

Market Consultation | Solactive US Benchmark Index Series | Guideline change

30 January 2023

**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 ‘Indices’):

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| **Name** | **RIC** | **ISIN** |
| Solactive US Broad Market Index (GTR, PR) | .SOLUSBMG  .SOLUSBMI | DE000SLA1GB6  DE000SLA1F15 |
| Solactive US Large Cap Index (GTR, PR, NTR) | .SOLUSLCG  .SOLUSLCP  .SOLUSLCX | DE000SLA0Q47  DE000SLA0Q54  DE000SLA1706 |
| Solactive US Large & Mid Cap Index (GTR, PR) | .SOLUSMCG  .SOLUSMCP | DE000SLA0Q62  DE000SLA0Q70 |
| Solactive US Small Cap Index (GTR, PR) | .SOLUSSCG  .SOLUSSCP | DE000SLA0Q88  DE000SLA0Q96 |
| Solactive US Small & Mid Cap Index (GTR, PR) | .SOLUSSMG .SOLUSSMG | DE000SLA1JU0 DE000SLA1JT2 |
| Solactive US Large Cap Equal Weight Index (PR, GTR, NTR) | .SOLUSLEP  .SOLUSLEG  .SOLUSLEN | DE000SLA3FM1  DE000SLA3FN9  - |
| Solactive US Large Cap Index (CA NTR) | .SOLUSLCC | DE000SLA9K10 |
| Solactive US Large Cap CAD Index (CA NTR, PR) | .SOUSLCCC  .SOUSLCCP | DE000SLA5AL9  DE000SLA5BU8 |

**Rationale for the Market Consultation**.

Abnormally high-priced securities are difficult to be traded by ETF managers and institutional investors due to round lot and liquidity concerns. In recent years, fractional shares trading has inflated the liquidity of a high-priced security, making such a security eligible for inclusion in the affected indices based on the current liquidity criteria of the Indices. While accessible to retail investors, the liquidity from fractional shares trading may be inaccessible to institutional investors who must track the index turnover of such a high-priced security in whole share units. The proposed changes aim to make the affected indices more investable by excluding very high-priced securities as outliers to the universe of the Indices. If successful, the changes will take effect for the May-2023 rebalance of the Indices.

**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).

To exclude very high-priced securities, the following change will apply to the corresponding section:

Section 4

An additional criterion is added in filtering securities to form the index universe:

*“9. The security must have a closing price of less than 20,000 USD on the Selection 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 Indices and welcomes any feedback on how this may affect and/or improve their use of the 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 *2023-02-14.*

Subject to feedback received on this Market Consultation, the changes mentioned above are intended to become effective on *2023-02-21*.

Please send your feedback via email to [marketconsultation@solactive.com](mailto:marketconsultation@solactive.com), specifying “**Market Consultation** **| Solactive US Benchmark Index Series | February 2023**” 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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