



INDEX METHODOLOGY

## **NASDAQ NORDEA SMARTBETA EUROZONE INDEXES™**

**NQNDMVEURO- (MOMENTUM VOLATILITY)**

**NQNDDMBEURO- (DIVIDEND MOMENTUM BETA)**

**NQNDMFEEURO- (MULTIFACTOR ESG)**

### **INDEX DESCRIPTION**

The Nasdaq Nordea SmartBeta Eurozone Indexes aim to provide exposure to a specific factor or multiple factors, including dividends, momentum and volatility.

Nasdaq and Nordea Bank AB have jointly designed the selection criteria and rebalancing rules for the Indexes. Nasdaq is responsible for the methodology, calculation, dissemination, and administration of the Indexes. Institutional Shareholder Services, Inc. (ISS ESG) is responsible for the Environmental, Social and Governance (ESG) screening of securities to the extent set out in the Security Eligibility Criteria.

### **SECURITY ELIGIBILITY CRITERIA**

#### **Parent index**

To be eligible for inclusion in any of the Nasdaq Nordea SmartBeta Eurozone Indexes, a security must be included in the Nasdaq Eurozone Large Mid Cap Index. Please refer to that methodology for further information.

#### **Multiple classes of securities**

If a company has listed multiple security classes, only the security class with the highest turnover, calculated as the minimum value of three- and twelve-month average daily traded volumes (3mADTV and 12mADTV), is eligible for inclusion in the Index.

- 3mADTV = The three-calendar-month average daily traded volume in EUR up to and including the month of the Index Reconstitution Reference Date.
- 12mADTV = The twelve-calendar-month average daily traded volume in EUR up to and including the month of the Index Reconstitution Reference Date.

## Eligible security types

Securities designated to the country Greece or listed on the Athens Exchange are not eligible. A complete list of eligible exchanges can be found in **Nasdaq Eligible Exchanges**.

## Industry or sector eligibility

Each security must not be classified as 'Closed End Investments' or 'Open End and Miscellaneous Investment Vehicles' Subsectors according to the Industry Classification Benchmark ("ICB"), a product of FTSE International Limited that is used under license.

## Liquidity eligibility

A security must have a minimum average daily traded volume of 5 Million EUR based on the minimum of 3mADTV and 12mADTV for each security.

## Seasoning eligibility

A security must be listed on the eligible exchanges for at least twelve (12) full calendar months up to and including the month of the Index Reconstitution Reference Date. A complete list of eligible exchanges can be found in **Nasdaq Eligible Exchanges**.

## Other eligibility criteria

The Issuer of a security not already in the Index as of the Index Reconstitution Reference Date ("non-Index Security") may not have entered into a definitive agreement or other arrangement that would likely result in the non-Index Security becoming ineligible.

The Issuer of a security already in the Index as of the Index Reconstitution Reference Date ("Index Security") that has entered into a definitive agreement or other arrangement that would likely result in the Index Security becoming ineligible soon after the Index Reconstitution Effective Date may be removed from the Index in conjunction with the Index Reconstitution.

## ESG Eligibility for Nasdaq Nordea SmartBeta Multifactor ESG Eurozone Index

ISS ESG performs an ESG screening to determine whether companies meet the ESG standards of the Index. Companies with the following characteristics are excluded:

- Verified and ongoing breaches of international norms
  - Norm Based Research assesses companies' adherence to global principles on human rights, labor standards, environmental protection, and anti-corruption, as set out in international initiatives and guidelines. More information on the Norms methodology is available at: <https://www.issgovernance.com/esg/screening-research-analytics/>
- Verified and ongoing involvement in cluster munitions, anti-personnel mines, depleted uranium, nuclear weapons, and biological and chemical weapons

