

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"):

NAME	RIC	ISIN
SOLACTIVE UNITED STATES 1000 INDEX	.SUSA1KP	DE000SLOFQG6
SOLACTIVE UNITED STATES 1000 INDEX NTR	.SUSA1KN	DE000SLOFQH4
SOLACTIVE UNITED STATES 1000 INDEX TR	.SUSA1KT	DE000SLOFQJ0
SOLACTIVE UNITED STATES 2000 INDEX	.SUSA2KP	DE000SLOFQK8
SOLACTIVE UNITED STATES 2000 INDEX NTR	.SUSA2KN	DE000SLOFQL6
SOLACTIVE UNITED STATES 2000 INDEX TR	.SUSA2KT	DE000SLOFQM4
SOLACTIVE UNITED STATES 3000 INDEX	.SUSA3KP	DE000SLOFQN2
SOLACTIVE UNITED STATES 3000 INDEX NTR	.SUSA3KN	DE000SLOFQP7
SOLACTIVE UNITED STATES 3000 INDEX TR	.SUSA3KT	DE000SLOFQQ5
SOLACTIVE UNITED STATES 200 INDEX	.SUS02KP	DE000SLOGKV6
SOLACTIVE UNITED STATES 200 INDEX NTR	.SUS02KN	DE000SLOGKW4
SOLACTIVE UNITED STATES 200 INDEX TR	.SUS02KT	DE000SLOGKX2
SOLACTIVE UNITED STATES 800 INDEX	.SUS08KP	DE000SLOGKY0
SOLACTIVE UNITED STATES 800 INDEX NTR	.SUS08KN	DE000SLOGKZ7
SOLACTIVE UNITED STATES 800 INDEX TR	.SUS08KT	DE000SLOGK04
SOLACTIVE UNITED STATES 2500 INDEX	.SUS25KP	DE000SLOGKS2
SOLACTIVE UNITED STATES 2500 INDEX NTR	.SUS25KN	DE000SLOGKT0
SOLACTIVE UNITED STATES 2500 INDEX TR	.SUS25KT	DE000SLOGKU8



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.



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, specifying "Market Consultation | Solactive United States Benchmark Series | March 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.

CONTACT

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