MARKET CONSULTATION SOLACTIVE GLOBAL INNOVATION INDEX

21 December 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 Indices (the 'Affected Indices'):

Indexname	RIC	ISIN
Solactive Global Innovation GTR Index	.SOLEDGET	DE000SLA5FJ2
Solactive Global Innovation NTR Index	.SOLEDGEN	DE000SLA5FK0
Solactive Global Innovation PR Index	.SOLEDGE	DE000SLA5FL8

Rationale for Market Consultation

Solactive AG deems the current Index Methodology lacking regarding the appropriate reflection of the Index Objective. The Index Objective is set to represent an investable universe of publicly-traded companies that are involved in innovative and disruptive technological trends across a broad range of industries. The Affected Indices classify the trends in several themes and a company is eligible for inclusion in the Affected Indices if it derives its assets or revenue from the themes. The themes need to be reviewed on an ongoing basis as new technological trends could arise or the currently defined themes need to be adjusted or removed. In order to align better with the Index Objective of the Affected Indices, 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 ordered in accordance with the numbering of the affected sections):

1. Section 1.5: Weighting

    From (old version):

    "[...] Finally, Index Components within the Index Categories are weighted equally apart from the Index Category Cyber Security – provided the Category is eligible for inclusion – where companies are weighted to their Security-level Market Capitalization capped at a maximum weight of 7.5 per cent times the Category weight as determined in the above mechanism."

    To (new version):

    "[...] Finally, Index Components within the Index Categories are weighted equally apart from the Index Category Cyber Security and Cloud Computing & Big Data – provided the Category is eligible for inclusion – where companies are weighted to their Security-level Market Capitalization capped at a maximum weight of 7.5 per cent times the Category weight as determined in the above mechanism."

2. Section: 2.1 Selection of the Index Components

<u>From (old version):</u>

"Based on the criteria outlined in Chapter 4, the Index Calculator determines the securities that are eligible for inclusion in the index. These securities are filtered according to the criteria below, resulting in the final index selection: All companies in the Index Universe are sorted into the following nine Index Categories based on their Industry as outlined in the following table:

Index Category	Industry/Index
Blockchain	Blockchain Technology Cryptocurrency Mining Cryptocurrency Trading / Exchanges
Cloud Computing & Big Data	Enterprise Management Software
Cyber Security	Carrier Edge Network Management Equipment Customer Premises Network Security Equipment Colocation and Data Center Services Government IT Services Network Security Access Policy Software Network Security Software
Future Cars	Car Manufacturers Auto Interior Comfort/Safety/Electronics Products Fuel Cell Equipment and Technology Providers Heavy-Duty and High-End Batteries Manufacturing Video Multimedia Semiconductors General Analog and Mixed Signal Semiconductors
Genomics	Hematological Oncology Biopharmaceuticals Other Oncology Biopharmaceuticals Biotechnology and Genomics (GMO/Hybrids) Products
Robotics & Automation	Factory Automation Equipment

	General Semiconductors
	Industrial Machine Parts and Support Equipment
	Processor Semiconductors
	Specialized Semiconductors
	Programmable Logic and ASIC Semiconductors
	Household Robotics
	Surgical Robotic Systems
Social Media	Communication and Collaboration Content Sites
	Web Search Sites and Software
Virtual/Augmented Reality	Virtual Reality Design and Engineering Software
	Home and Office Virtual Reality Software
	Virtual Reality Equipment
5G	Wireless Services
	Other Network Software
	Network Security Software
	Network Administration Software
	Network Security Access Policy Software
	Diversified Technology Hardware
	General Communications Equipment
	Other Communications Semiconductors

For the Index Categories Future Cars and Cyber Security, the selection process of the Index Components follows the process as defined in the index guideline of the Solactive Future Cars Index and the Solactive Global Cyber Security Index, respectively:

https://www.solactive.com/wp-content/uploads/2017/10/Solactive-Future-Cars-Index.pdf

https://www.solactive.com/wp-content/uploads/2017/08/Solactive-Global-Cyber-Security-Index.pdf

For the remaining Index Categories, the Top 10 companies according to the Security-level Market Capitalization are selected as Index Components. Should there be less than 5 eligible companies in an Index Category, the entire Index Category is not considered further in the index selection process."

