



INDEX METHODOLOGY

# NASDAQ REDPOINT CLOUD INFRASTRUCTURE SOFTWARE INDEX

## NQRPCI

### INDEX DESCRIPTION

The Nasdaq Redpoint Cloud Infrastructure Software Index is designed to track the performance of a selection of companies engaged in the Cloud Infrastructure Software industry. The companies are selected based on classification by Redpoint.

### SECURITY ELIGIBILITY CRITERIA

#### Security types

A security must be classified as a common stock, American Depositary Receipt (ADR), Global Depositary Receipt (GDR), New York Registry Share, share of beneficial interest of a Real Estate Investment Trust (REIT) or preference share. References to the “issuer” of a depositary receipt are references to the issuer of the underlying security.

A security must not be classified as a Chinese A-Share.

#### 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 be listed on an exchange named in **Nasdaq Eligible Exchanges**.

## **Industries and sectors**

### **Infrastructure Software revenue share**

A security's issuing company must be determined by Redpoint to derive at least 45 percent of its revenues from Infrastructure Software, as defined in Appendix A.

If a company's Infrastructure Software revenue share is less than 50 percent, the company may only be eligible if it meets three additional criteria:

- It is represented by an Index Security as of the Reconstitution Reference Date.
- Its Infrastructure Software revenue share as of the most recent Reconstitution's Reconstitution Reference Date was at least 50 percent.
- Its Infrastructure Software revenue share as of the current Reconstitution Reference Date is no more than five percentage points less than its Infrastructure Software revenue share as of the most recent Reconstitution's Reconstitution Reference Date.

### **Cloud revenue share**

A security's issuing company must be determined by Redpoint to derive at least 45 percent of GAAP revenue from selling services through a cloud model (versus on-premise), as defined in Appendix A. This is referred to as "Cloud revenue share."

If a company's Cloud revenue share is less than 50 percent, the company may only be eligible if it meets three additional criteria:

- It is represented by an Index Security as of the Reconstitution Reference Date.
- Its Cloud revenue share as of the most recent Reconstitution's Reconstitution Reference Date was at least 50 percent.
- Its Cloud revenue share as of the current Reconstitution Reference Date is no more than five percentage points less than its Cloud revenue share as of the most recent Reconstitution's Reconstitution Reference Date.

### **Thematic revenue growth**

A security's issuing company must be determined by Redpoint to have a trailing two-year thematic revenue growth of at least eight percent.

If a company's trailing two-year thematic revenue growth is less than 10 percent, the company may only be eligible if it meets three additional criteria:

- It is represented by an Index Security as of the Reconstitution Reference Date.
- Its trailing two-year thematic revenue growth as of the most recent Reconstitution's Reconstitution Reference Date was at least 10 percent.
- Its trailing two-year thematic revenue growth as of the current Reconstitution Reference Date is no more than two percentage points less than its trailing two-year thematic revenue growth as of the most recent Reconstitution's Reconstitution Reference Date.

## **Market capitalization**

A security in the Index as of the Reconstitution Reference Date must have a free float market capitalization of at least \$400 million (USD).

A security not in the Index as of the Reconstitution Reference Date must have a free float market capitalization of at least \$500 million (USD).

## **Liquidity**

A security in the Index as of the Reconstitution Reference Date must have a three-month average daily traded value of at least \$800 thousand (USD).

A security not in the Index as of the Reconstitution Reference Date must have a three-month average daily traded value of at least \$1 million (USD).

## **Seasoning**

A security must have been traded on its listing exchange at least three months prior to the Reconstitution Reference Date.

## **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**.

# **INDEX CALENDAR**

## **Reconstitution schedule**

The Index is reconstituted semi-annually in February and August by applying the Constituent Selection Process to all securities that meet the applicable Security Eligibility Criteria.

## **Reconstitution reference dates**

Unless otherwise specified, the Security Eligibility Criteria and Constituent Selection Process are applied by using data as of the last business day in January and July.

## **Reconstitution announcement dates**

Index Reconstitutions are announced in early February and August.

## **Reconstitution effective dates**

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

## **Rebalance schedule**

The Index is rebalanced semi-annually in February and August, in conjunction with the Index Reconstitution, by applying the Constituent Weighting Process to all Index Securities. The Reference, Announcement and Effective Dates of the Rebalance are the same as those of the Reconstitution.

## **Holiday schedule**

The Index is calculated Monday through Friday and does not close for holidays.

## **Index calculation and dissemination schedule**

The Index Value is calculated five (5) days a week, Monday through Friday, once per second from the start of the trading day in Tokyo (09:00:01 Japan Standard Time) until the close of the trading day in New York (17:16:00 Eastern Time).

# **CONSTITUENT SELECTION**

## **Constituent selection process**

All securities that meet the applicable Security Eligibility Criteria are included in the Index.

# **CONSTITUENT WEIGHTING**

## **Constituent weighting scheme**

The Index is an equal-weighted index.

## **Constituent weighting process**

All Index Securities are given an equal Index market value.

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 for bankruptcy or similar protection from creditors, delisting or other arrangement including mergers and acquisitions. Refer to **Corporate Actions and Events Manual – Equities** for further information.

### Replacement policy

Index Securities are not replaced between Index Reconstitutions.

### Addition policy

Index Securities are not added between Index Reconstitutions.

### Corporate actions

In the 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 “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.

## APPENDIX A: THEMATIC DEFINITIONS

### Infrastructure Software

Redpoint defines Infrastructure Software sub-classifications as follows:

- **Automation:** Robotic Process Automation (RPA) is the act of automating repetitive computer-based tasks and processes in the workplace to boost efficiency for organizations. Tasks involving a high level of human data processing can be taught to a robot, which can then replicate them at defined intervals and cadences.

- **Data Infrastructure & Data Analytics:** Data Infrastructure refers to the components needed to support data capture, storage and analysis. It includes the data properties and the tools that guide how to manage and maintain different forms of data. Data analytics refers to the structuring and distillation of data into valuable and accurate insights to reach business decisions.
- **DevOps:** DevOps is the practice in which software developers and operations teams work together to deliver applications, code and services at a high velocity and in an iterative manner. It includes a combination of development philosophies, practices and tools that encourages incremental development and rapid delivery of software.
- **Observability:** Observability relies on telemetry to measure a system's current state by examining output data such as logs, metrics and traces. Tracing modern cloud and data infrastructure requires processes to run on the cloud, on-premise or both and helps teams monitor modern systems, find and connect effects, trace them back to their root cause and enable visibility into entire architectures.
- **Security:** Security represents the strategy and provisions for ensuring the safeguarding of all company assets and network traffic to protect the network from unauthorized access, modification, distribution or misuse. Components of a security layer include controls to sift out threats trying to enter the network like access control, identification and malware detection, to other networking components like firewalls, IPS, network access control, security information & event management and data loss prevention.

## Cloud

Redpoint defines services exhibiting the following traits as being sold through a cloud model:

- Provided to customers through a cloud delivery model; e.g., hosted on remote, hybrid, or multi-tenant server infrastructure; accessed through a computer, web browser or mobile device; or consumed as an API
- Provided to customers through a cloud economic model; e.g., as a subscription based, volume based or transaction-based offering

## 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, refer to the **Nasdaq Index Methodology Guide**.

### Unexpected market closures

For information on Unexpected Market Closures, 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), refer to the **Calculation Manual – Equities and Commodities**.

## Recalculation and restatement policy

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

## Data sources

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

## Contact information

For any questions regarding an Index, 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 detailed information regarding Index Dissemination, refer to the **Nasdaq Index Methodology Guide**.

## Website

For further information, refer to 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 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 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, 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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