

MARKET CONSULTATION SEVERAL WILDERHILL INDICES

06 October 2022



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
Wilderhill New Energy Global Innovation Index (EUR Net Total Return)	.NEXEUN	DE000SLA47D9
Wilderhill New Energy Global Innovation Index (EUR Total Return)	.NEXEUT	DE000SLA4692
Wilderhill New Energy Global Innovation Index (EUR)	.NEXEU	DE000SLA4650
Wilderhill New Energy Global Innovation Index (GBP Net Total Return)	.NEXBPN	DE000SLA47E7
Wilderhill New Energy Global Innovation Index (GBP Total Return)	.NEXBPT	DE000SLA47A5
Wilderhill New Energy Global Innovation Index (GBP)	.NEXBP	DE000SLA4668
Wilderhill New Energy Global Innovation Index (JPY Net Total Return)	.NEXJYN	DE000SLA47F4
Wilderhill New Energy Global Innovation Index (JPY Total Return)	.NEXJYT	DE000SLA47B3
Wilderhill New Energy Global Innovation Index (JPY)	.NEXJY	DE000SLA4676
Wilderhill New Energy Global Innovation Index (USD Net Total Return)	.NEXUSN	DE000SLA47C1
Wilderhill New Energy Global Innovation Index (USD Total Return)	.NEXUST	DE000SLA4684
Wilderhill New Energy Global Innovation Index (USD)	.NEX	US96811Y1029

Rationale for the Market Consultation

As China's role in energy transition is becoming more important with numerous mainland China listed companies being highly active in the clean energy space. It is imperative that a global clean energy thematic index include China A shares to provide investors exposure to this segment. Accordingly, it is proposed to expand the index universe requirements to include mainland China listed securities.

In connection with the maintenance of the Indices, Solactive observed potential liquidity issues around calendar quarter end, and especially around 31st December, when the Indices currently rebalance. To address this issue and reduce complexity overall a change in the rebalancing scheme to February, May, August, and November is proposed.

The objective of the Indices opens the possibility for index users to consider an Article 9 classification under the EU Sustainable Financial Disclosure Regulation ('SFDR') for financial instruments referencing the Indices or using them as benchmarks. To address recent developments, improved clarity on the requirements as well as market development regarding the framework for Article 9 classification under



the SFDR and additional screening filter is proposed. This filter aims at demonstrating compliance with mandatory principal adverse impacts (PAIs) exclusions. By 2022-12-31, article 9 products must demonstrate that all PAIs are considered. The current methodology of the Indices does not adequately consider two PAIs (board gender diversity and gender pay gap). The Sustainalytics ESG Risk Rating is incorporating considerations around these 2 PAIs, and thus this screening filter is suggested to be added.

Proposed Changes to the Index Guideline

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

2.1 INDEX UNIVERSE REQUIREMENTS

From (old version):

The INDEX UNIVERSE is comprised of all financial instruments which fulfill the below requirements (the "INDEX UNIVERSE REQUIREMENTS"):

To be eligible for potential Index inclusion, each financial instrument must have:

1. a primary listing in one of the countries that are part of the Developed Markets as defined by the Solactive Country Classification (see <https://www.solactive.com/documents/>), plus South Korea and Taiwan.

The determination of the INDEX UNIVERSE is fully rule-based and the SELECTION PARTY cannot make any discretionary decisions.

To (new version):

The INDEX UNIVERSE is comprised of all financial instruments which fulfill the below requirements (the "INDEX UNIVERSE REQUIREMENTS"):

To be eligible for potential Index inclusion, each financial instrument must have:

1. a primary listing in one of the countries that are part of the Developed Markets as defined by the Solactive Country Classification (see <https://www.solactive.com/documents/>), plus South Korea and Taiwan and China. China A-shares are eligible for inclusion provided they are available through the Stock Connect program and the Selection Party has the relevant license in place with the exchange.

The determination of the INDEX UNIVERSE is fully rule-based and the SELECTION PARTY cannot make any discretionary decisions.



2.2 SELECTION OF THE INDEX COMPONENTS

From (old version):

The INDEX ADMINISTRATOR has outsourced part of the selection of the INDEX COMPONENTS to the SELECTION PARTY. Such outsourcing has been made in accordance with the requirements of the BMR (Article 10 BMR). Any discretionary decision of the SELECTION PARTY will be made in accordance with the specifications regarding the exercise of discretion or expert judgement established by the Index Administrator.

The companies selected after completion of the above steps will be evaluated on the criteria outlined below by the INDEX ADMINISTRATOR. The evaluation is based on data provided by the Data Provider:

- Exclude companies breaching the UNGC principles (non-compliant per Sustainalytics' global standards screening research).
- Exclude companies with Severe controversies (as per Sustainalytics' controversy research) as well as companies with involvement in harmful business activities (as per Sustainalytics' business involvement research).

