

# MARKET CONSULTATION SOLACTIVE GLOBAL BENCHMARK SERIES

25 November 2019



## Content of the Market Consultation

Solactive AG has decided to conduct a Market Consultation with regard to changing the Index Methodology of the Solactive Global Benchmark Series.

### Rationale for Proposed Changes

The Global Benchmark Series was designed to cover all companies in the developed and emerging market countries that fulfil the liquidity criteria outlined in the guideline document and to provide a broad representation of the global equity market. One of the liquidity criteria outlined in the guideline document is the free float percentage requirement of at least 10% (7.5%) for new (current) Index Components.

This requirement could lead to a company being excluded from the index that has a low free float percentage but still belongs to the largest companies in terms of absolute float market capitalization. Given this would contradict the objective of the index to represent a broad global equity market, Solactive proposes to change the float percentage requirement.

### Proposed Changes to the Index Guideline

The following Methodology changes are proposed in the following points of the Index Guideline:

- *The free float percentage requirement stated under Section 4 "Index Universe" (Tradability Requirements) of the index guideline will be changed from:*

#### *3. Tradability Requirements:*

*[...]*

- *New (Current) Index Components require a free float percentage of at least 10% (7.5%).*

*[...]*

- *New Index Components require a free float percentage of at least 10%.*

*[...]*

*to*

#### *3. Tradability Requirements:*

*[...]*

- *New (Current) Index Components require a free float percentage of at least 10% (7.5%). In case the Free Float Market Capitalization of a security is at least USD 1,000,000,000 (750,000,000) for new (current) Index Components, the float percentage requirement is not considered.*

*[...]*



- *New Index Components require a free float percentage of at least 10%. In case the Free Float Market Capitalization of a security is at least USD 1,000,000,000 for new Index Components, the float percentage requirement is not considered.*

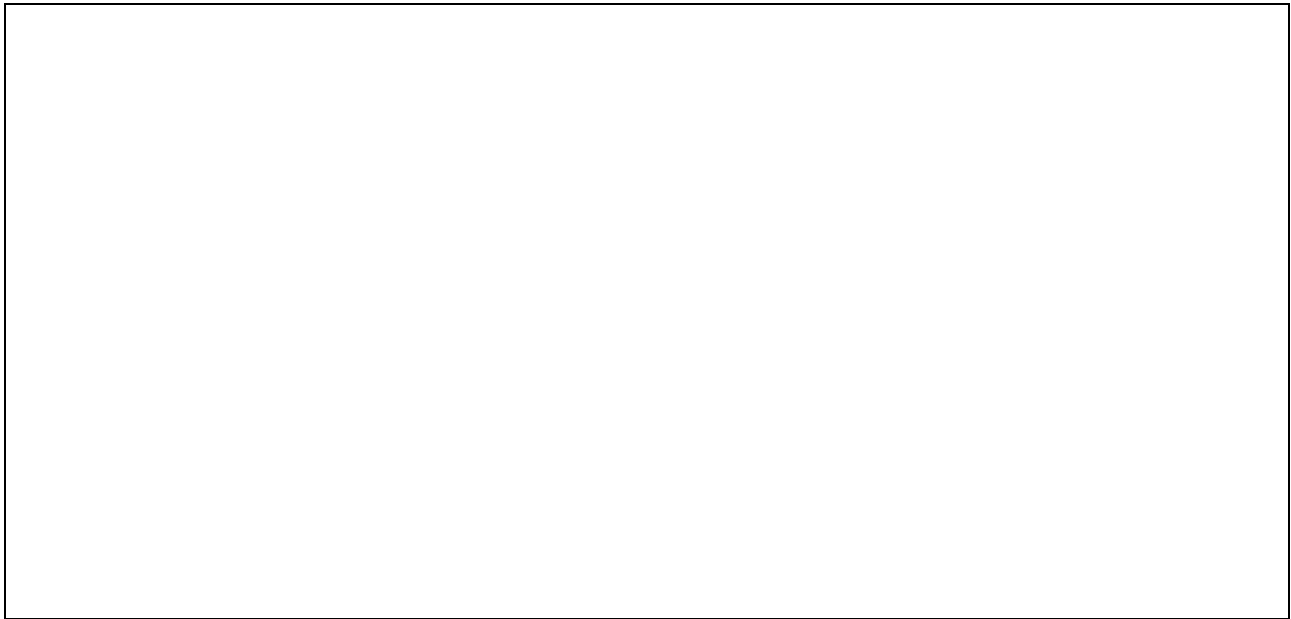
[...]

### 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 above mentioned 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 December 13<sup>th</sup>, 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  
Platz der Einheit 1  
60327 Frankfurt am Main  
Germany

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

# CONTACT

**Solactive AG**

**German Index Engineering**

Platz der Einheit 1

60327 Frankfurt am Main

Germany

Tel.: +49 (0) 69 719 160 00

Fax: +49 (0) 69 719 160 25

Email: [info@solactive.com](mailto:info@solactive.com)

Website: [www.solactive.com](http://www.solactive.com)

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