



Innovation Meets Sustainability

Nasdaq Next Generation 100 ESG™ Index (NGXESG™)

December 2024 Reconstitution

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NGXESG Index Objectives

- Reduce the degree to which the portfolio's economic value is at risk because of Environmental, Social, and Governance (ESG) factors, or more technically, aim to significantly improve the portfolio's Sustainalytics ESG Risk Rating Score;
- Exclude enterprises that create reputational risks or violate fundamental values;
- Eliminate business exposures that are off-limit for most ESG-conscious investors and
- Aim to deliver similar performance to the Nasdaq Next Generation 100™ Index (NGX™) - very low tracking error.



NGXESG Index Mechanics

- At all times, the Nasdaq Next Generation 100 ESG Index (NGXESG) consists of a selection of securities in the Nasdaq Next Generation 100 Index.
- The Nasdaq Next Generation 100 Index is reconstituted annually in December.
- The ESG characteristics of the underlying issuers are re-evaluated each quarter (March, June, December, and December). Hence, there is an NGXESG reconstitution and rebalancing each quarter.
- Securities removed from the Nasdaq Next Generation 100 Index outside of a reconstitution are removed from the Nasdaq-100 ESG Index and are not replaced.



NGXESG Weighting Scheme

- The Nasdaq Next Generation 100 ESG Index is a modified market capitalization-weighted index that considers a company's ESG Risk Rating Score as an adjustment factor.
- Two factors play into the index weight of an issuer:
 - The Nasdaq Next Generation 100 Market Value, and
 - The ESG Risk Rating Score.
- In general, for each issuer:
 - Everything else equal, the higher the weight in the Nasdaq Next Generation 100 and/or the better the ESG Risk Rating Score, the higher the weight in the NGXESG Index, and vice versa.



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NGXESG™ ESG Exclusions: 15

Symbol	Company Name	ICB Industry	Nasdaq Next Generation 100 ESG: Reason(s) for Exclusion	Nasdaq Next Generation 100™ Weight (%)
LLYVK	Liberty Media	Consumer Discretionary	ESG Risk Rating Score has not yet been determined	0.27
LLYVA	Liberty Media	Consumer Discretionary	ESG Risk Rating Score has not yet been determined	0.11
EXE	Expand Energy	Energy	ESG Risk Rating Score has not yet been determined	1.35
DKNG	DraftKings	Consumer Discretionary	Revenue from gambling operations	1.13
ALAB	Astera Labs	Technology	ESG Risk Rating Score is greater than 40	1.30

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NGXESG™ ESG Exclusions: 15

Symbol	Company Name	ICB Industry	Nasdaq Next Generation 100 ESG: Reason(s) for Exclusion	Nasdaq Next Generation 100™ Weight (%)
LNT	Alliant Energy	Utilities	Revenue from oil & gas generation and thermal coal power generation	0.92
CASY	Casey's General Stores	Consumer Staples	Revenue from tobacco products – retail	0.90
EVRG	Evergy	Utilities	Revenue from nuclear production, oil & gas generation and thermal coal power generation	0.86
TXRH	Texas Roadhouse	Consumer Discretionary	Revenue from alcoholic beverages – retail	0.73
PPC	Pilgrim's Pride	Consumer Staples	ESG Risk Rating Score is greater than 40	0.66

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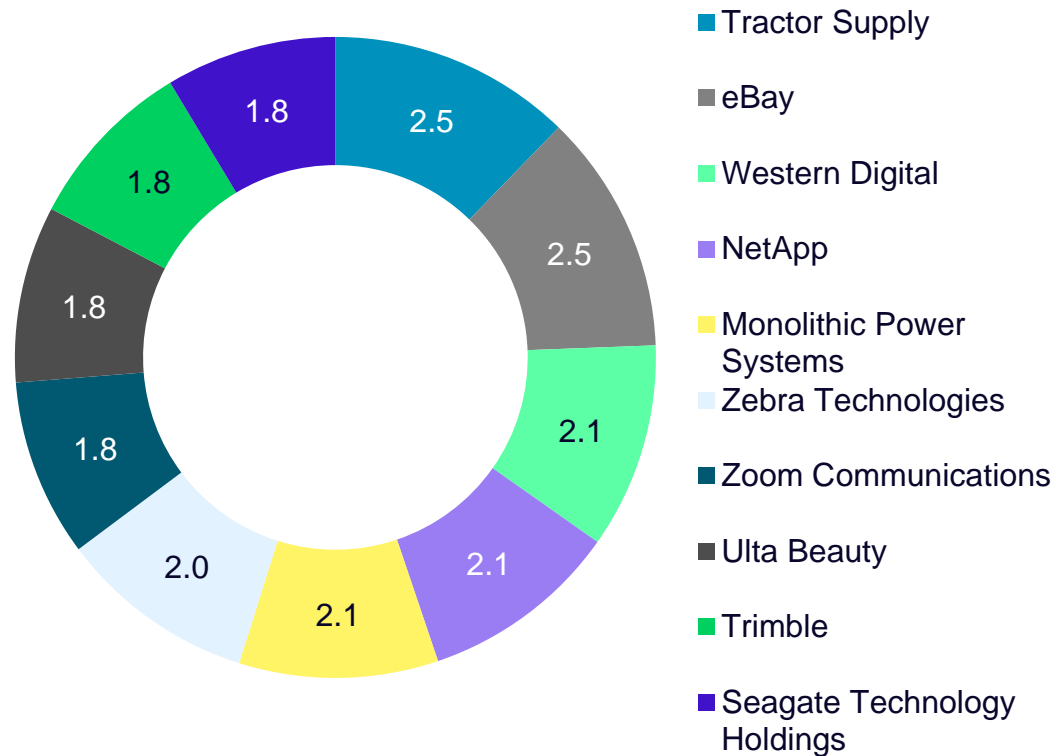
NGXESG™ ESG Exclusions: 15

