



INDEX METHODOLOGY

NASDAQ DORSEY WRIGHT DALI INDEXES

INDEX DESCRIPTION

Index family

Nasdaq Dorsey Wright DALI Equity™ Index (NQDALI™). The Index (“NQDALI”) is a rules-based, quantitatively enabled index designed to capture the long-term trends of both the market and strong asset classes when the overall environment is bullish. The Index allocates to the holdings of the highest-ranked Sleeve Index, based on the Nasdaq Dorsey Wright Dynamic Asset Level Investing tool (“D.A.L.I. tool”).

Nasdaq Dorsey Wright DALI Sleeve™ Indexes (“Sleeve Indexes”). The Sleeve Indexes are rules-based, quantitatively enabled indexes designed to be the representative asset class sleeves (US Equity and International Equity) for the NQDALI.

The Sleeve Indexes are further separated into core and tactical portfolios. The Indexes are composed of liquid exchange-traded funds (ETFs) and other exchange-traded products to gain diversified, risk-managed exposure. Please refer to the Index Parameters section below for further details.

INDEX PARAMETERS

NQDALI

The table below details the parameters specific to the construction and calculation of the Index.

Index	Asset Class	Constituents	Target Weight Allocations
Nasdaq Dorsey Wright DALI Equity™ Index (NQDALI™)	Equity	<ul style="list-style-type: none">Holdings of the Nasdaq Dorsey Wright DALI Domestic Equity™ Index (NQDALIDE™)Holdings of the Nasdaq Dorsey Wright DALI International Equity™ Index (NQDALIIE™)	<ul style="list-style-type: none">100% allocation to the holdings of the highest ranked Sleeve Index.

Sleeve Indexes

The table below details the parameters specific to the construction and calculation of the Sleeve Indexes.

Index	Asset Class	Constituents	Target Weight Allocations
Nasdaq Dorsey Wright DALI Domestic Equity™ Index (NQDALIDE™)	US Equity	<p>Core Holdings:</p> <ul style="list-style-type: none"> First Trust Large Cap Growth AlphaDEX (FTC) First Trust Small Cap Growth AlphaDEX (FYC) <p>Tactical Holdings:</p> <ul style="list-style-type: none"> Holdings of the Dorsey Wright Focus Five™ Index (DWANQFF™) 	<ul style="list-style-type: none"> 35% to core holdings and 65% to tactical holdings. Both core and tactical holdings are equally weighted within their respective categories.
Nasdaq Dorsey Wright DALI International Equity™ Index (NQDALIIE™)	International Equity	<p>Core Holdings:</p> <ul style="list-style-type: none"> First Trust Developed Markets ex-US AlphaDEX (FDT) First Trust Emerging Markets AlphaDEX (FEM) <p>Tactical Holdings:</p> <ul style="list-style-type: none"> Holdings of the Dorsey Wright International Focus Five™ Index (DWANQIFF™) 	<ul style="list-style-type: none"> 35% to core holdings and 65% to tactical holdings. Both core and tactical holdings are equally weighted within their respective categories.

For information on the tactical holdings, please refer to the Dorsey Wright Focus Five and Dorsey Wright International Focus Five index methodology documents.

CONSTITUENT SELECTION AND WEIGHTING

The Indexes are reconstituted and rebalanced, where applicable, according to their respective schedules outlined in the Index Calendar, based on specified reference dates.

NQDALI

At certain Index Reconstitutions, as specified in the Index Calendar, the NQDALI uses the Nasdaq Dorsey Wright Dynamic Asset Level Investing (D.A.L.I.) tool to determine the top-ranked asset class amongst US Equity and International Equity. The holdings of the Sleeve Index corresponding to this highest-ranked asset class are then chosen for Index Inclusion, except under specific conditions outlined in the Index Calendar. At all times, the holdings of the NQDALI will mirror those of the selected Sleeve Index.

Sleeve Indexes

There are two Sleeve Indexes, each representing a different asset class. At each Index Reconstitution, index composition is determined as specified in the Index Parameters section above. In addition, the

Sleeve Indexes are modified equal weighted and are reset to their target weight allocations at each Index Rebalance, as detailed in the Index Parameters section above.

