



INDEX METHODOLOGY

## NASDAQ SINGULARITY™ INDEX

### NQ2045™

#### INDEX DESCRIPTION

The Nasdaq Singularity Index is designed to be a global equity index and innovation benchmark that tracks the performance of a set of companies that are screened for value creation from innovation across sectors and industries with positive environmental and social characteristics. The companies are selected based on custom Singularity Sector classifications, as determined by The Singularity Group using data sourced from the FactSet Revere Business Industry Classification System (RBICS).

#### 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.

##### **Security universe**

A security must be included in the Nasdaq Global™ Index (NQGI™). If it is not part of NQGI, the security must be listed on at least one of the exchanges mentioned under the Listing Exchanges section.

##### **Security types**

A security must be classified as a common stock, ordinary share, preference share, American Depositary Receipt, Global Depositary Receipt or share of beneficial interest of a REIT.

##### **Multiple securities per issuer**

One security per issuer is permitted. If an issuer has multiple otherwise-eligible securities, one of which is an Index Security as of the Reconstitution reference date, only that security may be eligible; otherwise, only the security with the highest three-month average daily value traded (ADVT) may be eligible.

## **Listing exchanges**

A security not included in NQGI must be listed on the Nasdaq Stock Market, the New York Stock Exchange, NYSE American or Cboe BZX Exchange.

## **Industries and sectors**

A security must be a member of one of the nine Singularity Sectors:

- Advanced Materials
- Artificial Intelligence
- Big Data
- Bioinformatics
- Compute Power
- Networks and Connectivity
- New Energy
- Robotics
- Extended Reality

A security that is included in the Index as of the Reconstitution reference date must have a Singularity Score, as determined by the Singularity Group, of at least five (5).

A security that is not included in the Index as of the Reconstitution reference date must have a Singularity Score of at least 10.

## **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).

## **Float**

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

## **ESG criteria**

A company must not be involved in the following controversial business areas, as determined by Clarity AI (revenue thresholds in brackets):

- Tobacco Production (5%):
- Cluster Bombs Participation (0%)
- Cluster Bombs Production (0%)
- Anti-Personnel Landmines (0%)

- Chemical and Biological Weapons (0%)
- Incendiary Weapons (0%)
- Nuclear Weapons Participation (0%)
- Nuclear Weapons Production (0%)
- Small Arms (10%)
- Riot Control (10%)
- Armament Production (10%)
- Thermal Coal Mining (10%)
- Coal Power Generation (10%)
- Fossil Fuel Production (10%)
- Arctic Oil & Gas (10%)
- Shale Energy Production (10%)
- Shale Energy Participation (10%)
- Oil-sands Production (10%)
- Oil-Sands Participation (10%)

A company's ESG Risk score, based on data from Clarity AI, must not fall within the bottom quintile of all companies that carry a Singularity Score. ESG Risk scores follow a best-in-class approach and are based on SASB's framework, which considers industry-specific metrics and materiality matrices.

### **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**

An Index Reconstitution is conducted semiannually based on the Reconstitution reference date.

All securities that meet the applicable Security Eligibility Criteria are considered for Index inclusion. The Index includes the 300 eligible securities with the highest company Singularity Marketcap. A company's Singularity Marketcap is calculated by multiplying its Singularity Score, as determined by The Singularity Group, by its market capitalization.

## CONSTITUENT WEIGHTING

### Constituent weighting scheme

The Index is a modified Singularity Marketcap-weighted index.

### Constituent weighting process

An Index Rebalance is conducted semiannually based on the Rebalance reference date.

An Index Security's initial index weight is determined by dividing its company Singularity Marketcap (the product of the company's Singularity Score and market capitalization) by the sum of all company Singularity Marketcaps of all Index Securities.

Initial weights are then adjusted to meet the following constraints, producing the final weights:

- For the top six Index Securities by Singularity Marketcap, no individual weight may exceed 5%.
- For all other Index Securities, no weight may exceed 4%.
- The aggregate Index Security weight of all depositary receipts may not exceed 49%.

For additional information about index weighting, see [Nasdaq Index Weight Calculations](#).

