

NASDAQ Composite Index® Methodology

Index Description

The NASDAQ Composite Index includes all domestic and international based common type stocks listed on The NASDAQ Stock Market. The NASDAQ Composite Index is a broad based Index.

Index Calculation

The NASDAQ Composite Index is a market capitalization-weighted index. The value of the Index equals the aggregate value of the Index share weights, also known as the Index Shares, of each of the Index Securities multiplied by each such security's Last Sale Price¹, and divided by the divisor of the Index. The divisor serves the purpose of scaling such aggregate value to a lower order of magnitude which is more desirable for reporting purposes. If trading in an Index Security is halted on its primary listing market, the most recent Last Sale Price for that security is used for all index computations until trading on such market resumes. Likewise, the most recent Last Sale Price is used if trading in a security is halted on its primary listing market before the market is open. The Index began on February 5, 1971 at a Base Value of 100.00.

The formula for index value is as follows:

Aggregate Adjusted Market Value/Divisor

The formula for the divisor is as follows:

(Market Value after Adjustments/Market Value before Adjustments) X Divisor before Adjustments

Six versions of the Index are calculated:

- The price return index in USD (Nasdaq: COMP) is ordinarily calculated without regard to cash dividends on Index Securities.
- The total return index in USD (Nasdaq: XCMP) reinvests cash dividends on the ex-date. The total return index in USD was synchronized to the value of the price return index at the close on September 24, 2003.
- The notational net total return index in USD (Nasdaq: XCOMPNNR) is designed to reflect a net total return index reinvesting 70% of cash dividends, and factors in a deduction based on an indicative 30% tax rate. The notational net total return in USD index began on December 21, 2017 at a base value of 1000.00.
- The price return index in CAD (Nasdaq: COMPCAD) is ordinarily calculated without regard to cash dividends on Index Securities. The price return in CAD index began on December 21, 2017 at a base value of 1000.00.
- The total return index in CAD (Nasdaq: XCMPCAD) reinvests cash dividends on the ex-date. The total return in CAD index began on December 21, 2017 at a base value of 1000.00.

¹ For purposes of this document Last Sale Price refers to the last sale price on Nasdaq, which may be the Nasdaq Official Closing Price (NOCP).

- The notational net total return index in CAD (Nasdaq: XCMPCADNNR) is designed to reflect a net total return index reinvesting 70% of cash dividends, and factors in a deduction based on an indicative 30% tax rate. The notional net total return in CAD index began on December 21, 2017 at a base value of 1000.00.

All Indexes reflect extraordinary cash distributions.

The Indexes are calculated during the trading day and are disseminated once per second from 09:30:01 to 17:16:00 ET. The closing value of the Indexes may change up until 17:15:00 ET due to corrections to the Last Sale Price of the Index Securities.

Eligibility

Index eligibility is limited to specific security types only. The security types eligible for the Index include common stocks, ordinary shares, ADRs, shares of beneficial interest or limited partnership interests and tracking stocks. Security types not included in the Index are closed-end funds, convertible debentures, exchange traded funds, preferred stocks, rights, warrants, units and other derivative securities.

Eligibility Criteria

To be eligible for inclusion in the Index, the security's U.S. listing must be exclusively on The NASDAQ Stock Market (unless the security was dually listed on another U.S. market prior to January 1, 2004 and has continuously maintained such listing).

Index Maintenance

Changes in the price and/or Index Shares driven by corporate events such as stock dividends, stock splits, and certain spin-offs and rights issuances are adjusted on the ex-date. A change in the total shares outstanding² arising from other corporate actions including, secondary offerings, stock repurchases, conversions, and acquisitions is ordinarily made to the Index on the evening prior to the effective date of such corporate action or as soon as practicable thereafter.

In the case of a special cash dividend, a determination is made on an individual basis whether to make a change to the price of an Index Security in accordance with its Index dividend policy. If it is determined that a change will be made, it will become effective on the ex-date.

Index eligible security additions to The Nasdaq Stock Market (IPO or seasoned security) are included in the Index once a Last Sale Price is established.

If at any time during the year an Index Security no longer meets the Eligibility Criteria, or is otherwise determined to have become ineligible for continued inclusion in the Index, the security is removed from the Index. Ordinarily, a security will be removed from the Index at its Last Sale Price. If, however, at the time of its removal the Index Security is halted from trading on its primary listing market and an official closing price cannot readily be determined, the Index Security may, in NASDAQ's discretion, be removed at a zero price. The zero price will be applied to the Index Security after the close of the market but prior to

² If a security is a depositary receipt, the total shares outstanding is the actual depositary shares outstanding as reported by the depositary banks.

the time the official closing value of the Index is disseminated, which is ordinarily 17:16:00 ET.

Ordinarily, whenever there is a change in Index Shares, a change in an Index Security or a change to the price of an Index Security due to spin-offs, rights issuances, or special cash dividends, the divisor is adjusted to ensure that there is no discontinuity in the value of the Index which might otherwise be caused by any such change. All changes are made after market close and are reflected in the Index the following morning.

In administering the Index, Nasdaq will exercise reasonable discretion as it deems appropriate to ensure Index integrity.

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