



NASDAQ-100 DIVIDEND POINT INDEX

Index Methodology

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1. INTRODUCTION

Nasdaq hereinafter referred to as the Index Owner, owns the index Nasdaq-100 Dividend Point Index (the “Index”). The Index Owner is also the index provider (“Index Provider”) and the index calculator (“Index Calculator”). The construction and adoption of the regulatory system for the Index will hereinafter be called the “Nasdaq-100 Dividend Point Index Methodology”.

The Nasdaq-100 Index® includes 100 of the largest non-financial companies listed on The Nasdaq Stock Market®, based on market capitalization. It does not contain securities of financial companies including investment companies.

The Nasdaq-100 Dividend Point Index (“NDXDIV”) is calculated as the running total of ordinary dividends paid by the constituents of the Nasdaq-100 Index (“NDX”), expressed in index points. The Index is reset to zero once a year in connection with the derivatives expiration in December. Using the Nasdaq-100 Dividend Point Index as the underlying in financial products, investors can hedge or gain exposure to the dividend performance of the Nasdaq-100 Index.

2. INDEX CALCULATION

2.1 FORMULA

The Index is calculated using the following formula:

$$I_t = \frac{\sum_{i=1}^n q_{i,t} * d_{i,t}}{IndexDivisor_t} + I_{t-1}$$

I_t = Index level at time (t)

$q_{i,t}$ = Number of shares of company (i) applied in the NDX Index at time (t)

$d_{i,t}$ = Ordinary dividend per share for company (i) with Ex-date at time (t)

Index Divisor = The divisor for NDX Index at time (t)

2.1.1 DIVIDENDS

Ordinary dividends are included in the Index calculation. An extraordinary dividend is a part of the calculation only through the adjusted Index Divisor. See the ‘*Nasdaq-100 Index Methodology*’ for definitions of ordinary and extraordinary dividends.¹

¹ If a dividend is quoted in a different currency than the index methodology, the dividend amount will be recalculated using the t-1 WM Company Closing Spot Rate (1600 UK), where t-1 is the trading day before the Ex-day

2.1.2 RESET OF THE INDEX VALUE

The Index value is reset to zero each year after the close on the third Friday in December, to coincide with the derivative December expiration. Consequently the index measures the total dividend points of the NDX since the previous reset date.

2.2 OTHER ADJUSTMENTS

The Index Calculator may, with respect to adjustments, make an adjustment in circumstances other than those specified above or decide to modify a provision regarding adjustment or not to implement an adjustment.

3. GENERAL CORRECTION POLICY

Generally, the Index is maintained on an ongoing basis and any corporate actions are handled simultaneously as they occur, given that all necessary information is publically available. However, there may be events where there is not sufficient public information available or that the event is announced post ex-day. In such cases, the Index Calculator will decide on a case by case basis whether the event can be implemented in connection to the regularly scheduled Index reviews or if a historical correction of the affected Indexes is warranted.

Any historical correction to an Index is limited to a time frame of six (6) months prior, counting from the date where the correction is being implemented. If such a correction would occur, it will be announced according to the General Announcement Policy and new Index closing values will be provided as well as start of day and end of day Index weightings and summary report.

4. DISCRETIONARY ADJUSTMENTS

The Index Calculator may, due to special circumstances, if deemed essential, apply discretionary adjustments to the Index.

INTELLECTUAL PROPERTY RIGHTS

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DISCLAIMER

The Index Calculator may, from time to time, exercise reasonable discretion as it deems appropriate in order to ensure Index integrity. The Index Calculator 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. The Index Calculator and its affiliates do not guarantee the accuracy or completeness of any Index or of the data used to calculate the Index or determine the Index components, or the uninterrupted or un-delayed calculation or dissemination of any Index. The Index Calculator and its affiliates do not guarantee that any Index accurately reflects past, present, or future market performance.

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