

MARKET CONSULTATION- SOLACTIVE GLOBAL HYDROGEN V2 INDEX

21 August 2019



Content of the Market Consultation

Solactive AG has decided to conduct a Market Consultation with regard to changing the Index Methodology of the following Index (the 'Index'):

NAME	RIC	ISIN
Solactive Global Hydrogen v2 Index PR	.SOGHYD2P	DE000SLOD1N1
Solactive Global Hydrogen v2 Index GTR	.SOGHYD2T	DE000SLOD1Q4
Solactive Global Hydrogen v2 Index	.SOLGHYD2	DE000SLOD1P6

Rationale for the Market Consultation

Due to the current market volatility within the Hydrogen industry, several big-name players in the Hydrogen v2 index have exceeded weight of 20% each). This has caused significant issues with UCITS compliance for end users of the index. During the construction of the index, every step was taken to reduce fluctuations in market activity such as the one seen recently within the Hydrogen space. This index is currently rebalanced semi-annually and is reweighted semi-annually whenever there is a breach within the weight caps outlined within the index guideline. Breaches over 16%, are capped at 15% during this semi-annual re-weighting process. Unfortunately, all these steps still were not enough to mitigate the large fluctuation in several hydrogen names leading to overconcentration within the index. In order to assist the end users from experiencing issues with compliance issues resulting from the aforementioned overconcentration of the Hydrogen v2 index, we are proposing the following changes.

Proposed Change to the Index Guideline

The following Methodology change is proposed in the following point of the Index Guideline [3.2 EXTRAORDINARY REBALANCE] (ordered in accordance with the numbering of the affected sections):

From:

This index is not extraordinarily rebalanced.

To:

If the INDEX ADMINISTRATOR determines that the weight of any INDEX COMPONENT, with the exception of the largest-weighted INDEX COMPONENT is greater than 18.5% on any CALCULATION DAY, the INDEX COMPONENT will be capped at a weight of 16%. Moreover, if the weight of the largest-weighted INDEX COMPONENT is greater than 35% on any CALCULATION DAY, the INDEX COMPONENT will be capped at a weight of 31%. The excess weight that results from implementing these constraints is redistributed proportionally in an iterative manner, such that none of the above constraints are breached.



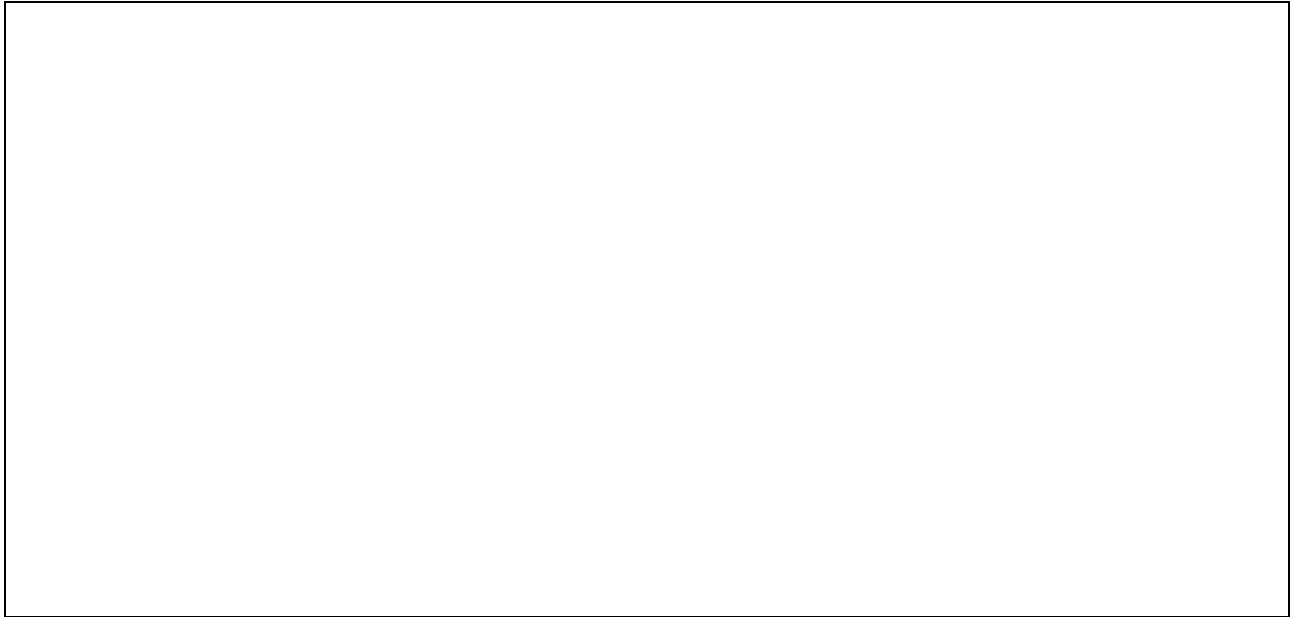
The Solactive Hydrogen v2 Index is adjusted 5 CALCULATION DAYS following the announcement of a breach of the aforementioned weight conditions. This is announced on the Solactive website under the Section "Announcements", which is available at <https://www.solactive.com/news/announcements/>, after the CLOSE OF BUSINESS on the day on which the new weights of the INDEX COMPONENTS were determined by the INDEX ADMINISTRATOR. In the event that the extraordinary rebalance is triggered within 5 CALCULATION DAYS of a REBALANCE DAY or ADJUSTMENT DAY, the extraordinary rebalance will not take place.

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 Hydrogen v2 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 2025-01-30.

[Subject to feedback received on this Market Consultation, the changes mentioned above are intended to become effective on 2025-02-14.

Please send your feedback via email to marketconsultation@solactive.com, specifying "Market Consultation- Solactive Global Hydrogen v2 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.

