

INDEX GUIDELINE

Solactive US Top 5 Balanced 40 Index

Version 1.1

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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 any of the Solactive US Top 5 Balanced 40 Index (the "INDEX"). Any amendments to the rules made to the GUIDELINE are approved by the OVERSIGHT COMMITTEE specified in Section 4.5. The INDEX is owned, 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 text uses defined terms which are formatted with "SMALL CAPS". Such Terms shall have the meaning assigned to them as specified in Section 5 (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. 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

Category	Description
Asset Class	Multi Asset
Strategy	The INDEX measures the performance of a rules-based strategy which allocates 40% into an equity and 60% into a bond index on START DATE. Reweighting to above allocation is performed on a daily basis.
Regional Allocation	U.S.A. and South Korea

Table 1 Index Overview

1.2. IDENTIFIERS AND PUBLICATION

The INDEX is published under the following identifiers

Name	ISIN	Currency	Type	RIC	BBG ticker
Solactive US Top 5 Balanced 40 PR Index	DE000SLOGEZO	USD	Price Return	.SOLUS5BP	SOLUS5BP Index
Solactive US Top 5 Balanced 40 NTR Index	DE000SLOGE02	USD	Net Total Return	.SOLUS5BN	
Solactive US Top 5 Balanced 40 GTR Index	DE000SLOGE10	USD	Gross Total Return	.SOLUS5BT	

The INDEX is published on the website of the INDEX OWNER (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 OWNER: <https://www.solactive.com/news/announcements/>.

1.3. INITIAL LEVEL OF THE INDEX

The initial level of the Index on the START DATE 2016-01-04 is the START LEVEL of 841.963458785889. Historical values from the LIVE DATE 2022-08-19 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 INDEX is calculated on each CALCULATION DAY from 9:00 a.m. until 9 p.m. Korea Standard Time based on data as outlined in Section 4.1.



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 OWNER.



2. INDEX SELECTION

2.1. SELECTION OF THE INDEX COMPONENTS

The Index comprises of a static allocation between two referenced index components:

RIC	Index Component 1			Index Component 2		
	Name	RIC	Weight	Name	RIC	Weight
.SOUS5BAP	KAP Short-Term MSB Focus Index (USD)	.STMSBFI	60%	Solactive United States Top 5 Equal Weight PR Index	.SUS5EWP	40%
.SOUS5BAN	KAP Short-Term MSB Focus Index (USD)	.STMSBFI	60%	Solactive United States Top 5 Equal Weight NTR Index	.SUS5EWN	40%
.SOUS5BAT	KAP Short-Term MSB Focus Index (USD)	.STMSBFI	60%	Solactive United States Top 5 Equal Weight GTR Index	.SUS5EWL	40%



3. REBALANCE

3.1. ORDINARY REBALANCE

No ordinary rebalance takes place.

3.2. EXTRAORDINARY REBALANCE

No extraordinary rebalance takes place.



4. CALCULATION OF THE INDEX

4.1. INDEX FORMULA

The level of the INDEX is calculated according to the following formula for any CALCULATION DAY t after START DATE:

$$Index_t = Index_{t-1} \times (1 + return_t)$$

Where:

$Index_{t-1}$: the INDEX as of CALCULATION DAY $t-1$.

$return_t$: the BLENDED RETURN as of CALCULATION DAY t .

On Start Date the INDEX is set to:

$$Index_t = StartLevel$$

4.1.1. Blended Return

The BLENDED RETURN as of CALCULATION DAY t will be calculated as follows:

$$return_t = weight_1 \times \left(\frac{Index_{1,t}}{Index_{1,t-1}} - 1 \right) + weight_2 \times \left(\frac{Index_{2,s_t}}{Index_{2,s_{t-1}}} - 1 \right)$$

With:

$weight_i$: The WEIGHT as defined in section 2.1

$Index_{1,t}$: The official close level of Index Component 1 as of CALCULATION DAY t .

$Index_{1,t-1}$: The official close level of Index Component 1 as of CALCULATION DAY immediately preceding CALCULATION DAY t .

$Index_{2,s_t}$: The official close level of Index Component 2 as of EQUITY CALCULATION DAY s_t , which is the EQUITY CALCULATION DAY that is immediately preceding CALCULATION DAY t .

$Index_{2,s_{t-1}}$: The official close level of Index Component 2 as of EQUITY CALCULATION DAY s_{t-1} , which is the EQUITY CALCULATION DAY which is immediately preceding CALCULATION DAY $t-1$.

4.2. ACCURACY

The level of the INDEX will be rounded to 3 decimal places.

4.3. 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 variety 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 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/>.

4.4. 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.



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 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 "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 OWNER of the method described in this document is final and binding. The INDEX OWNER 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 OWNER 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 OWNER is not obliged to provide information on any such modifications or changes. Despite the modifications and changes, the INDEX OWNER will take the appropriate steps to ensure a calculation method is applied that is consistent with the method described above.

5.4. 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 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.

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/>.

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 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/>.



6. DEFINITIONS

“**CALCULATION DAY**” is a business day at Korean Stock Exchange.

“**EQUITY CALCULATION DAY**” is a business day at New York Stock Exchange and NASDAQ.

“**GUIDELINE**” shall have the meaning as defined in Section Introduction.

“**INDEX**” shall have the meaning as defined in Section Introduction.

“**INDEX CURRENCY**” is the currency USD.

“**INDEX OWNER**” shall have the meaning as defined in Section Introduction.

“**LIVE DATE**” shall have the meaning as defined in Section 1.3.

“**SOLACTIVE**” shall have the meaning as defined in Section Introduction.

“**START DATE**” shall have the meaning as defined in Section 1.3.

“**START LEVEL**” shall have the meaning as defined in Section 1.3.

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