

**Guidelines and Specification for the Construction and
Maintenance of the**

NASDAQ OMX Credit SEK Indexes

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Rules for the Construction and Maintenance of the NASDAQ OMX Credit SEK Index series

1 General description

The NASDAQ OMX Credit SEK Index series are designed to provide exposure to a portfolio of corporate and municipality investment-grade bonds denominated in Swedish Krona (SEK). The NASDAQ OMX Credit Index series is computed and disseminated once per Swedish business day. End-of-day index closing values and key statistics are calculated and disseminated at 5.15 pm CET and at 1.15 pm CET at days with market early close. Indexes are published at the end of each business day in NASDAQ OMX Genium Consolidated Feed (GCF) and Global Index Dissemination Service (GIDS) market data feeds as well as in Global Index Watch (GIW) service. Index weights, component and key statistics data are also available on NASDAQ OMX File Delivery Service (FDS) as morning (SOD) and evening (EOD) files¹. The list of indices including, name, identifiers and information on base values and dates is available in the appendix section 6.1.

The NASDAQ OMX Credit SEK Index series are produced and distributed under an agreement between NASDAQ OMX and SEB, hereafter referred together as the parties.

2 Selection criteria for bonds in NASDAQ OMX Credit SEK Index series

The selection criteria for inclusion of bonds in the NASDAQ OMX Credit SEK Indexes are:

- Issuer type
- Bond type
- Rating
- Settle date
- Time to maturity
- Outstanding amount for issuer and on individual bonds
- Included in the Bloomberg database

2.1 Issuer type

Bonds from corporate (financial and non-financial) and municipality issuers are considered to be eligible for inclusion in index. Bonds issued by supranational, governmental agencies or other issuers with a zero risk weight in the Basel accord (for example Kommuninvest) are ineligible for inclusion in index.

¹ Available only to licensees.

2.2 Bond type

Only senior unsecured nominal fixed rate bonds issued in Swedish Krona (SEK) are considered to be eligible for the fixed rate bond index and floating rate notes for the FRN bond index. The issuer's domicile is not relevant. The index is comprised solely of bonds listed on at least one of the following stock exchanges; Stockholm, London and Luxemburg.

In particular, bonds with the following characteristics are eligible for index inclusion:

- Nominal fixed coupon bonds
- Zero coupon bonds
- Floating rate notes

The following bonds are specifically ineligible for index inclusion:

- Step-ups
- Covered bonds
- Government guaranteed bonds
- Inflation linked bonds
- Call bonds
- Put bonds
- Subordinated bonds
- Structured bonds
- Perpetuals

2.3 Rating

Bonds rated sub-investment grade by at least one of the following rating agencies: Standard & Poor's, Moody's or Fitch are not eligible for index inclusion. Bonds rated investment grade, or unrated bonds that the parties deem that the rating is BBB or higher, for example Vasakronan, are included in the index.

For the indexes named "Rated", for example NOMX Credit SEK Rated Total Return Index, unrated bonds that the parties deem that rating is BBB or higher are not eligible for index inclusion. Only bonds rated investment grade by Standard & Poor's, Moody's or Fitch are included in index. In case that the ratings of the issuer and of the bond (issue) are different e.g. structural subordination, the parties can decide whether or not the bond is eligible for the index inclusion.

2.4 Settle date

In order for a newly issued bond to be included in the index, it has to have a first settle date before the end of the month following the rebalancing date.

2.5 Time to maturity

All bonds in the fixed bond index must have a minimum remaining time to maturity of at least one year and all bonds in the FRN bond index depending on index version must have a minimum remaining time to maturity of at least one year or one month (short condition) at the re-balancing

date as described in 3.1. On this date the time to maturity of the bond in all fixed bond index and some FRN bond index must exceed (>) 13 months and 4 business days. In the FRN bond index with maturity buckets 18 and 30 months and the total version 1M – 10Y the time to maturity of the bond must exceed (>) 2 months and 4 business days at the re-balancing date.

