

MARKET CONSULTATION SOLACTIVE GLOBAL BENCHMARK SERIES

28 March 2024



Content of the Market Consultation

Solactive AG has decided to conduct a Market Consultation regarding the proposal for multiple methodology enhancements for the Solactive Global Benchmark Series. The indices contained in the Solactive Global Benchmark Series which would be affected by the proposed changes are available on the Solactive website: <https://solactive.com/downloads/Solactive-GBS-List-of-published-Indices.pdf>.

Details on the proposed changes

The proposed changes relate to the following elements of the methodology for the Solactive Global Benchmark Series:

1. Reconstitution Frequency:
Change from a semi-annually reconstitution with quarterly IPO reviews to a full quarterly reconstitution.
2. Foreign Investment Limitations:
 - a) *Review of the foreign ownership room only if the foreign ownership limit is less than 100%.*
 - b) *Thailand: Aggregation of the weight under the respective Common Stock, i.e., remove foreign ownership limits if the NVDR does not face any issuance limitations.*
3. Choice of Listing:
Introduction of a regional listing into the determination hierarchy, i.e., local > regional > global.
4. Relative Liquidity Determination:
Replacement of the volume filter by a relative liquidity measure.

For more detailed information on the proposed changes, the impact on the methodology of the Solactive Global Benchmark Series, and the rationale behind each proposed change, please refer to the document "Market Consultation - Solactive GBS – Detailed Information", which is published on the Solactive website together with this Market Consultation.

Questions for consulted parties

1. Reconstitution Frequency:
Change from a semi-annually reconstitution with quarterly IPO reviews to a full quarterly reconstitution.
 1. *Do you agree with the proposal to switch to a quarterly reconstitution cycle?*



2. *Do you foresee any issues with a more frequent and timelier update of the index universe?*
3. *Do you foresee any issues with the slightly increased average turnover and number of additions/deletions within the index universe?*

2. Foreign Investment Limitations:

- a) *Review of the foreign ownership room only if the foreign ownership limit is less than 100%.*
 1. *Do you agree with the proposal that no restrictions will be applied if the foreign ownership limit is 100%?*
 2. *Do you agree with neglecting a weight reduction if the foreign room requirement is not met, and the foreign ownership limit is 100%?*
- b) *Thailand: Aggregation of the weight under the respective Common Stock, i.e., remove foreign ownership limits if the NVDR does not face any issuance limitations.*
 3. *Do you agree with the proposal on how foreign ownership limitations will be considered for the Thai Equity Market?*
 4. *Do you agree with including the local share instead of the NVDR?*
 5. *Do you agree with the removal of the foreign share independent of its liquidity, or shall the foreign share still be considered for index inclusion depending on its liquidity?*

3. Choice of Listing:

Introduction of a regional listing into the determination hierarchy, i.e., local > regional > global.

1. *Do you agree with the proposal that regional listings are preferred over global listings?*
2. *Do you agree with the proposal of an observation period of four consecutive selections before switching to a different listing within the hierarchy?*
3. *Do you see potential issues with cases like Coca-Cola Europacific Partners plc or KE Holdings, Inc. Sponsored ADR Class A, where the global liquidity exceeds its regional liquidity?*
 - a) *If yes, would you agree with the alternative solution?*
 1. *Do you agree with the proposed thresholds to allow for a switch between the regional and global listing?*
 - b) *If you do not agree with any of the proposed changes, shall no changes be made to the choice of listing determination?*



4. Relative Liquidity Determination:

Replacement of the volume filter by a relative liquidity measure.

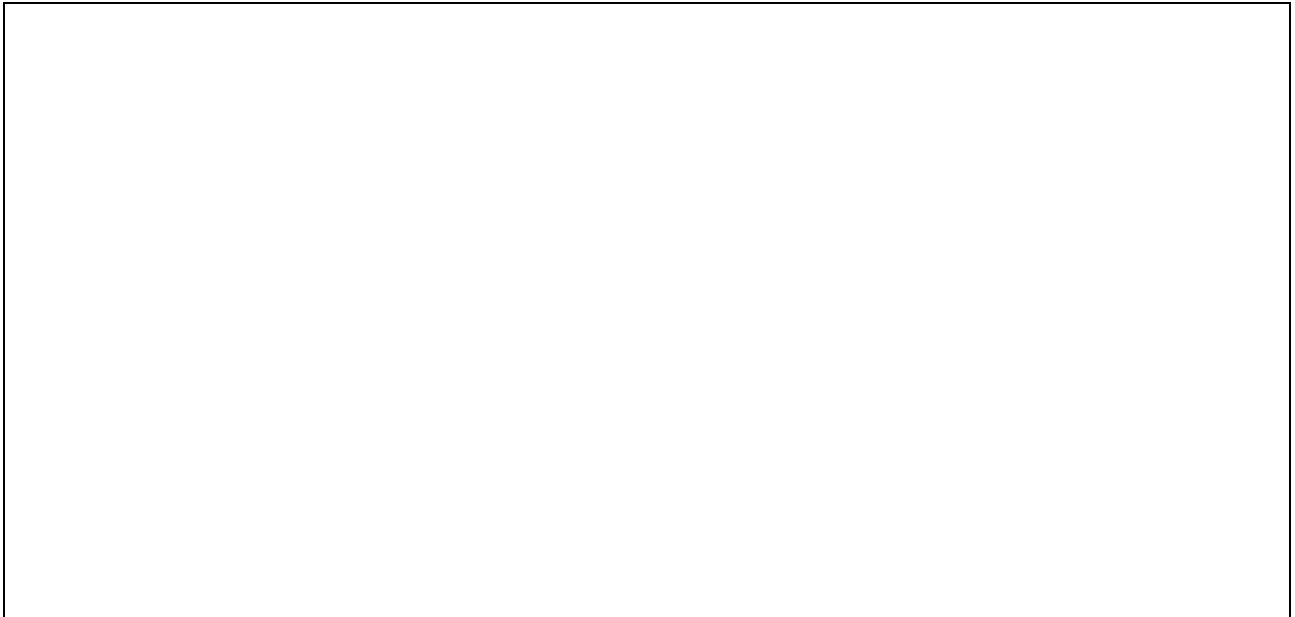
1. *Do you agree with the price threshold of USD 15,000 (30,000) for new (current) index constituents?*
 - a) *If not, would a price threshold of USD 10,000 (20,000) for new (current) index constituents be more appropriate? OR*
 - b) *If not, what is an appropriate threshold from your perspective?*
2. *In times of fractional trading, is a high trade price in terms of the liquidity profile still a concern for the replicability of our indices?*
 - a) *If not, would you agree with the alternative solution?*

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 Global 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 April 30th, 2024.

Subject to feedback received on this Market Consultation, the changes summarized above and explained in more detail in the document "Market Consultation - Solactive GBS – Detailed Information", which is published on the Solactive website together with this Markt Consultation, are intended to become effective on June 30th, 2024.

Please send your feedback via email to marketconsultation@solactive.com, specifying Market Consultation Solactive Global Benchmark Series 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 questions, please do not hesitate to contact us via above email address.

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