



Index Guidelines relating to the

ISF Hidden Champions Germany

ISIN: DE000A26RVV6

(“Index Guidelines“)

Version 2.0 dated 1 June 2022

Important Information

The general principles of the ISF Hidden Champions Germany Index (the "**Index**") as of 10.01.2020 are set out below.

It should be noted that the general principles of the Index may be updated or amended from time to time. In managing the Index, the Index Administrator will employ the methodology described herein and its application of such methodology shall be conclusive and binding. No assurance can be given that fiscal, market, regulatory, juridical, financial or other circumstances will not arise that would, in the view of the Index Administrator, necessitate or make desirable a modification of or change to such methodology and the Index Administrator shall be entitled to make any such modification or change any of the provisions of the Index as set out in these Index Guidelines as it deems fit. The Index Administrator may also make modifications to the terms of the Index in any manner that it may deem necessary or desirable, including (but not limited to) to correct any manifest or proven error to cure, correct or supplement any ambiguity or defective provision contained in these Index Guidelines. Any such modification or change will take effect accordingly and will be deemed to update these Index Guidelines from its effective date.

This document is communicated by the Index Administrator. All information provided herein is for information purposes only and no warranty is made as to its fitness for purpose, satisfactory quality or otherwise. Every effort has been made to ensure that all information given is accurate, but no responsibility or liability (including in negligence) can be accepted by the Index Administrator for errors or omissions or for any losses arising from the use of this information.

The information presented herein has been prepared on the basis of the publicly available information, internally developed data or other third party sources believed to be reliable. All opinions and views constitute judgments as of the date of the writing and are subject to change at any time without notice.

This document is not an invitation to make an investment in a product based upon the Index (an "**Index Linked Product**") nor does the information, recommendations or opinions expressed herein constitute an offer for sale of an Index Linked Product.

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INTRODUCTION

This document contains the underlying principles and regulations regarding the structure and the operations of the Index. The Index is the sole property of the Index Sponsor. LIXX as the Index Administrator and Index Calculation Agent strives to the best of its ability to ensure the correctness of its mechanism and calculation. There is no obligation for LIXX – irrespective of possible obligations to issuers – to advise third parties, including investors and/or financial intermediaries, of any errors in the Index. This document is to be used as a guideline with regard to the composition, calculation and management of the Index. Any changes made to the Index Guidelines are initiated by the Index Administrator.

The calculation and publication of the Index by LIXX is no recommendation for capital investment and does not contain any assurance or opinion regarding a possible investment in a financial instrument based on the Index.

1. INDEX DESCRIPTION

1.1 Summary of Index Specifications

Reference Market	Objective
Investment funds whose investment objective is to invest predominantly in stocks and equity related financial instruments with focus of German companies in the small- and medium cap segment.	The objective of the Index is to reflect the performance an investor can achieve through investing into such investment funds from the Reference Market, in which supposedly hidden champion companies can be found. Hidden champions are companies that tend to be market leaders in their segment and often tend to take leading roles in the markets with their special products. In order to reflect the economic reality given by factors such as availability of instruments, reinvestments of maturing instruments and portfolio size, Index Components may be amended and their weighting adjusted over time.

Administration of Index and Regulatory Status

The Index is calculated, maintained, rebalanced and published by the Index Administrator and sponsored by the Index Sponsor. The Index is maintained and rebalanced following recommendations provided by the Index Allocator.

As at the date of these Index Guidelines the Index is considered a "non-significant benchmark" within the meaning of Article 3 para 1 (27) Regulation (EU) 2016/2011 of the European Parliament and the Council of 8 June 2016 ("**Benchmark Regulation**"). The Index is administrated in accordance with the applicable provisions of the Benchmark Regulation and the applicable delegated regulations. The Index Administrator may, at its own discretion, choose not to apply some or all non-mandatory, waivable obligations in accordance with Article 26 of the Benchmark Regulation.

Universe of Index Components

Investment funds whose investment objective is to invest predominantly into stocks and equity related financial instruments with focus of German companies in the small- and medium cap segment. Permitted Index Components are funds with assets under management of at least EUR 50 million at the date of entering the Index, which have a price publication of a maximum of t + 2 and an order cut-off of at the earliest t-1 and which are authorized for distribution in Germany.

