

MARKET CONSULTATION-
SOLACTIVE EM LOCAL
CURRENCY GOVERNMENT
BOND SELECT NTR INDEX

17 June 2020



Content of the Market Consultation

Solactive AG has decided to conduct a Market Consultation with regard to a potential change of the selection criteria of the following Index (the '**Affected Index**');

NAME	RIC	ISIN
Solactive EM Local Currency Government Bond Select NTR Index	.SOLEBLS	DE000SLA8QH7

Rationale for Market Consultation

The Affected Index is a rules-based index engineered to measure the performance of emerging market government bonds issued in local currency. This index was designed excluding South Korea because of the restrictions on the tradability of the currency at that time. At present, the tradability and accessibility situation in the South Korean market has improved therefore Solactive considers a change in the selection criteria. This change is aimed to maintain the objective of the index which is the replication of the investible universe of emerging market bonds in local currency.

Proposed Change to the Index Guideline

The following Methodology change is proposed in the following point of the Index Guideline:

1. Section 2.1 "Selection of the Index components"

a) Removal of South Korea exclusion:

Old Version:

2.1 Selection of the Index components

{..}

Sub-indices

The Index Series is broken down into several sub-indices, which may have additional criteria listed below.

Name	Currency Type	Additional Requirements	Capping
Solactive USD EM Government & Govt Related TR Index	Hard: USD	N/A	N/A
Solactive EUR EM Government & Govt Related TR Index	Hard: EUR	N/A	N/A
Solactive LCY EM Government TR Index	Local	N/A	N/A
Solactive EM USD Govt & Govt Related Bond Select CAD NTR Index	Hard: USD	Russia and Ukraine non- sovereign issuers are excluded. Countries whose total weight is less than 0.3% of all eligible countries on each annual review in May will be excluded.	Country Weight: Min: 1% Max: 7.5%
Solactive EM USD Govt & Govt Related Bond Select CAD Hedged NTR Index	Hard: USD	Russia and Ukraine non- sovereign issuers are excluded. Countries whose total weight is less than 0.3% of all eligible countries on each annual review in May will be excluded.	Country Weight: Min: 1%



			Max:7,5%
Solactive EM Local Currency Government Bond Select NTR Index	Local	South Korea is excluded. Countries whose total weight is less than 0.5% of all eligible countries on each annual review in May will be excluded.	Country Weight: Min: 2% Max:10%

New Version:

2.1 Selection of the Index components

[..]

Sub-indices

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Name	Currency Type	Additional Requirements	Capping
Solactive USD EM Government & Govt Related TR Index	Hard: USD	N/A	N/A
Solactive EUR EM Government & Govt Related TR Index	Hard: EUR	N/A	N/A
Solactive LCY EM Government TR Index	Local	N/A	N/A
Solactive EM USD Govt & Govt Related Bond Select CAD NTR Index	Hard: USD	Russia and Ukraine non- sovereign issuers are excluded. Countries whose total weight is less than 0.3% of all eligible countries on each annual review in May will be excluded.	Country Weight: Min: 1% Max:7,5%
Solactive EM USD Govt & Govt Related Bond Select CAD Hedged NTR Index	Hard: USD	Russia and Ukraine non- sovereign issuers are excluded. Countries whose total weight is less than 0.3% of all eligible countries on each annual review in May will be excluded.	Country Weight: Min: 1% Max:7,5%
Solactive EM Local Currency Government Bond Select NTR Index	Local	Countries whose total weight is less than 0.5% of all eligible countries on each annual review in May will be excluded.	Country Weight: Min: 2% Max:10%

Implementation of the Change

The implementation of the above change will be postponed until the July selection.

Feedback on the Market Consultation

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)	

Consultation Procedure

Stakeholders, index users and third parties who are interested in participating in this Market Consultation, are invited to respond until ***June 30th 2020 (cob)***.

Subject to feedback received on this Market Consultation, the changes mentioned above are intended to become effective on July 14th , 2020.

Please send your feedback via email to compliance@solactive.com, specifying "Market Consultation Solactive EM Local Currency Government Bond Select NTR 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.



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