

Market Consultation | Solactive United States Benchmark Series | Guideline Change

31 March 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 United States 1000 Index | .SUSA1KP | DE000SL0FQG6 |
| Solactive United States 1000 Index NTR | .SUSA1KN | DE000SL0FQH4 |
| Solactive United States 1000 Index TR | .SUSA1KT | DE000SL0FQJ0 |
| Solactive United States 2000 Index | .SUSA2KP | DE000SL0FQK8 |
| Solactive United States 2000 Index NTR | .SUSA2KN | DE000SL0FQL6 |
| Solactive United States 2000 Index TR | .SUSA2KT | DE000SL0FQM4 |
| Solactive United States 3000 Index | .SUSA3KP | DE000SL0FQN2 |
| Solactive United States 3000 Index NTR | .SUSA3KN | DE000SL0FQP7 |
| Solactive United States 3000 Index TR | .SUSA3KT | DE000SL0FQQ5 |
| Solactive United States 200 Index | .SUS02KP | DE000SL0GKV6 |
| Solactive United States 200 Index NTR | .SUS02KN | DE000SL0GKW4 |
| Solactive United States 200 Index TR | .SUS02KT | DE000SL0GKX2 |
| Solactive United States 800 Index | .SUS08KP | DE000SL0GKY0 |
| Solactive United States 800 Index NTR | .SUS08KN | DE000SL0GKZ7 |
| Solactive United States 800 Index TR | .SUS08KT | DE000SL0GK04 |
| Solactive United States 2500 Index | .SUS25KP | DE000SL0GKS2 |
| Solactive United States 2500 Index NTR | .SUS25KN | DE000SL0GKT0 |
| Solactive United States 2500 Index TR | .SUS25KT | DE000SL0GKU8 |

**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 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 these 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 June-2023 rebalance of the Indices.

**Proposed Change to the Index Guideline**

The following Methodology change is proposed in the following point 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:

2.2. Selection of the Index Components

An additional criterion is added in filtering eligible securities:

“3. New (Current) Index Components must have a closing price of less than USD 20,000 (25,000).”

We would also appreciate your feedback on whether the USD 20,000 (25,000) price threshold is appropriate or too high.

**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 United States Benchmark Series 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 *2023-04-14.*

Subject to feedback received on this Market Consultation, the changes mentioned above are intended to become effective on *2023-05-01*.

Please send your feedback via email to [marketconsultation@solactive.com](mailto:marketconsultation@solactive.com), specifying “**Market Consultation | Solactive United States Benchmark Series | March 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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