For additional information about index weighting, please refer to the **Nasdaq Index Weight Calculations** document.

INDEX CALENDAR

Reconstitution and rebalancing schedules

NQDALI. The table below details the reconstitution schedule of NQDALI. The Index follows the rebalance schedule of its selected Sleeve Index (see below for further details). The Index operates on two reconstitution schedules: one for selecting the top-ranked Sleeve Index to track, and another for aligning NQDALI's holdings with those of the selected Sleeve Index.

<p>Reconstitution Frequency</p>	<p>Selecting the Top Sleeve Index to Track. NQDALI selects the top Sleeve Index to track semi-monthly, except in December, when it does so monthly.</p> <p>Reconstitutions will be skipped under the following conditions:</p> <ul style="list-style-type: none"> • First trading day following the second Friday in January, April, July, and October, if International Equity becomes or ceases to be the top-ranked asset class. • First trading day following the fourth Friday in March, June, and September, if International Equity becomes or ceases to be the top-ranked asset class and the First Trust Nifty Fifty Equal Weight ETF (NFTY) is a constituent of the NQDALIIE. <p>Please note that during skipped reconstitutions, NQDALI will not change its holdings to a different asset class (i.e., the holdings of a different Sleeve Index). However, it will update its holdings as usual to mirror those of the selected Sleeve Index rotated to from the previous reconstitution.</p> <p>Aligning Holdings to Match Selected Sleeve Index. NQDALI may reconstitute its holdings more frequently, in accordance with the reconstitution schedule of the selected Sleeve Index, in order to match any composition changes to the selected Sleeve Index so that the holdings of NQDALI and the selected Sleeve Index are aligned at all times.</p>
<p>Reconstitution Reference Dates</p>	<p>Selecting the Top Sleeve Index to Track. The Reconstitution reference dates are as of the second and fourth Tuesdays of each month containing a Friday, except in December, when it is only as of the second Tuesday of the month that contains a Friday.</p> <p>Aligning Holdings to Match Selected Sleeve Index. NQDALI will use the same Reconstitution reference dates as its selected Sleeve Index.</p>
<p>Reconstitution Announcement Dates</p>	<p>Selecting the Top Sleeve Index to Track. Reconstitution announcements are made as of the second and fourth Wednesdays of each month containing a Friday, except in December, when it is only as of the second Wednesday of the month that contains a</p>

	<p>Friday. If a Reconstitution announcement date coincides with a market holiday, the announcement will be postponed to the next trading day.</p> <p>Aligning Holdings to Match Selected Sleeve Index. NQDALI will use the same Reconstitution announcement dates as its selected Sleeve Index.</p>
Reconstitution Effective Dates	<p>Selecting the Top Sleeve Index to Track. Reconstitutions go effective at market open on the first trading day following the second and fourth Friday of each month, except in December, when it is the first trading day following the second Friday of the month. At least two trading days are required between the Reconstitution announcement and effective dates.</p> <p>Aligning Holdings to Match Selected Sleeve Index. NQDALI will use the same Reconstitution effective dates as its selected Sleeve Index.</p>

Sleeve Indexes. The table below details the reconstitution and rebalance schedule of the Sleeve Indexes (NQDALIDE and NQDALIIE).