## INDEX CALENDAR

### Reconstitution & Rebalancing schedule

<b>Reconstitution Frequency</b>	Semiannually
<b>Rebalance Frequency</b>	Semiannually
<b>Reconstitution Reference Dates</b>	Last trading day of April and October, respectively
<b>Reconstitution Announcement Dates</b>	After the close on the sixth trading day prior to the Reconstitution effective date
<b>Reconstitution Effective Dates</b>	At market open on the first trading day after the third Friday in May and November, respectively
<b>Rebalance Reference Dates</b>	Last trading day of April and October, respectively
<b>Rebalance Announcement Dates</b>	After the close on the sixth trading day prior to the Rebalance effective date
<b>Rebalance Effective Dates</b>	At market open on the first trading day after the third Friday in May and November, respectively

### Holiday schedule

The Index is calculated Monday through Friday and does not close for holidays.

## **Index calculation and dissemination schedule**

The Index Value is calculated five (5) days a week, Monday through Friday, once per second from the start of the trading day in Tokyo (09:00:01 Japan Standard Time) until the close of the trading day in New York (17:16:00 Eastern Time).

## **INDEX MAINTENANCE**

### **Deletion policy**

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.

### **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 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 “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**.

### 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](mailto: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**.

## APPENDIX: METHODOLOGY CHANGE LOG

Effective Date	Methodology Section	Previous	Updated
5/19/2025	Constituent weighting: Constituent weighting process	<p>The Index employs a two-stage weight adjustment scheme.</p> <p>An Index Security’s initial index weight is determined by dividing its company Singularity Marketcap (the product of the company’s Singularity Score and market capitalization) by the sum of all company Singularity Marketcaps of all Index Securities. Index weights are then adjusted in two stages to produce the final index weights.</p> <p>Stage 1: Initial index weights are adjusted to meet the following Stage 1 constraint, producing the Stage 1 weights:</p> <ul style="list-style-type: none"><li>The aggregate Index Security weight within any Singularity Sector may not exceed 20%.</li></ul> <p>Stage 2: Stage 1 weights are adjusted within each Singularity Sector to meet the following Stage 2 constraints, producing the final weights:</p>	<p>An Index Security’s initial index weight is determined by dividing its company Singularity Marketcap (the product of the company’s Singularity Score and market capitalization) by the sum of all company Singularity Marketcaps of all Index Securities.</p> <p>Initial weights are then adjusted to meet the following to meet the following constraints, producing the final weights:</p> <ul style="list-style-type: none"><li>For the top six Index Securities by Singularity Marketcap, no individual weight may exceed 5%.</li><li>For all other Index Securities, no weight may exceed 4%.</li><li>The aggregate Index Security weight of all depositary receipts may not exceed 49%.</li></ul>

Effective Date	Methodology Section	Previous	Updated
		<ul style="list-style-type: none"> <li>• For the top six Index Securities by weight from Stage 1, no individual weight may exceed 5%. If there are any ties, the Index Security with the higher Singularity MarketCap is selected to be in the top six.</li> <li>• For all other Index Securities, no weight may exceed 4%.</li> <li>• The aggregate Index Security weight of all depositary receipts may not exceed 49%.</li> </ul> <p>If an Index Security’s weight is adjusted during Stage 2, any excess weight is redistributed within its Singularity Sector such that the aggregate Index Security weight within each Singularity Sector from Stage 1 is maintained. Adjustments to Singularity Sector weights are made only if Stage 2 constraints cannot be satisfied.</p>	
11/18/2024	Constituent weighting: Constituent weighting process	<p>Stage 2: Stage 1 weights are adjusted to meet the following Stage 2 constraints, producing the final weights:</p> <ul style="list-style-type: none"> <li>• No Index Security weight may exceed 4%.</li> <li>• The aggregate Index Security weight of all depositary receipts may not exceed 49%.</li> </ul>	<p>Stage 2: Stage 1 weights are adjusted within each Singularity Sector to meet the following Stage 2 constraints, producing the final weights:</p> <ul style="list-style-type: none"> <li>• For the top six Index Securities by weight from Stage 1, no individual weight may exceed 5%. If there are any ties, the Index Security with the higher Singularity MarketCap is selected to be in the top six.</li> <li>• For all other Index Securities, no weight may exceed 4%.</li> <li>• The aggregate Index Security weight of all depositary receipts may not exceed 49%.</li> </ul> <p>If an Index Security’s weight is adjusted during Stage 2, any excess weight is redistributed within its Singularity Sector such that the aggregate Index Security weight within each Singularity Sector from Stage 1 is maintained. Adjustments to Singularity Sector weights are made only if Stage 2 constraints cannot be satisfied.</p>



