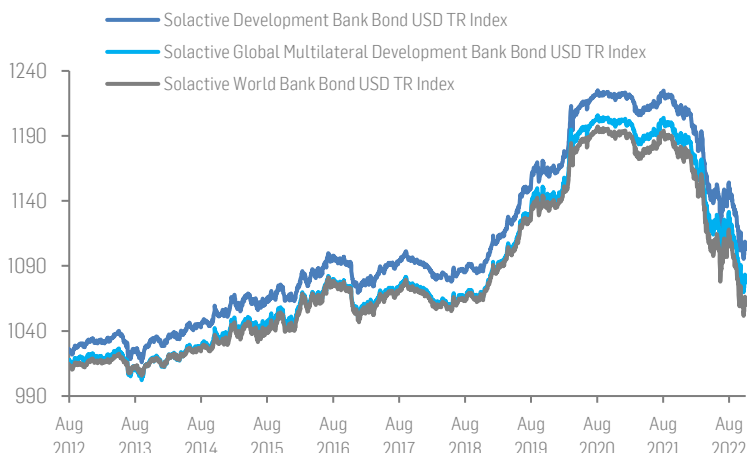






Solactive Development Bank Bond Index Family



Why Solactive Development Bank Bond Index Family?

-  **Attractive risk-return profile:** similar risk-adjusted returns to conventional highly-rated sovereign bonds
-  **Sustainability & impact:** express your views by making a difference
-  **Uniqueness:** first index solution to target development banks
-  **Flexibility:** a variety of subindices can help investors to customize the indices to their specific needs

The **Solactive Development Bank Bond Index Family** comprises rules-based, market-value-weighted indices engineered to mirror the performance of USD-denominated bonds issued by entitled development banks.

Investment idea

The **Solactive Development Bank Bond Index Family** offers the opportunity to participate in a new field of sustainable and impact investment - development banks. The index family can be subdivided into three groups: indices covering bonds issued by development banks, bonds issued by global multilateral development banks, and bonds issued by the World Bank.

The main idea behind the development banks is to make financing available for projects with positive social and environmental impact. A development bank is a financial institution that can borrow at low market rates due to guarantees and commitments from its shareholders, typically multiple governments. It allows them to provide loans to sustainable projects mostly in developing countries at reduced rates compared to the cost if developing markets borrowed directly.

Purposes of those projects can vary greatly. However, the majority of them are covered in the 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDG).¹ The SDGs include "No Poverty", "Zero Hunger", "Quality Education", "Clean Water and Sanitation" and many more.

Our index family is designed to be a way for investors to contribute to those goals by providing financing to the world's key development banks. Another core function of the index is to serve as a relevant and transparent benchmark for active managers interested in the development banks sector.

- Coupon: fixed coupon only
- Effective Time to Maturity: not less than 12 months (1-5 years and 5-10 years for respective subindices)
- Maturity type: "Bullet" and "Callable" only
- Excluded types: dual currency notes, convertible bonds and inflation linked bonds, domestic market bonds, and private placements
- If several tranches are available for the same bond, only one tranche is eligible for inclusion



Source: UN¹

Selection universe

The index family consists of USD-denominated bonds of selected development banks.

The **Solactive Development Bank Bond Subindices** include bonds whose issuer is identified as a development bank². The **Solactive Global Multilateral Development Bank Bond Subindices** cover bonds whose issuer is recognized as a Multilateral Development Bank³. Finally, the **Solactive World Bank Bond Subindices** include bonds issued only by the lending arm of the World Bank.

The following further requirements are imposed:

- Issuer Rating: AA- (S&P) or Aa3 (Moody's) and higher
- Amount outstanding: more than 500 million USD

Rebalancing and weighting rules

All indices imply a market value - weighting and monthly rebalancing. Rebalancing takes place on the last business day of each month.

¹ United Nations official website: 17 goals to transform the world. Available at: <http://www.un.org/sustainabledevelopment/sustainable-development-goals/> [Accessed 4 Apr. 2018].

² "Development Bank" is any regional, national or multilateral development bank with a loan book exposure to Emerging Market countries (Emerging Market countries as defined by Solactive AG)

³ "Multilateral Development Bank" is defined as an international financial institution created for the purpose of economic development and whose shareholders' list includes all G7 countries.