For more details on the actual fields as well as the thresholds applied for the exclusion, please refer to the table below:

To (new version):

The INDEX ADMINISTRATOR has outsourced part of the selection of the INDEX COMPONENTS to the SELECTION PARTY. Such outsourcing has been made in accordance with the requirements of the BMR (Article 10 BMR). Any discretionary decision of the SELECTION PARTY will be made in accordance with the specifications regarding the exercise of discretion or expert judgement established by the Index Administrator.

The companies selected after completion of the above steps will be evaluated on the criteria outlined below by the INDEX ADMINISTRATOR. The evaluation is based on data provided by the Data Provider:

- Exclude companies breaching the UNGC principles (non-compliant per Sustainalytics' global standards screening research).
- Exclude companies with Severe controversies (as per Sustainalytics' controversy research) as well as companies with involvement in harmful business activities (as per Sustainalytics' business involvement research).
- Exclude companies with Severe ESG Risk Rating provided by Sustainalytics and in accordance with their severe risk rating methodology.

6. DEFINITIONS

From (old version):

"REBALANCE DAY" is the last CALCULATION DAY in March, June, September and December. If that day is not a TRADING DAY the REBALANCE DAY will be the immediately following TRADING DAY.

"SELECTION DAY" is 11 CALCULATION DAYS before the REBALANCE DAY.



To (new version):

“REBALANCE DAY” is the last CALCULATION DAY in February, May, August, and November. If that day is not a TRADING DAY the REBALANCE DAY will be the immediately following TRADING DAY.

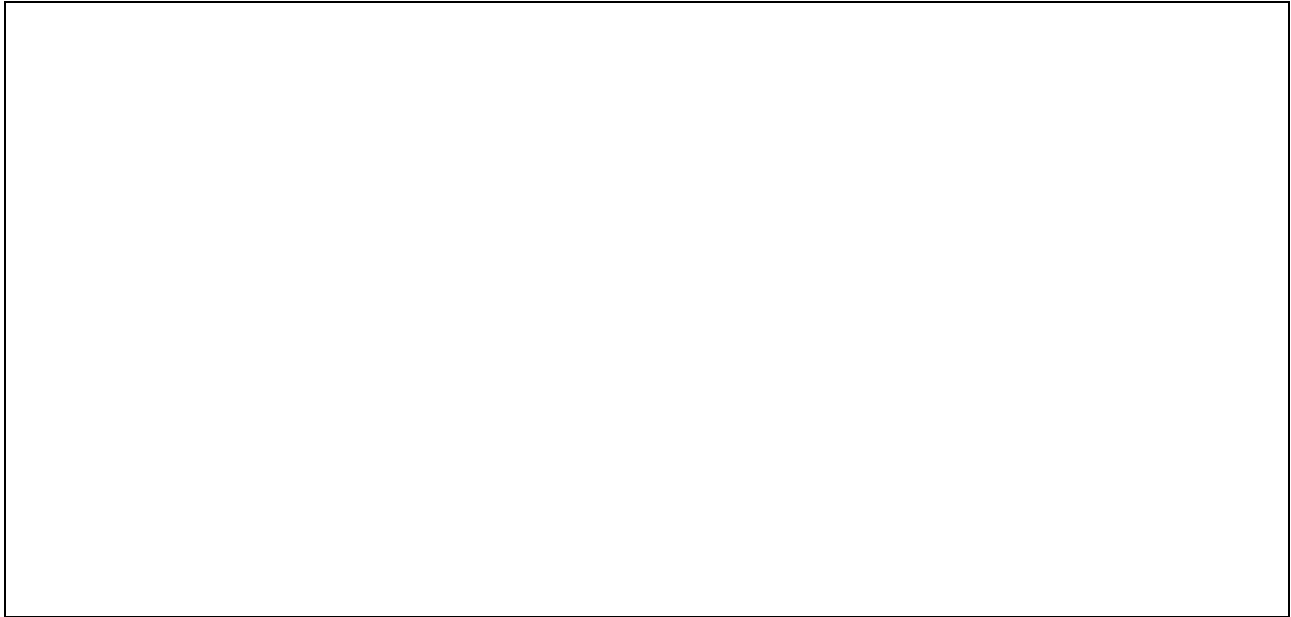
“SELECTION DAY” is 11 CALCULATION DAYS before the scheduled REBALANCE DAY, disregarding any potential change of the REBALANCE DAY.

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 aforementioned 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 *2022-10-25*

Subject to feedback received on this Market Consultation, the changes mentioned above are intended to become effective on *2022-11-08*

Please send your feedback via email to marketconsultation@solactive.com, specifying "Market Consultation Several Wilderhill Indices" 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.