Index Components and their selection

The selection of funds is executed by using a trend following algorithm, details are described in chapter 2.2 **Index Components and their selection**.

Allocation of Index Components

The allocation of funds is executed by using the results of a trend following algorithm. The weights of the Index Components are executed by the Index Administrator within the criteria described herein upon recommendation of the Index Allocator pursuant to the terms of an index allocation agreement ("**Index Allocation Agreement**").

Methodology

The methodology of the Index is set out in Section 2 (*Index Methodology*).

Technical Specifications

The reference currency of the Index is EUR, the Index is calculated on a daily basis.
The Index will not use leverage.

The Index is a Total Return Net Index, i.e. dividends or coupon payments will be reinvested in the hypothetical portfolio of the Index after deducting Withholding Tax.

1.2 Name and ISIN

The name of the Index is ISF Hidden Champions Germany Total Return. The Index is distributed under ISIN DE000A26RVV6.

1.3 Initial Index Value

The Index will be established on 10 January 2020 ("**Index Start Date**") with an initial level of 100.00 index points ("**Initial Index Value**").

1.4 Distribution

The Index Value is published by LIXX under a subpage of lixxinnovation.com as of each Index Valuation Date, no later than twenty-five Business Days following the respective Index Valuation Date.

1.5 Prices and Calculation Frequency

The Index is calculated on a daily basis (each an "**Index Valuation Date**"). In case a scheduled Index Valuation Date is no Business Day, the Index Valuation Date is the next Business Day. The Index calculation is based on the Official Valuation of the respective Index Components. The Index Administrator will take appropriate steps to avoid a disruption to the process of the provision of the Index. However, in the event that relevant data cannot be obtained, the Index Administrator will not publish the Index. Deficient calculations will be corrected in accordance with LIXX Correction Policy.

1.6 Index Administrator and external service providers

In performing its duties, the Index Administrator follows the business principles published on its web page and in accordance with the applicable provisions of the Benchmark Regulation and its delegated regulations.

In managing the Index, the Index Administrator will employ the methodology described herein and its application of such methodology shall be conclusive and binding. No assurance can be given that fiscal, market, regulatory, juridical, financial or other circumstances will not arise that would, in the view of the Index Administrator, necessitate or make desirable a modification of or change to such methodology and the Index Administrator shall be entitled to make any such modification or change any of the provisions of the Index as set out in these Index Guidelines as it deems fit. The Index Administrator may also make modifications to the terms of the Index in any manner that it may deem necessary or desirable, including (but not limited to) to correct any manifest or proven error to cure, correct or supplement any ambiguity or defective provision contained in these Index Guidelines. Any such modification or change will take effect accordingly and will be deemed to update these Index Guidelines from its effective date.

The Index Administrator acts as Index Calculation Agent. Adjustments to the Index Value are determined by the Index Calculation Agent.

In order to reflect the economics of the reference market and the objective of the Index, the Index Allocator will issue recommendations in relation to the weightings of the Index Components applying the criteria and according to the model as described in these Index Guidelines. The Index Administrator allocates weightings of the Index Components based on the Index Allocator's recommendations.

1.7 Publication

Specifications and information relevant for calculating the Index will be made available on the web page www.lixxinnovation.com and sub-pages.

1.8 Historical Data

Historical data will be recorded in accordance with Article 8 of the Benchmark Regulation if and as applicable. This means that in such cases all input data and the methodology will be recorded for a minimum of five years.

1.9 Licensing

Licences to use the Index as benchmark for derivative instruments are issued to stock exchanges, banks, financial services providers and investment houses by the Index Sponsor.

2. INDEX METHODOLOGY

The Index Allocator recommends to the Index Administrator Index Components from the Universe of Index Components and the weightings of the Index Components in order to reflect the reference market and the objective of the Index accurately. As such, the recommendations of the Index Allocator are considered input data and the Index Allocator is considered a contributor of input data in accordance with Article 11 of the Benchmark Regulation, to the extent applicable.

When executing the recommendation, the Index Administrator ensures that (i) the selection of the Index Components and (ii) the weightings are in line with the Index Guidelines.

The Index Allocator will review the composition of the Index on an ongoing basis. Index Components may be selected from the Universe of Index Components by the Index Administrator upon recommendation of the Index Allocator if they are in line with these Index Guidelines. Weights may be adjusted upon recommendation of the Index Allocator. The number of Index Components can change over time.