Solactive Development Bank Bond Index Family

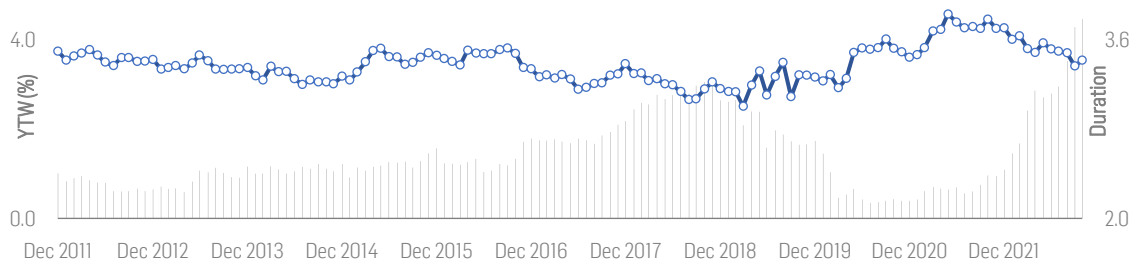
✂ Characteristics of Solactive Global Multilateral Development Bank Bond USD 25% Issuer Capped TR Index

ISIN	WKN	Reuters RIC	Bloomberg Ticker	Currency	Return Type	Region	Category
DE000SLA57J5	SLA57J	.MDBS25	MDBS25 Index	USD	Total Return	Global	Broad Market

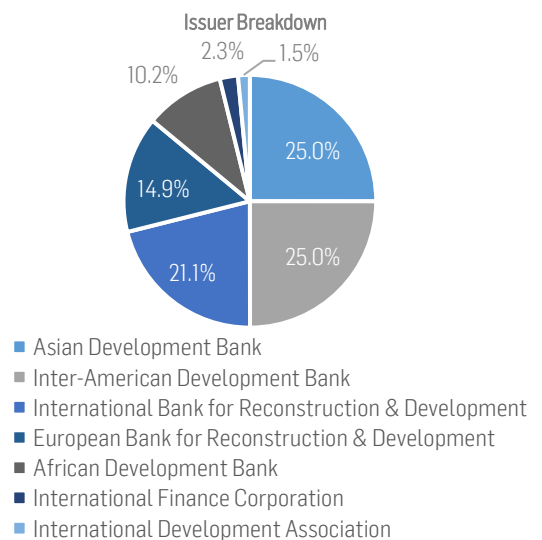
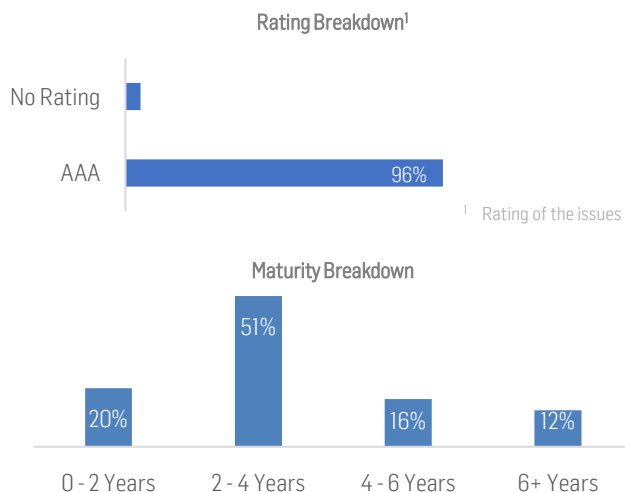
Calendar	Start of backtesting	Launch date	Reinvestment	Price definition	Pricing provider	Capping rules	Settlement convention
SIFMA, NYSE, European holidays	30.12.2011	31.07.2018	Monthly	Last Evaluated Bid Price	IDC	Issuer capping, issue capping	t+0

	Cumulative performance	Annualized performance		Since inception	1 year
Year-to-date	-8.3%	-10.0%	Annualized Volatility	2.2%	4.2%
1 year	-8.7%	-8.7%	Maximum Drawdown	-10.6%	-10.6%
3 years	-5.3%	-1.8%	Sharpe Ratio	0.3	-2.1
5 years	0.8%	0.2%	Value-at-Risk 95%	-0.2%	-0.4%
Since inception	8.4%	0.7%	Expected Shortfall 95%	-0.2%	-0.4%

