SOLACTIVE
German Index Engineering

Press Release

Hilton Capital Management Launches Hilton BDC Corporate Bond ETF Tracking Solactive Hilton Capital BDC Corporate Bond TR Index

11th June 2025

FRANKFURT AM MAIN – Solactive is pleased to announce its inaugural collaboration with Hilton Capital Management LLC, culminating in the launch of the Solactive Hilton Capital BDC Corporate Bond TR Index. This first-of-its-kind index offers targeted exposure to fixed-income securities issued by U.S.-registered Business Development Companies (BDCs), aiming to provide investors with access to elevated yields within a regulated, investment-grade framework.

As investor interest in private credit continues to rise, BDC bonds present a compelling opportunity. These instruments consistently yield above average Baa-rated corporates[1], delivering attractive income potential while generally maintaining investment-grade credit ratings. Furthermore, U.S. regulations require BDCs to maintain asset coverage of at least 150%, safeguarding bondholders by constraining leverage and ensuring structural risk discipline. Notably, BDCs boast a flawless repayment track record across more than 25 years of public "baby bond" issuance[2][3], underlining their stability and reliability.

The **Solactive Hilton Capital BDC Corporate Bond TR Index** methodology leverages this stability and upside by focusing exclusively on fixed-coupon bonds issued by BDCs listed in the annual Business Development Company Report published by the U.S. Securities and Exchange Commission (SEC). To ensure liquidity and quality, eligible bonds must have a minimum outstanding amount of USD 250 million and be priced by a designated price provider. Securities such as floating-rate notes, convertibles, inflation-linked, municipal, structured, or perpetual bonds are excluded. To avoid over-concentration, the index imposes a 10% cap per issuer.

The **Hilton BDC Corporate Bond ETF** is listed on June 11th, 2025, on the Nasdaq with the ticker **HBDC**.

Timo Pfeiffer, Chief Markets Officer at Solactive, commented: *"We are thrilled to launch our first joint index with Hilton Capital Management, marking a new chapter in our collaboration. By translating the distinct*

[1] KBRA Releases Research – Private Credit: Business Development Company (BDC) Ratings Compendium: First-Quarter 2025
[2] Prospect Capital Repays March 2025 Bond and Achieves Track Record of $4.7 Billion in Cumulative Principal Bond Repayments During More Than 20 Year History
[3] List of Baby Bonds and Related Information – Exchange Traded Debt

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income characteristics and regulatory structure of BDC bonds into a transparent, rules-based index, we aim to provide investors with a new tool for gaining exposure to the BDC bond universe. Furthermore, it enables access to the dynamics of the private-credit market through a well-regulated and transparent structure."

Alex Oxenham, Chief Investment Officer at Hilton Capital Management, commented: *"We're excited to partner with Solactive on the Solactive Hilton Capital BDC Corporate Bond TR Index, a first-of-its-kind benchmark that passively seeks to unlock the yield premium of senior unsecured BDC bonds within a transparent, rules-based framework. By enforcing strict eligibility filters—$250 million minimum issue size, 10% issuer caps, and quarterly rebalancing—we've created an ETF-ready vehicle offering daily liquidity and broad diversification across leading BDC issuers. This collaboration transforms an overlooked corner of the credit market into a scalable solution for insurers, pension funds, and income-focused investors seeking private credit exposure."*

For more information, please visit**:**

http://www.solactive.com

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Note to editors

About Solactive

Solactive is a leading provider of indexing, benchmarking, and calculation solutions for the global investment and trading community. Headquartered in Frankfurt and, with offices in Hong Kong, Toronto, Berlin, Dresden, and Amsterdam, we innovate and disrupt the status quo as the partner of choice for our clients.
The unique blend of our 350 staff's expertise in data, data science, financial markets, and technology enables our clients' continued success through the delivery of a superior experience, unique customization capabilities, and the best value for money available in the industry. With more than 30,000 indices calculated daily, we offer a full suite of solutions, including market leading ESG and thematic indices.
As of January 2024, Solactive served approximately 500 clients across the world, with approximately US$300 billion invested in products linked to our indices. Solactive is registered with ESMA as a benchmark administrator and is supervised by the BaFin.

