



INDEX METHODOLOGY

## NASDAQ CB INSIGHTS METAVERSE US INDEX

### NYMETA

#### INDEX DESCRIPTION

The Nasdaq CB Insights Metaverse US Index (NYMETA) is designed to track the performance of companies that develop the tech building blocks for the metaverse; produce software and hardware to access the metaverse; and/or provide products, services, and experiences within the metaverse. The companies are selected based on sector and subsector classifications provided by CB Insights.

#### SECURITY ELIGIBILITY CRITERIA

##### Security types

A security must be classified as a common stock, ordinary share or depositary receipt. References to the “issuer” of a depositary receipt are references to the issuer of the underlying security.

##### Multiple securities per issuer

One security per issuer is permitted. If an issuer has multiple otherwise-eligible securities, one of which is an Index Security as of the Reconstitution Reference Date, only that security may be eligible. Otherwise, only the security with the highest three-month average daily traded value may be eligible.

##### Listing exchanges

A security must have a primary listing on an exchange operated under Nasdaq – All Markets, New York Stock Exchange, Inc., or Cboe Global Markets Inc.

##### Industry or sector

The following sector criteria are evaluated by CB Insights using data as of the end of April and October.

### **Metaverse company**

A security must be issued by a company classified by CB Insights as a Metaverse company according to the Sector and Subsector classification process created by CB Insights to define Metaverse-related businesses. The Sector and Subsector definitions are outlined in Appendix A.

### **Metaverse Purity**

A security must be issued by a company classified by CB Insights as belonging to one of three Metaverse Purity Tiers. The Metaverse Purity Tier definitions are outlined in Appendix B.

### **Market capitalization**

A security must have a market capitalization of at least \$500 million (USD).

### **Liquidity**

A security must have a three-month average daily traded value of at least \$1 million (USD). For securities with less than three months of trading history, the average daily traded value is calculated using the security's entire trading history.

### **Other eligibility criteria**

If, at reconstitution, Nasdaq becomes aware that an issuer or security will soon undergo a fundamental change that makes it ineligible, Nasdaq will remove the security from consideration. This includes entering into a definitive merger or acquisition agreement or other pending arrangement that would make it ineligible for Index inclusion, or a filing of bankruptcy or similar protection from creditors, or other events as described in Section 3 of **Corporate Actions and Events Manual – Equities**.

## **SECURITY ELIGIBILITY CRITERIA**

### **Reconstitution schedule**

The Index Reconstitution is conducted semi-annually in June and December by applying the Constituent Selection Process to all securities meeting the applicable Security Eligibility Criteria.

### **Reconstitution reference dates**

Unless otherwise specified, the Security Eligibility Criteria and Constituent Selection Process are applied using data as of the end of May and November, respectively.

### **Reconstitution announcement dates**

Index Reconstitutions are announced in early June and December.

## **Reconstitution effective dates**

Index Reconstitutions become effective at market open on the first trading day following the third Friday in June and December.

## **Rebalance schedule**

The Index Rebalance is conducted quarterly in March, June, September and December by applying the Constituent Weighting Process to all Index Securities.

## **Rebalance reference dates**

The Index Rebalance is conducted using data as of the prior month-end (February, May, August and November, respectively).

## **Rebalance announcement dates**

Index Rebalance changes are announced in early March, June, September and December.

## **Rebalance effective dates**

Index Rebalance changes become effective at market open on the first trading day following the third Friday in March, June, September and December.

## **Holiday schedules**

The Index is calculated Monday through Friday, except on days when the Nasdaq Stock Market is closed.

## **Index calculation and dissemination schedule**

The Index Value is calculated during the trading day and is disseminated once per second from 09:00:01 to 17:16:00 US Eastern Time (ET). The closing value of the Index may change up until 17:15:00 ET due to corrections to the Last Sale Price of the Index Securities.

# **CONSTITUENT SELECTION**

## **Constituent selection process**

All securities that meet all applicable Security Eligibility Criteria are given a Metaverse Intensity Score, which is calculated by CB Insights's proprietary scoring mechanism. Factors affecting the Metaverse Intensity Score include but are not limited to the following: metaverse-related investments, acquisitions, business relationships and patents; and metaverse keyword mentions in earnings calls.

The eligible securities are iteratively ordered along the two dimensions described below. The 40 first-ordered securities are selected for inclusion in the Index. Securities are ordered as follows:

- Metaverse Intensity Score (ordered high to low)
- Market capitalization (ordered high to low)

## CONSTITUENT WEIGHTING

### Constituent weighting scheme

The Index is a modified market capitalization-weighted index.

