MARKET CONSULTATION: SOLACTIVE AUSTRALIAN INVESTMENT GRADE CORPORATE BOND SELECT TR INDEX'S METHODOLOGY CHANGE

29 October 2026

Content of the Market Consultation

Solactive AG has decided to conduct a Market Consultation with regard to changing the Index Methodology of the following Index (the 'Index'):

NAME	RIC	ISIN
Solactive Australian Investment Grade Corporate Bond Select TR Index	. SOLAUSIG	DE000SLA5SL1

Rationale for the Market Consultation

As assets tracking the index continue to grow, ensuring adequate liquidity and capacity within the eligible universe has become increasingly important. We are therefore proposing methodology changes that support the expansion of universe of qualifying bonds and broaden the pool of eligible securities. This change is expected to improve diversification across constituents, enhance index liquidity and capacity, and support efficient replication, helping to maintain the index's investability and scalability over time.

Proposed Changes to the Index Guideline

The following Methodology changes are proposed in the listed points of the Index Guideline (Highlighted text indicates the proposed updates for ease of review):

Section	**Current Guideline (v3.8)**	***Proposed Guideline (v3.9)***
1.1 Scope of the Index	The Index includes up to 50 bonds, selected based on their option-adjusted spreads.	*The Index includes up to 75 bonds, selected based on their option-adjusted spreads.*
2.1 Selection of the Index Components	The initial composition of each INDEX, as well as any selection for a rebalance (as specified in Section 3) is determined using the following rules:	*The initial composition of each INDEX, as well as any selection for a rebalance (as specified in Section 3) is determined using the following rules:* *a) For each bond, the issuer and the parent company are identified. In the case of a Company Group, the parent company is deemed to be the issuer of the bond for the purpose of the*

	a) For each bond, the issuer and the parent company are identified. In the case of a Company Group, the parent company is deemed to be the issuer of the bond for the purpose of the selection of the Preliminary Pool under this section. The selection pool is separated into two Bands. A Band 1 bond is a bond with a credit rating that is higher than, or equal to, "BBB+". A Band 2 bond is a bond with a credit rating that is equal to "BBB" or "BBB-". Credit ratings for a bond are determined based on the average rating of S&P and Moody's. For each issuer in the Preliminary Pool, bonds are ranked for inclusion based on the following priority rules: i. Band 1 bonds rank ahead of lower rated Band 2 bonds. ii. Within Band 1, bonds are ranked from highest to lowest, by	*selection of the Preliminary Pool under this section. The selection pool is separated into three Bands. A Band 1 bond is a bond with a credit rating that is higher than, or equal to, "BBB+". A Band 2 bond is a bond with a credit rating that is equal to "BBB". A Band 3 bond is a bond with a credit rating that is equal to "BBB-". Credit ratings for a bond are determined based on the average rating of S&P and Moody's. Where the average rating is not a whole number, values of 0.5 or greater are rounded up to the next whole number, while values below 0.5 are rounded down to the previous whole number. For example, an average rating of 2.5 is rounded to 3, while an average rating of below 2.50 is rounded to 2. For each issuer, the issuer's Band is the lowest Band of any of its bonds in the Selection Pool. The issuer's bonds are ranked from highest to lowest by option-adjusted spread (OAS), regardless of Band, and the following maximum number of bonds from that issuer is added to the Preliminary Pool, according to the issuer's Band:* *i. Band 1 issuer: a maximum of three bonds.* *ii. Band 2 issuer: a maximum of two bonds.* *Band 3 issuer: a maximum of one bond.* *(b) A bond must remain in the index for 6 months from the date of inclusion to be eligible for deletion in subsequent rebalances. The caveat to this condition is that if a bond violates any of the conditions outlined in the "Selection Pool" section (i.e. bond rating is downgraded below the rating*

	option-adjusted spread (OAS). A maximum of two bonds from such as issuer will be added to the Preliminary Pool. iii. Within Band 2, bonds are ranked from highest to lowest, by OAS. Only one bond from such an issuer will be added to the Preliminary Pool. b) A bond must remain in the index for 6 months from the date of inclusion to be eligible for deletion in subsequent rebalances. The caveat to this condition is that if a bond violates any of the conditions outlined in the "Selection Pool" section (i.e. bond rating is downgraded below the rating threshold), the minimum holding period condition will be ignored. c) There will be an OAS buffer of 5bps applied during the selection process. If,	*threshold), the minimum holding period condition will be ignored. The minimum holding period condition will also be ignored where a change in an issuer's Band reduces the maximum number of bonds for that issuer under paragraph (a). In that case, the issuer's Index Components with the lowest OAS are removed on the next Rebalance Day until the maximum is met.* *c) There will be an OAS buffer of 5bps applied during the selection process. If, due to a change in OAS ranking, a bond is set to replace a bond of the same issuer that is currently in the index; if the difference between the OAS of each bond is less than 5bps, the bond that is currently in the index will remain.* *If there are 14 or fewer issuers in the Preliminary Pool, or 28 or fewer bonds in the Preliminary Pool, the Preliminary Pool is supplemented by drawing bonds from the Extended Selection Pool. Any such additional bonds are determined based on the same conditions as set out in paragraphs (a), (b) and (c) above.*

