

# INDEX GUIDELINE

SOLACTIVE BERKSHIRE PORTFOLIO TOP 10 VT INDEX

VERSION 1.1

11 DECEMBER 2024



## TABLE OF CONTENTS

Introduction .....	3
1. Index Specifications.....	4
1.1. Scope of the Index .....	4
1.2. Identifiers and Publication.....	4
1.3. Initial Level of the Index .....	4
1.4. Prices and calculation frequency .....	5
1.5. Licensing .....	5
2. Index Selection .....	6
2.1. Index Universe Requirements .....	6
2.2. Index Constituents.....	6
3. Calculation of the Index .....	7
3.1. Index formula .....	7
3.2. Exposure Calculation .....	8
3.3. Accuracy.....	8
3.4. Adjustments.....	8
3.5. Corporate actions .....	9
3.6. Recalculation .....	10
3.7. Market Disruption .....	10
4. Miscellaneous.....	11
4.1. Discretion.....	11
4.2. Methodology Review .....	11
4.3. Changes in calculation method.....	11
4.4. Termination .....	11
4.5. Oversight .....	12
5. Definitions .....	13
Contact.....	14



## INTRODUCTION

This document (the “GUIDELINE”) is to be used as a guideline with regard to the composition, calculation and maintenance of Solactive Berkshire Portfolio Top 10 VT 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 owned by Solactive AG (“INDEX OWNER”). The Index is calculated, administered, and published by Solactive AG (“SOLACTIVE”) assuming the role as index 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 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. 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	Equity
Strategy	Representation of the 10 largest portfolio holdings of Berkshire Hathaway, Inc (Investment Management), with a volatility target layer on top.
Regional Allocation	North America
Volatility Target	10%

## 1.2. IDENTIFIERS AND PUBLICATION

The INDEX is published under the following identifiers:

Name	ISIN	Currency	Type	RIC	BBG ticker
Solactive Berkshire Portfolio Top 10 VT Index	DE000SL0ML54	USD	ER*	.SOLBP10A	SOLBP10A Index

\*ER means that the INDEX is calculated as Excess Return index

The INDEX is published 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. In the event that data cannot be provided to the price marketing services of Boerse Stuttgart GmbH, the INDEX cannot be published.

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 2016-05-23, the START DATE, is 1000. Index values from 2024-08-01, 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

The closing INDEX LEVEL is calculated on each CALCULATION DAY based on the CLOSING PRICE for the INDEX COMPONENT on the respective EXCHANGES on which the INDEX COMPONENTS are listed, and on the latest published Secured Overnight Financing Rate (RIC: USDSOFR=).

Secured Overnight Financing Rate:

1. Standard case – no delay: on CALCULATION DAY  $t$ , the INDEX LEVEL for  $t-1$  is calculated using the SOFR effective for  $t-1$ , provided the rate is published on  $t$  prior to the calculation time.
2. Exceptional case – delayed publication: on CALCULATION DAY  $t$ , if the SOFR effective for  $t-1$  is not yet published due to a delay, the INDEX LEVEL for  $t-1$  is calculated using the most recently available rate. Once the delayed SOFR is published, the INDEX LEVEL for  $t-1$  will be recalculated if the published rate differs from the rate previously used.

Should there be no CLOSING PRICE for an INDEX COMPONENT, the later of the following will be used:

- (i) the most recent CLOSING PRICE available for the INDEX COMPONENT; or
- (ii) the last available TRADING PRICE from the preceding CALCULATION DAY

## 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 SOLACTIVE.



## 2. INDEX SELECTION

As this INDEX is based on a static basket, no selection takes place.

### 2.1. INDEX UNIVERSE REQUIREMENTS

Not applicable as no ordinary rebalance takes place.

### 2.2. INDEX CONSTITUENTS

The INDEX consists of the following “UNDERLYING INDEX”, also referred as the “INDEX COMPONENT”:

Name	Currency	ISIN	RIC	BBG Ticker
Solactive Berkshire Portfolio Top10 Index NTR	USD	DE000SL0LH51	.SOLBP10N	SOLBP10N Index



### 3. CALCULATION OF THE INDEX

The level of the INDEX is (i) calculated as an excess return index over the risk free rate, *rate*, (ii) based on the level of the UNDERLYING INDEX, which is calculated as a Net Total Return index, and (iii) adjusted with a volatility target formula of 10%.

The calculation of the level of the UNDERLYING INDEX is done by applying the standard index formula described in the Equity Index Methodology, which is available on the SOLACTIVE website: <https://www.solactive.com/documents/equity-index-methodology/>. The standard index formula stipulates that the level of the BASKET changes based on the change of the prices of the UNDERLYING INDEX COMPONENTS taking into account their weight in the BASKET and any currency conversion in case the price of an UNDERLYING INDEX COMPONENT is quoted in a currency other than the INDEX CURRENCY.

Any dividends or other distributions are reinvested across the entire basket of UNDERLYING INDEX COMPONENTS by means of a divisor at the opening of the effective date (the so-called ex-date) of the payment of such dividend or other distribution.

A more detailed description of the mechanics of the index calculation formula can be found in the Equity Index Methodology under Section 1.2.

For further information regarding the UNDERLYING INDEX, please refer to the UNDERLYING INDEX guideline which is available on the SOLACTIVE website: <https://www.solactive.com/downloads/Guideline-Solactive-SOLBP10.pdf>

#### 3.1. INDEX FORMULA

The INDEX is calculated according to the following set of formula:

On the INDEX START DATE:

$$Index_{IST} = 1000$$

On each CALCULATION DAY  $t$  following the INDEX START DATE:

$$Index_t = Index_{t-1} \times \left( 1 + e_{t-1} \times \left( \frac{UI_t}{UI_{t-1}} - 1 - \left( rate_{t-1} \times \frac{dcf_{t,t-1}}{360} \right) \right) \right)$$

Where:

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

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

$e_{t-1}$ : The exposure to the UNDERLYING INDEX as of CALCULATION DAY  $t - 1$ .