Reconstitution Frequency	<p>NQDALIDE. Reconstitutes semi-monthly, except in December, when it reconstitutes monthly.</p> <p>NQDALIIE. Reconstitutes semi-monthly, including in December.</p>
Rebalance Frequency	Quarterly
Reconstitution Reference Dates	<p>NQDALIDE. The Reconstitution reference dates are as of the second and fourth Tuesdays of each month containing a Friday, except in December, when it is only as of the second Tuesday of the month that contains a Friday.</p> <p>NQDALIIE. The Reconstitution reference dates are as of the first and third Tuesdays of each month containing a Friday, including in December.</p>
Reconstitution Announcement Dates	<p>NQDALIDE. Reconstitution announcements are made as of the second and fourth Wednesdays of each month containing a Friday, except in December, when it is only as of the second Wednesday of the month that contains a Friday.</p> <p>NQDALIIE. Reconstitution announcements are made as of the first and third Wednesdays of each month containing a Friday, including in December.</p> <p>If a Reconstitution announcement date coincides with a market holiday, the announcement will be postponed to the next trading day.</p>
Reconstitution Effective Dates	<p>NQDALIDE. Reconstitutions go effective at market open on the first trading day following the second and fourth Friday of each month, except in December, when it is the first trading day following the second Friday of the month.</p> <p>NQDALIIE. Reconstitutions go effective at market open on the first trading day following the first and third Friday of each month, including in December.</p> <p>At least two trading days are required between the Reconstitution announcement and effective dates.</p>
Rebalance Reference Dates	The Rebalance reference dates are as of the fourth Tuesday of January, April, July, and October (“Rebalance months”) containing a Friday.

Rebalance Announcement Dates	<p>Rebalance announcements as made as of the fourth Wednesday of Rebalance months containing a Friday.</p> <p>If a Rebalance announcement date coincides with a market holiday, the announcement will be postponed to the next trading day.</p>
Rebalance Effective Dates	<p>Rebalances go effective at market open on the first trading day following the fourth Friday of Rebalance months containing a Friday.</p> <p>At least two trading days are required between the Rebalance announcement and effective dates.</p>

Holiday schedules

The Indexes are calculated Monday through Friday, except on days when the US markets are closed.

Index calculation and dissemination schedule

The Indexes are calculated during the trading day based on the Last Sale Price and are disseminated once per second from 09:30:01 to 17:16:00 ET. The closing value of the indexes may change up until 17:15:00 ET due to corrections to the Last Sale Price of the Index Securities.

INDEX MAINTENANCE

Deletion policy

If, at any time during the year other than the Index Reconstitution(s), an Index Security no longer meets the Eligibility Criteria, or is otherwise determined to have become ineligible for inclusion in the Index, it is removed from the Index. This includes circumstances where an ETF is determined to be ineligible for continued inclusion in the Index due to a pending liquidation, delisting, or definitive agreement to merge with another fund.

Replacement policy

Index securities deleted at any time during the year other than the Index Reconstitution(s) are not replaced.

Corporate actions

In the interim periods between scheduled index reconstitution events, individual Index securities may be the subject to a variety of corporate actions and events that require maintenance and adjustments to the Index. 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 **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

All Nasdaq Indexes are managed by the governance committee structure and have transparent governance, oversight, and accountability procedures for the index determination process. For further details on the Index Methodology and Governance overlay, 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
3/31/2025	Index name	Nasdaq Dorsey Wright DALI1 Index	Nasdaq Dorsey Wright DALI Equity Index
3/31/2025	Index name	Nasdaq Dorsey Wright DALI1 Domestic Equity Index	Nasdaq Dorsey Wright DALI Domestic Equity Index
3/31/2025	Index name	Nasdaq Dorsey Wright DALI1 International Equity Index	Nasdaq Dorsey Wright DALI International Equity Index
3/31/2025	Constituent selection and weighting: NQDALI	At certain Index Reconstitutions, as specified in the Index Calendar, the NQDALI uses the Nasdaq Dorsey Wright Dynamic Asset Level Investing (D.A.L.I.) tool to determine the top-ranked asset class amongst US Equity, International Equity, and Commodity. The holdings of the Sleeve Index corresponding to this highest-ranked asset class are then chosen for Index Inclusion, except under specific conditions outlined in the Index Calendar. At all times, the holdings of the NQDALI will mirror those of the selected Sleeve Index.	At certain Index Reconstitutions, as specified in the Index Calendar, the NQDALI uses the Nasdaq Dorsey Wright Dynamic Asset Level Investing (D.A.L.I.) tool to determine the top-ranked asset class amongst US Equity and International Equity. The holdings of the Sleeve Index corresponding to this highest-ranked asset class are then chosen for Index Inclusion, except under specific conditions outlined in the Index Calendar. At all times, the holdings of the NQDALI will mirror those of the selected Sleeve Index.

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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