

MARKET CONSULTATION KNIGHTS OF COLUMBUS U.S. ALL CAP INDEX

18 March 2020



Content of the Market Consultation

Solactive AG has decided to conduct a Market Consultation with regard to changing the Index Methodology of the following Index (the '**Index**');

NAME	RIC	ISIN
Knights Of Columbus U.S. All CAP Index	.KOFCUSAC	DE000SLA99Y6

Rationale for Market Consultation

The aim of the Index is to represent all the companies in the Solactive U.S. Broad Market Index, whose policies and practices are consistent with the United States Conference of Catholic Bishops' Socially Responsible Investing Guidelines. In evaluating the Original Screening Criteria and the resulting securities included in the Index, a limited number of discrepancies were identified between the aim and the screening methodology. In order to align better with the objective of the Index, the following changes are proposed.

Proposed Changes to the Index Guideline

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

- *Exclude stocks that have any ties to production of technology for human stem cell research*
- *No longer exclude companies that have any ties to Nuclear Weapons or Nuclear Weapons outside of the Non-Proliferation Treaty and generate revenues below 5% from such activities.*
- *For Military Equipment and Services, the maximum revenue share is now allowed to be 50%, compared to 5% before.*

In order to reflect the proposed changes, the following shall be implemented in the table in section 2.2. of the Index Guideline:

Factor	Exclusion (current wording)	Exclusion (new wording)
Stem Cell Research	Engagement in human embryonic stem cell (HESC), fetal tissue, cloning research or research organizations contracted to conduct human, embryonic, fetal or adult stem cell research.	Engagement in human embryonic stem cell (HESC), fetal tissue, cloning research or research organizations contracted to conduct human, embryonic, fetal or adult stem cell research, development or



		production of technology specially designed/applied for human stem cell research.
Military Equipment & Weapons	Receives a Red Flag or Amber Flag rating from the designated screening resource for involvement in anti-personnel mines, biological weapons, chemical weapons, cluster munitions, depleted uranium, nuclear weapons, nuclear weapons outside of the Non-Proliferation Treaty (NPT) or percentage share of revenues derived from involvement in military equipment or services greater than 5%.	Receives a Red Flag or Amber Flag rating from the designated screening resource for involvement in anti-personnel mines, biological weapons, chemical weapons, cluster munitions, percentage share of revenues derived nuclear weapons and nuclear weapons outside of the Non-Proliferation Treaty (NPT) greater than 5% or involvement in military equipment or services greater than 50%.

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 KNIGHTS OF COLUMBUS U.S. ALL CAP INDEX 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 April 2nd, 2020 (cob).

Please send your feedback via email to compliance@solactive.com, specifying " MARKET CONSULTATION KNIGHTS OF COLUMBUS U.S. ALL CAP INDEX 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

Website: www.solactive.com

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