

Market Consultation Solactive Canada Broad Market Index Country Assignment

12 September 2019

Content of the Market Consultation

Solactive AG has decided to conduct a Market Consultation with regard to changing the Index Methodology of the following Indices (the ‘Indices’):

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| **NAME** | **RIC** | **ISIN** |
| Solactive Canada Broad Market Index (PR) | .SOLCABMP | DE000SLA4973 |
| Solactive Canada Broad Market Index (NTR) | .SOLCABMN | DE000SLA4999 |
| Solactive Canada Broad Market Index (GTR) | .SOLCABMG | DE000SLA4981 |
| Solactive Canada Broad Market Index (CA NTR) | .SOLCABMC | DE000SLA5AA2 |
| Solactive Canada Large Cap Index (PR) | .SOLCALCP | DE000SLA5AB0 |
| Solactive Canada Large Cap Index (NTR) | .SOLCALCN | DE000SLA5AD6 |
| Solactive Canada Large Cap Index (GTR) | .SOLCALCG | DE000SLA5AC8 |
| Solactive Canada Large Cap Index (CA NTR) | .SOLCALCC | DE000SLA5AE4 |
| Solactive Canada Large Cap Equal Weight Index (PR) | .SOLCALEP | DE000SLA5AF1 |
| Solactive Canada Large Cap Equal Weight Index (NTR) | .SOLCALEN | DE000SLA5AK1 |
| Solactive Canada Large Cap Equal Weight Index (GTR) | .SOLCALEG | DE000SLA5AH7 |

Rationale for Proposed Change[s]

The Canada Broad Market Index was designed to cover all Canadian companies that fulfil the liquidity criteria outlined in the guideline document. To determine whether a company should be classified as a Canadian company, the country assignment of the Canada broad market index is constructed as follows:

a company must have its primary listing on the TSX and its country of risk must be Canada. Even though these rules seemed appropriate at the time of the index creation, it could lead to a company being excluded from the index that has Canada as its country of incorporation, country of domicile, and country of risk, but being primary listed outside of Canada. Given this would contradict the objective of the index to represent the Canadian equity market, we propose to change the country assignment. Given the dependency of the Solactive Canada Large Cap Index on the Solactive Canada Broad Market Index this change in country assignment might also affect the other index.

Proposed Changes to the Index Guideline

The following Methodology changes are proposed in the following points of the Index Guideline (ordered in accordance with the numbering of the affected sections):

* *The old country assignment will be removed from “Index Universe” under Section 4 of the index guideline:*
  + 1. Primary listing on the Toronto Stock Exchange (TSX)
  + 2. Country of risk: Canada
* *The new country assignment will be added to “Index Universe” under Section 4 of the index guideline:*
  + 1. Listed on the Toronto Stock Exchange (TSX)
  + 2. Country of Primary Listing [CPL] and Country of Incorporation [COI] are equal to Canada. If these do not coincide, then the Country of Domicile [COD] and the Country of Risk [COR] are additionally considered to determine if a security should be assigned to Canada.

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.

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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 above mentioned Indices and welcomes any feedback on how this may affect and/or improve their use of Solactive indices.

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Consultation Procedure

Stakeholders and third parties who are interested in participating in this Market Consultation, are invited to respond until September 26th, 2019 (cob).

Please send your feedback via email to [compliance@solactive.com](mailto:compliance@solactive.com), specifying “Market Consultation Solactive Canada Broad Market Index Country Assignment” as the subject of the email, or

via postal mail to: **Solactive AG**

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Germany

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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. |  |



# Contact

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