Symbol	Company Name	ICB Industry	Nasdaq Next Generation 100 ESG: Reason(s) for Exclusion	Nasdaq Next Generation 100™ Weight (%)
BIDU	Baidu	Technology	Global Standards Screening non-compliance	0.76
CART	Maplebear	Technology	ESG Risk Rating Score is greater than 40	0.66
TLN	Talen Energy	Utilities	ESG Risk Rating Score is greater than 40. Revenue from nuclear production, oil & gas generation and thermal coal power generation	0.61
ESLT	Elbit Systems	Industrials	Revenue from military contracting weapon-related products and/or services, small arms military/law enforcement and riot control protection equipment and riot control weapons	0.71
WWD	Woodward	Industrials	Revenue from military contracting weapon-related products and/or services, and oil & gas supporting products/services	0.61

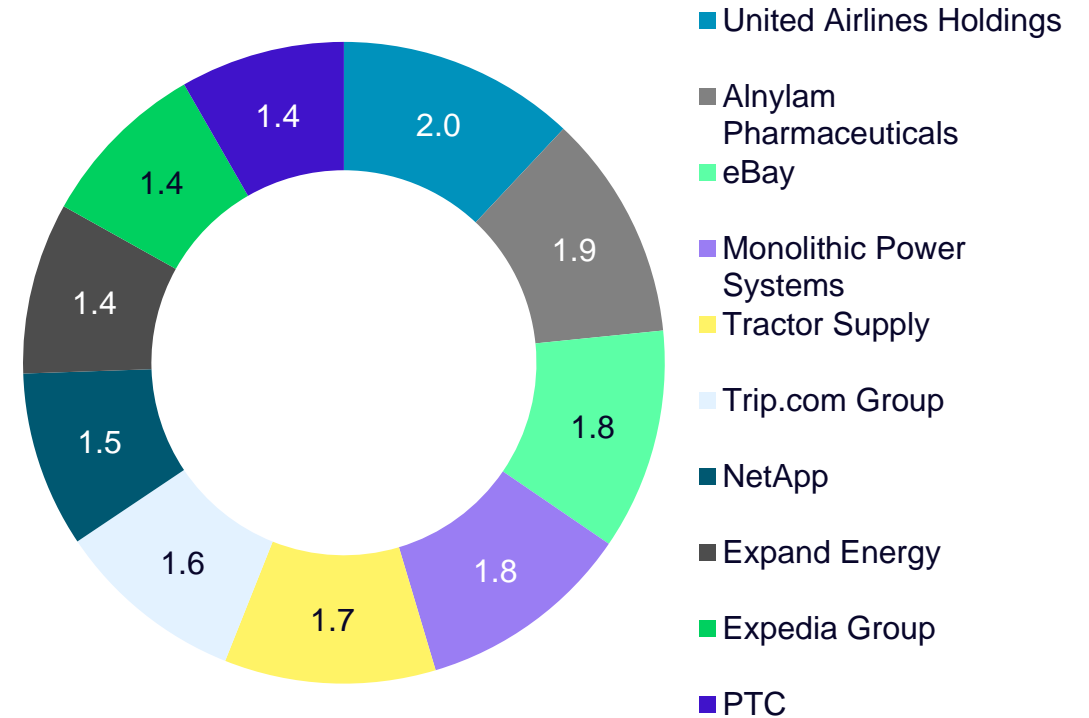
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Top 10 Constituents by Index Weight (%)

