

# **NOW EFFECTIVE:**

# KOREA PROMOTED TO DEVELOPED MARKET IN NASDAQ GLOBAL EQUITY INDEX FAMILY

Effective as of the September 2015 semi-annual evaluation\*, Nasdaq promoted Korea to developed market status in the Nasdaq Global Equity Index Family.

# CHANGES IN THE NASDAQ DEVELOPED AND EMERGING MARKETS INDEXES /

As a result of this promotion, the Nasdaq Developed Markets Index (NQDM), now including Korea, represents 25 countries and the Nasdaq Emerging Markets Index (NQEM) represents 20 countries.

As of the evaluation, Korea had 365 securities totaling \$664B in free float market cap in the Nasdaq Global Index. Korea is now the ninth largest country in the Nasdaq Developed Markets Index (accounting for 1.81% of the index weight); it was the second largest country in the Nasdaq Emerging Markets Index prior to the recent evaluation. Due to the shift from Korea to the Developed Market as well as normal changes that occurred as a result of the evaluation, the number of securities in the Nasdaq Emerging Markets Index decreased from 2,441 to 1,949.

Below is a table highlighting the country weights and number of securities before and after the evaluation for both the Nasdaq Developed Markets and Nasdaq Emerging Markets Indexes.

# Nasdaq Developed Markets Index

		INDEX WEIGHT %			NO. SECURITIES		
#	NQGI Country	Pre-Rebalance	Post-Rebalance	Net Change	Pre-Rebalance	Post-Rebalance	Net Change
1	U.S.	57.29	55.95	-1.34	2,845	2,858	13
2	Japan	9.49	9.41	-0.08	1,283	1,293	10
3	UK	8.04	7.74	-0.30	448	449	1
4	Canada	3.52	3.48	-0.04	343	332	-11
5	France	3.45	3.38	-0.07	153	149	-4
6	Switzerland	3.53	3.37	-0.16	118	117	-1
7	Germany	3.25	3.23	-0.02	153	159	6
8	Australia	2.51	2.47	-0.04	266	270	4
9	Korea	0.00	1.81	1.81	0	365	365
10	Hong Kong	1.06	1.56	0.50	176	219	43
11	Spain	1.24	1.24	0.01	66	70	4
12	Sweden	1.22	1.22	0.00	85	88	3
13	Italy	1.03	0.99	-0.03	127	130	3
14	Netherlands	1.01	0.99	-0.02	50	51	1
15	Denmark	0.72	0.71	-0.01	37	37	0
16	Singapore	0.63	0.62	-0.01	156	146	-10
17	Belgium	0.54	0.51	-0.03	45	43	-2
18	Finland	0.39	0.38	-0.01	41	41	0
19	Israel	0.29	0.29	0.00	57	57	0
20	Norway	0.26	0.27	0.01	44	44	0
21	Austria	0.11	0.11	0.00	25	25	0
22	New Zealand	0.10	0.10	0.00	40	39	-1
23	Ireland	0.23	0.09	-0.14	19	15	-4
24	Portugal	0.07	0.07	0.00	15	13	-2
25	Greece	0.04	0.04	0.00	20	20	0
	OVERALL	100.00	100.00		6,612	7,030	418

# **Nasdaq Emerging Markets Index**

		INDEX WEIGHT %			NO. SECURITIES			
#	NQGI Country	Pre-Rebalance	Post-Rebalance	Net Change	Pre-Rebalance	Post-Rebalance	Net Change	
1	China	21.29	22.17	0.88	380	364	-16	
2	Taiwan	13.52	16.97	3.45	392	357	-35	
3	India	10.56	13.50	2.94	246	230	-16	
4	South Africa	7.33	9.33	2.00	134	136	2	
5	Brazil	6.05	7.15	1.11	138	128	-10	
6	Mexico	4.32	5.47	1.15	47	50	3	
7	Malaysia	4.07	5.09	1.01	183	160	-23	
8	Thailand	3.42	4.32	0.90	181	165	-16	
9	Russia	2.92	3.69	0.77	31	28	-3	
10	Indonesia	2.01	2.53	0.52	82	76	-6	
11	Philippines	1.73	2.18	0.45	49	46	-3	
12	Poland	1.63	2.04	0.40	47	45	-2	
13	Chile	1.35	1.64	0.29	41	36	-5	
14	Turkey	1.25	1.61	0.36	58	63	5	
15	Colombia	0.70	0.80	0.11	18	17	-1	
16	Egypt	0.30	0.40	0.10	24	24	0	
17	Peru	0.26	0.33	0.07	9	9	0	
18	Hungary	0.23	0.29	0.06	4	4	0	
19	Czech Republic	0.19	0.25	0.05	4	4	0	
20	Morocco	0.20	0.23	0.03	12	7	-5	
	Korea	16.65	0.00	-16.65	361	0	-361	
	OVERALL	100.00	100.00		2,441	1,949	-492	

### HISTORICAL PERFORMANCE COMPARISON WITH AND WITHOUT KOREA /

Several staple indexes in the Nasdaq Global Index family that are affected as a result of the Korea promotion include the Nasdaq Emerging Markets Indexes (NQEM), Nasdaq Developed Markets Indexes (NQDM), Nasdaq Developed Markets Ex North America Indexes (NQDMXNA) and Nasdaq Developed Markets Ex US Indexes (NQDMXUS).

To give some context, historical performance of the four aforementioned indexes are shown below with and without Korea.

As expected, the Nasdaq Emerging Markets Index witnessed a greater impact as Korea was a much larger portion of the index (whereas Korea makes up a much smaller percentage in the Nasdaq Developed Market Indexes).

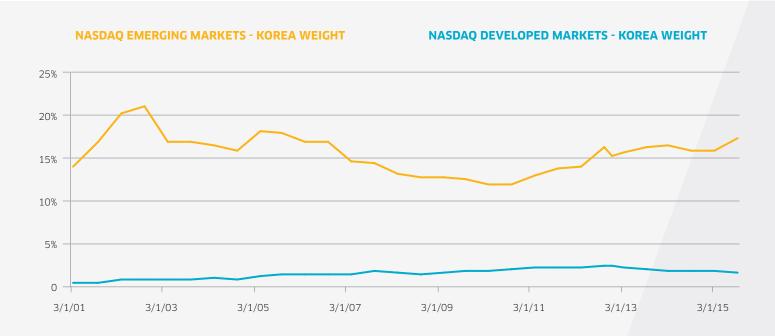








To give further historical context, below is a chart of Korea's weight in the Nasdaq Emerging and Developed Markets Indexes historically.



For more information, please click here and a member of our Global Indexes team will get back to you. For more information on Korea being promoted to Developed Markets, click here.

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