



INDEX METHODOLOGY

DORSEY WRIGHT MOMENTUM PLUS INDEX FAMILY

DWAMV, DWAMY, DWAMLV

INDEX DESCRIPTION

The Dorsey Wright Momentum Plus Index Family is comprised of securities selected based on individual stock momentum and a fundamental factor (value, dividend yield or volatility).

SECURITY ELIGIBILITY CRITERIA

Parent index

Securities must be included in the NASDAQ US Large Mid Cap Index (NQUSBLM). Except as noted below, the Index follows the same Security Eligibility Criteria as the Parent Index. Please refer to that methodology for further information.

Multiple classes of securities

One security per issuer is permitted. If an issuer has multiple listed security classes, the security generally selected for possible inclusion in the Index is based on DWA's proprietary screening.

Liquidity eligibility

Securities must have a 30-day average daily traded value of at least \$1 million.

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.

INDEX CALENDAR

Reconstitution schedule

The Index Reconstitution is conducted quarterly in January, April, July and October.

Reconstitution reference dates

The Security Eligibility Criteria are applied using market close data as of the day prior to the second Friday in January, April, July and October.

Reconstitution announcement dates

Index Reconstitutions are announced in early January, April, July and October.

Reconstitution effective dates

Index Reconstitutions are effective at market open on the trading day after the third Friday in January, April, July and October.

Rebalance schedule

The Index Rebalances occur in conjunction with the Index Reconstitutions and follow the same schedule.

CONSTITUENT SELECTION

Constituent selection process

All securities in the Index universe are ranked using a proprietary relative strength (momentum) measure. Each security's score is based on intermediate and long term price movements relative to a representative market benchmark. The selection based on fundamental factors (value, dividend yield and volatility) is as follows:

Dorsey Wright Momentum Plus Value Index (DWAMV)

Eligible securities are ranked on four value metrics: Price to Sales, Price to Book, Price to Earnings and Price to Free Cash Flow. Each metric is scored individually and given a percentile score. A combined value score is calculated by averaging the percentile scores for the individual metrics. A security must have values for a minimum of three of the four metrics. Any security with fewer than three scores is excluded. No penalty is given to securities having only three of the four metrics. The 50 securities with the highest combined value scores are selected for Index inclusion.

Dorsey Wright Momentum Plus Dividend Yield Index (DWAMY)

Eligible securities are ranked based on their current dividend yield. The 50 securities with the highest current dividend yields are selected for Index inclusion.

Dorsey Wright Momentum Plus Low Volatility Index (DWAMLV)

Eligible securities are assigned a volatility score based on the daily percentage price changes over the trailing year. The 50 securities with the lowest volatility scores are selected for Index inclusion.

CONSTITUENT WEIGHTING

Constituent weighting scheme

The Indexes are factor-weighted indexes.

Constituent weighting process

Dorsey Wright Momentum Plus Value Index (DWAMV)

Index Security weights are determined by dividing each Index Security's value score by the sum of the value scores of all Index Securities.

Dorsey Wright Momentum Plus Dividend Yield Index (DWAMY)

Index Security weights are determined by dividing each Index Security's dividend yield by the sum of the dividend yields of all Index Securities.

Dorsey Wright Momentum Plus Low Volatility Index (DWAMLV)

Index Security weights are determined by dividing each Index Security's volatility score inverse by the sum of the volatility score inverses of all 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 Index Security is determined to be ineligible for continued inclusion in the Index due to bankruptcy, delisting, or a definitive agreement that would likely result in the security no longer being Index eligible. Please refer to Nasdaq's **Corporate Actions and Events Manual – Equities** for detailed handling of the aforementioned event types.

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**.

Holiday schedules

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

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**.

Index calculation and dissemination schedule

The Index is calculated five (5) days a week, Monday through Friday, starting with the earliest time zone (Asia/Tokyo) and closing with the latest time zone (America/New York), 12:30:01 Japan Standard Time to 17:16:00 Eastern Time.

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

Index governance

All Nasdaq Indexes follow the same governance structure. For a detailed list of this information, please see the **Nasdaq Index Methodology Guide**.

Nasdaq Index Management Committee

The Nasdaq Index Management Committee approves all new Index Methodologies. This committee is comprised of full-time professional members of Nasdaq. The committee meets regularly, and reviews items including, but not limited to, pending corporate actions that may affect Index constituents, statistics comparing the composition of the indexes to the market, companies that are being considered as candidates for addition to an Index, and any significant market events.

For a detailed overview of the Index Management Committee, please see the **Nasdaq Index Methodology Guide**.

Internal reviews of methodology

For a detailed description on internal reviews of the Methodology, please see the **Nasdaq Index Methodology Guide**.

Communication with stakeholders and consultations

For a detailed description on Consultations and Communications with Stakeholders, please see the **Nasdaq Index Methodology Guide**.

Index cessation

Nasdaq has a documented procedure that is followed for Index Cessation that includes termination/retirement of an Index or Index Family.

For more information, please refer to the **Nasdaq Index Cessation Policy**.

Discretionary adjustment

This Index Methodology was created by Nasdaq to achieve the aforementioned objective of measuring the underlying purpose of each Index governed by this methodology document. Any deviations from this methodology are made in the sole judgment and discretion of Nasdaq so that the Index continues to achieve its objective.

For more information on potential adjustments including Calculation and Pricing Disruptions, Expert Judgment, and Unexpected Reconstitution/Rebalances, please 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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