NGXESG
Top 10 Weight = 20.5%



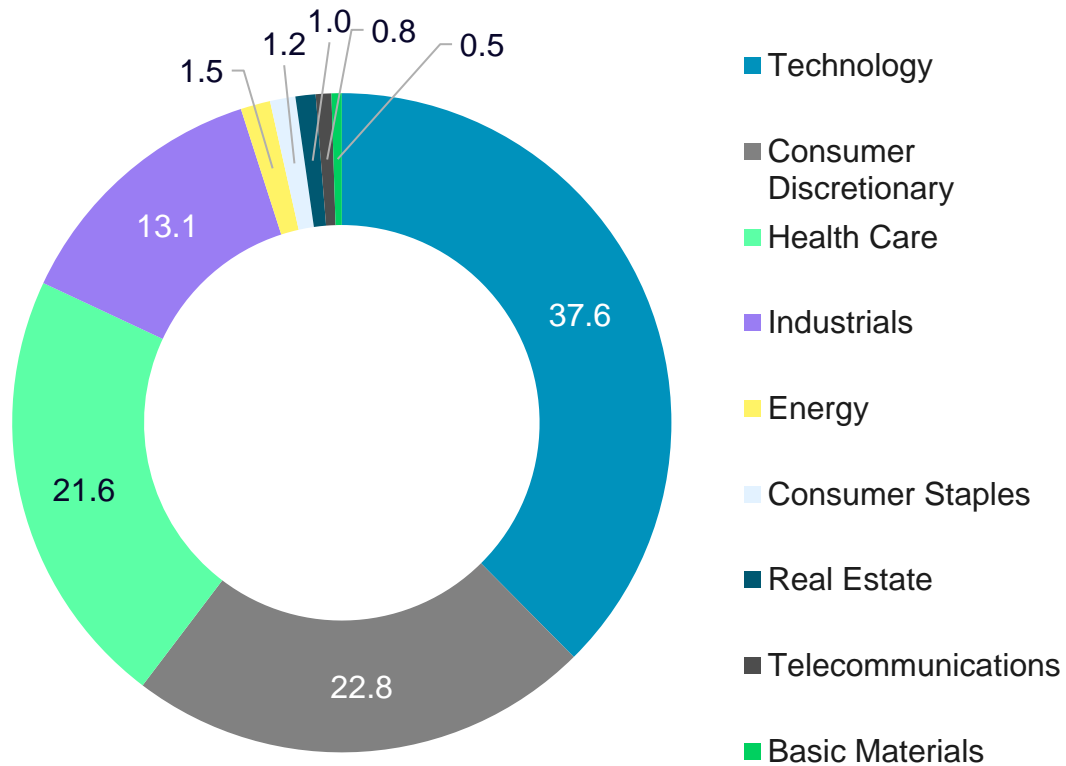
NGX
Top 10 Weight = 16.4%



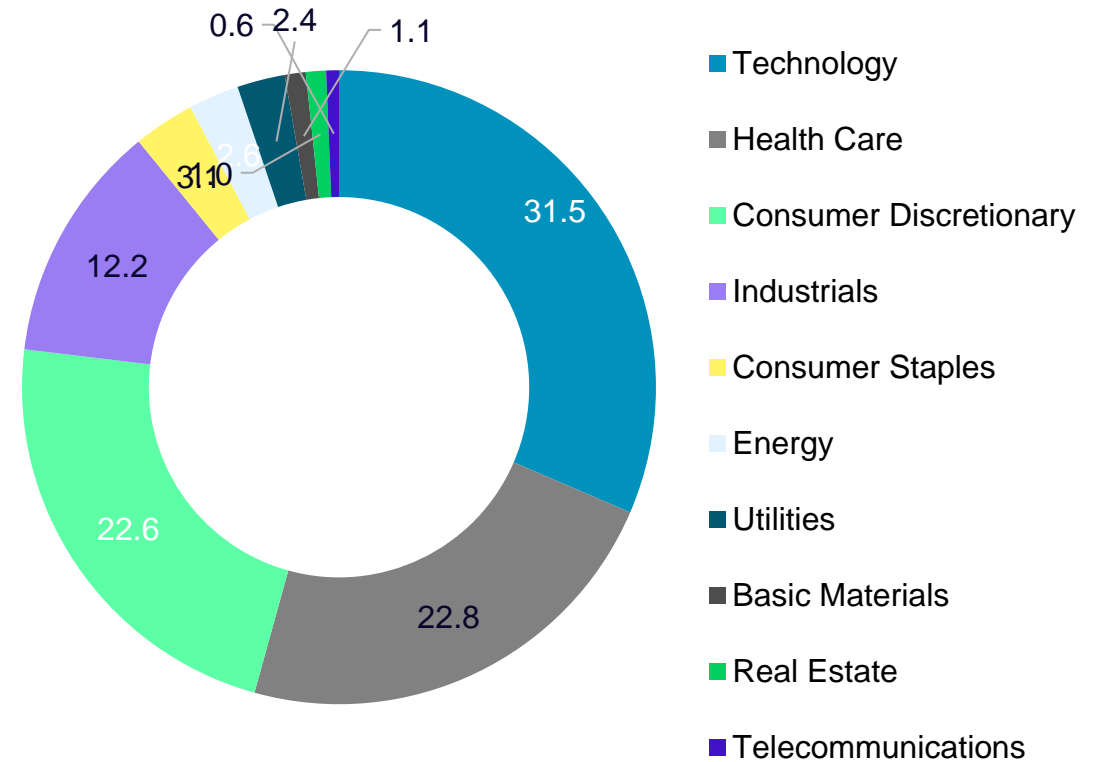
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Sector Exposure by Index Weight (%)