The Index Value will be determined based on the Official Valuations.

2.1 Universe of Index Components

The relevant categories of instruments out of which Index Components may be selected are set out in **Annex 2.1** to these Index Guidelines ("**Universe of Index Components**").

2.2 Index Components and their selection

Out of the Universe of Index Components individual financial instruments can only be used as an Index Component for inclusion in the Index if they meet the Index Component Selection Criteria set out in **Annex 2.2**.

2.3 Allocation of Index Components

The Index Administrator assigns the Index Components' weightings upon the Index Allocator's recommendation, provided that such recommendation conforms to the Index Component Selection Criteria set out in **Annex 2.3**. The allocation of Index Components is, within the described framework, within the discretion of the Index Allocator as contributor of input data.

2.4 Changes to Index Components

An Index Component may be removed from the Index especially if such Index Component

- (i) does not meet the Index Component Selection Criteria at any point in time;
- (ii) does not or no longer qualify for inclusion in the Index.

Index Components can also be removed from the Index in order to ensure that, at all times, the Index continues to meet its Index objective or composition restrictions. Once the allocation of any removed Index Component is determined, the respective allocation of some or all of the remaining Index Components may be adjusted accordingly. If an Index Component is removed from the Index, a replacement component that meets the Index Component Selection Criteria may be added to the Index.

An Index Component may be added to the Index if it qualifies for inclusion in the Index. Index Components can be added to the Index in order to ensure that, at all times, the Index continues to meet its Index objective and composition restrictions. Once the allocation of newly added Index Components is determined, the respective allocation of some or all of the Index Components existing prior to the additions may be adjusted accordingly.

3. CALCULATION OF THE INDEX

3.1 Index Formula

On each Index Valuation Date, the Index Calculation Agent calculates the Index Value. This calculation is based on the Official Valuation.

The Index Calculation Agent will use the following formula to calculate the Index Value:

$$Index_t = \sum_{ti} (W_{ti} \times P_{ti}) - A_t$$

Whereas:

$Index_t$ is the Index Value at time t.

W_{ti} is the number of units of an Index Component in the Index at time t.

P_{ti} is the Official Valuation of each Index Component at time t > 0.

A_t is the adjustment factor, which is determined at the reasonable discretion of the Index Calculation Agent at the time t with reference to any adjustments carried out pursuant to section 3.3 “Adjustments to systematic changes”.

i is representing an individual Index Component.

3.2 Accuracy

The value of the Index will be rounded to two (2) decimal places (with halves being rounded up). Calculations on units are rounded to eight (8) decimals (with halves being rounded up).

3.3 Adjustments to systematic changes

3.4.1 Dividends, interest and other distributions will be allocated to the Index. A Withholding Tax is applicable and will be deducted, before the corresponding unit size of an Index Component is adjusted.

3.4.2. In case of a corporate action on an Index Component, the Index Calculation Agent will assess whether such corporate action has a dilutive or any other effect on the price of the Index Component. In such a case, the Index Calculator will make required adjustments and determine the date on which this adjustment will be effective. Amongst other things the Index Calculation Agent can consider adjustments executed by an Affiliated Exchange as a result of the corporate action concerning option and futures.

Splits require the recalculation of the “W” parameter assuming that the split ratio is applicable to the price change, as follows:

$$W_{i,t+1} = W_{i,t} * S$$

Whereas:

$W_{i,t+1}$ is the number of units / notional affected in the Index at time t+1

W_{it} is the number of units / notional affected in the Index at time t

S Units / notional after the split for every unit / notional before split

Share distribution require the recalculation of the “W” parameter assuming that the distribution ratio is applicable to the price change, as follows:

$$W_{i,t+1} = W_{i,t} * (1 + S)$$

Whereas:

$W_{i,t+1}$ is the number of units / notional affected in the Index at time t+1

W_{it} is the number of units / notional affected in the Index at time t

S Units / notional for every unit / notional before distribution

Other Changes

The Index Administrator may at its reasonable discretion amend these Index Guidelines in order to ensure achievement of the objective of the Index as defined in these Index Guidelines or to address any errors, omission or ambiguities. Such amendments may include changes to the index component selection criteria or the rules with respect to the composition, calculation and weighting of the Index.

