



## Nasdaq-100 Index® Consultation – February 2026 Summary of Responses and Conclusion

Nasdaq has concluded its [consultation](#) regarding proposed enhancements and updates to the Nasdaq-100 Index® methodology. Thank you to those who participated.

The proposed enhancements and updates were designed to ensure that the Nasdaq-100 Index® remains timely and representative of the market it measures, consistent with its objective of tracking the 100 largest non-financial companies listed on Nasdaq, while preserving replicability for passive managers. In addition, the proposals were designed to limit minor ad hoc index changes by incorporating such adjustments into scheduled quarterly rebalance events. These quarterly reviews are designed to ensure that the Index regularly continues to reflect prevailing market conditions and remains transparent and investable.

The response was robust, receiving feedback from a broad spectrum of industry professionals (e.g. asset managers, passive portfolio managers), individual investors, and other stakeholders.

### **Summary of Responses**

#### **Proposal 1, Calculation of Market Cap for Eligibility Purposes:**

**Proposal Description:** Include both listed and unlisted shares when calculating market capitalization for ranking and inclusion, ensuring that evolving corporate share structures do not exclude the largest companies from index eligibility. This will only affect eligibility and not weighting, which remains based on listed market capitalization.

**Submission Response Summary:** A majority of respondents were supportive of the proposed change. One described the proposal as striking “...a pragmatic balance, as issuer capital structures evolve, without mechanically inflating tradable exposure in index weights.”

A small number of respondents indicated that they did not view a change as necessary or opposed the proposal without further elaboration.

#### **Proposal 2, “Fast Entry” for New Nasdaq Listed Large Companies:**

**Proposal Description:** Currently new constituents can only be added at reconstitution or as replacements, which leads to large newly listed companies often being delayed from index inclusion, creating a gap between investor expectations and index market representation. “Fast Entry” reduces that gap and allows for more timely market representation.

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**Submission Response Summary:** Industry professionals, including asset managers and institutional passive portfolio managers, were mostly supportive of the Fast Entry proposal and proposed timing, indicating that it would be expected to promote “a more accurate and timely representation of the investable market.” Some respondents expressed the view that a more conservative timeframe might be preferable, while others expressed a preference for an even faster inclusion, citing other indexes with timelines in the five- to ten-day range.

Several individual investors, in nearly identically worded submissions, expressed opposition to the proposed change. Their comments cited concerns that a reduced seasoning period might reduce price discovery for IPOs and could direct passive investment flows to unproven or overvalued securities.

A few additional respondents raised concerns and questions about how and whether the Fast Entry provision might be applied to the related indexes listed in the appendix to the consultation. It was noted that many of these indexes apply separate policies for the timing of index additions and replacements, and that many follow a quarterly schedule rather than implementing intra-quarter ad hoc events.

### **Proposal 3, Inclusion and Weighting of Securities with Low Float:**

**Proposal Description:** Currently the index is a modified market-capitalization index with a minimum free-float requirement of 10%. Under the current methodology, once a security crosses the minimum free-float requirement, the index weighting is based on the full market cap of eligible listed shares. As assets grow, this minimum free-float requirement may challenge replicability and liquidity, while raising it could widen the gap between investor expectations and index representation. To balance these objectives, a float factor adjustment was proposed to limit the index weighting for low float securities by introducing a graduated scale, thereby increasing the free float required for full market-capitalization weighting in the index.

**Submission Response Summary:** Responses from institutional investors, such as asset managers and portfolio managers, largely expressed support for the low float security weight adjustment. One respondent wrote that “...the mechanism aims to mitigate replicability and capacity risks while avoiding an overly blunt eligibility screen that could exclude certain corporate structures.” Another noted that “This approach will appropriately balance the value of including low float companies without artificially harming indexers and tradability.” Other respondents indicated that they valued the gradual “phase in” of newly available float, rather than an abrupt all-or-none inclusion.

The low float security weight adjustment proposal also elicited comments that suggested a degree of misunderstanding and confusion regarding the intent of the proposal. Some responses expressed concern that index demand could exceed the available float, along with a

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suggestion that rejecting the proposal would “maintain a link between index weight and tradeable liquidity.” For low-float securities, no such link currently exists in the index, and the proposal is intended to establish one.

Some respondents, in their analysis of the impact, appeared to assume that the index is currently free-float-weighted; however, this does not reflect the current methodology. As noted in the consultation, “... **index constituents are currently represented at the full market capitalization of eligible listed share classes, without regard to free float considerations.**” Accordingly, the proposed low float security weight adjustment (not to exceed full listed market capitalization) would represent a more conservative weighting approach than the one currently in place, rather than a more aggressive one.

Some respondents indicated that a lower float weight adjustment could appropriately limit the weight of low float securities and also suggested that the proposed adjustment be reduced.

Some respondents raised questions about how and whether this provision might be applied to related indexes, noting that many of them apply their own independent weighting approaches.

#### **Proposal 4, Removal of the Minimum 10% Float Requirement:**

**Proposal Description:** Given the introduction of the float factor mechanism to limit exposure to low float companies in the index further beyond the 10% float minimum, the proposal was to remove the corresponding minimum.