NGXESG Index Weight by ICB Industry



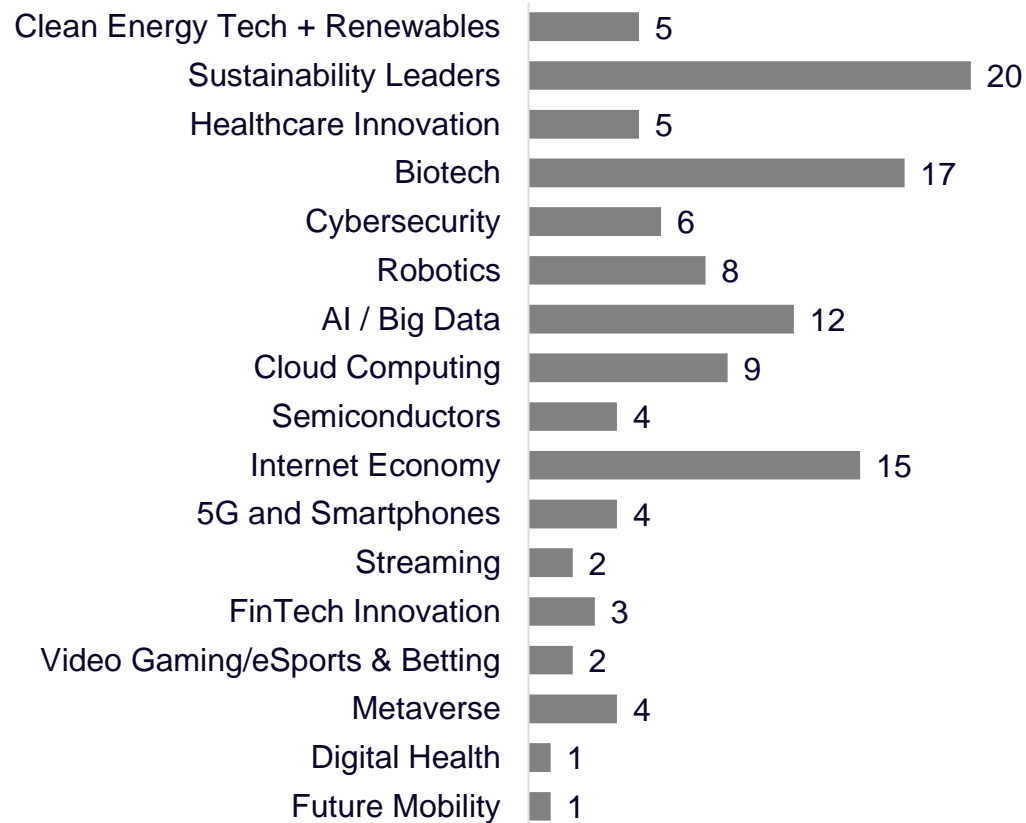
NGX Index Weight by ICB Industry



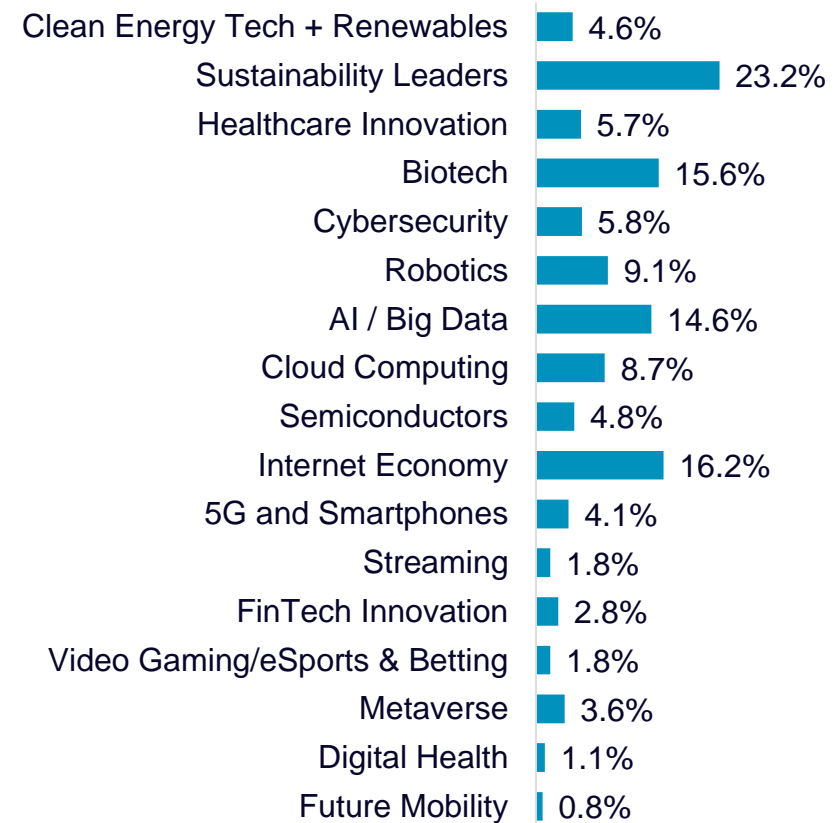
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Thematic Exposures: Nasdaq Next Generation 100