3.4 Rebalancing

Adjustments to the index according to Sections 2.2, 2.3 and 2.4 of these Index Guidelines will be executed by the Index Administrator in a timely manner after receipt of the recommendation from the Index Allocator. Any adjustments will be based on end of day prices of the relevant Index Component. Only in instances where such recommendation is not in line with the Index Objective it will be neglected by the Index Administrator.

3.5 Data Provider

The recommendations of the Index Allocator relating to the selection of Index Components and their relevant weightings for the purposes of calculating the value of the Index are considered input data and the Index Allocator will therefore act as Data Provider in accordance with the Benchmark Regulation. Other relevant input data, i.e. data used when determining any Official Valuation, will be sourced from publicly available sources (readily available data) to maintain or calculate the Index.

3.6 Index Continuity and Market Disruption

In case of missing, insufficient, inaccurate or unreliable input data or non-compliance with the standards as set out below, for any of the required data to calculate the Index, the Index Administrator may not calculate and publish the Index. The decision will be taken at the Index Administrator's sole discretion.

In case the minimum requirements and standards set out below are not fulfilled for a considerable time, the Index Administrator, to protect users of the Index, will publish such circumstance either by amending the Index Guidelines, or by notice on its website. Where appropriate, the Index Administrator will consult experts to make the decision.

The minimum requirements for the quantity of input data are:

- A price for each Index Component must be available;
- A weight of each Index Component must be available or calculatable.

The minimum standards for the quality of input data are:

- Data must be reliable and consistent;
- Data must be robust;
- Data must be verifiable.

3.7 Internal Review and Approval of Methodology

After the preparation of the index documentation, a review round with regards to whether the requirements of the Benchmark Regulation are reflected and whether there is an operational feasibility for implementation takes place. Thereafter, a revision and further coordination with relevant parties takes place, including completion of a dedicated LIXX checklist to ensure compliance with the Benchmark Regulation. Such a checklist includes, among other things, documentation requirements of the Benchmark Regulation. After the relevant steps have been successfully completed, the management of LIXX has discretion to approve launching an index. The methodology is reviewed annually.

3.8 Consulting Procedures and Significant Change

In the event of a proposed Significant Change in the Index methodology, it is the responsibility of a relevant party to contact LIXX and notify the relevant request. Such notification must in any case be made in writing or by email. LIXX will subsequently review the case regarding the reasons given.

For the purposes of this section 3.8 "**Significant Change**" means, in each case determined in the Index Administrator's reasonable discretion taking into account the Index Sponsor's interests and Index users at all times:

- (i) any change which, at the time of the conversion, lead to a change in the Index Value of more than 3% compared to the Index Value prevailing in the absence of such change on the last Index Valuation Day prior to such change; and
- (ii) any methodological adjustment that leads to significant changes of the Index Values in the longer term.

In case of a Significant Change, LIXX will provide updated Index Guidelines on its website. In addition, any licensees will be informed by LIXX about any Significant Change.

4. CHANGE HISTORY

10/01/2020 – 1.0. – Initial version

01/06/2022 – 2.0 – The definition of "Official Valuation" in Section 6 has been changed from "[...] Such data will include daily end of day closing values of each Index Component, as they are available one Business Day prior to the relevant Index Valuation Day." to "[...] Such data includes daily closing (end of day) values of each Index Component, as they are available on the relevant Index Valuation Date." for clarification.

