

# MARKET CONSULTATION CANNABIS INDEX – CHANGE OF METHODOLOGY

05 October 2020



## Content of the Market Consultation

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

NAME	RIC	ISIN
Cannabis Index	.POTX	DE000SLA9PD6

## Rationale for Market Consultation

Due to the development in the Cannabis Market Solactive AG considers to lift the minimum requirement of 25 components. Under the current volatile and consolidating market environment the criteria and steps of relaxation defined in Section 2.1 in the index guideline can no longer assure that the minimum requirement of 25 components will be met. Solactive AG is of the view that further reduction in the current relaxation thresholds is not a sustainable and long-term solution. Therefore, Solactive AG proposes to provide a clear, reliable and predictable provision and to complement the current methodology by stating that in case that less than 25 companies pass the filter and steps of relaxation mentioned in Section 2.1. of the index guideline, all companies that fulfill the criteria until and including the last step of relaxation will be selected as Index Components. The development of the proposed change takes into account that this may lead to a lower number of index constituents and possibly to an increase in concentration on individual Index Components.

## Changes to the Index Guideline

The following sentence is inserted at the end of section 2.1:

*"In case that less than 25 companies pass the steps of relaxation mentioned above, all companies that fulfill the criteria until and including the last step of relaxation will be selected as Index Components."*

Defined terms used in this Market Consultation document, but not defined herein, have the meaning assigned to them in the respective index guideline of the Index.



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 Cannabis 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 October 16<sup>th</sup>, 2020 (cob).

Please send your feedback via email to [compliance@solactive.com](mailto:compliance@solactive.com), specifying "Market Consultation Solactive Cannabis Index" as the subject of the email, or

via postal mail to: Solactive AG  
Platz der Einheit 1  
60327 Frankfurt am Main  
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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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