	due to a change in OAS ranking, a bond is set to replace a bond of the same issuer that is currently in the index; if the difference between the OAS of each bond is less than 5bps, the bond that is currently in the index will remain. If there are 28 or fewer bonds in the Preliminary Pool, the Preliminary Pool is supplemented by drawing bonds from the Extended Selection Pool. Any such additional bonds are determined based on the same conditions as set out in paragraphs (a), (b) and (c) above.	
2.1 Maximum number of securities	Securities are added to the Index, in rank order, up to a maximum of 50 securities (the Index Components).	*Securities are added to the Index, in rank order, up to a maximum of 75 securities (the Index Components).*
2.2 Weighting of	On each SELECTION DAY each INDEX COMPONENT is	*On each SELECTION DAY each INDEX COMPONENT is weighted using the market value based on the EVALUATED*

<table>
<tr>
<td>the Index Components</td>
<td>weighted using the market value based on the EVALUATED MID PRICE and accrued interest as on the SELECTION DAY in order to achieve the aim of the INDEX. The weighting of the INDEX COMPONENTS will be as follows:

• Each security is assigned an equal weight, with a maximum allowable weight per Issuer or, if the case may be, per Company Group of 7%.

• If the weight of an Issuer or, if the case may be, a Company Group would otherwise exceed 7%, the weight of that Issuer or Company Group will be capped at 7% and the excess weight will be distributed proportionally across all the other securities</td>
<td>MID PRICE and accrued interest as on the SELECTION DAY in order to achieve the aim of the INDEX. The weighting of the INDEX COMPONENTS will be as follows:

Each Index Component is assigned an equal weight, subject to a maximum combined weight per Issuer or, if the case may be, per Company Group (the "Issuer Cap"). The Issuer Cap depends on the number of Index Components (N):

<table>
<tr><th>N (bonds in index)</th><th>Issuer cap</th></tr>
<tr><td>≤ 50</td><td>7%</td></tr>
<tr><td>51 to 65</td><td>6%</td></tr>
<tr><td>66 to 75</td><td>5%</td></tr>
</table>

• If the combined weight of an Issuer or Company Group would exceed the Issuer Cap, its weight is capped at the Issuer Cap and the excess weight is distributed proportionally across all other Index Components. This is repeated until no Issuer or Company Group exceeds the Issuer Cap. The number of bonds per Issuer is not reduced.</td>
</tr>
</table>

2.3 Transitional provisions	n/a	*The changes in version 3.9 of this Guideline are implemented in two phases.* ***Phase 1*** *applies to the selection on the Selection Day of 19 November 2026 for the Rebalance Day of 30 November 2026. For this selection, Sections 2.1 and 2.2 of version 3.8 of this Guideline apply, except that the maximum number of Index Components is 60 rather than 50.* ***Phase 2*** *applies from the Selection Day of 17 February 2027 for the Rebalance Day of 26 February 2027, and to every selection after that. From Phase 2, Sections 2.1 and 2.2 of this version apply in full.*

Implementation of changes in two phases

To facilitate an orderly transition and provide market participants with sufficient time to adapt to the revised methodology, the proposed changes will be implemented in two phases:

1. **Phase 1 (November Rebalance)**
   Phase 1 applies to the selection on the Selection Day of 19 November 2026 for the Rebalance Day of 30 November 2026. The maximum number of bonds eligible for inclusion in the Index will increase from **50 to 60 constituents**. All other rules remain unchanged.
2. **Phase 2 (February Rebalance)**
   Phase 2 applies from the Selection Day of 17 February 2027 for the Rebalance Day of 26 February 2027, and to every selection after that. The maximum number of bonds eligible for inclusion in the Index will increase from **60 to 75 constituent, and all other changes will be fully implemented.**

This phased approach is intended to support a smooth implementation process while gradually increasing index capacity.

Feedback on the proposed changes

If you would like to share your thoughts with Solactive, please use this consultation form and provide us with your personal details and those of your organization.

Name	
Function	
Organization	
Email	
Phone	
Confidentiality (Y/N)	

Solactive is inviting all stakeholders and interested third parties to evaluate the proposed changes to the Methodology for the Solactive Australian Investment Grade Corporate Bond Select TR Index and welcomes any feedback on how this may affect and/or improve their use of Solactive indices.

Consultation Procedure

Stakeholders and third parties who are interested in participating in this Market Consultation, are invited to respond until 12 November 2026.

Please send your feedback via email to marketconsultation@solactive.com, specifying "**Market Consultation: Solactive Australian Investment Grade Corporate Bond Select TR Index's Methodology Change"** as the subject of the email, or

via postal mail to: **Solactive AG**
Platz der Einheit 1

60327 Frankfurt am Main

Germany

Should you have any additional questions regarding the consultative question in particular, please do not hesitate to contact us via above email address.

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
Website: www.solactive.com

© Solactive AG