMPONENTS (if applicable) or any other relevant decisions in relation to the INDEX) shall be made in accordance with strict rules regarding the exercise of discretion or expert judgement.

5.2. 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 (i) the INDEX SPONSORS consent and (ii) 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.

5.3. 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.



5.4. TERMINATION

The INDEX ADMINISTRATOR makes the greatest possible efforts to ensure the resilience and continued integrity of its administrated indices over time. Where necessary, the INDEX ADMINISTRATOR follows a clearly defined and transparent procedure to adapt Index methodologies to changing underlying markets (see Section 5.2 "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.

The INDEX ADMINISTRATOR has established and maintains clear guidelines on how to identify situations in which the cessation of an index is unavoidable, how the INDEX SPONSOR and 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/>.

5.5. OVERSIGHT

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 (i) the OVERSIGHT COMMITTEE and (ii) the INDEX SPONSOR 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/>.



6. DEFINITIONS

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

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

"CALCULATION DAY" is the last weekday of every month.

"CLOSE OF BUSINESS" is the calculation time of the closing level of the INDEX as outlined in Section 1.4.

"DATA PROVIDER" shall have the meaning as defined in Section 2.2.

"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 COMPONENT REQUIREMENTS" shall have the meaning as defined in Section 2.2.

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

"INDEX SPONSOR" shall have the meaning as defined in Section "Introduction".

"INDEX UNIVERSE REQUIREMENTS" shall have the meaning as defined in Section 2.1.

"INDEX UNIVERSE" is the sum of all financial instruments which fulfill the INDEX UNIVERSE REQUIREMENTS.

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

The "NET ASSET VALUE" in respect of an INDEX COMPONENT and a CALCULATION DAY is the most recent published NET ASSET VALUE published for the respective INDEX COMPONENT for this CALCULATION DAY. If no NET ASSET VALUE is published for the respective INDEX COMPONENT for this CALCULATION DAY, the last available NET ASSET VALUE will be used.

"OVERSIGHT COMMITTEE" shall have the meaning as defined in Section 5.5.

"REBALANCE DAY" is the last weekday in March, June, September and December.

"SELECTION DAY" is 20 weekdays (Monday to Friday) before the scheduled REBALANCE DAY, disregarding any potential change of the REBALANCE DAY.

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

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

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