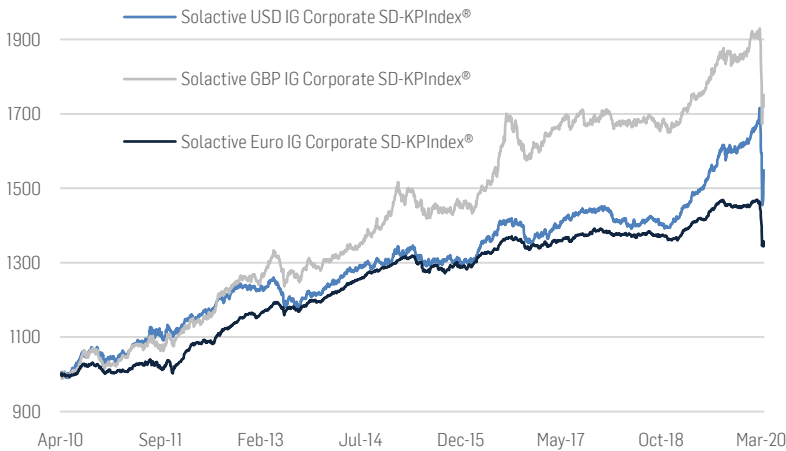


Solactive SD –KPIIndex Family



Why Solactive Bond Indices?

- ✓ **Opportunity:** Easy access to Corporate Investment Grade Bonds with an ESG Overlay
- ✓ **Flexibility:** Customization options for specific customer needs are granted
- ✓ **Quality:** Solactive was awarded "Best Index Provider of the Year" and "Most Innovative ETF Index Provider in Europe" for 2017¹

The **Solactive SD-KPIIndex Family** includes three well diversified corporate bond indices. Each index uses a special weighting mechanism to deviate from the market cap benchmark weights according to the SD-KPIIndex methodology.

Universe Selection

The Solactive SD-KPIIndex Family is based on the well known Solactive Corporate Bond Benchmark Index Family, which includes: Solactive Euro IG Corporate Index, Solactive USD Investment Grade Corporate Index and the Solactive GBP IG Corporate Index TR. The selection criteria of all three SD-KPIIndices match the selection criteria of the respective benchmark indices.

All indices offer an easy and uncomplicated access to a broad and diversified pool of corporate bonds.

Selection criteria include:

- Minimum Amount Outstanding: EUR500 million, USD 400 million GBP250 million
- Corporate bonds only
- Rating: Investment Grade
- Minimum Time To Maturity: 18 months for new bonds to enter into EUR, USD and GBP indices. 12 months for existing bonds in the index for EUR and GBP and 18 month for USD respectively
- Fixed coupon bonds including zero coupon bonds solely



Rebalancing and weighting rules

The constituents of the Benchmark Index are weighted based on their prorated market value in relation to the total market value of the index. This weighting is the starting point for the final weighting of the bonds in the Solactive SD-KPIIndex Family.

In accordance with the SD-KPIIndex® methodology, the initial weights of the benchmark are adjusted as follows: On each selection day, the members of the benchmark index are split into quintiles based on the corresponding SD-KPIIntegration® scores. The best 20% percent are overweighted by 50%, the second 20% by 25%, the middle quintile is equal weighted, and the two lower quintiles are underweighted by 25% and 50% respectively compared to the benchmark.

Thus, bonds of companies with particularly high SD-KPIIntegration® scores are overweighted. The "Sustainable Development Key Performance Indicators" (SD-KPIs) are three industry specific ESG indicators, which have been defined in SD-KPI Standards with the support of the German Federal Ministry for Environment and the Sustainability Accounting Standard Board (SASB) of SD-M® GmbH.

As the weighting scheme does not exclude bonds from the initial universe, the index remains well diversified. The setup of the index allows for various customized index variants i.e. exclusion of specific bonds, maturity limitation and other criteria.

