

MARKET CONSULTATION
SOLACTIVE GLOBAL
SEMICONDUCTOR TOP 4 PLUS
INDEX – CHANGE OF
METHODOLOGY

14 June 2024



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 Global Semiconductor Top 4 Plus Index PR	.SOGLSEMP	DE000SLOG185
Solactive Global Semiconductor Top 4 Plus Index NTR	.SOGLSEMN	DE000SLOG193
Solactive Global Semiconductor Top 4 Plus Index GTR	.SOGLSEMT	DE000SLOG2A3

Rationale for the Market Consultation

As part of our annual index methodology review, Solactive has undertaken to make adjustments to the respective indices to further refine the alignment of the selection process with its overarching objectives.

Solactive proposes adding a criterion in the selection process detailed in section 2.2: the company listed on the Korean exchange with the highest Free Float Market Capitalization within one of the four categories (Memory Semiconductors, Non-memory Semiconductors, Foundry Services, Semiconductor Equipment) will automatically be designated as the industry leader for its specific category. The industry leader from each category will receive a weight of 20%. This addition aims to enhance regional diversification within the index composition.

Additionally, Solactive suggests excluding the RBICS Industry "Diversified Technology Hardware" from the Memory Semiconductors category.



Proposed Changes to the Index Guideline

The following Methodology changes are proposed in the following points of the Index Guideline:

Section 2.2 Selection of the Index Components

From:

(...)

- 2) All companies are ranked within their index category on their FREE FLOAT MARKET CAPITALIZATION in a descending order. The top company from the categories Memory Semiconductors, Non-memory Semiconductors, Foundry Services and Semiconductor Equipment are selected.
- 3) All remaining securities are re-ranked based on their FREE FLOAT MARKET CAPITALIZATION in a descending order. The highest-ranked companies from all categories above are selected to have a total number of INDEX CONSTITUENTS of 10 securities.

The selection of the INDEX COMPONENTS is fully rule-based and the INDEX ADMINISTRATOR cannot make any discretionary decision.

To:

(...)

- 2) All companies are ranked within their respective category (Memory Semiconductors, Non-memory Semiconductors, Foundry Services, and Semiconductor Equipment) based on their FREE FLOAT MARKET CAPITALIZATION in descending order.

First, the company listed on the Korean exchange with the highest FREE FLOAT MARKET CAPITALIZATION that falls under one of these four categories is identified. This company automatically becomes the industry leader for its specific category.

The industry leaders for the three remaining categories are then selected based on their FREE FLOAT MARKET CAPITALIZATION, following the initial ranking within each category.

- 3) All remaining securities are re-ranked based on their FREE FLOAT MARKET CAPITALIZATION in a descending order. The highest-ranked companies from all categories above are selected to have a total number of INDEX CONSTITUENTS of 10 securities.

The selection of the INDEX COMPONENTS is fully rule-based and the INDEX ADMINISTRATOR cannot make any discretionary decision.



Section 2.3 Weighting of the Index Components

From:

(...)

- 1) The top company by FREE FLOAT MARKET CAPITALIZATION from the categories Memory Semiconductors, Non-memory Semiconductors, Foundry Services and Semiconductor Equipment receives a weight of 20%.

(...)

To:

(...)

- 1) The industry leaders from the categories Memory Semiconductors, Non-memory Semiconductors, Foundry Services and Semiconductor Equipment receives a weight of 20%.

(...)



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 Semiconductor Top 4 Plus Index 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 June 28, 2024 (cob).

Subject to feedback received on this Market Consultation, the changes mentioned above are intended to become effective on July 09, 2024.

Please send your feedback via email to marketconsultation@solactive.com, specifying "Market Consultation Solactive Global Metaverse Innovation Index" 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

Solactive AG

German Index Engineering

Platz der Einheit 1

60327 Frankfurt am Main

Germany

Tel.: +49 (0) 69 719 160 00

Fax: +49 (0) 69 719 160 25

Email: info@solactive.com

Website: www.solactive.com

© Solactive AG