

NASDAQ OMX Global Water Index Methodology

Index Description

The NASDAQ OMX Global Water Index is designed to track the performance of the companies creating products that conserve and purify water for homes, businesses, and industries. The Index is weighted in such a manner as to enhance the underlying liquidity and increase the tradability of the Index Securities.

Index Calculation

The NASDAQ OMX Global Water Index is a modified liquidity 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. The Index began on July 27, 2011 at a base value of 1000.00.

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 – a price returns index, a total return index, and a notational net total return in both USD and EUR.

- The price return index in USD (NASDAQ:GRNWATERL) is ordinarily calculated without regard to cash dividends on Index Securities.
- The total return index in USD (NASDAQ:GRNWATERLX) reinvests cash dividends on the ex-date.
- The notional net total return index in USD (NASDAQ: GRNWATERLNNR) 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 USD index began on December 23, 2013 at a base value of 1000.00.
- The price return index in EUR (NASDAQ:GRNWATERLEUR) is ordinarily calculated without regard to cash dividends on Index Securities. The price return index in EUR began on December 23, 2013 at a base value of 1000.00.
- The total return index in EUR (NASDAQ:GRNWATERLEURX) reinvests cash dividends on the ex-date. The total return index in EUR began on December 23, 2013 at a base value of 1000.00.

¹ For purposes of this document, Last Sale Price refers to the last regular way trade reported on such security's Index Market. The Index Market is the listing market for which prices are received and used by NASDAQ in the Index calculation and generally will represent the most liquid trading market of the Index Security. If a security does not trade on its Index Market on a given day or the Index Market has not opened for trading, the most recent last sale price from the Index Market (adjusted for corporate actions, if any) is used. For securities where NASDAQ is Index Market, the Last Sale Price may be the NASDAQ Official Closing Price (NOCP) when NASDAQ is closed.

- The notional net total return index in EUR (NASDAQ: GRNWATERLNNREUR) 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 EUR index began on December 23, 2013 at a base value of 1000.00.

The Index is calculated and disseminated once per second from 9:30:01 to 17:16:00 ET in USD. 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. If an Index Market is closed or an Index Security is not trading while the Index is being calculated and disseminated, the price of the Index Security may still fluctuate due to changes in the spot rate. The spot rate is fixed at 16:00:00 ET.

Eligibility

Index eligibility is limited to specific security types only. The security types eligible for the Index include common stocks, ordinary shares, depositary receipts (both American and Global), depositary shares, dutch certificates, shares of beneficial interest, stapled securities and tracking stocks.

Eligibility Criteria

To be eligible for inclusion issuers of the security must be involved in the creation of products that conserve and purify water for homes, businesses, and industries. In addition, a security must meet the following criteria:

- the issuer of the security must be classified as participating in the Green Economy as determined by SustainableBusiness.com LLC;
- the security must be listed on a Index-eligible global stock exchange;
- one security per issuer is permitted²;
- the security must have a minimum worldwide market capitalization of \$50 million; and
- the security must have a minimum three-month average daily dollar trading volume of \$250 thousand.

Index-Eligible Global Stock Exchanges

Global stock exchanges are reviewed periodically for eligibility. In general, a global exchange will be deemed ineligible if securities cannot be readily obtained either due to foreign investment restrictions or otherwise.

Index Evaluation

The Index Securities are evaluated annually in June. The above Eligibility Criteria are applied using market data through the end of April. Securities meeting the criteria are included in the Index. Security additions and deletions are made effective after the close of trading on the third Friday in June.

Additionally, if at any time during the year other than the Evaluation, an Index Security no longer meets the Eligibility Criteria, or is otherwise determined to have become ineligible for

² If an issuer has multiple securities, the security with the highest average daily dollar trading volume will be selected for possible inclusion into the Index.

inclusion in the Index, the security is removed from the Index and is not replaced. In all cases, a security is removed from the Index at its Last Sale Price.

Index Maintenance

Index Share changes are not made during the quarter however changes arising from stock dividends and stock splits are made to the Index on the evening prior to the effective date of such corporate action. In the case of certain spin-offs or rights issuances, the price of the Index Security is adjusted and a corresponding adjustment is made to the Index Shares such that the weight of the Index Security does not change as a result of the action.

A special cash dividend announced by the listing exchange, will result in an adjustment to the Last Sale Price of an Index Security prior to market open on the ex-date for the special amount distributed. A corresponding adjustment will be made to the Index Shares of the security such that the weight of the Index Security will not change as a result of the action. A special dividend may also be referred to as extra, extraordinary, non-recurring, one-time, unusual, etc.

All changes are made after market close and are reflected in the Index prior to market open the following morning.

Index Rebalancing

The Index employs a modified liquidity weighting methodology. Under the methodology,

- 1.) no country³ can have more than ten (10) securities;
- 2.) no country³ can have a weight of more than 40% in the Index;
- 3.) no single stock can have a weight of more than 8% in the Index;
- 4.) no country can have more than two (2) securities in excess of 4%; and
- 5.) the maximum number of securities in excess of 4% is five (5).

The first step is to limit the number of securities by country to ten (10) based on the largest average daily dollar trading volume. Then, the Index is rebalanced such that the maximum weight of any country does not exceed 40% of the Index. The excess weight of any capped country is distributed proportionally across the securities in the remaining countries. If after redistribution, another country's weight is greater than 40%, the process is repeated until no country weight is greater than 40%. Simultaneously, the securities are reviewed to ensure that no single security is greater than 8%. If a security is greater than 8%, it is capped at 8% and the excess weight is distributed proportionally across the remaining Index Securities. If after redistribution, any of the five (5) highest ranked Index Securities are weighted above 4% and less than or equal to 8%, these securities are not capped. However, if a country has more than two (2) securities greater than 4%, they will be capped at 4% and their excess weight will be redistributed. Next, any remaining Index Securities in excess of 4% are capped at 4% and the excess weight is redistributed proportionally across the remaining Index Securities. The process is repeated, if necessary, to derive the final weights.

The modified liquidity weighting methodology is applied to the three month average daily dollar trading volume of each Index Security as of the close of trading on the last trading day in February, May, August and November. Index Shares are then calculated by

³ Country refers to the domicile country.

multiplying the weight of the security derived above by the aggregate average daily dollar trading volume of the Index and dividing that value for each Index Security by its corresponding Last Sale Price and spot rate. The changes are effective after trading on the third Friday in March, June, September and December.

NASDAQ OMX may, from time to time, exercise reasonable discretion as it deems appropriate in order to ensure Index integrity including adjusting the weights of the sectors.

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