of Constituents per Theme



Index Weight per Theme



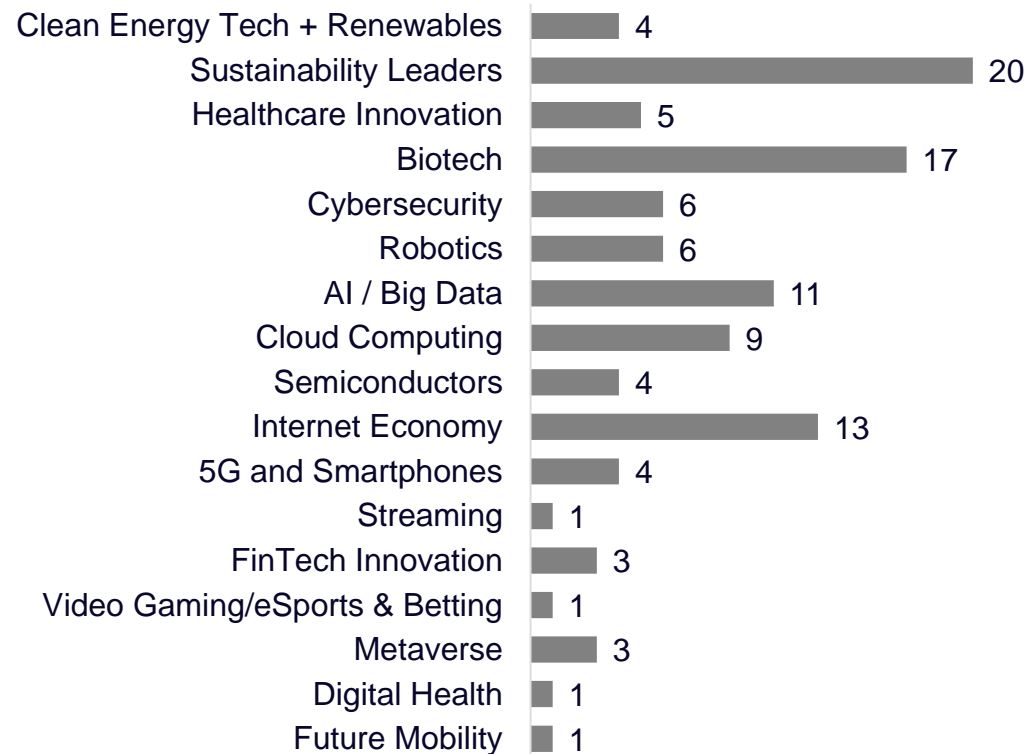
Source: Nasdaq, FactSet. Data as of 12/31/2024.

Based on overlap with existing Nasdaq Thematic Indexes, except for 5G and Smartphones, Streaming, and Video Gaming/eSports & Betting where competitor products were analyzed.

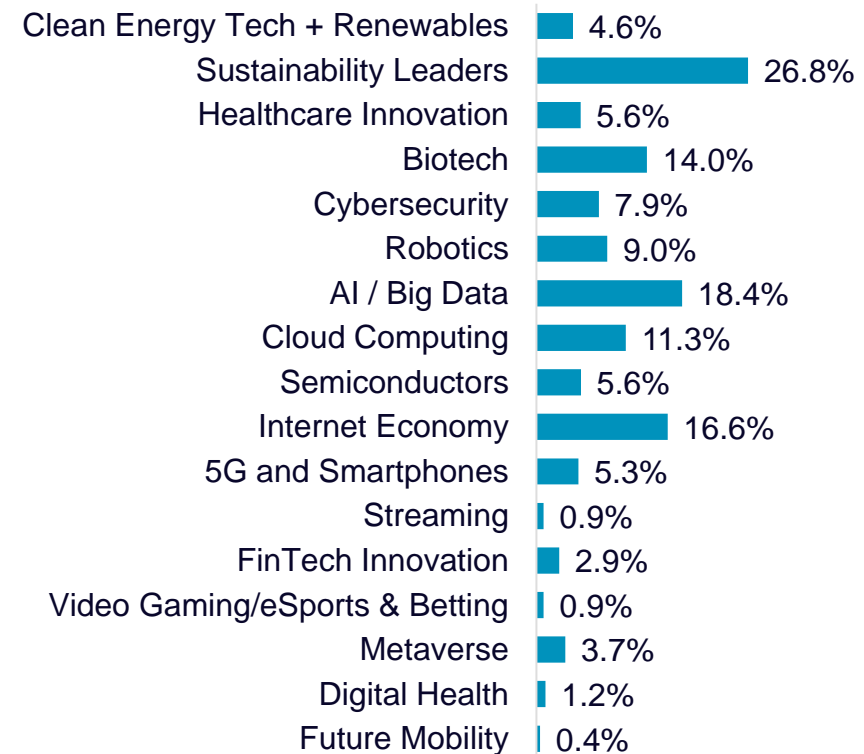
December 2024 Reconstitution

Thematic Exposures: Nasdaq Next Generation 100 ESG

of Constituents per Theme



Index Weight per Theme



Source: Nasdaq, FactSet. Data as of 12/31/2024.

