

MARKET CONSULTATION SOLACTIVE ECOMMERCE LOGISTICS INDEX

07 August 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
Solactive eCommerce Logistics Index	.SOLECOM	DE000SLA33G2

Rationale for Market Consultation

Solactive has detected possible liquidity constraints of the instruments with a low Average Daily Value Traded, included in the Index, hence Solactive proposes to amend the weighting scheme of the Index. Furthermore, Solactive proposes to increase the amount of Business Days between the Selection Day and the Rebalancing Day from 5 Business Days to 10 Business Days, in order to be more transparent and to provide the market participants with the new Index composition as soon as possible.

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):

1. Section 2.2 Ordinary Adjustment

From (old version):

"[...] In respect of each Selection Day immediately preceding such Adjustment Day that is a Rebalancing Day, each Index Component is weighted equally such that the total Index Component Weight of all Index Components is equal to 100%. [...]"

To (new version):

"[...] In respect of each Selection Day immediately preceding such Adjustment Day that is a Rebalancing Day, each Index Component is weighted equally such that the total Index Component Weight of all Index Components is equal to 100%, subject to the following constraints:

- i. if the 3m Average Daily Value Traded is less than USD 2,000,000, then the Index Component Weight of such Index Component shall be capped at 1% provided the initial weight is greater than 1%;

- ii. if the 3m Average Daily Value Traded is less than USD 3,000,000 but greater than or equal to USD 2,000,000, then the Index Component Weight of such Index Component shall be capped at 2% provided the initial weight is greater than 2%; and
- iii. if the 3m Average Daily Value Traded is less than USD 4,000,000 but greater than or equal to USD 3,000,000, then the Index Component Weight of such Index Component shall be capped at 3% provided the initial weight is greater than 3%.

Any residual weight that arises from capping the Index Component Weights shall be distributed equally to the remaining Index Components, subject to the constraints i-iii above. For the avoidance of doubt, Index Components affected from the aforementioned constraints will be excluded from the weight redistribution if this process increases their weight above the defined weight caps. [...]"

2. Section 4. DEFINITIONS

- Change of definition of "Review Day"

From (old version):

"Review Day" means each day that occurs on the 2nd Friday of each calendar month and if such day is not a Business Day, the immediately following Business Day."

To (new version):

"Review Day" means each day that occurs on the 1st Friday of each calendar month and if such day is not a Business Day, the immediately following Business Day."

- Change of definition of "Selection Day"

From (old version):

"Selection Day" means each day that occurs on the 2nd Friday of April and 2nd Friday of October, and if such day is not a Business Day, the immediately following Business Day."

To (new version):

"Selection Day" means each day that occurs on the 1st Friday of April and 1st Friday of October, and if such day is not a Business Day, the immediately following Business Day."

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 eCommerce Logistics 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 August 21, 2020.

Please send your feedback via email to compliance@solactive.com, specifying "Market Consultation Solactive eCommerce Logistics 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

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