### Constituent weighting process

Each Index Security's initial weight is determined by dividing the Index Security's market capitalization by the aggregate market capitalization of all Index Securities.

Initial weights are then adjusted to meet the following constraints:

- No Index Security weight may exceed 8 percent.
- No Index Security weight may be below 1 percent.

For additional information about index weighting, see **Nasdaq Index Weight Calculations**.

## INDEX MAINTENANCE

### Deletion policy

If, at any time other than an Index Reconstitution, Nasdaq becomes aware that an Index Security has become ineligible for continued inclusion, it is removed from the Index as soon as practicable. This includes events such as filing bankruptcy or similar protection from creditors, delisting, or other arrangements, including mergers and acquisitions. Refer to **Corporate Actions and Events Manual – Equities** for further information.

### Replacement policy

Index Securities are not replaced in the Index outside of the Index Reconstitution.

### Addition policy

Index Securities are not added to the Index outside of the Index Reconstitution.

### Corporate actions

In the interim periods between scheduled index reconstitution and rebalancing events, individual Index securities may be the subject to a variety of corporate actions and events that require maintenance and

adjustments to the Index. Specific treatment of each type of corporate action or event is described in **Nasdaq Corporate Actions and Events Manual – Equities**, which is incorporated herein by reference.

In certain cases, corporate actions and events are handled according to the weighting scheme or other index construction techniques employed. Wherever alternate methods are described, the Index will follow the “Market Cap Corporate Action Method.”

### **Index share adjustments**

Other than as a direct result of corporate actions, the Index does not normally experience share adjustments between scheduled Index Rebalance and Reconstitution events.

## **ADDITIONAL INFORMATION**

### **Announcements**

Nasdaq announces Index-related information via the Nasdaq Global Index Watch (GIW) website at <http://indexes.nasdaq.com>.

For more information on the general Index Announcement procedures, please refer to the **Nasdaq Index Methodology Guide**.

### **Unexpected market closures**

For information on Unexpected Market Closures, please refer to the **Nasdaq Index Methodology Guide**.

### **Calculation types**

For information on the Index calculation types as well as the mathematical approach used to calculate the Index(es), please refer to **Calculation Manual – Equities and Commodities**.

### **Recalculation and restatement policy**

For information on the Recalculation and Restatement Policy, please refer to the **Nasdaq Index Recalculation Policy**.

### **Data sources**

For information on data sources, please refer to the **Nasdaq Index Methodology Guide**.

### **Contact information**

For any questions regarding an Index, please contact the Nasdaq Index Client Services team at [indexservices@nasdaq.com](mailto:indexservices@nasdaq.com).

## Index dissemination

Index values and weightings information are available through Nasdaq Global Index Watch (GIW) website at <https://indexes.nasdaq.com/> as well as the Nasdaq Global Index FlexFile Delivery Service (GIFFD) and Global Index Dissemination Services (GIDS). Similar to the GIDS offerings, Genium Consolidated Feed (GCF) provides real-time Index values and weightings for the Nordic Indexes.

For more information regarding Index Dissemination, refer to the **Nasdaq Index Methodology Guide**.

## Website

For further information, please refer to the Nasdaq GIW website at <https://indexes.nasdaq.com/>.

## FTP and dissemination service

Index values and weightings are available via FTP on the Nasdaq Global Indexes FlexFile Delivery Service (GIFFD). Index values are available via Nasdaq's Global Index Dissemination Services (GIDS).

# GOVERNANCE

## Index governance

All Nasdaq Indexes are managed by the governance committee structure and have transparent governance, oversight, and accountability procedures for the index determination process. For details on the Index Methodology and Governance overlay, refer to the **Nasdaq Index Methodology Guide**.

## Nasdaq Index Management Committee

The Nasdaq Index Management Committee is responsible for the overall oversight of activities related to the development, issuance, and operation of Nasdaq Indexes. The Committee reviews and approves all new Index Methodologies as well as updates to existing methodologies. For a detailed overview of the Index Management Committee, refer to the **Nasdaq Index Methodology Guide**.

## Nasdaq U.S. Oversight Committee

The U.S. Oversight Committee is responsible for the oversight of the overall Benchmark determination process and is responsible for the overall governance of the U.S.-based Index business including review and approval of the control framework, certain policies and procedures, certain methodologies and methodology changes and other Index management oversight.

For an overview of the U.S. Oversight Committee, refer to the **Nasdaq Index Methodology Guide**.