- Involvement is defined as the Development, Maintenance, Marketing, Sale, Brokering, Operation of facilities, Production, Stockpiling, System integration/ Prime contractor Testing, Training, Transfer/ Transport, or Upgrade of any controversial weapon or key component thereof.
- Companies with involvement of a certain degree in alcohol, tobacco, military equipment, pornography, gambling, fossil fuels (coal, oil sands and arctic drilling)
  - Alcohol – Not more than 5% of total revenue is derived from production, distribution or services from alcohol
  - Tobacco - Not more than 5% of total revenue is derived from production, distribution or services from tobacco.
  - Military Equipment - Not more than 5% of total revenue is derived from production, distribution or services from Military Equipment.
  - Pornography - Not more than 5% of total revenue is derived from production, distribution or services from pornography.
  - Gambling - Not more than 5% of total revenue is derived from production, distribution or services from gambling.
  - Coal & Unconventional Extraction (oil sands and arctic drilling): Zero tolerance of producers of coal mining, oil sands and arctic drilling
  - Fossil Fuel - Not more than 5% of total revenue is derived from production, distribution or services from fossil fuels.

In addition, securities in respect of companies included on Nordea Bank AB's exclusion list (<https://www.nordea.com/en/sustainability/sustainable-finance/exclusion-list/>) will be excluded from the selection of eligible securities. Exclusions based on the Nordea Bank AB exclusion list will be done by Nasdaq at the respective Index Reconstitution Reference Date.

## INDEX CALENDAR

### Reconstitution schedule

Nasdaq selects constituents quarterly in February, May, August and November to determine the Index Securities as of the Index Reconstitution Effective Dates.

### Reconstitution reference dates

The February Reconstitution is conducted using data as of the end of December.

The May Reconstitution is conducted using data as of the end of March.

The August Reconstitution is conducted using data as of the end of June.

The November Reconstitution is conducted using data as of the end of September.

## Reconstitution announcement dates

Index Reconstitution changes are announced at least five (5) days before the Index Reconstitution Effective Dates in February, May, August and November.

## Reconstitution effective dates

Index Reconstitution changes become effective over five (5) trading days (Roll Period) prior to the first trading day in February, May, August and November. Refer to Appendix B for more information on Roll Period procedure.

## Rebalance schedule

The Index is rebalanced quarterly in conjunction with the Index Reconstitution in February, May, August and November.

## Rebalance reference dates

The Index Rebalance uses closing prices as of the day prior to the Index Rebalance Effective Date.

## Rebalance announcement dates

Index Rebalance changes are announced in conjunction with the Index Reconstitution announcements.

## Rebalance effective dates

Index Rebalance changes become effective in conjunction with the end of the Index Reconstitution Roll Period at market open on the first trading day in February, May, August and November.

# CONSTITUENT SELECTION

## Constituent selection process

Eligible securities are selected for each Index by ranking based on the designated factor(s).

### Nasdaq Nordea SmartBeta Momentum Volatility Eurozone Index (NQNDMVEURO)

Eligible securities are ranked in order by total normalised Momentum and Volatility factor ( $f_{i,t}^{MV}$ ).

$$f_{i,t}^{MV} = (\widetilde{M}_{i,t} + \widetilde{\sigma}_{i,t})/2$$

- Each of the top 15 securities will be selected for inclusion in the Index.
- Any Index Securities ranked within the top 45 positions are selected for inclusion in the Index.

- In the event greater than 30 securities pass the first two criteria, then the security with the lowest rank(s) will be removed.
- In the event that fewer than 30 securities pass the first three criteria, the remaining positions will be filled, in rank order, by the highest ranked non-Index Securities.

See Appendix A for more information about the calculation of normalised Momentum and normalised Volatility factor.

**Nasdaq Nordea SmartBeta Dividend Momentum Beta Eurozone Index (NQNDDMBEURO)**

Eligible securities are ranked in order by total normalised Dividend, Momentum and Beta factor ( $f_{i,t}^{MDB}$ ).

$$f_{i,t}^{MDB} = (\widetilde{M}_{i,t} + \widetilde{Y}_{i,t} + \widetilde{\beta}_{i,t})/3$$

- Each of the top 15 securities will be selected for inclusion in the Index.
- Any Index Securities ranked within the top 45 positions are selected for inclusion in the Index.
- In the event greater than 30 securities pass the first two criteria, then the security with the lowest rank(s) will be removed.
- In the event that fewer than 30 securities pass the first three criteria, the remaining positions will be filled, in rank order, by the highest ranked non-Index Securities

See Appendix A for more information about the calculation of normalised Momentum, normalised Beta and normalised Dividend factor.