**Submission Response Summary:** Respondents generally expressed support for removing the minimum 10% float requirement.

Many of the same respondents who supported the low-float security weight adjustment also indicated that the minimum float requirement would no longer be necessary.

#### **Proposal 5, Replacement of the “10 Basis Point Rule”:**

**Proposal Description:** The current methodology prescribes that “Any company that fails to maintain a weight of at least 0.10% for two consecutive month-ends will be removed if it is also ranked outside of the top 100 eligible companies by market capitalization as of the most recent month-end.” This often results in ad-hoc changes and, as such, the proposal was a quarterly, rank-based process that removes and replaces securities ranked outside the top 125 at scheduled rebalances, improving predictability, market representativeness and reducing intra-quarter turnover for investors.



**Submission Response Summary:** Feedback from industry professionals was supportive, with respondents indicating a preference for the shift from ad hoc adjustments to scheduled quarterly events.

#### **Proposal 6, Cessation of Intra-quarter TSO Adjustments:**

**Proposal Description:** The current methodology permits ad-hoc index share updates for TSO changes exceeding 10% intra-quarter. The proposal eliminated ad-hoc TSO adjustments and proposed implementing accumulated changes only at scheduled quarterly rebalances alongside other trading activity, increasing predictability.

**Submission Response Summary:** Feedback from industry professionals was supportive, with respondents indicating a preference for scheduled quarterly events over ad hoc updates. One respondent noted that “Implementing TSO and float updates only during scheduled quarterly rebalances and the annual reconstitution provides a cleaner, more predictable ruleset without materially compromising index accuracy.”

#### **Conclusion**

Following the review and evaluation of the consultation submissions, Nasdaq has revised the approach with the following methodology updates for the Nasdaq-100 Index®:

- Proposal 1, *Calculation of Market Cap for Eligibility Purposes*, will be adopted as proposed.
- Proposal 2, *“Fast Entry” for New Nasdaq Listed Large Companies*, will be adopted with the following modification:
  - Inclusion will normally be effective after the 15<sup>th</sup> day of trading, with appropriate notice, although this timeline may be extended in cases where Fast Entry inclusion could interfere with a scheduled rebalance or reconstitution. Please go to the Nasdaq-100 Index® methodology effective May 1<sup>st</sup>, 2026, for the detailed explanation of timing.
- Proposal 3, *Inclusion and Weighting of Securities with Low Float*, will be adopted with the following modification:
  - The low-float security weight adjustment will be decreased from five times to three times.
  - Free float values will be updated as of each Rebalance Reference date. Resulting index share changes will be implemented in conjunction with scheduled quarterly rebalances.

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- Proposal 4, *Removal of the Minimum 10% Float Requirement*, will be adopted as proposed.
- Proposal 5, *Replacement of the “10 Basis Point Rule”*, will be adopted as proposed.
- Proposal 6, *Cessation of Intra-quarter TSO Adjustments*, will be adopted as proposed.

### **Documentation Updates**

Edits reflecting these changes have been made to the Nasdaq-100 Index® methodology document posted on Nasdaq’s Global Index Watch (“GIW”) website. The [updated methodology](#) will become effective on May 1, 2026, although most updates aren’t expected to result in constituent or weight changes until the next scheduled Rebalance, effective on June 22, 2026.

Note that any corresponding methodology updates for the below Related Indexes will be published as any changes are incorporated. All related indexes will continue to follow their current methodologies on Nasdaq’s Global Index Watch (“GIW”) website.

### **Appendix: Related Indexes**

<b>Index Symbol</b>	<b>Index Name</b>
XND	Nasdaq-100 Micro™ Index
NQX	Nasdaq-100 Reduced Value™ Index
MNX1	Nasdaq-100 Mini™ Index
NDXMEGA	Nasdaq-100 Mega™ Index
NDXMEGA2	Nasdaq-100 Mega 2.0™ Index
NDX30	Nasdaq-100 Top 30™ Index
NDX70	Nasdaq-100 ex Top 30™ Index
NDX30U	Nasdaq-100 Top 30 UCITS™ Index
NDX70U	Nasdaq-100 ex Top 30 UCITS™ Index
NDXE	Nasdaq-100 Equal Weighted™ Index
NDXSE	Nasdaq-100 Select Equal Weight™ Index
NDXEG	Nasdaq-100 Enhanced Growth™ Index
NDXX	Nasdaq-100 Ex-Tech Sector™ Index
NDXT	Nasdaq-100 Technology Sector™ Index
NDXTMC	Nasdaq-100 Technology Sector Market-Cap Weighted™ Index
NDXT10	Nasdaq-100 Technology Sector Adjusted Market-Cap Weighted™ Index
NDXESG	Nasdaq-100 ESG™ Index
NDXSES	Nasdaq- 100 Sustainable ESG Select™ Index
NDXLV	Nasdaq-100 Low Volatility™ Index
NDXHB	Nasdaq-100 High Beta™ Index

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NDXDWA	Nasdaq-100 Dorsey Wright Momentum™ Index
NGX	Nasdaq Next Generation 100™ Index
NGXESG	Nasdaq Next Generation 100 ESG™ Index
NXTQ	Nasdaq Q-50™ Index
NCX	Nasdaq Innovators Completion Cap™ Index

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