

Press Release

Korea Investment Management Launches Series of ETFs Tracking Solactive US Big Tech Top 7 Plus Index, with Leveraged and Inverse Versions

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FRANKFURT AM MAIN – The technology sector is often associated with innovation and rapid growth. It consistently introduces disruptive products and services, promising substantial potential for growth and value creation for investors. In line with this vision, Korea Investment Management has expanded its engagement with Solactive to launch a series of three ETFs tracking the Solactive US Big Tech Top 7 Plus Index.

The **Solactive US Big Tech Top 7 Plus Index** comprises the top ten largest future-oriented technology companies in the United States, listed on NASDAQ. These technology-related companies are characterized by their primary involvement in producing or providing technology-related products or services or offering consumer products and services closely integrated with proprietary technology. Industries represented in the index encompass artificial intelligence, robotics, internet services, autonomous vehicles, virtual reality, big data, computer science, cybersecurity, and digital transformation, among others.

The **KIM ACE US Big Tech TOP 7 Plus ETF**, **KIM ACE US Big Tech TOP 7 Plus Leveraged (Synthetic) ETF**, and **KIM ACE US Big Tech TOP 7 Plus Inverse (Synthetic) ETF** allocate a significant portion, approximately 95%, to seven of the top ten companies, collectively known as the "Magnificent 7," which are Apple, Microsoft, Alphabet (Google's parent company), Amazon, NVIDIA, Tesla, and Meta Platforms.

These exchange-traded funds employ a modified equal-weighting methodology. This approach addresses the potential drawbacks of traditional market-capitalization weighting, where a few top companies can dominate the index. In the case of these three ETFs, weights are distributed based on market capitalization ranks. The top one-five companies each receive a 15% weight, the six-seven companies each receive a 10% weight, and the remaining companies ranked from position 8 to 10 are equally weighted to reach a total weight of 100%.

Leveraged & Inverse ETFs

The three ETFs differ in their methodologies for tracking the underlying index. The **KIM ACE US Big Tech TOP 7 Plus ETF** tracks the Solactive index at a 1x ratio. In contrast, the **KIM ACE US Big Tech TOP 7 Plus Leveraged (Synthetic) ETF** and the **KIM ACE US Big Tech TOP 7 Plus Inverse (Synthetic) ETF** primarily invest in off-

Solactive AG
German Index Engineering
Platz der Einheit 1
60327 Frankfurt am Main
Germany

Steffen Scheuble
CEO
+49 (69) 719 160-20
steffen.scheuble@solactive.com

Michael Li Ming Nuske, CFA
Team Head Sales APAC
+852 3905 3101
michael.nuske@solactive.com

Maria Seifert/Gabriela Ormazabal
PR & Communications
+49 (69) 719 160-311
press@solactive.com

exchange derivative products (swaps) linked to 2x performance and -1x performance of the underlying index, respectively. This strategy aims to provide investors the flexibility to hedge against rising and falling big tech stock prices.

During market uncertainty, **Leveraged and Inverse (L&I) products** have gained popularity for their ability to facilitate efficient short-term portfolio reallocations. Leverage enables investors to take positions with reduced capital requirements, while inverse products serve as effective tools for tactical risk hedging and diversification.

Timo Pfeiffer, Chief Markets Officer at Solactive, stated: *"We are delighted to expand our partnership with KIM and continue to serve as one of their trusted index providers. US technology-related companies offer significant growth potential, and these ETFs provide concentrated exposure within the sector. Additionally, leveraged and inverse products are increasingly valuable for investors seeking to capitalize on short-term market views, enhance diversification, or hedge their positions."*

Yong Soo Nam, Head of ETF Investment Management Division in Korea Investment Management, commented: *"We are pleased to collaborate with Solactive with another great product series. KIM ACE US Big Tech Top 7 Plus ETF series is a product that has a focus on US big tech companies, especially on the top 7 ones. We believe this can appeal to those who prefer a concentrated portfolio in US big tech companies. Furthermore, by offering the (2x) leveraged, (-1x) inverse, and (1x) delta one products simultaneously in the series, we aim to offer a whole investment vehicle package for investors who prefer volatility in changing market conditions."*

For more information, please visit:

<http://www.solactive.com>

Solactive AG
German Index Engineering
Platz der Einheit 1
60327 Frankfurt am Main
Germany

Steffen Scheuble
CEO
+49 (69) 719 160-20
steffen.scheuble@solactive.com

Michael Li Ming Nuske, CFA
Team Head Sales APAC
+852 3905 3101
michael.nuske@solactive.com

Maria Seifert/Gabriela Ormazabal
PR & Communications
+49 (69) 719 160-311
press@solactive.com

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, Dresden, and Amsterdam, we innovate and disrupt the status quo as the partner of choice for our clients.

The unique blend of our 300 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 26,000 indices calculated daily, we offer a full suite of solutions, including market leading ESG and thematic indices.

As at January 2023, Solactive served approximately 500 clients across the world, with approximately US\$300 billion invested in products linked to our indices. Solactive is registered with ESMA as a benchmark administrator and is supervised by the BaFin.

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Solactive AG, Platz der Einheit 1, 60327 Frankfurt am Main, Germany. Registered Office: Frankfurt am Main, Registration Court: Amtsgericht Frankfurt am Main, HRB: 79986, USt-IdNr.: DE 255 598 976. Management Board: Steffen Scheuble, Alexander Steiner, and Timo Pfeiffer, Head of Supervisory Board: Dr Felix Mühlhäuser.

Solactive AG
German Index Engineering
Platz der Einheit 1
60327 Frankfurt am Main
Germany

Steffen Scheuble
CEO
+49 (69) 719 160-20
steffen.scheuble@solactive.com

Michael Li Ming Nuske, CFA
Team Head Sales APAC
+852 3905 3101
michael.nuske@solactive.com

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press@solactive.com