

## Press Release

### Press Release – Solactive releases with BBVA Next Generation Networks Index Tracking Companies Active in the Growing Field of Interconnectivity

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**FRANKFURT AM MAIN –** The global rollout of 5G technology happens three to four times faster than any other connectivity transformation. Expected to grow at a CAGR of 29.4%, the 5G services market is projected to reach a volume of USD 249.2 bn by 2026. This vast development will soon ensure global hyperconnectivity, amplifying the demand for wireless and cloud solutions. Recognizing the vast potential in the next evolution of networks and infrastructure, Solactive launches together with BBVA the **Solactive BBVA Next Generation Networks EUR Index** serving as the first output of BBVA's newly incepted **BBVA Quantitative Thematic Series**.

In 2019, a significant milestone in interconnectivity occurred: for the first time in history, the number of Internet of Things (IoT) devices lied level with non-IoT-connected devices, only to surpass them merely one year later. Research projects that, until 2025, 30.9 billion IoT-connected devices will be installed and active, three times as much as their non-networked counterparts. This surge in devices requires a solid infrastructure, and companies that are active in the field of providing these data highways will face an increasing demand for their services.

The **Solactive BBVA Next Generation Networks EUR Index** unlocks the future of digital hyperconnectivity by selecting companies at the forefront of telecommunications technology deployment, i.e., building core infrastructure and cloud-computing software, ensuring wireline-wireless convergence, and developing end-user applications and equipment. The index selects its constituents from Developed Markets, China, Taiwan, and South Korea and includes companies active in sectors related to the 5G & Next Generation technology.

In the first step, companies exposing low liquidity and market capitalization are excluded from the index. In the second stage, exclusions are performed based on a geographic-based revenue screen according to FactSet's RBICS Level 6 sectors.

Timo Pfeiffer, Chief Markets Officer at Solactive, comments: *"The progress of hyperconnectivity took place within less than a decade, starting with smartphones and soon ending up in connected cars and even connected household appliances. With this index, BBVA has proven itself to be an innovator in the thematic indexing space, a segment growing in popularity among contemporary investors. We are very happy to provide*

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*our services for such a renowned client, and we are looking forward to joining forces in future indexing projects."*

Pablo Suarez, Head of QIS Business at BBVA, comments: *"The true potential of 5G lies in the increased densification of the network that will provide service to millions of intelligent devices for the Internet of Things (IoT), in addition to the installation of new fiber-optic sections that enable the speed and response characteristics of the new network. We believe this will enable the development of new business verticals and the creation of brand-new experiences making it an attractive long term investment opportunity."*

For more information please visit: <https://www.solactive.com>

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## Note to editors

### About Solactive

Solactive is a leading provider of indexing, benchmarking, and calculation solutions for the global investment and trading community. Headquartered in Frankfurt, and with offices in Hong Kong, Toronto, Berlin, and Dresden, we innovate and disrupt the status quo as the partner of choice for our clients.

The unique blend of our 250 staff's expertise in data, data science, financial markets, and technology enables our clients' continued success through the delivery of a superior experience, unique customization capabilities, and the best value for money available in the industry. With more than 14,000 indices calculated daily, we offer a full suite of solutions, including market-leading ESG and thematic indices.

As at February 2021, Solactive served approximately 450 clients across the world, with approximately US\$200 billion invested in products linked to our indices. Solactive is registered with ESMA as a benchmark administrator and is supervised by the BaFin.

### Disclaimer

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