To (new version):

"Based on the criteria outlined in Chapter 4, the Index Calculator determines the securities that are eligible for inclusion in the index. These securities are filtered according to the criteria below, resulting in the final index selection:

All companies in the Index Universe are sorted into the following nine Index Categories based on their Industry as outlined in the following table:

Index Category	Industries
Blockchain	Blockchain Technology Cryptocurrency Mining Cryptocurrency Trading / Exchanges
Cloud Computing & Big Data	Enterprise Management Software Internet Hosting Services Network Infrastructure Software Communications Infrastructure Software Data Storage Infrastructure Software Diversified IT Infrastructure Software Data Storage Drives and Peripherals Information and Disk Storage Systems Multi-Type Data Storage Hardware Makers Web Search Sites and Software General and Mixed-Type Software Productivity Software Internet Department Stores
Cyber Security	Carrier Edge Network Management Equipment Customer Premises Network Security Equipment Colocation and Data Center Services Government IT Services Network Security Access Policy Software Network Security Software

Future Cars	Alternative Energy Car Manufacturers
	Multi-Type Car Manufacturers
	Auto Interior Comfort/Safety/Electronics Products
	Fuel Cell Equipment and Technology Providers
	Heavy-Duty and High-End Batteries Manufacturing
	Video Multimedia Semiconductors
	General Analog and Mixed Signal Semiconductors
Genomics	Hematological Oncology Biopharmaceuticals
	Other Oncology Biopharmaceuticals
	Biotechnology and Genomics (GMO/Hybrids) Products
	Diversified Bioanalytical Instruments
	Analytical and Bioanalytical Services
	Bioanalytical Consumables
	Genetic Molecular Diagnostic Test Kits
Robotics & Automation	Factory Automation Equipment
	General Semiconductors
	Industrial Machine Parts and Support Equipment
	Processor Semiconductors
	Specialized Semiconductors
	Programmable Logic and ASIC Semiconductors
	Household Robotics
	Surgical Robotic Systems
Video Gaming	Electronic Gaming/Entertainment Electronics Makers
	Console Games Software Index Guideline 10
	Handheld and Smart Phone Games Software
	Online Game Websites and Software
	Other Games Software
Virtual/Augmented Reality	Virtual Reality Design and Engineering Software
	Home and Office Virtual Reality Software

	Virtual Reality Equipment
5G	Wireless Services
	Other Network Software
	Network Security Software
	Network Administration Software
	Network Security Access Policy Software
	Diversified Technology Hardware
	General Communications Equipment
	Other Communications Semiconductors

For the Index Categories Future Cars, Cyber Security, Video Gaming and Cloud Computing & Big Data, the selection process of the Index Components follows the process as defined in the index guideline of the Solactive Future Cars Index, Solactive Global Cyber Security Index, Solactive eGaming Index and Solactive Global Cloud Computing Index, respectively:

https://www.solactive.com/wp-content/uploads/2017/10/Solactive-Future-Cars-Index.pdf

https://www.solactive.com/wp-content/uploads/2017/08/Solactive-Global-Cyber-Security-Index.pdf

https://www.solactive.com/wp-content/uploads/2019/06/Solactive-eGaming-Index_Guideline-1.pdf

https://solactive.com/downloads/Guideline-Solactive-SGCLOUD.pdf

For the remaining Index Categories, the Top 10 companies according to the Security-level Market Capitalization are selected as Index Components. Should there be less than 5 eligible companies in an Index Category, the entire Index Category is not considered further in the index selection process."

3. Section: 4 Definitions

Definition of "Index Universe"

From (old version):

"Index Universe" in respect of a Selection Day are companies that fulfill the following criteria:
[…]

4. Companies must be classified under any of the following FactSet Revere Business Industry Classification System ("RBICS") (sub)-industries:

Communication and Collaboration Content Sites, Web Search Sites and Software, Enterprise Management Software, Blockchain Technology, Cryptocurrency Mining, Cryptocurrency Trading /

Exchanges, Hematological Oncology Biopharmaceuticals, Other Oncology Biopharmaceuticals, Biotechnology and Genomics (GMO/Hybrids) Products, Factory Automation Equipment, General Semiconductors, Industrial Machine Parts and Support Equipment, Processor Semiconductors, Specialized Semiconductors, Programmable Logic and ASIC Semiconductors, Household Robotics, Surgical Robotic Systems, Car Manufacturers, Auto Interior Comfort/Safety/Electronics Products, Fuel Cell Equipment and Technology Providers, Heavy-Duty and High-End Batteries Manufacturing, Video Multimedia Semiconductors, General Analog and Mixed Signal Semiconductors, Carrier Edge Network Management Equipment, Customer Premises Network Security Equipment, Colocation and Data Center Services, Government IT Services, Network Security Access Policy Software, Network Security Software, Virtual Reality Design and Engineering Software, Home and Office Virtual Reality Software, Virtual Reality Equipment, Wireless Services, Other Network Software, Network Administration Software, Diversified Technology Hardware, General Communications Equipment and Other Communications Semiconductors.

