



INDEX METHODOLOGY

# NASDAQ-100 QUARTERLY PROTECTIVE PUT 90 INDEX

## NQTRI

### INDEX OVERVIEW

The Nasdaq-100 Quarterly Protective Put 90 Index (the Index) tracks the performance of a systematic quarterly rolled, protective put strategy.

On each Index calculation day, the strategy has exposure to the Nasdaq-100 Total Return Index (XNDX), a long put option on the Nasdaq-100 Index (NDX) and a hypothetical cash account (a Collateral Account).

### INDEX PARAMETERS

Nasdaq-100 Quarterly Protective Put 90 Index Parameters:

	Index Component / Reference Component	Symbol	Target Exposure	Option Type
1	Nasdaq-100 Total Return Index	XNDX	100%	N/A
2	Nasdaq-100 Index	NDX	100%	Put

### INDEX CALCULATIONS

Index values are calculated on a daily basis in accordance with the following formula:

$$I_t = \sum_{i=1} (Unit_{i,t} \times Price_{i,t}) + Collateral_t$$

Where  $I_t$  = the Index Value for time  $t$ ;  $Unit_{i,t}$  = the number of units of Index Component  $i$  for time  $t$ ;  $Price_{i,t}$  = the price of Index Component  $i$  for time  $t$ ;  $Collateral_t$  = the value of the Collateral Account for time  $t$ .

### Collateral Account

The Collateral Account is a hypothetical cash ledger for the Index. It is credited or debited, as applicable, by the settlement amounts of expired options, as well as the cost of any hypothetical purchases of put options.

## PERIODIC EVENTS

### Rolling Options

The put options are held to expiry and newly selected put options and call options are notionally entered into at a volume weighted average price (VWAP) on the same day (a Roll Day), a process known as “rolling”. The VWAP is determined over a two-hour roll period (11:30 to 13:30) on each Roll Day. If, for a put option, there are no relevant trades during the VWAP period, then the VWAP for that option will be deemed to be the last ask quote before the end of such VWAP period.

### Selecting New Options

Each quarter, on the day of the monthly option expiry (Selection Day), new NDX put options (the newly selected Index Components) are selected. The parameters for each long put option will be:

- Underlying: NDX
- Expiration Month: the next following quarter (March, June, September or December).
- Exercise Prices: for the long put option: the closest exercise price of the listed options for NDX that is equal to, or greater than, 90% of the NDX value immediately prior to 11:00 ET on such Selection Day.

### Target Exposure

For each Roll Day, the number of units for Index Components that are put options will be equal to the target exposure (as listed in the Index Parameters section above), multiplied by (a) the value of the XNDX notional value within the Index, plus (b) the value of the Collateral Account for that day (including any settlement amounts from expired options), all divided by the sum of (i) the price of NDX at the end of the VWAP period on that day, plus (ii) the VWAP of the new long put options.

Also, for each Roll Day, the number of units for the XNDX Index Component will be equal to number of units of the put option (as determined above) multiplied by the ratio of a) the price of NDX at the end of the VWAP period on that day, and b) the price of XNDX at the end of the VWAP period on that day.

## INDEX ROLES

Index Administrator: Nasdaq, Inc.

Index Calculator: Volos Portfolio Solutions, Inc.

## INDEX VALUES & DATA

Daily Index values are calculated each business day after the close of listed options markets using prices for Index Components as of 16:00 ET and are made available on the Nasdaq Global Index Website (<https://indexes.nasdaqomx.com/Index/Overview/NQTRI>).

With the exception of Roll Days, intraday Index values are calculated and disseminated every 15 seconds during normal market hours. On Roll Days intraday Index values will start to be disseminated at 13:45.

## DISCLAIMER

Nasdaq may, from time to time, exercise reasonable discretion as it deems appropriate in order to ensure Index integrity, including but not limited to, quantitative inclusion criteria. Nasdaq may also, due to special circumstances, if deemed essential, apply discretionary adjustments to ensure and maintain the high quality of the index construction and calculation. Nasdaq does not guarantee that any Index accurately reflects future market performance.

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## APPENDIX: METHODOLOGY CHANGE LOG

Effective Date	Methodology Section	Description or Summary of Changes
June 17, 2022	Periodic events: selecting new options	The Selection Day changes from the day before the monthly option expiry to the day of the monthly option expiry.
June 17, 2022	Periodic events: selecting new options	The Exercise Prices change from being based on values at market close to values immediately preceding 11:00 ET.
June 17, 2022	Index Values & Data	Values are calculated using Index Component Prices as of 16:00 ET instead of when NDX options close.