SOLACTIVE
German Index Engineering

MARKET CONSULTATION | THE NORTH AMERICAN MOC MARIJUANA INDEX | CHANGE OF METHODOLOGY

29 October 2020

Content of the Market Consultation

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

NAME	RIC	ISIN
The North American MOC Marijuana Index NTR	.BAMMARN	DE000SLA7WM7
The North American MOC Marijuana Index TR	.BAMMART	DE000SLA7WN5

Rationale for Market Consultation

Due to the development in the Cannabis market Solactive AG considers to lower the selection criteria in terms of Market Capitalization, Average Daily Value Traded and minimum Stock Price to adapt to the changing Cannabis market environment and strong volatility. Solactive AG intends to ensure that the universe of eligible companies does not fall below 15 Index Components, therefore additional steps of relaxation would be applied to the new thresholds mentioned in the proposed changes. More specifically, the new minimum thresholds of Market Capitalization and Average Daily Value Traded will be relaxed stepwise by 10% until 15 Index Components are selected. The relaxation would not apply to the minimum Stock Price to selection of 15 Index Components.

Please see below a detailed illustration of the proposed methodology changes.

Changes to the Index Guideline

OLD WORDING:

2.1 SELECTION OF THE INDEX COMPONENTS

The initial composition of the Index as well as any ongoing adjustment are based on the following non-discretionary rules:

On the Selection Days, Solactive AG defines the Index Universe as outlined in Section 4. The selection of the Index Components proceeds as follows.

The Index applies different selection criteria to current Index Constituents and Non-Constituents as highlighted in columns one and two in the table below. All companies fulfilling these criteria are added to the Index with a maximum allowable weight as highlighted in column three in the table below.

Inclusion criteria for companies not yet included in the Index	Inclusion criteria for existing Index Components	Maximum Weight for individual security
> Market Capitalization of at least CAD 400,000,000 > Average Daily Value Traded ("ADV") over the past 30 Trading Days up to and including the Selection Day of at least CAD 3,000,000 > The security's price must exceed CAD 3.00	> Market Capitalization of at least CAD 360,000,000 > Average Daily Value Traded ("ADV") over the past 30 Trading Days up to and including the Selection Day of at least CAD 2,000,000 > The security's price must exceed CAD 3.00	10%
> Market Capitalization of at least CAD 200,000,000 > Average Daily Value Traded ("ADV") over the past 30 Trading Days up to and including the Selection Day of at least CAD 1,500,000 > The security's price must exceed CAD 1.00	> Market Capitalization of at least CAD 180,000,000 > Average Daily Value Traded ("ADV") over the past 30 Trading Days up to and including the Selection Day of at least CAD 1,200,000 > The security's price must exceed CAD 1.00	6%

NEW WORDING:

2.1 SELECTION OF THE INDEX COMPONENTS

The initial composition of the Index as well as any ongoing adjustment are based on the following non-discretionary rules:

On the Selection Days, Solactive AG defines the Index Universe as outlined in Section 4. The selection of the Index Components proceeds as follows.

The Index applies different selection criteria to current Index Constituents and Non-Constituents as highlighted in columns one and two in the table below. All companies fulfilling these criteria are added to the Index with a maximum allowable weight as highlighted in column three in the table below.

	1.	2.	3.
	Inclusion criteria for companies not yet included in the Index	Inclusion criteria for existing Index Components	Maximum Weight for individual security
1.	> Market Capitalization of at least CAD 400,000,000 > Average Daily Value Traded ("ADV") over the past 90 Trading Days up to and including the Selection Day of at least CAD 3,000,000 > The security's price must exceed CAD 3.00	> Market Capitalization of at least CAD 360,000,000 > Average Daily Value Traded ("ADV") over the past 90 Trading Days up to and including the Selection Day of at least CAD 2,000,000 > The security's price must exceed CAD 3.00	10%
2..	> Market Capitalization of at least CAD 140,000,000 > Average Daily Value Traded ("ADV") over the past 90 Trading Days up to and including the Selection Day of at least CAD 1,000,000 > The security's price must exceed CAD 0.80	> Market Capitalization of at least CAD 120,000,000 > Average Daily Value Traded ("ADV") over the past 90 Trading Days up to and including the Selection Day of at least CAD 800,00 > The security's price must exceed CAD 0.80	6%

If the application of selection criteria above results in less than 15 Index Components, the minimum criteria (Row 2.) will be relaxed stepwise by 10% until 15 Index Components are selected. The above-mentioned steps of relaxation do not apply for the security's price.

The table below shows an illustration for the thresholds under a first step of relaxation (i.e. reducing Market Capitalization and ADV over 90 Days by 10%).

2.	> Market Capitalization of at least CAD 126,000,000 > Average Daily Value Traded ("ADV") over the past 90 Trading Days up to and including the Selection Day of at least CAD 900,000 > The security's price must exceed CAD 0.80	> Market Capitalization of at least CAD 108,000,000 > Average Daily Value Traded ("ADV") over the past 90 Trading Days up to and including the Selection Day of at least CAD 720,000 > The security's price must exceed CAD 0.80	> 6%

Defined terms used in this Market Consultation document, but not defined herein, have the meaning assigned to them in the respective index guideline of the Indices.

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 North American MOC Marijuana 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 November 11th, 2020 (cob).

Subject to feedback received on this Market Consultation, the changes mentioned above are intended to become effective on November 18th , 2020.

Please send your feedback via email to compliance@solactive.com, specifying "Market Consultation Solactive North American MOC Marijuana Index" as the subject of the email, or

via postal mail to: Solactive AG
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60327 Frankfurt am Main
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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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