**Nasdaq Nordea SmartBeta Multifactor ESG Eurozone Index (NQNDMFEEURO)**

Eligible securities (including the ESG eligibility) are ranked in order by total normalised Dividend, Momentum and Beta factor ( $f_{i,t}^{MDB}$ ).

Each of the top 15 securities will be selected for inclusion in the Index.

- Any Index Securities ranked within the top 45 positions are selected for inclusion in the Index.
- In the event greater than 30 securities pass the first two criteria, then the security with the lowest rank(s) will be removed.
- In the event that fewer than 30 securities pass the first three criteria, the remaining positions will be filled, in rank order, by the highest ranked non-Index Securities

See Appendix A for more information about the calculation of normalised Momentum, normalised Beta and normalised Dividend factor.

## CONSTITUENT WEIGHTING

### Constituent weighting scheme

The Indexes are equal-weighted indexes.

### Constituent weighting process

The Indexes each employ an equal weighting scheme: all Index Securities have equal index market capitalization.

For additional information about index weighting, see **Nasdaq Standard Index Weight Adjustment Guidelines**.

## INDEX MAINTENANCE

### Deletion policy

If at any time other than an Index Reconstitution Nasdaq determines that an Index Security has or will undergo a fundamental alteration that would make it ineligible for Index inclusion, the Index Security is removed as soon as practicable as noted in the “Mergers and Acquisitions (M&A)” section of the **Nasdaq Corporate Actions and Events Manual – Nordic, Baltic, and SmartBeta Equities**.

Such fundamental alterations include but are not limited to a listings switch to an ineligible Index Exchange, an acquiring company acquires at least 90% of outstanding shares, merger, or other major corporate event that would otherwise adversely impact the integrity of the Index.

On the last trading day before the Effective Date of the deletion of an Index Security, other than due to bankruptcy, the calculation of the Index Value for that Index Security shall be based on LSP. On the Effective Date of the deletion, the Index Security will be removed at LSP. For more information on the handling of bankrupt securities, please refer to the “Bankruptcy” section of the **Nasdaq Corporate Actions and Events Manual – Nordic, Baltic, and SmartBeta Equities**.

### Replacement policy

Removed securities are not replaced except, under certain conditions, when the removed Index Security is involved in a merger. Please refer to the “Mergers & Acquisitions (M&A)” section of the **Nasdaq Corporate Actions and Events Manual – Nordic, Baltic, and SmartBeta Equities** for further information.

### Corporate actions

Information on corporate actions handling can be found in the **Nasdaq Corporate Actions and Events Manual – Nordic, Baltic, and SmartBeta Equities**.

Unless otherwise noted and where possible, corporate actions are announced approximately two (2) days in advance.

The Indexes follow a “Non-Market Cap Corporate Action Method for Indexes that Review Index Shares on a Periodic Basis”.

## Index share adjustments

The Indexes follow Index Share adjustments based on “Indexes that Review Index Shares on a Daily Basis”. Please refer to the “Index Share Adjustments” section of the **Nasdaq Corporate Actions and Events Manual – Nordic, Baltic, and SmartBeta Equities** for further information.

