

Press Release

ETF Securities Launches ETF Tracking AUD Hedged Version of Solactive USD High Yield Corporates Total Market Index

5 July 2022

FRANKFURT AM MAIN – With the volatile times faced by investors in the stock markets, one option has been catching their attention. High yield corporate bonds have also entered a consolidation period and might provide investors with an opportunity for recovery and portfolio diversification. These are tradeable debt securities issued by companies with sub investment-grade credit ratings, which, on one hand, offer higher risk, but on the other hand provide the possibility of higher income than investment-grade bonds. Within this scenario, Solactive is pleased to announce that ETF Securities launched an ETF tracking the Australian dollar hedged version of the Solactive USD High Yield Corporates Total Market Index, continuing its partnership with the German index provider. **ETFS USD High Yield Bond (Currency Hedged) ETF** (ticker: USHY) was listed on the Australian Securities Exchange on 5 July.

The ETF is the first pure-play exposure to USD HY bonds available to Australian retail investors. To qualify for inclusion in the Solactive Index, bonds must be issued by companies based in developed market countries with at least US\$ 1 billion outstanding face value. They have to be rated by at least one of these three rating agencies: Standard & Poor's, Moody's, and Fitch. The composite rating calculated from available ratings among the three should be sub investment-grade, i.e. composite rating between BB+ and C (both inclusive). Additionally, other rules related to the market issue, bond type, collateral type, country of risk, time to maturity, time to maturity at issuance, issue amount outstanding, and full call/full tender must be observed.

Timo Pfeiffer, Chief Markets Officer of Solactive, comments: “*At a moment where the times are uncertain and volatile, the **ETFS USD High Yield Bond (Currency Hedged) ETF** might be an interesting opportunity for investors who expect a recovery and can diversify their portfolio adding some more risks to it in exchange of higher-return possibilities. This launch is another example that we share with our partners the timely, client-oriented approach and always look for the best tailor-made solutions to provide an increasing choice of quality tools to investors. We are excited to grow our partnership with ETF Securities and look forward to expanding it further in the near future.*”

Evan Metcalf, Head of Product at ETF Securities, comments: “*High yield corporate bonds have unique risk-return characteristics, providing historically higher yield than investment-grade bonds and less downside capture than equities. Yet investors often have a hard time accessing them directly as they do not trade on any central exchange. And when they do buy bonds directly, investors may have to worry about currency*

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*movements eroding their income. In order to make high yield bonds accessible and in order to protect income from currency fluctuations, we have launched the **ETFS USD High Yield Bond (Currency Hedged) ETF.**"*

For more information, please visit:

<http://www.solactive.com>

Note to editors

About Solactive

Solactive is a leading provider of indexing, benchmarking, and calculation solutions for the global investment and trading community. Headquartered in Frankfurt and with offices in Hong Kong, Toronto, Berlin, and Dresden, we innovate and disrupt the status quo as the partner of choice for our clients.

The unique blend of our 250 staff's expertise in data, data science, financial markets, and technology enables our clients' continued success through the delivery of a superior experience, unique customization capabilities, and the best value for money available in the industry. With more than 20,000 indices calculated daily, we offer a full suite of solutions, including market-leading ESG and thematic indices.

As at January 2022, Solactive served approximately 500 clients across the world, with approximately US\$250 billion invested in products linked to our indices. Solactive is registered with ESMA as a benchmark administrator and is supervised by the BaFin.

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