All bonds in the fixed bond index and the FRN bond index, except for the FRN maturity bucket versions 18 and 30 months must have a maximum remaining time to maturity less than or equal with 10 year (long condition) at the re-balancing date as described in 3.1. Bonds in the FRN maturity bucket versions 18 and 30 months must have a maximum remaining time to maturity less than or equal with 18 months or 30 months. On this date the time to maturity of the bond must be less than or equal (<=) 10 years and 4 business days and (<=) 18 months or (<=) 30 months for the FRN maturity bucket index.

2.6 Outstanding amount

In order for a bond to be included in the index, the total nominal outstanding amount for the issuer must exceed or equal SEK 500m and each Bond must have a nominal amount exceeding or equal SEK 50m. Issuers, with bonds represented in the index, which fall below the SEK 500m total nominal outstanding amount threshold, will have a three-month period to re-qualify. Re-qualification period begins immediately after re-balancing at the end of the month in which the issuer fell below the SEK 500m threshold. If the Issuer at the end of the re-qualification period is not above the threshold, all bonds from the issuer will have to leave the index.

2.7 Included in Bloomberg database

In order for a bond to be included in the index, the bond must be available in the Bloomberg database using the ID function, Security by ID.

3 NASDAQ OMX Credit SEK Index Series – re-balancing, weightings, etc.

3.1 Monthly re-balancing

The composition and weightings for bonds in the NASDAQ OMX Credit SEK Index series is reviewed each month against the criteria's described in the section 2.

After market close on the 3rd business day (record date) before the last business day in month (rebalancing date), NASDAQ OMX compiles a preliminary list with all bonds which meet the criteria's, their respective nominal amount outstanding and the index weightings (section 3.2). NASDAQ OMX publishes a notification on the same day with information on changes in the indexes. Note that the preliminary list may be subject for change and it should only be used for the purposes of information, verification and analyze.

Prior the market opening on the last business day in month, NASDAQ OMX publishes the final list including changes in composition and index weighting. The list of changes will also be included for each index in the Morning Report (SOD) file distributed prior the market opening on the first business day in month.

3.2 Index weighting and limits

The weight, ω , of each bond in the index is the product of its nominal amount outstanding and its dirty price (mid valuation) on the record date for the monthly re-balancing as described in section 3.1. Intra-month changes of the nominal amount outstanding for each bond are reflected in the index through the re-balancing process described in the section 3.1. During this process the maximum total weight for all bonds by any single issuer is 5%. Should any issuer be subject to this cap, the weights for all bonds (that are not subject to the cap) are proportionally adjusted to ensure the total weight for all bonds equal to 1. In case that there are 20 issuers or less, the limit process should be slightly modified. First, weights above 5% are decreased to 5% and then all weights are increased proportionally, even the 5% weights. The difference is that the limited weights are also subjected to the process of proportionally adjusting weights.

3.3 Bonds in default

If a bond included in index goes into default or its rating is downgraded to sub-investment grade as in detail is described in 2.3, the bond will be removed to the market valuation price. Bonds will only be removed during the monthly re-balancing process. In order to ensure that a reasonable market price will be available, bonds will be removed at the re-balancing occurring no less than 10 business days before record date as defined in 3.1.

3.4 Price quotes

The index calculation is based on daily end-of-day market mid valuations supplied to NASDAQ OMX by SEB.

3.5 Adjustment for coupons

The total return index version adjust for coupons, $CP_{i,t}$ on the business day when the coupon fall (ex-coupon date) by adding the value of coupon to the market mid valuation dirty price until the close of last business day in month.

If a bond is added to the index during the ex-coupon period (between ex-coupon date and payment date), the value of $CP_{i,t}$ equals zero (0).

At the monthly rebalancing after close of the market on the last business day $CP_{i,t}$ will be set to zero (0) value for all bonds.

3.6 Accrued interest

The following day count conventions are taken into account when calculating the NASDAQ OMX Credit SEK Index series:

- ISMA 30/360
- ACT/ACT
- ACT/360
- ACT/365

3.7 Settlement Convention

The settlement convention t+3 are taken into account when calculating the NASDAQ OMX Credit SEK Index series.