5. CONTACT DATA

Information regarding the Index

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6. DEFINITIONS

Business Day	Day on which there is neither a Zurich, Switzerland, public holiday nor a Düsseldorf, Germany, public holiday
Data Provider	A contributor of data to maintain or calculate the Index in accordance with Article 11 of the Benchmark Regulation
Index	ISF Hidden Champions Germany Total Net Return
Index Administrator	LIXX
Index Allocator	ISF Institut Deutsch-Schweizer Finanzdienstleistungen GmbH, a limited liability company (<i>Gesellschaft mit beschränkter Haftung</i>) under German law, registered with the commercial register (<i>Handelsregister</i>) of the local court (<i>Amtsgericht</i>) of Frankfurt am Main under HRB 55738 and principal place of business at Eysseneckstraße 31, 60322 Frankfurt am Main, Germany, Germany
Index Calculation Agent	LIXX
Index Component	Any constituent of the Index selected from the Universe of Index Components
Index Sponsor	ISF Institut Deutsch-Schweizer Finanzdienstleistungen GmbH, a limited liability company (<i>Gesellschaft mit beschränkter Haftung</i>) under German law, registered with the commercial register (<i>Handelsregister</i>) of the local court (<i>Amtsgericht</i>) of Frankfurt am Main under HRB 55738 and principal place of business at Eysseneckstraße 31, 60322 Frankfurt am Main, Germany, Germany
Index Value	Value of the Index on the Index Valuation Date
Index Valuation Date	Each Business Day on which the Index is calculated
LIXX	LIXX GmbH, a limited liability company (<i>Gesellschaft mit beschränkter Haftung</i>) under German law, registered with the commercial register (<i>Handelsregister</i>) of the local court (<i>Amtsgericht</i>) of Düsseldorf under HRB 81816 and principal place of business at Bilker Allee 176c, 40217 Düsseldorf, Germany

Official Valuation	The official valuation is based on publicly available data, that has been made available by internationally established information services or exchanges. Such data includes daily closing (end of day) values of each Index Component, as they are available on the relevant Index Valuation Date. In case no data is available on the relevant valuation day, the most recent value available (intraday or closing), will be considered.
Total Return Net Index	Index calculated based on reinvested dividend or coupon payments, reduced by any Withholding Tax.
Universe of Index Components	Instruments which may be part of the Index as defined in Annex 2.1
Withholding Tax	The withholding tax rate for Germany as published on the LIXX website.

Annex 2.1: Universe of Index Components

- Investment funds whose investment objective is to invest predominantly in stocks and equity related financial instruments with focus on German companies in the small- and medium cap segment
- Only UCITS funds are deemed eligible as Index Components
- Permitted Index Components are funds with assets under management of at least EUR 50 million at the date of entering the Index, which have a price publication of a maximum of t + 2 and an order cut-off of at the earliest t-1 and which are authorized for distribution in Germany

Annex 2.2: Index Component Selection Criteria

The selection of funds is executed by using a trend following algorithmic system.

The system is a trend following model. If the trading system is placed over the time series of a fund which is eligible as Index Component, the upward or downward trend of the fund is defined mathematically in the first step. The trading system uses both weekly and daily price data in this calculation.

The upward or downward trend of a fund is defined using a price channel that is placed above the selected fund. The price channel consists of two bands, one of which is above the current price of the fund and the other below the current price of the fund. The price ranges are calculated from the average highs and lows of a past period of the fund. If the current price of the fund exceeds the upper price channel, an upward trend is defined for the trading program. If the price falls below the lower price band, the fund is in a downward trend.

Annex 2.3: Allocation Criteria; Initial Index Composition

Allocation Criteria:

The algorithmic system takes into consideration:

- the calculation of the trend reversals of the target funds
- all buy and sell signals
- theoretical stop courses
- a certain level of profit-taking for each position in the portfolio

Based on a buy signal the algorithm is used to calculate the exit stop and thus to calculate the theoretical transaction risk per fund and also the entire portfolio. The applied trading system is statistical and mathematical in nature. This means that fundamental aspects, i.e. an assessment of economic developments, are not used for selection.

The algorithm is based on the daily or weekly chronological course series of a fund, from which indicators are derived that give a signal.

The results from the algorithm are adjusted on the discretion of the Index Allocator, considering the following parameters:

- Selection of the number of funds to be included in the index (3-6 target funds)
- The treatment of capital released after the occurrence and execution of a sell-signal
- Max. Weighting of individual target funds in the index

Further, depending on the development of the international stock markets, the Index Allocator may adjust the allocation to the respective market conditions. Thus, the Index can invest up to 100% in funds in rising equity market phases. In phases of falling markets, up to 100% of the assets may also be invested in money market funds or held up to 100% in cash. The allocation levels of the equity funds range between 0% and 100%.

Initial Index Allocation

ISIN	Name	Weight
DE0005152409	DWS German Small/Mid Cap (Adj.)	33%
DE0008481763	Allianz Nebenwerte Deut.A EUR (Adj.)	34%
DE0009751651	UBS (D) Equity Fund-Smaller Germany	33%
LU0011254512	DWS Euro Reserve	0%