



INDEX METHODOLOGY

NASDAQ-100 DORSEY WRIGHT MOMENTUM™ INDEX NDXDWA™

INDEX DESCRIPTION

The Nasdaq-100 Dorsey Wright Momentum Index is designed to track the performance of the 21 securities from the Nasdaq-100 Index® with highest momentum. Each security must meet certain momentum requirements, and the securities selected for the index are equally weighted at each Reconstitution.

SECURITY ELIGIBILITY CRITERIA

Parent index

The Nasdaq-100 Dorsey Wright Momentum Index (NDXDWA) consists of securities selected from the Nasdaq-100® (NDX®) as of the Index Reconstitution Effective Date. Please refer to NDX®'s methodology for further information on its constituent selection. Other than deriving the constituent universe from NDX®, Nasdaq operates NDXDWA entirely independently from NDX®, including handling of corporate actions.

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**.

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 data as of the second Friday in January, April, July and October.

Reconstitution announcement dates

Index Reconstitutions are announced approximately three business days prior to the effective date of the quarterly changes.

Reconstitution effective dates

Index Reconstitutions become effective at market open on the trading day following the third Friday of January, April, July and October.

Rebalance schedule

The Index is rebalanced quarterly in conjunction with the Index Reconstitution according to the Constituent Weighting Process. The reference, announcement and effective dates are the same as those of the Reconstitution.

Holiday schedule

The Index is calculated Monday through Friday, except on days when the US markets are closed.

Index calculation and dissemination schedule

The Index is calculated during the trading day based on the Last Sale Price and is disseminated once per second from 09:30:01 to 17:16:00 ET. The closing value of the index may change up until 17:15:00 ET due to corrections to the Last Sale Price of the Index Securities.

CONSTITUENT SELECTION

Constituent selection process

At each Index Reconstitution, Dorsey Wright selects the 21 top-ranked securities based on the Dorsey Wright Nasdaq-100 Point & Figure Matrix, a technique for ranking securities by momentum, for inclusion in the Index. Preference is given to existing Index Securities with ranks less than 50. If fewer than 21 such securities are available, the Index will select additional securities that are not already in the Index, in ascending order of their ranks, until there are 21 Index Securities.

A description of Dorsey Wright's Point & Figure Matrix can be found in Appendix A.

CONSTITUENT WEIGHTING

Constituent weighting scheme

The Index is an equal-weighted index.

Constituent weighting process

The Index employs an equal-weight adjustment scheme: all Index Securities have equal index market capitalization.

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

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.

Replacement policy

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

Addition policy

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

Corporate actions

In the periods between scheduled Index Reconstitution and Rebalance 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 Policy**.

Unexpected market closures

For information on Unexpected Market Closures, please refer to the **Nasdaq Index Methodology Policy**.

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 Policy**.

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 Policy**.

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**.

APPENDIX A: DORSEY WRIGHT NASDAQ-100 POINT & FIGURE MATRIX RANKING AND MOMENTUM

Securities with high momentum are those whose price has appreciated more than others over a specified period. This is important as high momentum stock portfolios have been shown to outperform over time. Dorsey Wright's Matrix ranking uses Point & Figure Relative Strength charts to create a momentum ranking of Nasdaq-100[®] Index constituents. Each Point & Figure Relative Strength chart plots the price ratio between two securities, which allows for an analysis of their relative price action. The Matrix creates $n \times (n-1)$ Point & Figure Relative Strength charts (where n = the number of constituents in the Nasdaq-100 Index[®]) and ranks each security by the number of measured "buy signals" (ranked most to fewest). A Point & Figure Relative Strength chart buy signal occurs when the active column exceeds a previous column, representing a momentum breakout relative to the other security.

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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