4 Index calculation methodology

The NASDAQ OMX Credit SEK Index series is calculated as a **spread, price** and **total return** index versions.

4.1 Spread Index (SPIndex)

The spread index is calculated as follows:

$$SPIndex_t = \frac{\sum_{i \in M_i} S_{i,t} \times (P_{i,t} + AI_{i,t}) \times \omega_{i,s}}{\sum_{i \in M_i} (P_{i,t} + AI_{i,t}) \times \omega_{i,s}}$$

4.2 Clean Price Index (PRIndex)

The price index is calculated as follows:

$$PRIndex_t = PRIndex_{t-1} \frac{\sum_{i \in M_i} P_{i,t} \times \omega_{i,s}}{\sum_{i \in M_i} P_{i,t-1} \times \omega_{i,s}}$$

4.3 Total Return Index (TRIndex)

For the total return index the monthly adjustment involves the reinvestment of coupon payments at the beginning of the month. Consequently, the total return index is calculated as follows:

$$TRIndex_t = TRIndex_{t-1} \frac{\sum_{i \in M_i} (P_{i,t} + AI_{i,t} + CP_{i,t}) \times \omega_{i,s}}{\sum_{i \in M_i} (P_{i,t-1} + AI_{i,t-1} + CP_{i,t-1}) \times \omega_{i,s}}$$

4.4 Annotations

The following annotations are used in the index calculations:

$S_{i,t}$ denotes the yield spread for bond i at date t , calculated as the difference between two yields to maturity of the bond: The first corresponds to its valuation price, the second is obtained when it is priced flat on the swap curve using a bootstrap zero coupon curve calculation.

$P_{i,t}$	denotes the clean closing price of bond i at date t . For bonds with coupon, the price is rounded-off to three (3) decimals. Rounding according to ISMA's principles, where the number 5 is rounded upwards
$P_{i,t-1}$	denotes the clean closing price of bond i on the previous business day
$N_{i,s}$	denotes the notional of bond i at the last rebalancing date
$AI_{i,t}$	denotes the accrued interest of bond i at date t
$AI_{i,t-1}$	denotes the accrued interest of bond i on the previous business day
$CP_{i,t}$	denotes the value of the coupon payment of bond i at date t as described in section 3.5.
$CP_{i,t-1}$	denotes the value of the coupon payment of bond i on the previous business day described in section 3.5.
$\omega_{i,s}$	denotes the capped weight according to the rules as described in section 3.2. Remember that $\omega_{i,s}$ is only calculated during the rebalancing as described in section 3.1 and then unchanged intra month
M_i	denotes the set of bonds in month I included in the index

5 Limitations of liability

NASDAQ OMX shall not be liable for any direct, indirect, incidental, special or consequential damages or lost profits related to or arising out of the use of the index. NASDAQ OMX expressly disclaims all warranties of accuracy, completeness, merchantability or fitness for any particular purpose, with respect to the index. Neither NASDAQ OMX nor any third party make any warranty or representation whatsoever, express or implied, in respect of the index, the results to be obtained by the use thereof or the value of the index at any given time.

6 Appendix

6.1 Overview of the NASDAQ OMX Credit SEK Index series:

Full Name	Symbol	ISIN
NOMX Credit SEK Total Spread Index	NOMXCRSP	SE0003788454
NOMX Credit SEK Total Price Index	NOMXCRPR	SE0003788462
NOMX Credit SEK Total Return Index	NOMXCRTR	SE0003788470
NOMX Credit SEK Non-Financial Spread Index	NOMXCRNFSP	SE0003788488
NOXM Credit SEK Non-Financial Price Index	NOMXCRNFPR	SE0003788496
NOMX Credit SEK Non-Financial Total Return Index	NOMXCRNFTR	SE0003788504
NOMX Credit SEK Financial Spread Index	NOMXCRFSP	SE0003788512
NOMX Credit SEK Financial Price Index	NOMXCRFPR	SE0003788520
NOMX Credit SEK Financial Total Return Index	NOMXCRFTR	SE0003788538

