



INDEX METHODOLOGY

DORSEY WRIGHT DEVELOPED MARKET MOMENTUM AND LOW VOLATILITY™ INDEX

DWAMLVDM™

INDEX DESCRIPTION

The Dorsey Wright Developed Market Momentum and Low Volatility Index is comprised of securities selected based on volatility and individual stock momentum.

SECURITY ELIGIBILITY CRITERIA

To qualify for Index inclusion, securities must meet the following Security Eligibility Criteria, which are applied as of the Reconstitution reference date.

Parent index

To be eligible for the Dorsey Wright Developed Market Momentum and Low Volatility Index, an Index Security must be a member of its parent, the NASDAQ Developed Markets™ Index (NQDM™). For more information see the methodology of NQDM.

Security types

American Depositary Receipts (ADRs) and US-listed securities may be substituted for the ordinary shares of a parent index constituent, as deemed appropriate by Dorsey Wright (DWA).

Multiple securities per issuer

One security per issuer is permitted. If an issuer has multiple securities, the security selected for eligibility will be based on DWA's proprietary screening.

Market capitalization

A security must rank among the top 1,000 US-listed securities or the top 1,000 non-US listed securities by market capitalization within NQDM.

Liquidity

A security must have a three-month average daily value traded (ADVT) of at least \$1 million (USD).

Other eligibility criteria

If, at reconstitution, Nasdaq becomes aware that an issuer or security will soon undergo a fundamental change that makes it ineligible, Nasdaq will remove the security from consideration. This includes entering into a definitive merger or acquisition agreement or other pending arrangement that would make it ineligible for Index inclusion, or a filing of bankruptcy or similar protection from creditors, or other events as described in Section 3 of **Corporate Actions and Events Manual – Equities**.

CONSTITUENT SELECTION

Constituent selection process

Point & Figure Charting: Dorsey Wright uses Point & Figure charting to record supply and demand within a security, focusing on the price movements of that security. Point & Figure charts filter out insignificant price movements by ignoring small price fluctuations, trading volume, and time.

Point & Figure Relative Strength Charting: Relative Strength is another technical analysis tool that measures a security's performance relative to other securities, benchmarks, or broad market indices. Relative Strength is a momentum technique that relies on unbiased, unemotional, objective data, rather than biased forecasting and subjective research. Relative Strength is a way of recording historic performance patterns, and Dorsey, Wright and Associates (DWA) uses Relative Strength signals as an indicator for current momentum trends of a security versus others. DWA builds Relative Strength charts to compare each security in the inventory to a broad market benchmark using the following process:

- I. On a daily basis, DWA computes the ratio of the closing price of each security to the closing price of the broad market benchmark.

Example: $\text{Relative Strength Reading} = (\text{Security Closing Price} \div \text{Benchmark Closing Price}) \times 100$

- II. As a result of on-going calculations, a Point & Figure Relative Strength chart is created for each relationship within the inventory. A Point & Figure Relative Strength chart is a variation of a Point & Figure chart using the input value as computed in the previous step, instead of individual security prices.

Index Construction: A Reconstitution is conducted quarterly based on the Reconstitution reference date. Each security in the eligible universe is assigned a relative strength rank based on Dorsey Wright's Relative Strength Point & Figure Charting methodology. Only stocks that pass a minimum threshold screen are considered for the Index. All of the stocks that pass the minimum relative strength screens are then ranked by daily standard deviation of price returns over the trailing one year.

The top 50 securities by the inverse of the volatility rank are selected for the Dorsey Wright Developed Market Momentum & Low Volatility Index (DWAMLVDM).

CONSTITUENT WEIGHTING

Constituent weighting scheme

The Index is an inverse volatility rank-weighted index.

Constituent weighting process

A Rebalance is conducted quarterly based on the Rebalance reference date.

Each Index Security's weight is determined by dividing the Index Security's inverse volatility rank by the aggregate inverse volatility rank of all Index Securities.

For additional information about index weighting, see **Nasdaq Index Weight Adjustment Guidelines**.

INDEX CALENDAR

Reconstitution & Rebalancing schedule

Reconstitution Frequency	Quarterly
Rebalance Frequency	Quarterly
Reconstitution Reference Dates	Ninth trading day prior to the Reconstitution effective date
Reconstitution Announcement Dates	After the close on the sixth trading day prior to the Reconstitution effective date
Reconstitution Effective Dates	At market open on the first trading day of January, April, July, and October, respectively
Rebalance Reference Dates	Ninth trading day prior to the Reconstitution effective date
Rebalance Announcement Dates	After the close on the sixth trading day prior to the Rebalance effective date
Rebalance Effective Dates	At market open on the first trading day of January, April, July, and October, respectively

For the purposes of reconstitution and rebalancing, a trading day excludes US market holidays.

Holiday schedules

The Index is calculated Monday through Friday and does not close for holidays, as it is a Global Index.

Index calculation and dissemination schedule

The Index Values for the Indexes are calculated five (5) days a week, Monday through Friday, starting by the earliest time zone, Asia/Tokyo, and closed by the latest time zone, America/New York, in United States Dollars (USD).

INDEX MAINTENANCE

Deletion policy

If, at any time other than an Index Reconstitution, Nasdaq determines that an Index Security has or will undergo a fundamental alteration that would make it ineligible for Index inclusion, the Index Security is removed as soon as practicable. Such fundamental alterations may include, but are not limited to, merger, acquisition, or other major corporate event that would otherwise adversely impact the integrity of the Index.

Replacement policy

Securities are not replaced in the Index outside of the Index Reconstitution.

Addition policy

Securities are not added to the Index outside of the Index Reconstitution.

Corporate actions

In the interim periods between scheduled index reconstitution and rebalancing 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 “Market Cap Corporate Action Method.”

Index share adjustments

Index Share changes are not made during the quarter however changes arising from certain corporate events are made to the Index. Please refer to **Nasdaq Corporate Actions and Events Manual – Equities**.

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, 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**.

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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