

Market Consultation Solactive Canadian High Dividend Yield Index

08 February 2019

Content of the Market Consultation

Solactive AG has decided to conduct a Market Consultation with regard to the change of the industry group classification in the SOLACTIVE CANADIAN HIGH DIVIDEND YIELD INDEX Methodology.

Background

The even distribution of the index components across the three industrial groups (Energy, Finance and Diversified), which is one of the measures taken to achieve the index's objective, could no longer be implemented because of the reclassification of individual companies by Factset. The changes proposed below are intended to restore the original measure with regard to the avoidance of concentration risks.

Proposed changes

The following sentence in section 2.1 b) shall be modified from:

***“Each Universe Component is assigned an Industry Group classification (Energy, Finance, Diversified) based on the Economy field defined by FactSet.”***

To:

***“Each Universe Component is assigned an Industry Group classification (Energy, Finance, Diversified) based on the mapping specified in Appendix section 5.1.”***

Additionally, a new section 5.1 will be included in the Appendix with the following content:

**“5.1 Industry Group classification**

The Industry Group classification is determined by the mapping provided below, based on the industry classification provided by Factset using the formula “FG\_FACTSET\_IND”.

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| **Factset Industry** | **Industry Group** |
| Financial Publishing/Services | Finance |
| Finance/Rental/Leasing | Finance |
| Financial Conglomerates | Finance |
| Insurance Brokers/Services | Finance |
| Investment Banks/Brokers | Finance |
| Investment Managers | Finance |
| Investment Trusts/Mutual Funds | Finance |
| Life/Health Insurance | Finance |
| Major Banks | Finance |
| Miscellaneous | Finance |
| Multi-Line Insurance | Finance |
| Property/Casualty Insurance | Finance |
| Real Estate Development | Finance |
| Real Estate Investment Trusts | Finance |
| Regional Banks | Finance |
| Savings Banks | Finance |
| Specialty Insurance | Finance |
| Alternative Power Generation | Energy |
| Electric Utilities | Energy |
| Gas Distributors | Energy |
| Oil & Gas Pipelines | Energy |
| Oilfield Services/Equipment | Energy |
| Coal | Energy |
| Integrated Oil | Energy |
| Oil & Gas Production | Energy |
| Oil Refining/Marketing | Energy |
| Advertising/Marketing Services | Diversified |
| Aerospace & Defense | Diversified |
| Agricultural Commodities/Milling | Diversified |
| Air Freight/Couriers | Diversified |
| Airlines | Diversified |
| Aluminum | Diversified |
| Apparel/Footwear | Diversified |
| Apparel/Footwear Retail | Diversified |
| Auto Parts: OEM | Diversified |
| Automotive Aftermarket | Diversified |
| Beverages: Alcoholic | Diversified |
| Beverages: Non-Alcoholic | Diversified |
| Biotechnology | Diversified |
| Broadcasting | Diversified |
| Building Products | Diversified |
| Cable/Satellite TV | Diversified |
| Casinos/Gaming | Diversified |
| Catalog/Specialty Distribution | Diversified |
| Chemicals: Agricultural | Diversified |
| Chemicals: Major Diversified | Diversified |
| Chemicals: Specialty | Diversified |
| Commercial Printing/Forms | Diversified |
| Computer Communications | Diversified |
| Computer Peripherals | Diversified |
| Computer Processing Hardware | Diversified |
| Construction Materials | Diversified |
| Consumer Sundries | Diversified |
| Containers/Packaging | Diversified |
| Contract Drilling | Diversified |
| Data Processing Services | Diversified |
| Department Stores | Diversified |
| Discount Stores | Diversified |
| Drugstore Chains | Diversified |
| Electrical Products | Diversified |
| Electronic Components | Diversified |
| Electronic Equipment/Instruments | Diversified |
| Electronic Production Equipment | Diversified |
| Electronics Distributors | Diversified |
| Electronics/Appliance Stores | Diversified |
| Electronics/Appliances | Diversified |
| Engineering & Construction | Diversified |
| Environmental Services | Diversified |
| Food Distributors | Diversified |
| Food Retail | Diversified |
| Food: Major Diversified | Diversified |
| Food: Meat/Fish/Dairy | Diversified |
| Food: Specialty/Candy | Diversified |
| Forest Products | Diversified |
| Home Furnishings | Diversified |
| Home Improvement Chains | Diversified |
| Homebuilding | Diversified |
| Hospital/Nursing Management | Diversified |
| Hotels/Resorts/Cruiselines | Diversified |
| Household/Personal Care | Diversified |
| Industrial Conglomerates | Diversified |
| Industrial Machinery | Diversified |
| Industrial Specialties | Diversified |
| Information Technology Services | Diversified |
| Internet Retail | Diversified |
| Internet Software/Services | Diversified |
| Major Telecommunications | Diversified |
| Managed Health Care | Diversified |
| Marine Shipping | Diversified |
| Media Conglomerates | Diversified |
| Medical Distributors | Diversified |
| Medical Specialties | Diversified |
| Medical/Nursing Services | Diversified |
| Metal Fabrication | Diversified |
| Miscellaneous Commercial Services | Diversified |
| Miscellaneous Manufacturing | Diversified |
| Motor Vehicles | Diversified |
| Movies/Entertainment | Diversified |
| Office Equipment/Supplies | Diversified |
| Other Consumer Services | Diversified |
| Other Consumer Specialties | Diversified |
| Other Metals/Minerals | Diversified |
| Other Transportation | Diversified |
| Packaged Software | Diversified |
| Personnel Services | Diversified |
| Pharmaceuticals: Generic | Diversified |
| Pharmaceuticals: Major | Diversified |
| Pharmaceuticals: Other | Diversified |
| Precious Metals | Diversified |
| Publishing: Books/Magazines | Diversified |
| Publishing: Newspapers | Diversified |
| Pulp & Paper | Diversified |
| Railroads | Diversified |
| Recreational Products | Diversified |
| Restaurants | Diversified |
| Semiconductors | Diversified |
| Services to the Health Industry | Diversified |
| Specialty Stores | Diversified |
| Specialty Telecommunications | Diversified |
| Steel | Diversified |
| Telecommunications Equipment | Diversified |
| Textiles | Diversified |
| Tobacco | Diversified |
| Tools & Hardware | Diversified |
| Trucking | Diversified |
| Trucks/Construction/Farm Machinery | Diversified |
| Water Utilities | Diversified |
| Wholesale Distributors | Diversified |
| Wireless Telecommunications | Diversified |

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Feedback on the proposed changes

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

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| --- | --- |
| 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 CANADIAN HIGH DIVIDEND YIELD INDEX and welcomes any feedback on how this may affect and/or improve their use of the index.

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Consultation Procedure

Stakeholders and third parties who are interested in participating in this Market Consultation, are invited to respond until ***15 February 2019.***

Please send your feedback via email to [compliance@solactive.com](mailto:compliance@solactive.com), specifying “MARKET CONSULTATION SOLACTIVE CANADIAN HIGH DIVIDEND YIELD INDEX” as the subject of the email, or

via postal mail to: **Solactive AG**

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



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