Full Name	Symbol	ISIN
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NOMX Credit SEK Rated Total Spread Index	NOMXCRRSP	SE0005250297
NOMX Credit SEK Rated Total Price Index	NOMXCRRPR	SE0005250305
NOMX Credit SEK Rated Total Return Index	NOMXCRRTR	SE0005250313
NOMX Credit SEK Rated Non-Financial Spread Index	NOMXCRRNFSP	SE0005250321
NOXM Credit SEK Rated Non-Financial Price Index	NOMXCRRNFPR	SE0005250339
NOMX Credit SEK Rated Non-Financial Total Return Index	NOMXCRRNFTR	SE0005250354
NOMX Credit SEK Rated Financial Spread Index	NOMXCRRFSP	SE0005250362
NOMX Credit SEK Rated Financial Price Index	NOMXCRRFPR	SE0005250370
NOMX Credit SEK Rated Financial Total Return Index	NOMXCRRFTR	SE0005250388

Full Name	Symbol	ISIN
NOMX Credit SEK FRN Total Spread Index	NOMXCRFRNSP	SE0005850328
NOMX Credit SEK FRN Total Price Index	NOMXCRFRNPR	SE0005850344
NOMX Credit SEK FRN Total Return Index	NOMXCRFRNTR	SE0005850351
NOMX Credit SEK FRN 1M-10Y Spread Index	NOMXCRFRN1M10YSP	SE0005850369
NOMX Credit SEK FRN 1M-10Y Price Index	NOMXCRFRN1M10YPR	SE0005850377
NOMX Credit SEK FRN 1M-10Y Total Index	NOMXCRFRN1M10YTR	SE0005850401
NOMX Credit SEK Rated FRN Total Spread Index	NOMXCRRFRNSP	SE0005850435
NOMX Credit SEK Rated FRN Total Price Index	NOMXCRRFRNPR	SE0005850450
NOMX Credit SEK Rated FRN Total Return Index	NOMXCRRFRNTR	SE0005850468

NOMX Credit SEK Rated FRN 1M-10Y Spread Index	NOMXCRRFRN1M10YSP	SE0005850476
NOMX Credit SEK Rated FRN 1M-10Y Price Index	NOMXCRRFRN1M10YPR	SE0005850492
NOMX Credit SEK Rated FRN 1M-10Y Total Index	NOMXCRRFRN1M10YTR	SE0005850526
NOMX Credit SEK FRN Non-Financial Spread Index	NOMXCRFRNNFSP	SE0005850559
NOMX Credit SEK FRN Non-Financial Price Index	NOMXCRFRNNFPR	SE0005850583
NOMX Credit SEK FRN Non-Financial Return Index	NOMXCRFRNNFTR	SE0005850625
NOMX Credit SEK Rated FRN Non-Financial Spread Index	NOMXCRRFRNNFSP	SE0005850641
NOMX Credit SEK Rated FRN Non-Financial Price Index	NOMXCRRFRNNFPR	SE0005850674
NOMX Credit SEK Rated FRN Non-Financial Return Index	NOMXCRRFRNNFTR	SE0005850682
NOMX Credit SEK FRN Financial Spread Index	NOMXCRFRNFSP	SE0005850716
NOMX Credit SEK FRN Financial Price Index	NOMXCRFRNFPR	SE0005850732
NOMX Credit SEK FRN Financial Return Index	NOMXCRFRNFTR	SE0005850757
NOMX Credit Rated SEK FRN Financial Spread Index	NOMXCRRFRNFSP	SE0005850781
NOMX Credit SEK Rated FRN Financial Price Index	NOMXCRRFRNFPR	SE0005850807
NOMX Credit SEK Rated FRN Financial Return Index	NOMXCRRFRNFTR	SE0005850823
NOMX Credit SEK FRN 1-18M Total Spread Index	NOMXCRFRN18SP	SE0005850849
NOMX Credit SEK FRN 1-18M Total Price Index	NOMXCRFRN18PR	SE0005850864
NOMX Credit SEK FRN 1-18M Total Return Index	NOMXCRFRN18TR	SE0005850880
NOMX Credit SEK Rated FRN 1-18M Total Spread Index	NOMXCRRFRN18SP	SE0005850906
NOMX Credit SEK Rated FRN 1-18M Total Price Index	NOMXCRRFRN18PR	SE0005850914

