![Nasdaq logo]

INDEX METHODOLOGY

NASDAQ-BROOKLYN ADR INDEX

NBADR

INDEX DESCRIPTION

The Nasdaq-Brooklyn ADR Index is designed to track the performance of large & mid-sized, U.S.-listed American Depositary Receipts (ADRs).

SECURITY ELIGIBILITY CRITERIA

Security types

A security must be classified as an American Depositary Receipt (ADR) or a New York Registry Share (NYRS). References to the "issuer" of a depositary receipt are references to the issuer of the underlying security.

Multiple securities per issuer

One security per issuer is permitted. If an issuer has multiple otherwise-eligible securities, only the security with the highest three-month average daily traded value (USD) will be included.

Listing Exchanges

A security must be listed on a public U.S. stock exchange.

Market capitalization

Securities are selected based on the cumulative share of free-float market capitalization.

A security not in the Index as of the Reconstitution Reference Date must have a free-float market capitalization that falls within the top 97.5% of cumulative free-float market cap of the starting universe.

A security in the Index as of the Reconstitution Reference Date must have a free-float market capitalization that falls within the top 98.5% of cumulative free-float market cap of the starting universe.

Seasoning

A security must have been traded at least 90 calendar days prior to the Reconstitution Reference Date.

Liquidity

A security not in the Index as of the Reconstitution Reference Date must have a three-month average daily traded value of at least $600,000 (USD).

A security in the Index as of the Reconstitution Reference Date must have a three-month average daily traded value of at least $400,000 (USD).

Other eligibility

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 quarterly in March, June, September, and December 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 14 calendar days prior to the Reconstitution Effective Date.

Reconstitution announcement dates

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

Reconstitution effective dates

Index Reconstitutions become effective at market open on the first trading day following the second Wednesday of March, June, September, and December.

Rebalance schedule

The Index is rebalanced quarterly in March, June, September, and December in conjunction with the Index Reconstitution. The Index Rebalance Reference Dates, Announcement Dates and Effective Dates are the same as those of the Index Reconstitution.

Rebalance reference dates

Unless otherwise specified, the Index Rebalance uses data as of 14 calendar days prior to the Rebalance Effective Date.

Rebalance announcement dates

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

Rebalance effective dates

Index Rebalances become effective at market open on the first trading day following the second Wednesday of March, June, September, and December.

Holiday schedules

The Index is calculated Monday through Friday, except on days when the Nasdaq exchange is closed.

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

Every security that meets all applicable Security Eligibility Criteria is included in the Index.

CONSTITUENT WEIGHTING

Constituent weighting scheme

The Index is a modified free-float market capitalization-weighted index.

Constituent weighting process

Weight Calculation

Each Index Security's initial weight is determined by dividing its Free Float Market Value by the aggregate Free Float Market Value of all Index Securities.

Initial weights are then adjusted to determine final weights.

Weight Adjustment

Initial Index weights are adjusted to improve the portfolio's liquidity profile. The weight adjustment is described below:

- Step 1: Calculate *ADVT Ratio*: 3-month average daily value traded divided by free-float market capitalization.
- Step 2: Calculate the *Liquidity Adjustment Factor*: min(1,ADVT Ratio/0.001)
- Step 3: Multiply baseline index weights by the *Liquidity Adjustment Factor*
- Step 4: Rescale the modified weights from Step 3 to 100% on a pro-rata basis.
- Step 5: Cap single security weights to 5%. Excess weight redistributed on a pro-rata basis.

Final weights are those determined from Step 5 above.

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 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. Such alternations may include a listing on an ineligible exchange, merger, acquisition, or other major corporate event that would otherwise adversely affect the integrity of the Index.

Corporate actions

In the interim 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. With the exception(s) noted below, 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**.

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 **Nasdaq Index Policies & Procedures: 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 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.

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**.

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

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

A methodology document is created for all new Index Methodologies. The methodology document includes the following: Index Objective, Security Eligibility Criteria, Index Construction, Index Maintenance, Index Governance, Index Policy, and Index Dissemination.

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

See **Nasdaq Index Methodology Guide**.

APPENDIX: METHODOLOGY CHANGE LOG

Effective Date	Methodology Section	Description or Summary of Changes
9/13/2023	Eligibility Criteria: Security Types	Security Type screen changed to include New York Registry Share (NYRS) in addition to American Depositary Receipt (ADR).

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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