## Internal reviews of methodology

All new methodologies or updates to existing methodologies must be reviewed by the Index Management Committee. Additionally, all in-scope Index methodologies are subject to an annual review

by the Index Management Committee and U.S. Oversight Committee. For a detailed description on internal reviews of the Methodology, refer to the **Nasdaq Index Methodology Guide**.

### **Communication with stakeholders and consultations**

In certain circumstances, Nasdaq will seek feedback from clients and market participants via consultations. For a detailed description on Consultations and Communications with Stakeholders, refer to the **Nasdaq Index Methodology Guide**.

### **Index cessation**

Nasdaq has a documented procedure that is followed for Index Cessation that includes termination/retirement of an Index or Index Family. For more information, refer to the **Nasdaq Index Cessation Policy**.

### **Discretionary adjustment**

This Index Methodology was created by Nasdaq to achieve the aforementioned objective of measuring the underlying purpose of each Index governed by this methodology document. Any deviations from this methodology are made in the sole judgment and discretion of Nasdaq so that the Index continues to achieve its objective.

For more information on potential adjustments including Calculation and Pricing Disruptions, Expert Judgment, and Unexpected Reconstitution/Rebalances, Refer to the **Nasdaq Index Methodology Guide**.

## **GLOSSARY OF TERMS AS USED IN THIS DOCUMENT**

For the glossary of key terms, please refer to the **Nasdaq Index Methodology Guide**.

## **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.

Neither Nasdaq, Inc., nor any of its affiliates (collectively “Nasdaq”) makes any recommendation to buy or sell any security or any representation about the financial condition of any company. Investors should undertake their own due diligence and carefully evaluate companies before investing. The information contained herein is provided for informational and educational purposes only, and nothing contained herein should be construed as investment advice, either on behalf of a particular security or an overall investment strategy. **ADVICE FROM A SECURITIES PROFESSIONAL IS STRONGLY ADVISED.**

## APPENDIX A: CB INSIGHTS METAVERSE SECTORS AND SUBSECTORS

Sectors	Subsector
Platform	AR Developer Platforms
	VR Developer Platforms
	Blockchain Infrastructure
	Blockchain Developer Platforms
	Decentralized Commerce
	3D Design Engines
	Digital Collectibles NFT Marketplaces
	Digital Currencies & Payment Solutions
	Open Source NFT Marketplaces
	Digital Twins & 3D Modeling Solutions
	NFT Infrastructure
	Digital Wallets
Equipment	AR & Smart Glasses
	VR & Headsets
	Displays
	Haptic Solutions
	3D Body Scanning
	Volumetric Video Capture

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	Decentralized Virtual Worlds
	Virtual Try-Ons
	Avatars & Digital Identities
	Digital Fashion Items
	Gaming & Entertainment
	Virtual Real Estate
	Virtual Stores
	Synthetic Gaming Content
	Virtual Health & Wellness

## APPENDIX B: CB INSIGHTS METAVERSE PURITY TIERS

CB Insights classifies each metaverse-related company as belonging to one of three metaverse purity tiers based on the company's activities.

- **Pure-Play:** The company's primary product or service offering is metaverse-related.
- **Hybrid:** the company's primary line of business is not metaverse-related, but it develops a secondary metaverse product or service offering, is a top investor in metaverse or serves the metaverse ecosystem with existing products and services.
- **Adopter:** the company embraces and/or repackages metaverse products and services developed by others.

## APPENDIX C: METHODOLOGY CHANGE LOG

Effective date	Methodology section	Description or summary of changes
June 20, 2023	Index description	The index description is changed to reflect the CB Insights methodology of identifying and selecting metaverse companies.
June 20, 2023	Security eligibility criteria: Industry and sector	A metaverse sector eligibility criterion is introduced.
June 20, 2023	Index calendar: reconstitution reference dates	The new sector eligibility criterion uses a reference date one month prior to the reference date of the remainder of the data used in the reconstitution.
June 20, 2023	Constituent selection	The selection process is changed to accommodate the metaverse classification methodology of CB Insights.
June 20, 2023	Constituent selection	A quarterly “fast entry” procedure, taking place in conjunction with the quarterly rebalance, is removed.
June 20, 2023	Appendices A and B	Appendices A and B are replaced with information pertaining to the CB Insights metaverse sector/subsector and purity tier classifications.
April 27, 2023	Index name	The Index name is changed from Nasdaq Yewno Metaverse Index to Nasdaq CB Insights Metaverse US Index.