

Market Consultation | Solactive High Income MLP Index| Change of Methodology

18 June 2021

**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 ‘Affected Indices’):

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| --- | --- | --- |
| **NAME** | **RIC** | **ISIN** |
| Solactive High Income MLP Index TR  Solactive High Income MLP Index | .YMLPTR  .YMLP | DE000SLA2UL4  DE000SLA2ML1 |

**Rationale for Market Consultation**

Due to the development in the MLP market, Solactive AG considers to adjust the selection criteria in terms of Market Capitalization and Average Daily Value Traded to be able to maintain a sufficient amount of index components for/within the Affected Indices. More specifically, the minimum thresholds of the Market Capitalization will be reduced to USD 100.000.000 and the three-month Average Daily Value Traded to USD 500.000.

**Changes to the Index Guideline**

Old wording;

Section 2.1 Selection of the Index Components

[…]

In addition, all securities included in the Eligible Security Pool must be listed and traded on a recognized U.S. securities exchange and have a market capitalization of at least $400 million on Security Selection Day. When measuring the market capitalization of foreign-issued MLPs, total worldwide shares outstanding will be used. Securities must also have a most recent three-month average daily U.S. dollar trading volume of at least $1 million and an MQD policy in place. When measuring the U.S. dollar trading volume of foreign-issued MLPs, only prices and shares traded on U.S. exchanges will be used.

[…]

New wording:

Section 2.1 Selection of the Index Components

[…]

In addition, all securities included in the Eligible Security Pool must be listed and traded on a recognized U.S. securities exchange and have a market capitalization of at least $100 million on Security Selection Day. When measuring the market capitalization of foreign-issued MLPs, total worldwide shares outstanding will be used. Securities must also have a most recent three-month average daily U.S. dollar trading volume of at least $500 thousand and an MQD policy in place. When measuring the U.S. dollar trading volume of foreign-issued MLPs, only prices and shares traded on U.S. exchanges will be used.

[…]

Old wording;

Section 4 Definitions

[…]

“Eligible Security Pool” in respect of a Selection Day are those entities that fulfill the following conditions:

(a) A Market Capitalization of at least 400 million USD

(b) An average daily value traded in the last three months of at least 1 million USD

(c) Listing on a securities exchange in the United States

(d) Structured as a master limited partnership (MLP)

(e) Classified as a High Income MLP

(f) MQD policy in place

(g) At least one distribution has been paid out to shareholders

New wording:

Section 4 Definitions

[…]

“Eligible Security Pool” in respect of a Selection Day are those entities that fulfill the following conditions:

(a) A Market Capitalization of at least 100 million USD

(b) An average daily value traded in the last three months of at least 500 thousand USD

(c) Listing on a securities exchange in the United States

(d) Structured as a master limited partnership (MLP)

(e) Classified as a High Income MLP

(f) MQD policy in place

(g) At least one distribution has been paid out to shareholders

*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 **Solactive High Income MLP Index** and welcomes any feedback on how this may affect and/or improve their use of Solactive indices.

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**Consultation Procedure**

Stakeholders and third parties who are interested in participating in this Market Consultation, are invited to respond until **July 06th, 2021 (cob)**.

Subject to feedback received on this Market Consultation, the changes mentioned above are intended to become effective on **July 09th, 2021**.

Please send your feedback via email to [compliance@solactive.com](mailto:compliance@solactive.com), specifying “**Market Consultation Solactive High Income Infrastructure MLP Index**” as the subject of the email, or

via postal mail to: **Solactive AG**

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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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