## APPENDIX A: FACTOR RANKING

### General Definitions

$t$  = Reconstitution reference date

$p_{i,t}$  = Price of the Index Security (i) as of  $t$

$p_{i,t-1}$  = Price of the Index Security (i) as of  $t-1$

$n_i$  = Number of actual trading days for security (i) in the trailing one year period relative to  $t$

$Ret_{i,s}$  = Daily return for Index Security (i) on day  $s$

$\overline{Ret}_{i,t}$  = Average daily return for Index Security (i)

$j_{i,t}$  = Corporate action adjustment factor for Index Security (i) to adjust  $p_{i,t}$

$d_{i,t}$  = Dividend amount in EUR for Index Security (i) on day  $t$

$m$  = number of securities in the eligible universe

$s$  = a trading day for security (i) before reconstitution reference date  $t$

### Security Daily Return

$$Ret_{i,s} = \frac{p_{i,s}}{(p_{i,s-1} - d_{i,s}) \times j_{i,s}}$$

$$\overline{Ret}_{i,t} = \frac{1}{n_i} \sum_{k=1}^{n_i} Ret_{i,k}$$

### Dividend Factor

$$y_{i,t} = \begin{cases} \frac{D_{i,t}^{1Y}}{p_{i,t}} & \text{if } E_{i,t}^{1Y} \geq 2 \times D_{i,t}^{1Y} \\ 0 & \text{if } E_{i,t}^{1Y} < 2 \times D_{i,t}^{1Y} \end{cases}$$

$y_{i,t}$  = One year dividend yield for Index Security ( $i$ ) as of index reconstitution reference date

$D_{i,t}^{1Y}$  = sum of all dividend amounts, excluding extra cash, in EUR for security  $i$  distributed in one year period from the reconstitution reference date  $t$  (including  $t$ ). Dividend amounts are adjusted for possible stock-splits, Rights and Spin-offs. If dividend payments are not distributed exactly "evenly" over one calendar year, i.e. does not fall on the same day and month each year, Nasdaq will, at its discretion, allocate payments to the appropriate period in order to take a full cycle into account.

$E_{i,t}^{1Y}$  = the latest updated (available at  $t$ ) 12M average of the basic earnings per share, in EUR for security  $i$ , before extraordinary items

$\bar{y}_{i,t}$  = average 12 months dividend yield

$\tilde{y}_{i,t}$  = Normalised Dividend Factor

$StDev(y_t)$  = Standard deviation of dividend yield

$$\bar{y}_t = \frac{1}{m} \sum_{i=1}^m y_{i,t}$$
$$StDev(y_t) = \left( \frac{1}{m} \sum_{i=1}^m (y_{i,t} - \bar{y}_t)^2 \right)^{0.5}$$
$$\tilde{y}_{i,t} = \frac{y_{i,t} - \bar{y}_t}{StDev(y_t)}$$

## Momentum Factor

$$M_{i,t} = \prod_{k=1}^{n_i} (1 + Ret_{i,k})$$

$M_{i,t}$  = Momentum for Index Security ( $i$ ) as of index reconstitution reference date ( $t$ )

$\bar{M}_{i,t}$  = average Momentum

$\tilde{M}_{i,t}$  = Normalised Momentum Factor

$StDev(M_t)$  = Standard deviation of Momentum

$$\bar{M}_t = \frac{1}{m} \sum_{i=1}^m M_{i,t}$$
$$StDev(M_t) = \left( \frac{1}{m} \sum_{i=1}^m (M_{i,t} - \bar{M}_t)^2 \right)^{0.5}$$



$$\tilde{M}_{i,t} = \frac{M_{i,t} - M_t}{StDev(M_t)}$$

## Volatility Factor

$$\sigma_{i,t} = \left( \frac{1}{n_i} \sum_{k=1}^{n_i} (Ret_{i,k} - \overline{Ret}_{i,t})^2 \right)^{1/2}$$

$\sigma_{i,t}$  = Volatility for Index Security (i) as of index reconstitution reference date (t)