Effective Date	Methodology Section	Previous	Updated
5/20/2024	Security eligibility criteria: 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.	One security per issuer is permitted. If an issuer has multiple otherwise-eligible securities, one of which is an Index Security as of the Reconstitution Reference Date, only that security may be eligible; otherwise, only the security with the highest three-month average daily traded value may be eligible.
11/20/2023	Security eligibility criteria: ESG criteria	<p>A company must not have received a red flag according to MSCI ESG Research for any ESG controversy regarding international norms and conventions, including but not limited to the following:</p> <ul style="list-style-type: none"> <li>• the UN Global Compact</li> <li>• OECD Guidelines for Multinational Enterprises</li> <li>• UN Guiding Principles on Business &amp; Human Rights</li> <li>• ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy and others</li> </ul>	--
11/20/2023	Security eligibility criteria: ESG criteria	<p>A company must not be involved in controversial business areas such as the following (revenue thresholds in brackets):</p> <ul style="list-style-type: none"> <li>• Cluster munitions (0%)</li> <li>• Landmines (0%)</li> <li>• Weapons: Biochemical, Nuclear (0%)</li> <li>• Weapons: Systems &amp; Components (10%)</li> <li>• Thermal coal (30%)</li> <li>• Generation thermal coal (30%)</li> <li>• Tobacco (5%)</li> </ul>	<p>A company must not be involved in the following controversial business areas, as determined by Clarity AI (revenue thresholds in brackets):</p> <ul style="list-style-type: none"> <li>• Tobacco Production (5%):</li> <li>• Cluster Bombs Participation (0%)</li> <li>• Cluster Bombs Production (0%)</li> <li>• Anti-Personnel Landmines (0%)</li> <li>• Chemical and Biological Weapons (0%)</li> <li>• Incendiary Weapons (0%)</li> <li>• Nuclear Weapons Participation (0%)</li> <li>• Nuclear Weapons Production (0%)</li> <li>• Small Arms (10%)</li> <li>• Riot Control (10%)</li> <li>• Armament Production (10%)</li> <li>• Thermal Coal Mining (10%)</li> <li>• Coal Power Generation (10%)</li> <li>• Fossil Fuel Production (10%)</li> </ul>

Effective Date	Methodology Section	Previous	Updated
			<ul style="list-style-type: none"> <li>• Arctic Oil &amp; Gas (10%)</li> <li>• Shale Energy Production (10%)</li> <li>• Shale Energy Participation (10%)</li> <li>• Oil-sands Production (10%)</li> <li>• Oil-Sands Participation (10%)</li> </ul>
11/20/2023	Security eligibility criteria: ESG criteria	For environmental aspects, a maximum limit of 5% is enforced for orange and yellow flags cumulatively.	--
5/22/2023	Security eligibility criteria: Industries and sectors	--	"Networks and Connectivity" is added as an eligible sector.
5/22/2023	Security eligibility criteria: Industries and sectors	"Blockchain" and "Internet of Things" are eligible sectors.	"Blockchain" and "Internet of Things" are no longer eligible sectors.
11/21/2022	Security eligibility criteria: Industries and sectors	"Virtual Reality"	Renamed to "Extended Reality"
11/21/2022	Security eligibility criteria: ESG criteria	--	An eligibility criterion is added to exclude securities with low ESG Risk scores, based on data from Clarity AI.
5/20/2022	Security eligibility criteria: Industries and sectors	--	"Advanced Materials" and "Computer Power" are added as eligible sectors.
5/20/2022	Security eligibility criteria: Industries and sectors	"3D Printing," "Nanotechnology," "Neuroscience" and "Space" are eligible sectors.	"3D Printing," "Nanotechnology," "Neuroscience" and "Space" are no longer eligible sectors.

## 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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