Based on overlap with existing Nasdaq Thematic Indexes, except for 5G and Smartphones, Streaming, and Video Gaming/eSports & Betting where competitor products were analyzed.

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Top 10 Largest Overweights: NGXESG vs. NGX

Symbol	Company Name	ICB Industry	NGXESG Weight (%)	NGX Weight (%)	Weight Difference (%)
WDC	Western Digital	Technology	2.1	1.3	0.9
ZBRA	Zebra Technologies	Industrials	2.0	1.2	0.8
TSCO	Tractor Supply	Consumer Discretionary	2.5	1.7	0.8
TRMB	Trimble	Industrials	1.8	1.1	0.7
FLEX	Flex Ltd	Technology	1.6	0.9	0.7
EBAY	eBay	Consumer Discretionary	2.5	1.8	0.7
STX	Seagate Technology Holdings	Technology	1.8	1.1	0.6
NTAP	NetApp	Technology	2.1	1.5	0.6
ULTA	Ulta Beauty	Consumer Discretionary	1.8	1.3	0.6
LOGI	Logitech International	Technology	1.3	0.8	0.6

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Top 10 Largest Underweights: NGXESG vs. NGX

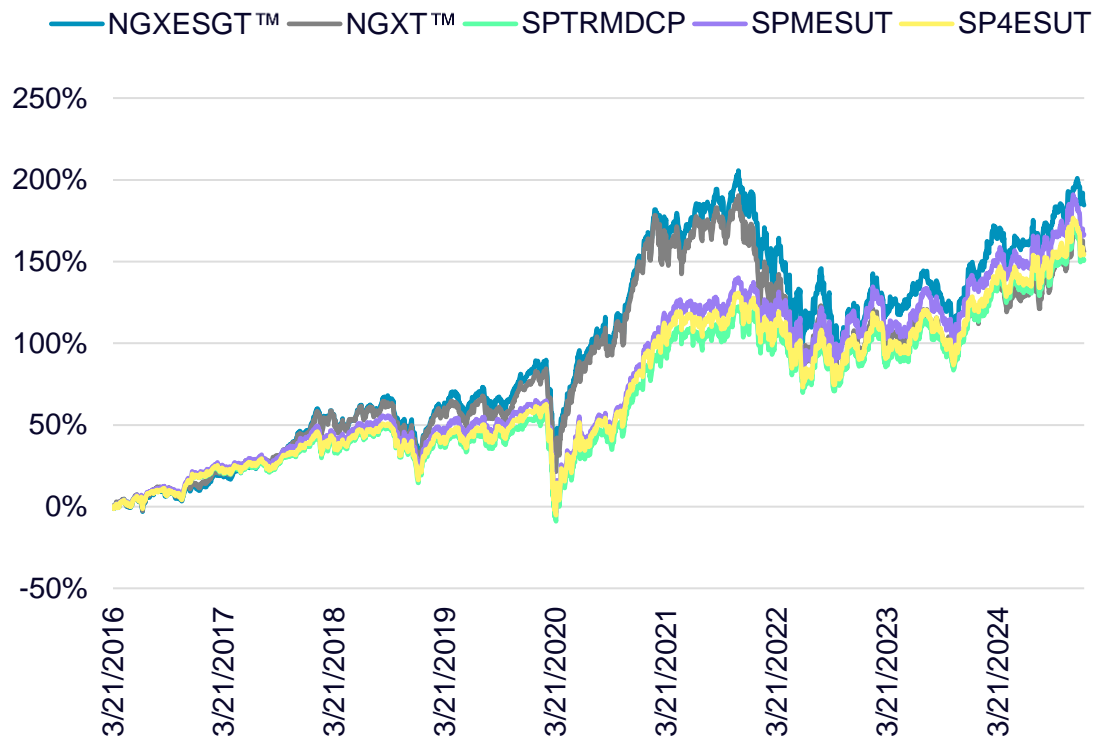
Symbol	Company Name	ICB Industry	NGXESG Weight (%)	NGX Weight (%)	Weight Difference (%)
UAL	United Airlines Holdings	Consumer Discretionary	0.9	2.0	-1.1
STLD	Steel Dynamics	Basic Materials	0.5	1.1	-0.6
NTRA	Natera	Health Care	0.8	1.3	-0.5
ALNY	Alnylam Pharmaceuticals	Health Care	1.4	1.9	-0.5
FTAI	FTAI Aviation	Industrials	0.5	0.9	-0.4
RIVN	Rivian Automotive	Consumer Discretionary	0.4	0.8	-0.4
SRPT	Sarepta Therapeutics	Health Care	0.4	0.7	-0.3
JD	JD.com	Consumer Discretionary	0.8	1.0	-0.2
ARGX	argenx	Health Care	1.0	1.2	-0.2
DUOL	Duolingo	Consumer Discretionary	0.5	0.8	-0.2

