

MARKET CONSULTATION ON THE REPLACEMENT OF SEVERAL LIBOR RATES IN THE FIVE PENSION STRATEGY INDEX

13 May 2022



Content of the Market Consultation

1. Background

- On the 3rd of December 2021, Solactive announced the results of its market consultation regarding the accelerated replacement of USD term LIBORs and the usage of the ISDA fallback spread adjustments in Solactive administered indices. The announcement can be found at the following link

<https://www.solactive.com/response-to-the-market-consultation-regarding-the-accelerated-replacement-of-the-usd-term-london-inter-bank-rates-and-the-usage-of-the-isda-fallback-spread-adjustments-in-solactive-administered-indices/>

- Unfortunately the FIVE Pension Strategy Index was missed due to the fact that the LIBOR rates were only used for rebalancing signals and did not influence the daily calculation.

2. Proposal

- For the FIVE Pension Strategy, we propose to switch from the currently used LIBOR rates to using overnight rates plus spread adjustments, as seen in below table, in accordance with our standard treatment announced on the 3rd of December 2021:

LIBOR Rate	Overnight Rate	Spread adjustment
CHF LIBOR 3M	SARON	0.0031
CHF LIBOR 1Y	SARON	0.2048
GBP LIBOR 3M	SONIA	0.1193
GBP LIBOR 1Y	SONIA	0.4644
JPY LIBOR 3M	TONA	0.00835
JPY LIBOR 1Y	TONA	0.166
USD LIBOR 3M	SOFR	0.26161
USD LIBOR 1Y	SOFR	0.71513

- The switch shall become effective for the next rebalancing end of May 2022.



3. Questions for consulted parties

- a) Do you agree with the proposed treatment?
- b) Do you have any concerns with respect to the implementation date?



Feedback on the Market Consultation

If you would like to share your thoughts with Solactive, please use this consultation form and provide us with your personal details and those of your organization.

Name	
Function	
Organization	
Email	
Phone	
Confidentiality (Y/N)	

Solactive is inviting all stakeholders and interested third parties to comment on the proposed replacement, in the FIVE Pension Strategy Index, of the replacement of several LIBOR rates.

Consultation Procedure

Stakeholders and third parties who are interested in participating in this Market Consultation, are invited to respond by 20th May 2022.



Please send your feedback via email to RFR.Replacement@solactive.com, specifying "Market Consultation on the replacement of several LIBOR rates in the FIVE Pension Strategy Index" as the subject of the email, or

via postal mail to: Solactive AG
Platz der Einheit 1
60327 Frankfurt am Main
Germany

Should you have any additional questions regarding the consultative question in particular, please do not hesitate to contact us via above email address.

CONTACT

Solactive AG

German Index Engineering

Platz der Einheit 1

60327 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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