🔍 Yield to Worst, Modified Duration since inception (monthly) of Solactive Global Multilateral Development Bank Bond USD 25% Issuer Capped TR Index

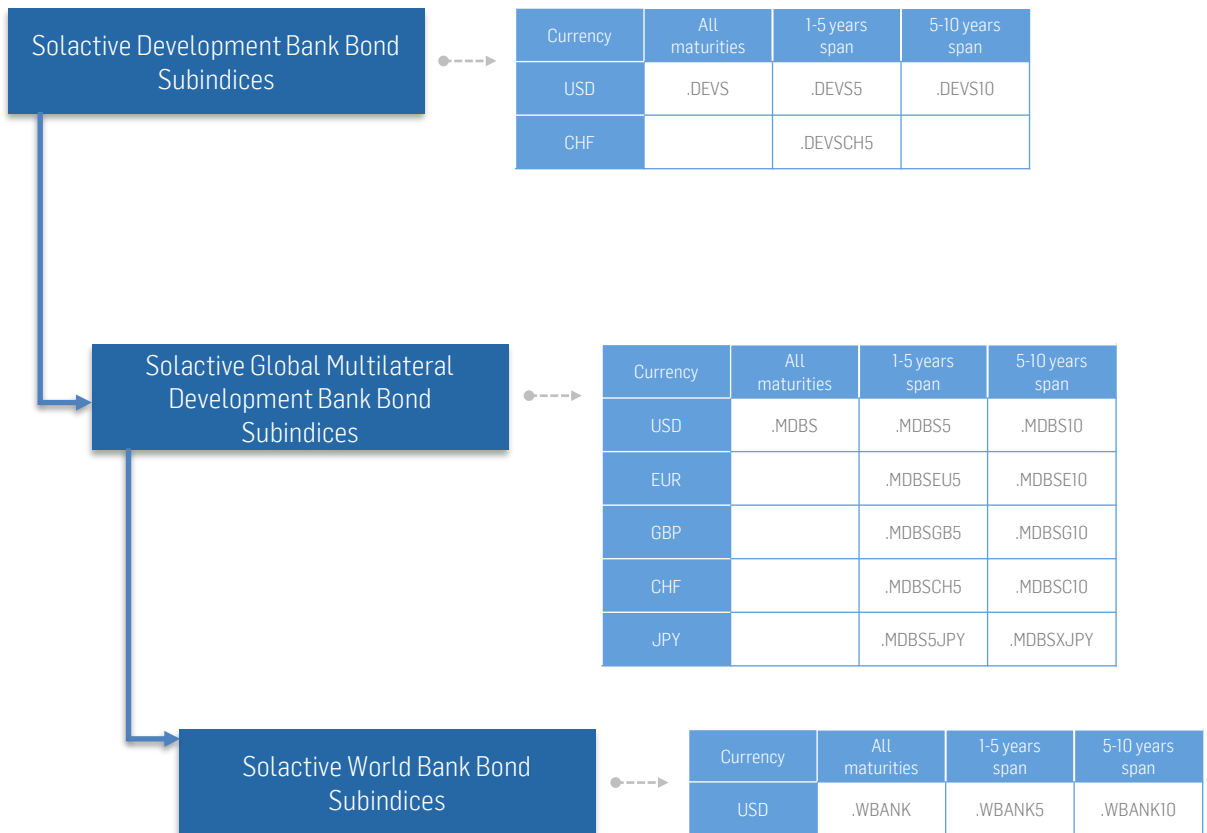


📊 Current composition of Solactive Global Multilateral Development Bank Bond USD 25% Issuer Capped TR Index



Solactive Development Bank Bond Index Family

Overview of the index family construction



All indices above are Total Return indices..

Currency-hedged versions will be added to the family.

Indices can be further customized upon request.

Disclaimer

All numbers on this document are updated as of 31st October 2022.

The information in this document does not constitute tax, legal or investment advice and is not intended as a recommendation for buying or selling securities. Solactive AG and all other companies mentioned in this document are not responsible for the consequences of reliance upon any opinion or statement contained herein or for any omission.

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