

# MARKET CONSULTATION SOLACTIVE U.S. DYNAMIC ALLOCATION INDICES

31 January 2019



Content of the Market Consultation

Solactive AG has decided to conduct a Market Consultation with regard to changing its Solactive U.S. Dynamic Allocation Indices Methodology in the following point[s]:

- Two new SPDR SELECT Sector ETFs will be added to the universe of the index:
  - Real Estate Select Sector ETF (code XLRE) with a target weight of 5%
  - Communications Select Sector ETF (code XLC) with a target weight of 10%
- The target weights for some ETFs will change due to the addition of the two new ETFs:
  - XLF target weight will be changed from 15% to 10%
  - XLE target weight will be change from 10% to 5%
  - XLP target weight will be change from 10% to 5%

The background to the proposed change is the introduction of additional sectors to the benchmark index of the ETFs referenced by the Solactive U.S. Dynamic Allocation Indices in September 2018. The aim of the Solactive U.S. Dynamic Allocation Indices is to provide exposure to the entire universe of the US Select Sector SPDR ETFs that represent the sectors of their benchmark index. The ETFs referenced by the index each represent one of these sectors. With the addition of new sectors to the ETFs' benchmark index and the launch of two new corresponding ETFs, the Solactive U.S. Dynamic Allocation Indices no longer fully reflect the entire universe of ETFs representing the sectors of their benchmark index. In order to continue to achieve the Solactive U.S. Dynamic Allocation Indices' objective, the two newly issued ETFs have to be included in as index constituents. The resulting adjustment of the weightings of the individual ETFs is based on the weights of the sectors of the benchmark index of the ETFs referenced by the Solactive U.S. Dynamic Allocation Indices at the time of their introduction.

The above changes are currently planned to be implemented with the February 2019 rebalancing and would therefore become effective on the first index business day in March 2019.

Feedback on the proposed changes

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

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 U.S. Dynamic Allocation Indices and welcomes any feedback on how this may affect and/or improve their use of Solactive indices.

Consultation Procedure

Stakeholders and third parties who are interested in participating in this Market Consultation, are invited to respond until 15<sup>th</sup> February 2019.

Please send your feedback via email to [compliance@solactive.com](mailto:compliance@solactive.com), specifying "Market Consultation Solactive U.S. Dynamic Allocation Indices" 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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