



INDEX METHODOLOGY

NASDAQ INNOVATORS COMPLETION CAP INDEX™

NCX

INDEX DESCRIPTION

The Nasdaq Innovators Completion Cap Index™ is designed to track the performance of the companies in the Nasdaq Composite Index, outside of the Nasdaq-100 Index® and Nasdaq Next Generation 100 Index®, that have the most valuable patent portfolios relative to their total market values.

SECURITY ELIGIBILITY CRITERIA

Security universe

The Index at all times consists of a selection of issuers in the Nasdaq Composite Index (COMP) not represented in the Nasdaq-100 Index (NDX) or Nasdaq Next Generation 100 Index (NGX). Please refer to those methodologies for further information about their constituent selection.

Security types

A security must be classified as a common stock, ordinary share or American Depositary Receipt (ADR).

If the security is a depositary receipt, references to the “issuer” of the security are references to the issuer of the underlying security and references to total shares outstanding are references to the depositary shares outstanding as reported by the depositary banks.

Multiple securities per issuer

If an issuer has multiple securities that meet all other Security Eligibility Criteria, any and all of those securities may be considered for inclusion in the Index.

Listing exchanges

The issuer of a security’s primary U.S. listing must exclusively be listed on the Nasdaq Stock Market.

Industry or sector

A security must not be allocated by the Industry Classification Benchmark (ICB) to the Financials industry, the Open End and Miscellaneous Investment Vehicles sector or the Real Estate Investment Trusts sector. ICB is a product of FTSE International Limited that is used under license.

Market capitalization

A security's issuer must have a market capitalization of at least \$100 million (USD).

Liquidity

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

Seasoning

A security must have been traded for at least three months on The Nasdaq Stock Market, New York Stock Exchange LLC, NYSE American LLC and/or Cboe BZX Exchange, Inc.; or have been added to the Index as the result of a spin-off event, which exempts it from the seasoning requirement.

Float

At least 20% of a security's total shares outstanding must be available to public shareholders (free float).

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, a filing of bankruptcy or similar protection from creditors, or other events as described in Section 3 of **Corporate Actions and Events Manual – Equities**.

INDEX CALENDAR

Reconstitution schedule

Nasdaq selects constituents semi-annually in June and December by applying the Constituent Selection Process.

Reconstitution reference dates

Unless otherwise specified, the Security Eligibility Criteria are applied using data as of the end of May and November, and the Constituent Selection Process is applied using data as of the end of April and October.

Reconstitution announcement dates

Index Reconstitutions are announced in early June and December.

Reconstitution effective dates

Index Reconstitutions become effective at market open on the first trading day following the third Friday in June and December.

Rebalance schedule

The Index is rebalanced quarterly in March, June, September and December by applying the Constituent Weighting Process.

Rebalance reference dates

The Index is rebalanced using Last Sale Prices as of the end of February, May, August and November.

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 first trading day following the third Friday in March, June, September and December.

CONSTITUENT SELECTION

Constituent selection process

Issuers of all eligible securities are ranked by the ratios of the companies' patent portfolio values, as determined by IPR Strategies, to their respective market capitalizations. All eligible securities of the 200 issuers with the largest ratios are selected for inclusion in the Index.

CONSTITUENT WEIGHTING

Constituent weighting scheme

The Index is an equal-weighted index.

Constituent weighting process

All issuers are assigned an equal Index market value. For issuers represented by multiple securities, those issuers' Index market values are equally apportioned across their respective Index Securities.

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

INDEX MAINTENANCE

Deletion policy

If, at any time other than an Index Reconstitution, Nasdaq determines that an Index Security is ineligible for Index inclusion, the Index Security is removed as soon as practicable.

This may include:

- Listing on an Index-ineligible exchange
- Merger, acquisition, or other major corporate event that would adversely affect the integrity of the Index
 - In the case of mergers and acquisitions, the effective date for the removal of an Index Issuer or security will be largely event-based, with the goal to remove the issuer or security as soon as completion of the acquisition or merger has been deemed highly probable. Notable events include, but are not limited to, completion of various regulatory reviews, the conclusion of material lawsuits and/or shareholder and Board approvals.
- A company's organization as a Real Estate Investment Trust (REIT)
- An Index Security's allocation to the Financials industry within ICB
- Addition to NDX or NGX

Securities that are added as a result of a spin-off may be deleted as soon as practicable after being added to the index. This may occur when Nasdaq determines that a security is ineligible for inclusion because of reasons such as ineligible exchange, security type, industry, or adjusted market capitalization. Securities that are added as a result of a spin-off may be maintained in the index until a later date and then removed, for example if a spin-off security has liquidity characteristics that diverge materially from the security eligibility criteria and could affect the integrity of the index.

Replacement policy

Securities removed from the Index outside of a reconstitution are not replaced.

Corporate actions

In the 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. With the exception(s) noted below, 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 Reconstitution and Rebalance 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 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 **Nasdaq Index Policies & Procedures: 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

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

A methodology document is created for all new Index Methodologies. The methodology document includes the following: Index Objective, Security Eligibility Criteria, Index Construction, Index Maintenance, Index Governance, Index Policy, and Index Dissemination.

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

See **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. nor any of its affiliates (collectively "Nasdaq") 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.**

APPENDIX: METHODOLOGY CHANGE LOG

Effective Date	Methodology Section	Description or Summary of Changes
December 19, 2022	Index calendar: reconstitution reference dates	The reference dates of data used in the constituent selection process are changed from May and November month-end to April and October month-end.