

# 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'):

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:

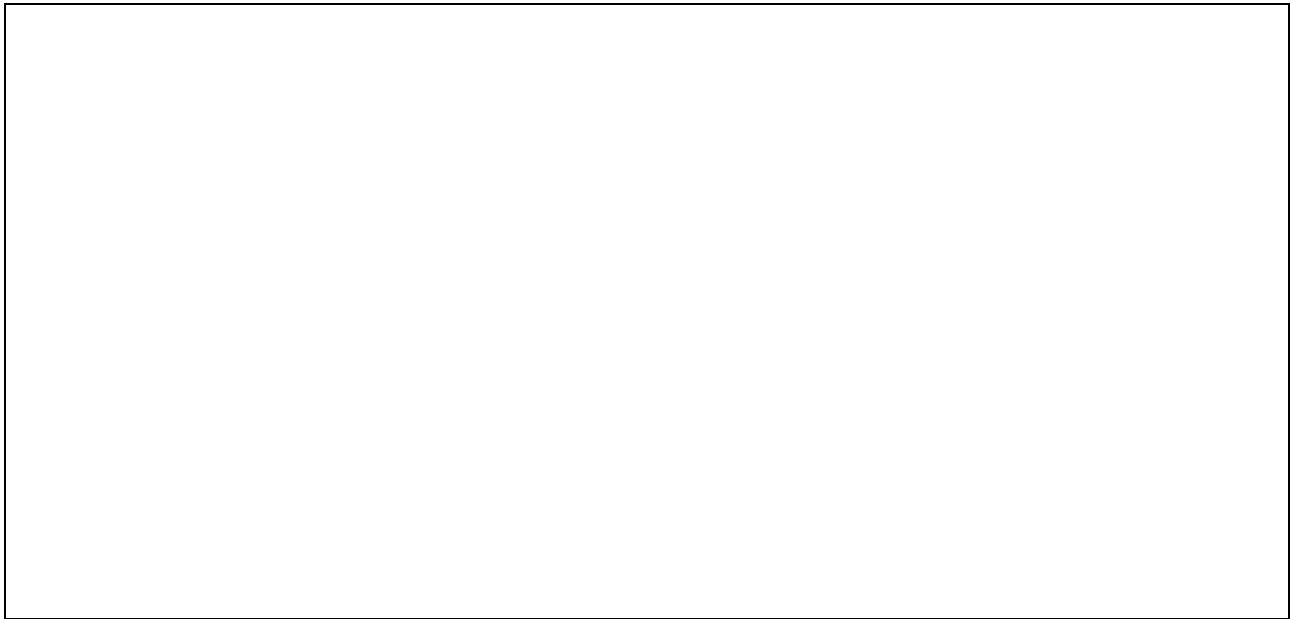
*"9. The security must have a closing price of less than 20,000 USD on the Selection Day."*

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.



### 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  
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.



