



## INDEX METHODOLOGY

# ISE BICK™ INDEX

## BIQ

### INDEX DESCRIPTION

The ISE BICK Index is designed to track the performance of the largest and most liquid companies domiciled in Brazil, India, mainland China and South Korea.

### SECURITY ELIGIBILITY CRITERIA

#### Eligible security types

The security types generally eligible for the Index include common stocks, ordinary shares, and depositary receipts.

If the security is a depositary receipt representing a security of a non-U.S. issuer, then references to the “issuer” are references to the underlying security.

#### Multiple classes of securities

One security per issuer is permitted. If an issuer has multiple securities, the security with the highest three-month average daily traded value generally is considered for possible inclusion into the Index.

#### Eligible exchanges

The security must be listed on an Index-eligible global stock exchange. Global stock exchanges are reviewed periodically for eligibility. For more information, and a complete listing of Index-eligible exchanges, please refer to the **Nasdaq Index Eligible Stock Exchanges**.

#### Geographic eligibility

A security's issuer must be domiciled in Brazil, India, mainland China or South Korea.

### **Market capitalization eligibility**

An issuer must have a market capitalization of at least 100 million United States Dollars (USD).

### **Liquidity eligibility**

Securities must have a three-month average daily traded value of at least 1 million USD.

### **Seasoning eligibility**

Securities must have been traded for at least three full months on an index-eligible global exchange.

### **Float eligibility criteria**

At least 20% of a security's total shares outstanding must be publicly available for trading (float shares).

### **Other eligibility criteria**

If, during reconstitution or rebalance, Nasdaq becomes aware that an issuer or security underwent 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.

## **INDEX CALENDAR**

### **Reconstitution schedule**

The Index Reconstitution is conducted quarterly in March, June, September and December.

### **Reconstitution reference dates**

The Security Eligibility Criteria are applied using market data as of the end of January, April, July and October.

### **Reconstitution announcement dates**

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

### **Reconstitution effective dates**

Index Reconstitutions are effective at market open the next trading day after the third Friday in March, June, September and December.

## **Rebalance schedule**

The Index is rebalanced quarterly in March, June, September and December.

## **Rebalance reference dates**

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

## **Rebalance announcement dates**

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

## **Rebalance effective dates**

Index Rebalance changes are effective at market open the next trading day after the third Friday in March, June, September and December.

# **CONSTITUENT SELECTION**

## **Constituent selection process**

Securities that meet the applicable Security Eligibility Criteria are considered for inclusion based on the following order or criteria.

- Rank Index securities within each country in descending order by market capitalization.
- Rank Index securities within each country in descending order by liquidity (three-month average daily traded value).
- Calculate combined rank of each security within each country as the weighted sum of the market capitalization rank and liquidity rank whereby the market capitalization rank is given a weight of 33.333% and the liquidity rank is given a weight of 66.667%.
- In the event of a tie, the security with the higher market capitalization is given priority.
- The top 25 securities from each country are selected for the Index. All securities are eligible for inclusion if there are fewer than 25 securities per country.
- If a current Index Security meets all the Eligibility Criteria but is not ranked within the top 25 securities, the security may remain in the Index as long as it is represented by an issuer with multiple listings, one of which is ranked in the top 25. In this case, the security ranked in the top 25 is not included in the Index as the Index only allows one security per issuer.

# **CONSTITUENT WEIGHTING**

## **Constituent weighting scheme**

The Index is a modified equal-weighted index.

## Constituent weighting process

BIQ employs a two-level weight adjustment scheme.

Initial security weights are determined by equally weighting securities within each country, and equally weighting each of the four countries.

$$w_i = \frac{1}{Z} \times \frac{1}{n_c}$$

$w_i$  is the initial weight of security  $i$ .

$Z$  is the total number of countries represented in the index.

$n_c$  is the number of securities in each country  $C$ .

Initial index weights are adjusted within each country to meet the following constraints:

- No Index Security weight may exceed ten times the ratio between the Index Security's three-month average daily traded value and 100 million USD.
- Country weights are only adjusted if security-level constraints necessitate.

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

## INDEX MAINTENANCE

### Deletion policy

If, at any time during the year other than the Index Reconstitution(s), an Index Security no longer meets the Eligibility Criteria, or is otherwise determined to have become ineligible for inclusion in the Index, it is removed from the Index. This includes circumstances where an Index Security is determined to be ineligible for continued inclusion in the Index due to bankruptcy, delisting, or a definitive agreement that would likely result in the security no longer being Index eligible. Please refer to **Nasdaq's Corporate Actions and Events Manual – Equities** for detailed handling of the aforementioned event types.

### Replacement policy

Index securities deleted at any time during the year other than the Index Reconstitution(s) are not replaced.

### Corporate actions

In the interim periods between scheduled index reconstitution 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 "Non-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.nasdaqomx.com>.

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

### **Holiday schedules**

The Index is calculated Monday through Friday and does not close for holidays, as it is a Global Index.

### **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 the **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 and the classification of dividends and associated tax rates, 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.nasdaqomx.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 detailed information regarding Index Dissemination, see the **Nasdaq Index Methodology Guide**.

## Index calculation and dissemination schedule

The Index is calculated five (5) days a week, Monday through Friday, starting with the earliest time zone (Asia/Tokyo) and closing with the latest time zone (America/New York), 12:30:01 JST to 17:16:00 EST.

## Website

For further information, please refer to Nasdaq GIW website at <https://indexes.nasdaqomx.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 follow the same governance structure. For a detailed list of this information, please see the **Nasdaq Index Methodology Guide**.

## Nasdaq Index Management Committee

The Nasdaq Index Management Committee approves all new Index Methodologies. This committee is comprised of full-time professional members of Nasdaq. The committee meets regularly, and reviews items including, but not limited to, pending corporate actions that may affect Index constituents, statistics comparing the composition of the indexes to the market, companies that are being considered as candidates for addition to an Index, and any significant market events.

For a detailed overview of the Index Management Committee, please see the **Nasdaq Index Methodology Guide**.

## Internal reviews of methodology

For a detailed description on internal reviews of the Methodology, please see the **Nasdaq Index Methodology Guide**.

## Communication with stakeholders and consultations

For a detailed description on Consultations and Communications with Stakeholders, please see 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, please 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, please 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.

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