

MARKET CONSULTATION- SEVERAL SOLACTIVE INDICES

04 August 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 AgTech and Food Innovation Index	.SOLKROP	DE000SLODNX3
Solactive AgTech and Food Innovation Index GTR	.SOLKROPT	DE000SLODNY1
Solactive AgTech and Food Innovation Index PR	.SOLKROPP	DE000SLODNW5
Solactive Disruptive Materials Index	.SOLDMAT	DE000SLOEWY0
Solactive Disruptive Materials Index GTR	.SOLDMATT	DE000SLOEWZ7
Solactive Disruptive Materials Index NTR	.SOLDMATN	DE000SLOEW02
Solactive Disruptive Materials Index PR	.SOLDMATP	DE000SLOEWX2
Solactive Blockchain Index	.SOLBKCH	DE000SLODNR5
Solactive Blockchain Index GTR	.SOLBKCHT	DE000SLODNS3
Solactive Blockchain Index PR	.SOLBKCHP	DE000SLODNQ7
Solactive Global Clean Water Industry Index	.SOLAQWA	DE000SLOCZJ8
Solactive Global Clean Water Industry Index GTR	.SOLAQWAT	DE000SLOCZJ8
Solactive Global Clean Water Industry Index PR	.SOLAQWAP	DE000SLOCZG4
Solactive Wind Energy Index	.SOLWNDY	DE000SLOEBJ5
Solactive Wind Energy Index GTR	.SOLWNDYT	DE000SLOEBK3
Solactive Wind Energy Index PR	.SOLWNDYP	DE000SLOEBH9
Solactive Global Hydrogen Index	.SOLGHYD	DE000SLODNU9
Solactive Global Hydrogen Index GTR	.SOLGHYDT	DE000SLODNV7
Solactive Global Hydrogen Index PR	.SOLGHYDP	DE000SLODNT1
Solactive Solar Index	.SOLRAYS	DE000SLOEBF3
Solactive Solar Index GTR	.SOLRAYST	DE000SLOEBG1
Solactive Solar Index PR	.SOLRAYSP	DE000SLOEBE6
Solactive AgTech and Food Innovation V2 Index	.SOLKROP2	DE000SLODIY8
Solactive AgTech and Food Innovation v2 Index GTR	.SOKROP2T	DE000SLODIZ5



Solactive AgTech and Food Innovation v2 Index PR	.SOKROP2P	DE000SL0D1X0
Solactive Disruptive Materials V2 Index	.SOLDMAT2	DE000SL0EW69
Solactive Disruptive Materials v2 Index GTR	.SODMAT2T	DE000SL0EW77
Solactive Disruptive Materials v2 Index NTR	.SODMAT2N	DE000SL0EW85
Solactive Disruptive Materials v2 Index PR	.SODMAT2P	DE000SL0EW51
Solactive Blockchain V2 Index	.SOLBKCH2	DE000SL0D1V4
Solactive Blockchain v2 Index GTR	.SOBKCH2T	DE000SL0D1W2
Solactive Blockchain v2 Index PR	.SOBKCH2P	DE000SL0D1U6
Solactive Global Clean Water Industry V2 Index	.SOAQWA2	DE000SL0CZS9
Solactive Global Clean Water Industry v2 Index GTR	.SOAQWAT2	DE000SL0CZT7
Solactive Global Clean Water Industry v2 Index PR	.SOAQWAP2	DE000SL0CZR1
Solactive Wind Energy V2 Index	.SOLWNDY2	DE000SL0D1L5
Solactive Wind Energy v2 Index GTR	.SOWNDY2T	DE000SL0D1M3
Solactive Wind Energy v2 Index PR	.SOWNDY2P	DE000SL0D1K7
Solactive Global Hydrogen V2 Index	.SOLGHYD2	DE000SL0D1P6
Solactive Global Hydrogen v2 Index GTR	.SOGHYD2T	DE000SL0D1Q4
Solactive Global Hydrogen v2 Index PR	.SOGHYD2P	DE000SL0D1N1
Solactive Solar V2 Index	.SOLRAYS2	DE000SL0D1S0
Solactive Solar v2 Index GTR	.SORAYS2T	DE000SL0D1T8
Solactive Solar v2 Index PR	.SORAYS2P	DE000SL0D1R2

Rationale for the Market Consultation

Solactive believes that the current weighting scheme logic incorrectly applies a weight floor freeze whereby index components with floored weights (<0.3%) based on Free-Float Market Capitalization, do not receive any redistributed excess weights. This incorrect application acts more as a cap rather than a floor by disallowing the excess weight distribution to floored index constituents in the steps following the weight floor in the weighting scheme. The proposed changes to the methodology will adjust the iterative order in which the weighting mechanism is applied to the index components. Previously the weighting floor of 0.3% was applied to the components during the second step of the weighting scheme, which prevented excess weight to be distributed to these floored components, thus resulting in the floor incorrectly acting as a cap. The proposed changes will move this 0.3% flooring to the last step of the



iterative weighting scheme, allowing for excess weighting to be distributed to all components before adding this minimum weighting requirement.

Proposed Change to the Index Guideline

The following Methodology change is proposed in the following point of the Index Guidelines: (ordered in accordance with the numbering of the affected sections):

2.3.1. WEIGHTING OF THE INDEX COMPONENTS

From:

(...)

- 1) The maximum weight of an INDEX COMPONENT is 12%.
- 2) The minimum weight of an INDEX COMPONENT is 0.3%.
- 3) The aggregate weight of the INDEX COMPONENTS listed on a Russian stock exchange cannot exceed 15% of the index weight.
- 4) The aggregate weight of the INDEX COMPONENTS weighted above 4.5% is capped at 48%. The remaining companies are capped at 4.5%.
- 5) The aggregate weight of Pre-Revenue and Diversified companies cannot exceed 15% of the index weight, and the maximum weight of a Pre-Revenue or Diversified company is 4%.

(...)

To:

(...)

- 1) The maximum weight of an INDEX COMPONENT is 12%.
- 2) The aggregate weight of the INDEX COMPONENTS listed on a Russian stock exchange cannot exceed 15% of the index weight.
- 3) The aggregate weight of the INDEX COMPONENTS weighted above 4.5% is capped at 48%. The remaining companies are capped at 4.5%.
- 4) The aggregate weight of Pre-Revenue and Diversified companies cannot exceed 15% of the index weight, and the maximum weight of a Pre-Revenue or Diversified company is 4%.
- 5) The minimum weight of an INDEX COMPONENT is 0.3%.

(...)

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 Several Solactive Indices 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 11, 2023.

[Subject to feedback received on this Market Consultation, the changes mentioned above are intended to become effective on August 16, 2023.]



Market Consultation- Several Solactive Indices

Please send your feedback via email to marketconsultation@solactive.com, specifying "Market Consultation- Several Solactive Indices" as the subject of the email, or

via postal mail to: Solactive AG
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60327 Frankfurt am Main
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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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