

MARKET CONSULTATION
SOLACTIVE EQUILEAP GLOBAL
GENDER EQUALITY 100
LEADERS INDEX

08 August 2022



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'):

RIC	Name	ISIN
.SOLGGEP	Solactive Equileap Global Gender Equality 100 Leaders Price Return Index	DE000SLA3SX1
.SOLGGENR	Solactive Equileap Global Gender Equality 100 Leaders Net Total Return Index	DE000SLA3S00
.SOLGGEGR	Solactive Equileap Global Gender Equality 100 Leaders Gross Total Return Index	DE000SLA3S18

Rationale for the Market Consultation

The Index provides exposure to companies which have demonstrated a commitment to gender diversity as part of their corporate responsibility strategy. Given the gender equality theme is part of the Governance pillar of the ESG score, which is already strong in this Index, a stricter controversial activity screening is suggested to strengthen its sustainability profile. This would make this Index a better alternative for clients targeting comprehensive ESG products.

Additionally, in order to ensure that transaction costs remain manageable and to reduce the operational pressure on both the index provider performing the selection as well as clients having to act on the selection results, Solactive is proposing the following technical changes as well:

- Limiting the direct index one-way turnover on each annual rebalancing to 20%
- Preponement of the Selection and Review Day to 15 Calculation Days before the Rebalance Day.
- The Fixing Day will remain 10 Calculation Days before the Rebalance Day

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):



Section 2.2 Selection of the Index Components

From the old version:

[...]

1. All securities are then screened for involvement in the certain controversial activities as provided by the ESG Data Provider:
 - a. Coal extraction and power generation: exclude companies which derive more than 50% of their revenue.
 - b. Controversial Businesses: exclude companies which have more than 50% revenue exposure to Gambling, Tobacco Products or Weapon Industry (both Military and Controversial Weapons).
 - i. Controversial Weapons includes companies with any exposure to Anti-personnel mines, Biological and Chemical Weapons, Cluster Munitions, Depleted Uranium as well as Nuclear Weapons.
 - c. Norms Based Research: exclude companies with verified infringement of established international initiatives and guidelines (such as UN Principles and OECD Guidelines).

[...]

First, the top 30 US listed shares are included in the index, regardless of Gender Score. Then the next highest scoring US stocks will be added, but only if they have a score of at least 14, up to maximum 50 US stocks in total. Lastly the highest scoring companies from the rest of the world will be added to total 100 stocks in the composition, ensuring that no country is represented by more than 10 securities.

[...]

To the new version:

[...]

1. All securities are then screened for involvement in the certain controversial activities as provided by the ESG Data Provider:
 - a. Fossil Fuel Involvement: exclude companies which derive more than 5% of their revenue from Coal Mining and Power Generation, Hydraulic Fracturing, Oil & Sands as well as any involvement in Deep Water Drilling.



- b. Nuclear Energy: exclude companies which derive more than 10% of their revenues from production, distribution or supports of products related to Nuclear Energy
- c. Controversial Businesses: exclude companies which have more than 5% revenue exposure to Adult Entertainment, Alcoholic Beverages, Gambling and Tobacco Products.
- d. Military Equipment: exclude companies with more than 10% revenue exposure to Military Equipment (incl. weapons, significant ownership in weapons, weapon related products and/or services, significant ownership in weapon related products and/or services, non-weapon related products and/or services and significant ownership in non-weapon related products and/or services (sum of all these activities should be <10% / significant ownership <10%).
- e. Controversial Weapons: exclude companies with any exposure to Anti-personnel mines, Biological and Chemical Weapons, Cluster Munitions, Depleted Uranium as well as Nuclear Weapons.
- f. Norms Based Research: exclude companies with verified infringement of established international initiatives and guidelines (such as UN Principles and OECD Guidelines).

[...]

First, the top 30 US listed shares are included in the index, regardless of Gender Score. Then the next highest scoring US stocks will be added, but only if they have a score of at least 14, up to maximum 50 US stocks in total. Lastly the highest scoring companies from the rest of the world will be added to total 100 stocks in the composition, ensuring that no country is represented by more than 10 securities.