¹ 15th Europe Structured Products & Derivatives Conference 2018. Available at: https://www.structuredretailproducts.com/uploads/general_files/SR/SRP's_15th_Europe_Structured_Products_&_Derivatives_Awards_Winners_2018_1.pdf
14th Annual Global ETF Awards. Available at: <http://www.globaletfawards.com/>

Solactive SD –KPIIndex Family

✂ Index Characteristics

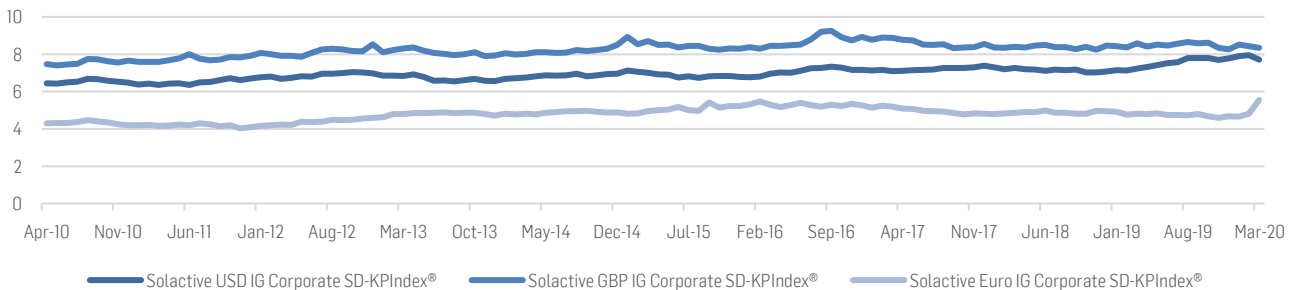
Name	Currency	Category	Region	Return Type	Reinvestment	Price Definition	Start of Backtesting
Solactive Euro IG Corporate SD-KPIIndex	EUR	Corporate ESG Overlay	Global	Total Return	Monthly	Bid-Ask	30.04.2010
Solactive USD IG Corporate SD-KPIIndex	USD	Corporate ESG Overlay	Global	Total Return	Monthly	Bid-Ask	30.04.2010
Solactive GBP IG Corporate SD-KPIIndex	GBP	Corporate ESG Overlay	Global	Total Return	Monthly	Bid-Ask	31.12.2009

📊 Index Performance

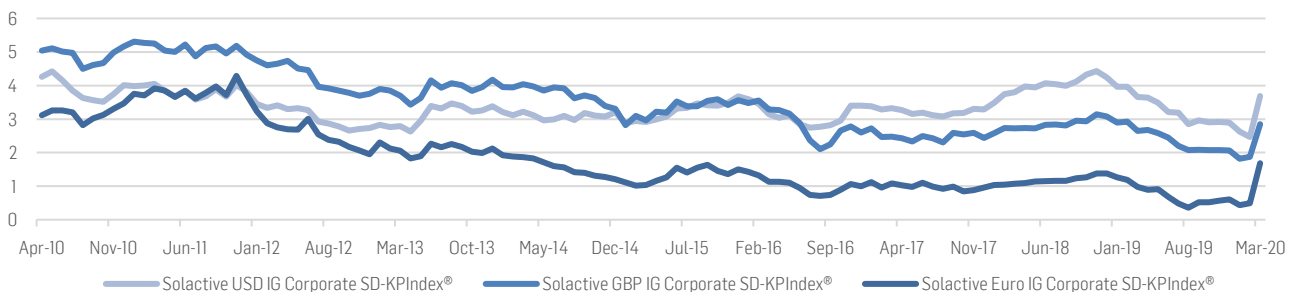
	Solactive USD IG Corporate SD-KPIIndex®	Solactive GBP IG Corporate SD-KPIIndex®	Solactive Euro IG Corporate SD-KPIIndex®
Year to date	-4.69%	-6.22%	-6.54%
1 Year	3.95%	0.06%	-3.67%
3 Years	11.70%	6.31%	0.82%
Annualized Performance (3 Years)	3.65%	2.19%	0.05%
Annualized Standard Deviation (3 Years)	5.32%	5.64%	2.61%
Annualized Tracking Error (3 Years)	0.07%	0.08%	0.05%

🌐 Duration and Yield to maturity

Duration



Yield to Maturity



Disclaimer

All numbers on this document are updated as of Q1 2020.

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