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Performance – NGXESG vs. NGX

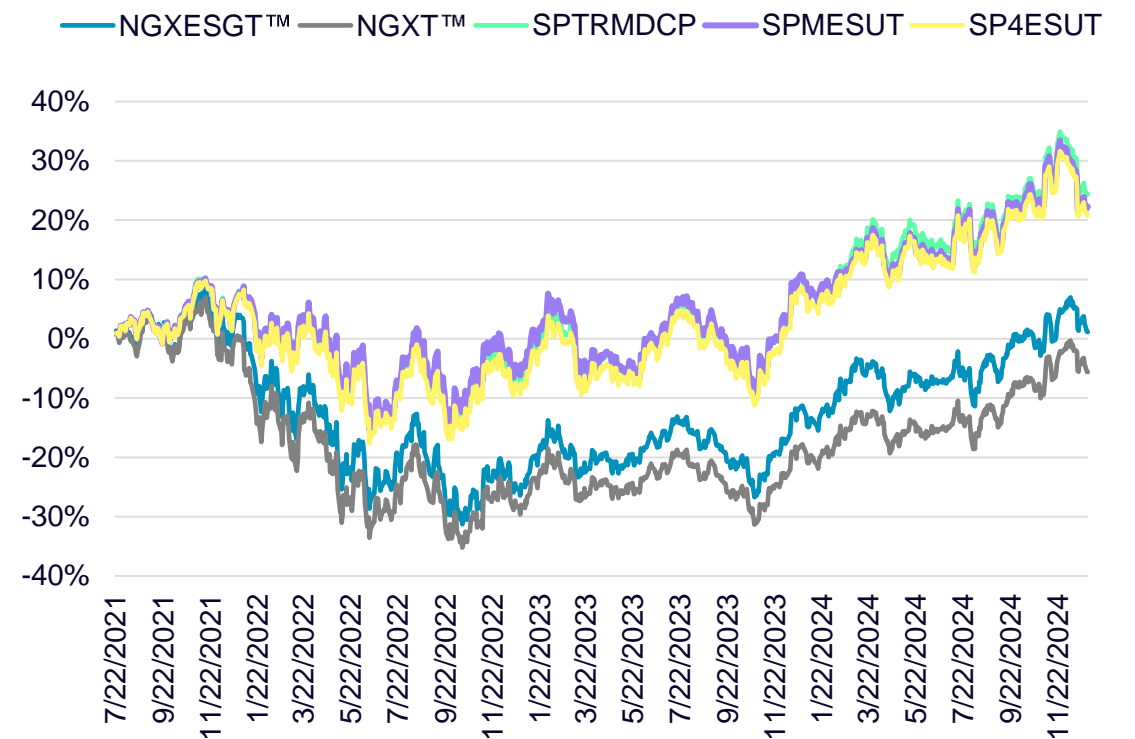
Since Beginning of NGXESG Backtest

3/21/2016 – 12/31/2024



Since NGXESG Inception

7/22/2021 – 12/31/2024



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ESG Comparisons – NGXESG vs. NGX

Index Name	Benchmark Index	# of Securities	% Exclusion from the Benchmark	Sustainalytics ESG Risk Score	
				Weighted Average	Simple Average
Nasdaq Next Generation 100™ Index	--	107	--	20.4	20.9
Nasdaq Next Generation ESG 100™ Index	Nasdaq Next Generation 100™	92	14%	18.0	19.7
S&P MidCap 400 Index	--	401	--	22.1	22.3
S&P MidCap 400 Sustainability Screened Index	S&P MidCap 400	357	11%	21.4	21.5
S&P MidCap 400 ESG Index	S&P MidCap 400	270	33%	21.3	21.3



Data as of 12/31/2024.

Source: Nasdaq Global Indexes, Sustainalytics, FactSet, Bloomberg.

RESOURCES



RESOURCES

Nasdaq Next Generation 100 ESG Index (NGXESG)

- Overview
 - <https://indexes.nasdaqomx.com/Index/Overview/NGXESG>
- Methodology
 - https://indexes.nasdaqomx.com/docs/methodology_NGXESG.pdf
- Research
 - https://indexes.nasdaqomx.com/docs/NGXESG_Research.pdf
- Fact Sheet
 - https://indexes.nasdaqomx.com/docs/FS_NGXESGT.pdf
- Carbon Credit Report
 - NGXESG: <https://indexes.nasdaqomx.com/docs/Carbon%20Footprint%20Report%20-%20NGXESG.pdf>
 - NGX: <https://indexes.nasdaqomx.com/docs/Carbon%20Footprint%20Report%20-%20NGX.pdf>

APPENDIX

APPENDIX

NGXESG Exclusions Based on ESG Risk

Companies with a “Severe” ESG Risk Rating Score are automatically disqualified from inclusion.