$\bar{\sigma}_{i,t}$  = average Volatility

$\tilde{\sigma}_{i,t}$  = Normalised Volatility Factor

$StDev(\sigma_t)$  = Standard deviation of Volatility

$$\bar{\sigma}_t = \frac{1}{m} \sum_{i=1}^m \sigma_{i,t}$$

$$StDev(\sigma_t) = \left( \frac{1}{m} \sum_{i=1}^m (\sigma_{i,t} - \bar{\sigma}_t)^2 \right)^{0.5}$$

$$\tilde{\sigma}_{i,t} = \frac{\sigma_{i,t} - \bar{\sigma}_t}{StDev(\sigma_t)}$$

## Beta Factor

A Beta Factor is calculated by Nasdaq from the 12-month realized covariance between each security and the Reference Index, NASDAQ EURO 50 Total Return Index (NQEURO50T):

$$\beta_{i,t} = \frac{C_{i0,t}}{C_{00,t}}$$

$C_{i0,t}$  = Covariance between security (i) and reference index on reconstitution reference date (t)

$C_{00,t}$  = Variance of daily return for reference index on reconstitution reference date (t)

$Ret_{0,s}$  = Daily Return for reference index on day s

$\overline{Ret}_{0,t}$  = Average daily return for reference index

$Ret_{i,s}$  = Daily Return for security (i) on day s

$\overline{Ret}_{i,t}$  = Average daily return for security (i)

$$C_{i0,t} = \frac{1}{n_i} \times \sum_{k=1}^{n_i} (Ret_{i,k} - \overline{Ret}_{i,t}) \times (Ret_{0,k} - \overline{Ret}_{0,t})$$

$$C_{00,t} = \frac{1}{n_i} \times \sum_{k=1}^{n_i} (Ret_{0,k} - \overline{Ret}_{0,t})^2$$

$\bar{\beta}_{i,t}$  = average Beta

$\tilde{\beta}_{i,t}$  = Normalised Beta Factor

$StDev(\beta_t)$  = Standard deviation of Beta

$$\bar{\beta}_t = \frac{1}{m} \sum_{i=1}^m \beta_{i,t}$$

$$StDev(\beta_t) = \left( \frac{1}{m} \sum_{i=1}^m (\beta_{i,t} - \bar{\beta}_t)^2 \right)^{0.5}$$

$$\tilde{\beta}_{i,t} = \frac{\beta_{i,t} - \bar{\beta}_t}{StDev(\beta_t)}$$

## APPENDIX B: ROLL PROCEDURE

1. Any replacements in the Index, meaning new Index Securities entering the index (“New Index Securities”) by replacing existing Index Securities (“Old Index Securities”), will be rolled into the Index over the Roll Period (consisting of five (5) consecutive Roll Days), replacing the Old Index Securities with an approximately evenly distributed amount each Roll Day.
2. The sum of the market value of the Index Securities that are sold on each Roll Day is equally distributed among the New Index Securities, i.e. the amount of each New Index Security is determined so that the market value of each New Index Security, on each Roll Day, is equal and sums up to the same market value as for the Index Securities that are sold that day.
3. At close of the last Roll Day in a Roll Period, each remaining Index Security is assigned the weight of  $1/n$  (equally weighted), where  $n$  is the total number of Index Securities on the first trading day after rebalancing.

### Definitions

$IS_i^{old}$  = Index shares of current Index security (i) that is supposed to be deleted from the index as a result of quarterly reconstitution

$n^{old}$  = number of current Index security (i) that is supposed to be deleted from the index as a result of quarterly reconstitution

$t_k$  = defines the Roll Period with  $k$  varying from 1 to 5 referring to each roll day.

$t_0$  = The day before roll starts.

$MCAP^{out}$  = Market Cap of the securities that are moving out as a result of quarterly reconstitution

$IS_i^{new}$  = Index shares of New Index security (i) that is supposed to be added to the index as a result of quarterly reconstitution

$n^{new}$  = number of new Index security(i) that is supposed to be added to the index as a result of quarterly reconstitution

$P_{i,t_k}^{old}$  = Closing Price of the current index security deleted from the index as of Roll day  $t_k$

$P_{i,t_k}^{new}$  = Closing Price of the new index security added to the index as of Roll day  $t_k$

$p_{i,t_5}$  = closing price of Index Security i on Roll Day  $t_5$

$n^{index}$  = number of Index securities after the roll have been completed

$IS_i^5$  = Index shares of security (i) at the close of roll day  $t_5$  after the inclusion of new securities and exclusion of old index securities

ROLL PERIOD = The term "Roll Period" shall mean, in respect of each Index, a period of the last five (5) consecutive Scheduled Index Trading Days of October, January, April and July, respectively during which all of the underlying markets are scheduled to be open for trading.