To (new version):

"Index Universe" in respect of a Selection Day are companies that fulfill the following criteria:
[…]

4.   Companies must be classified under any of the following FactSet Revere Business Industry Classification System ("RBICS") (sub)-industries:

Blockchain Technology, Cryptocurrency Mining, Cryptocurrency Trading / Exchanges, Enterprise Management Software,Internet Hosting Services,Network Infrastructure Software,Communications Infrastructure Software,Data Storage Infrastructure Software,Diversified IT Infrastructure Software,Data Storage Drives and Peripherals,Information and Disk Storage Systems,Multi-Type Data Storage Hardware Makers,Web Search Sites and Software,General and Mixed-Type Software,Productivity Software,Internet Department Stores,Carrier Edge Network Management Equipment,Customer Premises Network Security Equipment,Colocation and Data Center Services,Government IT Services,Network Security Access Policy Software,Network Security Software,Alternative Energy Car Manufacturers,Multi-Type Car Manufacturers,Auto Interior Comfort/Safety/Electronics Products,Fuel Cell Equipment and Technology Providers,Heavy-Duty and High-End Batteries Manufacturing,Video Multimedia Semiconductors,General Analog and Mixed Signal Semiconductors,Hematological Oncology Biopharmaceuticals,Other Oncology Biopharmaceuticals,Biotechnology and Genomics (GMO/Hybrids) Products,Diversified Bioanalytical Instruments,Analytical and Bioanalytical Services,Bioanalytical Consumables,Genetic Molecular Diagnostic Test Kits,Factory Automation Equipment,General Semiconductors,Industrial Machine Parts and Support Equipment,Processor Semiconductors,Specialized Semiconductors,Programmable Logic and ASIC Semiconductors,Household Robotics,Surgical Robotic Systems,Electronic Gaming/Entertainment Electronics Makers,Console Games Software Index Guideline 10,Handheld and Smart Phone Games Software,Online Game Websites and

Software,Other Games Software,Virtual Reality Design and Engineering Software,Home and Office Virtual Reality Software,Virtual Reality Equipment,Wireless Services,Other Network Software,Network Security Software,Network Administration Software,Network Security Access Policy Software,Diversified Technology Hardware,General Communications Equipment,Other Communications Semiconductors.

Definition of "Index Category"

From (old version):

"Index Category" is any of the following: Blockchain, Cloud Computing & Big Data, Cyber Security. Future Cars, Genomics, Robotics & Automation, Social Media, Virtual/Augmented Reality
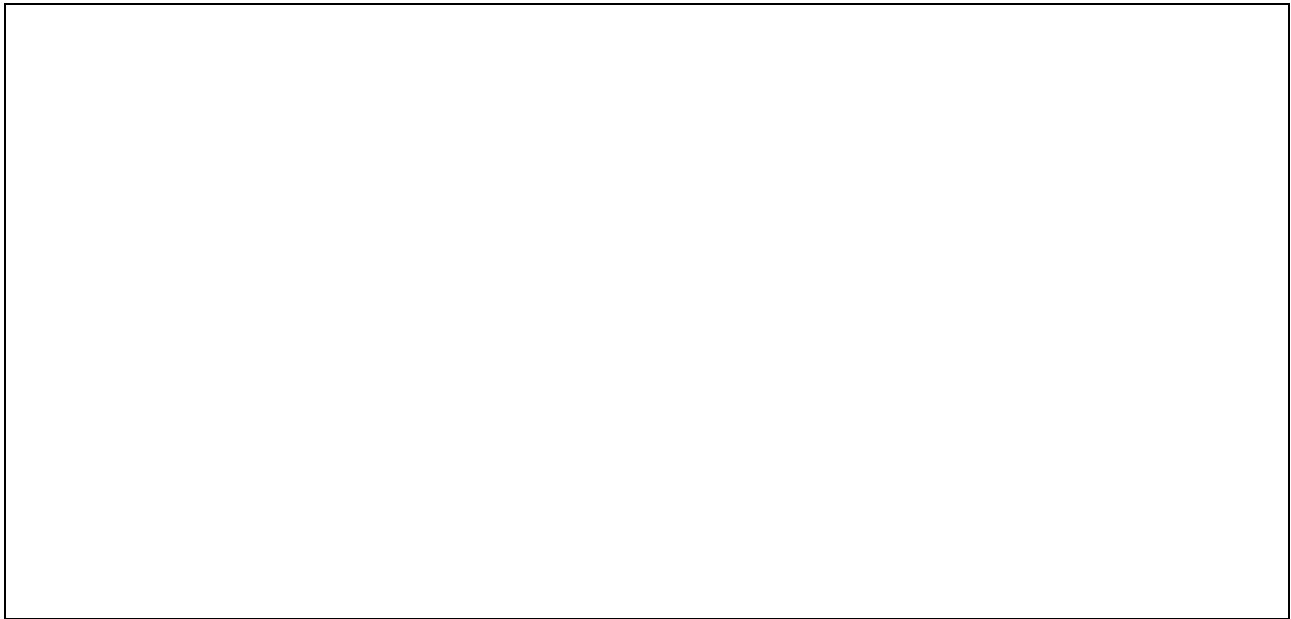
To (new version):

"Index Category" is any of the following: Cloud Computing & Big Data, Cyber Security. Future Cars, Genomics, Robotics & Automation, Virtual/Augmented Reality, 5G, Video Gaming.

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 Global Innovation 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 30/12/2020.

Subject to feedback received on this Market Consultation, the changes mentioned above are intended to become effective on 08/01/2021.

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