- A rating of greater than 40 is considered “Severe”; 30-40 is considered “High”; 20-30 is “Medium”; 10-20 is “Low”; and 0-10 is “Negligible”.

Exclude any company that has not been researched yet.

APPENDIX

NGXESG Exclusions Based on ESG Risk – continued

- Exclude any company that has a Controversy Rating equal to 5:
 - The Controversy Rating reflects:
 - Incidents with negative Environmental, Social, and Governance (ESG) implications.
 - A company's level of involvement in and how it manages these issues.
 - Categorical scores are on a scale of 1 to 5.

APPENDIX

NGXESG Exclusions Based on International Norms

- A company must not violate the United Nations Global Compact and related international norms and standards, such as the Organization for Economic Cooperation and Development (OECD) Guidelines and United Nations (UN) Guiding Principles.
 - 10 principles around human rights, labor, environment, and anti-corruption.
 - <https://www.unglobalcompact.org/what-is-gc/mission/principles>
- Securities are excluded from NGXESG that are classified as non-compliant.
 - Each company in the index is therefore classified as either compliant or on the watch list with the UN Global Compact framework for following international norms.

APPENDIX

NGXESG Exclusions Based on Business Involvements

Business Involvements Considered*:

1. Energy (Arctic Oil & Gas; Nuclear Power; Oil & Gas; Oil Sands; Shale Energy; Thermal Coal)
2. Health & Life (Alcohol; Recreational Cannabis; Tobacco)
3. Defense & Military (Controversial weapons; Military Contracting; Riot Control; Small Arms)
4. Values-Based (Adult Entertainment; Gambling)

APPENDIX

NGXESG Weighting Scheme

$$ESG \text{ Risk – Adjusted NGX Market Value} = \frac{40 - ESG \text{ Risk Rating Score}}{40} \times NGX \text{ Market Value}$$

- Initial security weights are calculated by dividing a security's ESG Risk-Adjusted NGX Market Value by the sum of the ESG Risk-Adjusted NGX Market Values of all Index Securities.
- Afterwards, the same four-stage weight adjustment process as exists for NGX at its annual reconstitution is applied to produce final weights on a quarterly basis for NGXESG.

APPENDIX

NGXESG Weighting Scheme – continued

For Illustrative Purposes Only.

The information included on this slide is not based on actual data.

Security	Parent Index Market Value	ESG Risk Rating Score	(40-ESG Risk Rating Score)/40	ESG Adjusted Market Value	Weight in ESG Index (before capping)	Weight in Parent Index	ESG Excess Weight
Company A	157,440,900.96	9.669091	0.76	119,383,139.64	5%	2%	3%
Company B	408,425,550.79	10.14988	0.75	304,788,747.93	12%	5%	7%
Company C	466,765,510.49	10.33926	0.74	346,115,277.80	14%	6%	8%
Company D	337,399,212.20	10.56613	0.74	248,274,134.49	10%	4%	6%
Company E	36,052,270.56	12.02819	0.70	25,211,182.25	1%	0%	1%
Company F	590,398,129.57	16.18527	0.60	351,504,303.67	14%	7%	7%
Company G	268,545,835.16	19.19268	0.52	139,692,956.82	6%	3%	2%
Company H	311,917,708.29	20.84302	0.48	149,385,045.36	6%	4%	2%
Company I	547,470,308.53	22.79236	0.43	235,516,830.87	10%	7%	3%
Company J	24,733,442.74	24.69826	0.38	9,461,619.64	0%	0%	0%
Company K	435,838,825.61	27.38121	0.32	137,493,977.85	6%	5%	0%
Company L	118,577,295.32	27.73561	0.31	36,356,957.07	1%	1%	0%
Company M	307,719,744.86	28.36004	0.29	89,546,103.32	4%	4%	0%
Company N	441,090,355.41	33.1488	0.17	75,549,938.88	3%	6%	-2%
Company O	834,726,757.15	35.35263	0.12	96,982,201.14	4%	10%	-7%
Company P	550,834,597.82	37.24048	0.07	38,001,025.35	2%	7%	-5%
Company Q	269,359,777.85	37.4192	0.06	17,379,073.33	1%	3%	-3%
Company R	844,981,656.98	38.72938	0.03	26,841,302.95	1%	11%	-10%
Company S	359,845,558.64	39.02818	0.02	8,742,612.50	0%	5%	-4%
Company T	646,652,051.08	39.70698	0.01	4,736,994.67	0%	8%	-8%

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