ROLL DAY = A "Roll Day" is a Scheduled Index Trading Day in the Roll Period during which all of the underlying markets are open for trading.

## Schematic Overview of the Roll

$$IS_i^{old}(t_k) = Round \left[ \left( IS_i^{old}(t_{k-1}) - 0.2 \times IS_i^{old}(t_0) \right), 0 \right]$$

$$MCAP^{out}(t_k) = \sum_{i=1}^{n^{old}} \left( 0.2 \times IS_i^{old}(t_{k-1}) \times P_{i,t_k}^{old} \right)$$

The Total Index Market Cap sold each Roll Day equals the Total Index Market Cap bought on that Roll Day (with the exception of the small change in Market Cap due to rounding)

$$MCAP^{out}(t_k) = MCAP^{in}(t_k)$$

$$IS_i^{new}(t_k) = IS_i^{new}(t_{k-1}) + Round \left[ \frac{MCAP^{in}(t_k)}{n^{new} \times P_{i,t_k}^{new}}, 0 \right]$$

The total market cap of the index as of roll day  $t_5$  is calculated as,

$$MCAP^{index}(t_5) = \sum_{i=1}^{n^{index}} (IS_i^5 \times p_{i,t_5})$$

At the end (immediately after close of business) of the last Roll Day  $t_5$  in the Roll Period, the Index is equally weighted and the index Shares of all Index Securities,  $i$ , included in the Index is set to,

$$IS_i(t_5) = Round \left[ \frac{MCAP^{index}(t_5)}{n^{index} \times p_{i,t_5}}, 0 \right]$$

### De-listings in the Roll Period:

- If an Index Security that is not in the set of Old or New Index Securities is delisted: At the time of delisting the Market Cap value of that particular Index Security is evenly distributed to the remaining Index Securities that are not in the set of Old or New Index Securities. The roll process is not affected.
- If an Index Security that is in the set of Old Index Securities is delisted: At the time of delisting the Market Cap value of that particular Index Security is added to the  $MCAP^{in}(t_k)$  value above and the  $MCAP^{out}(t_k)$  value as of this day excludes that Index Security in the calculation. This means that the remaining Market Cap value of the delisted Index Security is re-invested evenly in the set of New Index Securities at the time of de-listing.
- If a New Index Security is delisted and the delisting is unknown before the Roll Period starts: At the time of delisting the Market Cap value of that particular New Index Security is added to the  $MCAP^{in}(t_k)$  value above and the new value in the calculation of  $IS_i^{new}(t_k)$  is reduced by 1. This means that the remaining Market Cap value of the delisted Index Security is re-invested evenly in the set of New Index Securities at the time of de-listing. If all the New Index Securities are delisted then the Market Cap Value needs to be (evenly) re-invested in the remaining Index Securities that are not in the set of Old Index Securities

## 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 Indexes are calculated Monday through Friday, except on days when the Nasdaq London and/or Stockholm exchanges are closed.

## **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 & 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.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 during the trading day and is disseminated once per second from 09:00:10 to 17:35:00 local time (Central European Time or Central European Summer Time, dependent on the month of the year).

## 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**.

## APPENDIX A: METHODOLOGY CHANGE LOG

Effective Date	Methodology Section	Previous	Updated
12/21/2023	Constituent selection: Constituent selection process	--	Nasdaq Nordea SmartBeta Dividend Momentum Beta Eurozone Index (NQNDDMBEURO) and Nasdaq Nordea SmartBeta Multifactor ESG Eurozone Index (NQNDMFEEURO) were terminated effective December 21, 2023.

## 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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