At the same time, a turnover cap of 20% is applied separately to the US and non US section of the index.

[...]

Section 6. Definitions

From the old version:

"REVIEW DAY" is 10 CALCULATION DAYS before the REBALANCE DAY in March, June and December.



“**SELECTION DAY**” is 10 CALCULATION DAYS before the REBALANCE DAY in September.

To the new version:

“**FIXING DAY**” is the 10 CALCULATION DAYS before the REBALANCE DAY.

“**REVIEW DAY**” is 15 CALCULATION DAYS before the REBALANCE DAY in March, June and December.

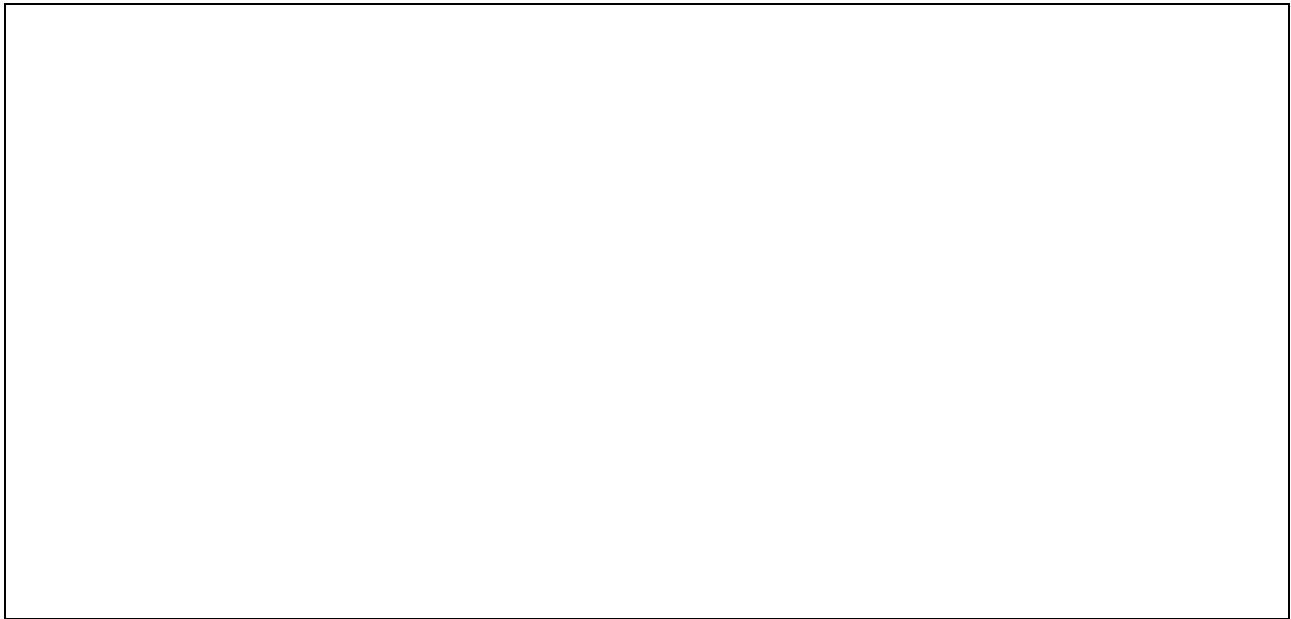
“**SELECTION DAY**” is 15 CALCULATION DAYS before the REBALANCE DAY in September.

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 EQUILEAP GLOBAL GENDER EQUALITY 100 LEADERS 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 22nd, 2022*.

Subject to feedback received on this Market Consultation, the changes mentioned above are intended to become effective on September 5th, 2022.

Please send your feedback via email to marketconsultation@solactive.com, specifying "Market Consultation SOLACTIVE EQUILEAP GLOBAL GENDER EQUALITY 100 LEADERS 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

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

© Solactive AG