

Press Release

Solactive explores The Dilemma of Multiple Share Classes in new Research Blog

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A recent FT article described the multiple share class structure as challenging to corporate standards as one share doesn't necessarily equal one vote anymore.¹ On the other hand, satisfying shareholders by focusing on quarterly earnings forecasts and therefore adopting short-termism over valuing long-term performance was debated by Warren Buffett, as well as Jamie Dimon.² A factor potentially contributing to companies' long-term performance is the share class structure.

Timo Pfeiffer, Head of Research at Solactive, commented: "*As multiple share classes have recently attracted more media attention, we, as the research team, have thought it would be a great opportunity to dig deeper into the topic and see how much long-term performances are truly affected by the difference of issuing share classes, and therefore either distributing voting power, or leaving it within the company.*"

In the research blog post "The Dilemma of Multiple Share Classes", Solactive has been investigating the relationship between the issuance of multiple share classes and a company's long-term performance by constructing a portfolio composed of companies weighted by market capitalization with multiple share classes offering different voting rights in the US.

Take a look at the new post on the [Solactive Research Blog](#) to see what the numbers are saying!

1. Attracta Mooney & Robin Wigglesworth, (2018), Google, Facebook and Snap Challenge Governance Standards, Financial Times

2. Jamie Dimon & Warren E. Buffett, (2018), Short-Termism Is Harming the Economy, The Wall Street Journal

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Note to editors

About Solactive

Solactive AG is an innovative index provider that focuses on the development, calculation and distribution of tailor-made indices across all asset classes. As at January 2018, Solactive AG served approximately 400 clients in Europe, America and Asia, with approximately USD 200 billion invested in products linked to indices calculated by the company globally, primarily via 350 exchange-traded funds from a number of well-known providers. Solactive AG was established in 2007 and is headquartered in Frankfurt.

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