



INDEX METHODOLOGY

ISE-REVERE NATURAL GAS INDEX™

FUM

INDEX DESCRIPTION

The ISE-REVERE Natural Gas Index is designed to track public companies that derive a substantial portion of their revenues from midstream activities and/or the exploration and production of natural gas.

SECURITY ELIGIBILITY CRITERIA

Eligible security types

Eligible security types generally include American Depositary Receipts (ADRs), common stocks, and master limited partnership interests.

For the purpose of Index Eligibility Criteria, if the security is a depositary receipt representing the security of a non-U.S. issuer, the references to the “issuer” are references to the issuer of the underlying security.

Multiple classes of securities

One security per issuer is permitted. If an issuer has multiple securities, the security with the highest three-month average daily dollar trading volume (ADDTV) will generally be considered for possible inclusion into the Index.

Eligible exchanges

A security must be listed on The Nasdaq Stock Market, the New York Stock Exchange or NYSE American.

Industry or sector eligibility

An issuer must be involved in the exploration and production of crude oil and natural gas, according to FactSet REVERE Fundamentals, whereby its natural gas proved reserves accounts for 30% or greater of

its total proved reserves. Natural gas shall be converted to Barrels of Oil Equivalent (BOE) using the industry standard conversion of 1 BOE = 6,000 cubic feet.

Market capitalization eligibility

A security must have a market capitalization of at least \$250 million (USD).

Liquidity eligibility

A security must have a three-month ADDTV of at least \$1 million (USD).

Seasoning eligibility

A security must have been traded for at least three months on an index-eligible exchange prior to the Reconstitution reference date.

Float eligibility criteria

At least 20% of a security's total shares outstanding must be publicly available for trading (float shares).

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 Reconstitution is conducted quarterly in March, June, September and December.

Reconstitution reference dates

The security eligibility criteria are applied using market data as of the end of January, April, July and October, respectively.

Reconstitution announcement dates

Index Reconstitution changes are announced in early March, June, September and December.

Reconstitution effective dates

Index Reconstitutions become effective at market open on the trading day after the third Friday in March, June, September and December.

Rebalance schedule

The Index is rebalanced quarterly in conjunction with the Index Reconstitution in March, June, September, and December.

Rebalance reference dates

The Index Rebalance uses market data as of the prior month-end (February, May, August and November, respectively).

Rebalance announcement dates

Index Rebalance changes are announced in early March, June, September and December.

Rebalance effective dates

Index Rebalance changes become effective at market open on the trading day after the third Friday in March, June, September and December.

CONSTITUENT SELECTION

Constituent selection process

The Reconstitution is conducted on a quarterly basis, at which time all eligible Operating Companies and the 10 eligible Master Limited Partnerships with the highest market capitalizations are included in the Index.

CONSTITUENT WEIGHTING

Constituent weighting scheme

The Index is a modified linear-weighted index.

Constituent weighting process

FUM employs a two-level weight adjustment scheme.

Segment weights are set according to the following weights:

- Operating Companies: 85%

- Master Limited Partnership: 15%

Index Securities are weighted based on their market capitalization and liquidity ranks within their segments, using the following definitions:

- Z_S is the segment weight for each segment S , as specified above.
- C_i^S is the market capitalization rank of security i within its segment S , with a rank of 1 representing the lowest value.
- L_i^S is the liquidity (average daily traded value) rank of security i within its segment S , with a rank of 1 representing the lowest value.
- R_i^S is the rank of security i within its segment S of the sum $(1.001 \times C_i^S) + L_i^S$, with a rank of 1 representing the lowest value.
- The initial weight w_i of each Index Security i is defined as $w_i = Z_S \times \frac{R_i^S}{\sum_S R_i^S}$.

Initial weights are adjusted within each Segment to meet the following constraints:

- No Index Security weight may exceed 50% of the ratio between the Index Security's three-month average daily dollar trading volume and 100 million USD.
- No Index Security weight may exceed 4% of the ratio between the Index Security's free float market capitalization and 1 billion USD.
- No Index Security weight may exceed 4.5% of the entire index.
- Segment weights are only adjusted if security-level constraints necessitate.

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

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 Indexes are calculated Monday through Friday, except on days when the Nasdaq US exchange is closed.

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 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.

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.

Neither Nasdaq, Inc., Factset REVERE, nor any of their affiliates makes any recommendation to buy or sell any security or any representation about the financial condition of any company. Investors should undertake their own due diligence and carefully evaluate companies before investing. The information

contained herein is provided for informational and educational purposes only, and nothing contained herein should be construed as investment advice, either on behalf of a particular security or an overall investment strategy. **Advice from a securities professional is strongly advised.** © 2020. Nasdaq, Inc. All Rights Reserved.