

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’):

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| --- | --- | --- |
| **NAME** | **RIC** | **ISIN** |
| Solactive AgTech and Food Innovation Index  Solactive AgTech and Food Innovation Index GTR  Solactive AgTech and Food Innovation Index PR  Solactive Disruptive Materials Index  Solactive Disruptive Materials Index GTR  Solactive Disruptive Materials Index NTR  Solactive Disruptive Materials Index PR  Solactive Blockchain Index  Solactive Blockchain Index GTR  Solactive Blockchain Index PR  Solactive Global Clean Water Industry Index  Solactive Global Clean Water Industry Index GTR  Solactive Global Clean Water Industry Index PR  Solactive Wind Energy Index  Solactive Wind Energy Index GTR  Solactive Wind Energy Index PR  Solactive Global Hydrogen Index  Solactive Global Hydrogen Index GTR  Solactive Global Hydrogen Index PR  Solactive Solar Index  Solactive Solar Index GTR  Solactive Solar Index PR  Solactive AgTech and Food Innovation V2 Index  Solactive AgTech and Food Innovation v2 Index GTR  Solactive AgTech and Food Innovation v2 Index PR  Solactive Disruptive Materials V2 Index  Solactive Disruptive Materials v2 Index GTR  Solactive Disruptive Materials v2 Index NTR  Solactive Disruptive Materials v2 Index PR  Solactive Blockchain V2 Index  Solactive Blockchain v2 Index GTR  Solactive Blockchain v2 Index PR  Solactive Global Clean Water Industry V2 Index  Solactive Global Clean Water Industry v2 Index GTR  Solactive Global Clean Water Industry v2 Index PR  Solactive Wind Energy V2 Index  Solactive Wind Energy v2 Index GTR  Solactive Wind Energy v2 Index PR  Solactive Global Hydrogen V2 Index  Solactive Global Hydrogen v2 Index GTR  Solactive Global Hydrogen v2 Index PR  Solactive Solar V2 Index  Solactive Solar v2 Index GTR  Solactive Solar v2 Index PR | .SOLKROP  .SOLKROPT  .SOLKROPP  .SOLDMAT  .SOLDMATT  .SOLDMATN  .SOLDMATP  .SOLBKCH  .SOLBKCHT  .SOLBKCHP  .SOLAQWA  .SOLAQWAT  .SOLAQWAP  .SOLWNDY  .SOLWNDYT  .SOLWNDYP  .SOLGHYD  .SOLGHYDT  .SOLGHYDP  .SOLRAYS  .SOLRAYST  .SOLRAYSP  .SOLKROP2  .SOKROP2T  .SOKROP2P  .SOLDMAT2  .SODMAT2T  .SODMAT2N  .SODMAT2P  .SOLBKCH2  .SOBKCH2T  .SOBKCH2P  .SOAQWA2  .SOAQWAT2  .SOAQWAP2  .SOLWNDY2  .SOWNDY2T  .SOWNDY2P  .SOLGHYD2  .SOGHYD2T  .SOGHYD2P  .SOLRAYS2  .SORAYS2T  .SORAYS2P | DE000SL0DNX3  DE000SL0DNY1  DE000SL0DNW5  DE000SL0EWY0  DE000SL0EWZ7  DE000SL0EW02  DE000SL0EWX2  DE000SL0DNR5  DE000SL0DNS3  DE000SL0DNQ7  DE000SL0CZJ8  DE000SL0CZJ8  DE000SL0CZG4  DE000SL0EBJ5  DE000SL0EBK3  DE000SL0EBH9  DE000SL0DNU9  DE000SL0DNV7  DE000SL0DNT1  DE000SL0EBF3  DE000SL0EBG1  DE000SL0EBE6  DE000SL0D1Y8  DE000SL0D1Z5  DE000SL0D1X0  DE000SL0EW69  DE000SL0EW77  DE000SL0EW85  DE000SL0EW51  DE000SL0D1V4  DE000SL0D1W2  DE000SL0D1U6  DE000SL0CZS9  DE000SL0CZT7  DE000SL0CZR1  DE000SL0D1L5  DE000SL0D1M3  DE000SL0D1K7  DE000SL0D1P6  DE000SL0D1Q4  DE000SL0D1N1  DE000SL0D1S0  DE000SL0D1T8  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)]:

## 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.

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**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.]

Please send your feedback via email to [marketconsultation@solactive.com](mailto:marketconsultation@solactive.com), specifying “**Market Consultatio**n- Several Solactive Indices” 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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