Disclaimer from Solactive

Disclaimer from Hilton Capital

Before investing you should carefully consider the Fund's investment objective, risk, charges and expenses. This and other information are in the prospectus. A prospectus or summary prospectus may be obtained by visiting www.hiltonetfs.com **or calling** 1-833-594-4586**. Please read the prospectus carefully before you invest.**
Investing involves risk. Principal loss is possible.
Credit Risk. Debt securities are subject to the risk of an issuer's (or other party's) failure or inability to meet its obligations under the security. Multiple parties may have obligations under a debt security. An issuer or borrower may fail to pay principal and interest when due. A guarantor, insurer or credit support provider may fail to provide the agreed upon protection. A counterparty to a transaction may fail to perform its side of the bargain. An intermediary or agent interposed between the investor and other parties may fail to perform the terms of its service. Also, performance under a debt security may be linked to the obligations of other persons who may fail to meet their obligations. The credit risk associated with a debt security could increase to the extent that the Fund's ability to benefit fully from its investment in the security depends on the performance by multiple parties of their respective contractual or other obligations. The market value of a debt security is also affected by the market's perception of the creditworthiness of the issuer.
Fixed Income Securities Risk. The prices of fixed income securities respond to economic developments, particularly interest rate changes, as well as to changes in an issuer's credit rating or market perceptions about the creditworthiness of an issuer. Generally

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fixed income securities decrease in value if interest rates rise and increase in value if interest rates fall, and longer-term and lower rated securities are more volatile than shorter- term and higher rated securities.

Interest Rate Risk. Generally fixed income securities decrease in value if interest rates rise and increase in value if interest rates fall, with longer-term securities being more sensitive than shorter-term securities. For example, the price of a security with a one-year duration would be expected to drop by approximately 1% in response to a 1% increase in interest rates. Generally, the longer the maturity and duration of a bond or fixed rate loan, the more sensitive it is to this risk. Falling interest rates also create the potential for a decline in the Fund's income. These risks are greater during periods of rising inflation. Recent and potential future changes in monetary policy made by central banks and/or their governments are likely to affect the level of interest rates.

Concentration Risk**.** The Fund's investments will be concentrated in an industry or group of industries to the extent the Index is so concentrated. In such event, the value of Shares may rise and fall more than the value of shares that invest in securities of companies in a broader range of industries.

Index Risk. The Index may not reflect all companies meeting the Index's eligibility criteria if certain characteristics of a company are not known at the time the Index is composed or reconstituted.

Liquidity Risk. Liquidity risk exists when particular investments of the Fund would be difficult to purchase or sell, possibly preventing the Fund from selling such illiquid securities at an advantageous time or price, or possibly requiring the Fund to dispose of other investments at unfavorable times or prices in order to satisfy its obligations.

New Fund Risk. The Fund is a recently organized management investment company with no operating history. As a result, prospective investors do not have a track record or history on which to base their investment decisions.

Non-Diversification Risk. Although the Fund intends to invest in a variety of securities and instruments, the Fund is considered to be non-diversified, which means that it may invest a greater percentage of its assets in the securities of a single issuer or a smaller number of issuers than if it were a diversified fund. As a result, the Fund may be more exposed to the risks associated with and developments affecting an individual issuer or a smaller number of issuers than a fund that invests more widely. This may increase the Fund's volatility and cause the performance of a relatively smaller number of issuers to have a greater impact on the Fund's performance.

Passive Investment Risk. The Fund invests in the securities included in, or representative of, its Index regardless of their investment merit. The Fund does not attempt to outperform its Index or take defensive positions in declining markets. As a result, the Fund's performance may be adversely affected by a general decline in the market segments relating to its Index.

Tracking Error Risk. As with all index funds, the performance of the Fund and its Index may differ from each other for a variety of reasons. For example, the Fund incurs operating expenses and portfolio transaction costs not incurred by the Index. In addition, the Fund may not be fully invested in Index Components at all times or may hold securities not included in the Index.

Underlying Index Risk. Neither the Fund's investment adviser nor the Index Provider is able to guarantee the continuous availability or timeliness of the production of the Index. The calculation and dissemination of the Index values may be delayed if the information technology or other facilities of the Index Provider, calculation agent, data providers and/or relevant stock exchange malfunction for any reason. A significant delay may cause trading in shares of the Fund to be suspended. Errors in Index data, computation and/or the construction in accordance with its methodology may occur from time to time and may not be identified and corrected by the Index Provider, calculation agent or other applicable party for a period of time or at all, which may have an adverse impact on the Fund and its shareholders.

Distributor: Foreside Fund Services, LLC

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