

Zug, August 8th, 2023

Market Consultation on the removal of the capping and minimum liquidity requirement from DAXsupersector indices

Dear Sir and Madam,

STOXX Ltd., the operator of Qontigo's index business and a global provider of innovative and tradable index concepts, has decided to conduct a market consultation on the removal of the capping and minimum ADTV requirement.

The market consultation may or may not lead to changes in the index methodology.

Process and Timeline

STOXX invites relevant stakeholders and interested third parties to submit responses to consultation@qontigo.com

The consultation is open to all market participants until August 22nd, 2023.

STOXX intends to announce the results of the market consultation, as well as an announcement about potential changes to the index methodology, by September 1st, 2023.

Depending on the received feedback STOXX may implement proposed changes with effect in the first half of 2024.

Motivation for the Market Consultation

The DAXsupersector index family is part of STOXX' sector index offering that aims to replicate the sector representation on the Frankfurt Stock Exchange. It includes only companies listed in the Prime Standard segment and applies capping as well as a minimum liquidity requirement.

STOXX now intends to remove the capping and minimum liquidity requirement. This will enhance the representativeness of the index portfolio with regard to the respective super sector the index aims to represent.

Proposed Treatments/Amendments

The DAXsupersector index family currently applies an individual component capping of 10%, i.e., at each rebalancing, the component weight is reduced to 10% in case a component exceeds 10% index weight. STOXX proposes to remove the capping entirely from the DAXsupersector index family.

Furthermore, the DAXsupersector index family currently applies a minimum liquidity requirement of EUR 1 million ADTV (average daily traded value) for securities in order to qualify for inclusion in the respective DAXsupersector index. STOXX proposes to remove the minimum ADTV requirement entirely from the DAXsupersector index family.

Affected Indices

DAXsupersector Basic Materials
DAXsupersector Consumer Goods
DAXsupersector Consumer Services
DAXsupersector FIRE
DAXsupersector Industrials
DAXsupersector Information Technology
DAXsupersector Pharma & Healthcare
DAXsupersector Utilities

Questions

1. Are you in favour of the proposed methodology change to remove capping from the DAXsupersector index family?
2. Are you in favour of the proposed methodology change to remove the minimum requirement of EUR 1 million ADTV for securities in order to qualify for inclusion in the respective DAXsupersector index?