$UI_t$ : The level of the UNDERLYING INDEX as of CALCULATION DAY  $t$ .

$UI_{t-1}$ : The level of the UNDERLYING INDEX as of CALCULATION DAY  $t - 1$ .

$rate_{t-1}$  is the interest rate determined as described above in the Section 1.4.



$dcf_{t,t-1}$ : The number of calendar days between CALCULATION DAY  $t$  (including) and CALCULATION DAY  $t - 1$  (excluding).

If  $rate_{t-1}$  is unavailable as of CALCULATION DAY  $t$ , the most recently available  $rate$  is applied.

### 3.2. EXPOSURE CALCULATION

The exposure  $e_t$  as of CALCULATION DAY  $t$  is calculated according to the following:

$$e_t = \min \left( maxExp, \frac{targetVol}{realizedVol_{t-2}} \right)$$

Where:

$maxExp$  is the maximum exposure to the UNDERLYING INDEX, which is set at 100%.

$targetVol$  is the level of the target volatility of the BASKET, set at 10%.

The  $realizedVol$  for a CALCULATION DAY  $t$  is estimated using daily returns and is calculated as:

$$realizedVol_t^k = \sqrt{\frac{252}{k-1} \times \sum_{i=0}^{k-1} \left( \log \frac{UI_{t-i}}{UI_{t-i-1}} - \frac{1}{k} \times \sum_{j=0}^{k-1} \log \frac{UI_{t-j}}{UI_{t-j-1}} \right)^2}$$

$UI_{t-i}$ : The level of the UNDERLYING INDEX as of CALCULATION DAY  $t$  which is  $i$  CALCULATION DAYS prior to CALCULATION DAY  $t$ , rounded to 2 decimal points.

$UI_{t-i-1}$ : The level of the UNDERLYING INDEX as of CALCULATION DAY  $t$  which is  $i+1$  CALCULATION DAYS prior to CALCULATION DAY  $t$ , rounded to 2 decimal points.

$k$ : The limit of the realized volatility calculation period, meaning 20 days.

$\log$ : is the natural logarithm function.

### 3.3. ACCURACY

The level of the INDEX will be rounded to 2 decimal places.

### 3.4. ADJUSTMENTS

Under certain circumstances, an adjustment of the INDEX may be necessary. 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/>.

SOLACTIVE will announce the INDEX adjustment giving a notice period of at least two CALCULATION 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.

### 3.5. CORPORATE ACTIONS

As part of the INDEX maintenance SOLACTIVE will consider various events – also referred to as corporate actions – which result in an adjustment to the INDEX. 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 SOLACTIVE 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.

SOLACTIVE considers the following, but not conclusive, list of corporate actions as relevant for the BASKET maintenance:

- > 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) is 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

### 3.6. 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/>.

### 3.7. 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: [www.solactive.com](http://www.solactive.com). Such market stress can arise due to a variety of reasons, but generally results in inaccurate or delayed prices for one or more INDEX COMPONENT. The determination of the Index may be limited or impaired at times of illiquid or fragmented markets and market stress.



## 4. MISCELLANEOUS

### 4.1. 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.

### 4.2. METHODOLOGY REVIEW

The methodology of the Index is subject to regular review. 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 [Methodology Policy](#), which is incorporated by reference and available on the Solactive website: [www.solactive.com](http://www.solactive.com).

Such change in the Methodology will be announced on the Solactive webpage under the section “[Announcement](#)”, which is available at <https://www.solactive.com/news/announcements/>. The date of the last amendment of this Index is contained in this Guideline.

### 4.3. 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.

### 4.4. 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 an 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 Termination Policy, which is incorporated by reference and available on the Solactive website: <https://www.solactive.com/documents/termination-policy/>.

## 4.5. 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/>.



## 5. DEFINITIONS

This section contains defined terms used throughout this GUIDELINE document.

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

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

“BUSINESS DAY” is a day on which the New York Stock Exchange (XNYS) is open for general business.

“CALCULATION DAY” is every day from Monday to Friday. A day on which the New York Stock Exchange (XNYS) is not open for general business is not a CALCULATION DAY.

“CLOSING PRICE” in respect of an INDEX COMPONENT is an INDEX COMPONENT’S final regular-hours TRADING PRICE published by the EXCHANGE and determined in accordance with the EXCHANGE regulations. If the EXCHANGE has no or has not published a CLOSING PRICE in accordance with the EXCHANGE rules for an INDEX COMPONENT, the last TRADING PRICE will be used.

“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 the UNDERLYING INDEX listed in Section 2.1.

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

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

“INDEX UNIVERSE” is the sum of all financial instruments which fulfill the INDEX UNIVERSE REQUIREMENTS of the UNDERLYING INDEX.

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

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

“RATE SWITCH DATE” shall be 2020-12-31.

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

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

“TRADING PRICE” in respect of an INDEX COMPONENT and a BUSINESS DAY is the most recent published price at which the INDEX COMPONENT was traded on the respective EXCHANGE.

“UNDERLYING INDEX” shall have the meaning as defined in Section 2.1.

“UNDERLYING INDEX COMPONENT” shall have the meaning as described in Section 3.1.

# 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](mailto:info@solactive.com)  
Website: [www.solactive.com](http://www.solactive.com)

© Solactive AG