NOMX Credit SEK Rated FRN 1-18M Total Return Index	NOMXCRRFRN18TR	SE0005850922
NOMX Credit SEK FRN 1-18M Non-Financial Spread Index	NOMXCRFRN18NFSP	SE0005850385
NOMX Credit SEK FRN 1-18M Non-Financial Price Index	NOMXCRFRN18NFPR	SE0005850393
NOMX Credit SEK FRN 1-18M Non-Financial Return Index	NOMXCRFRN18NFTR	SE0005850419
NOMX Credit SEK Rated FRN 1-18M Non-Financial Spread Index	NOMXCRRFRN18NFSP	SE0005850427
NOMX Credit SEK Rated FRN 1-18M Non-Financial Price Index	NOMXCRRFRN18NFPR	SE0005850443
NOMX Credit SEK Rated FRN 1-18M Non-Financial Return Index	NOMXCRRFRN18NFTR	SE0005850484
NOMX Credit SEK FRN 1-18M Financial Spread Index	NOMXCRFRN18FSP	SE0005850500
NOMX Credit SEK FRN 1-18M Financial Price Index	NOMXCRFRN18FPR	SE0005850518
NOMX Credit SEK FRN 1-18M Financial Return Index	NOMXCRFRN18FTR	SE0005850534
NOMX Credit SEK Rated FRN 1-18M Financial Spread Index	NOMXCRRFRN18FSP	SE0005850542
NOMX Credit SEK Rated FRN 1-18M Financial Price Index	NOMXCRRFRN18FPR	SE0005850567
NOMX Credit SEK Rated FRN 1-18M Financial Return Index	NOMXCRRFRN18FTR	SE0005850575
NOMX Credit SEK FRN 1-30M Total Spread Index	NOMXCRFRN30SP	SE0005850591
NOMX Credit SEK FRN 1-30M Total Price Index	NOMXCRFRN30PR	SE0005850609
NOMX Credit SEK FRN 1-30M Total Return Index	NOMXCRFRN30TR	SE0005850617
NOMX Credit SEK Rated FRN 1-30M Total Spread Index	NOMXCRRFRN30SP	SE0005850633
NOMX Credit SEK Rated FRN 1-30M Total Price Index	NOMXCRRFRN30PR	SE0005850658
NOMX Credit SEK Rated FRN 1-30M Total Return Index	NOMXCRRFRN30TR	SE0005850666
NOMX Credit SEK FRN 1-30M Non-Financial Spread Index	NOMXCRFRN30NFSP	SE0005850690

NOMX Credit SEK FRN 1-30M Non-Financial Price Index	NOMXCRFRN30NFPR	SE0005850708
NOMX Credit SEK FRN 1-30M Non-Financial Return Index	NOMXCRFRN30NFTR	SE0005850724
NOMX Credit SEK Rated FRN 1-30M Non-Financial Spread Index	NOMXCRRFRN30NFSP	SE0005850740
NOMX Credit SEK Rated FRN 1-30M Non-Financial Price Index	NOMXCRRFRN30NFPR	SE0005850765
NOMX Credit SEK Rated FRN 1-30M Non-Financial Return Index	NOMXCRRFRN30NFTR	SE0005850773
NOMX Credit SEK FRN 1-30M Financial Spread Index	NOMXCRFRN30FSP	SE0005850799
NOMX Credit SEK FRN 1-30M Financial Price Index	NOMXCRFRN30FPR	SE0005850815
NOMX Credit SEK FRN 1-30M Financial Return Index	NOMXCRFRN30FTR	SE0005850831
NOMX Credit SEK Rated FRN 1-30M Financial Spread Index	NOMXCRRFRN30FSP	SE0005850856
NOMX Credit SEK Rated FRN 1-30M Financial Price Index	NOMXCRRFRN30FPR	SE0005850872

6.2 Contacts

For licensing arrangements, content issues and questions please refer to: NASDAQ OMX Index Operations, EMEA

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