

Nasdaq Q-50 IndexSM Methodology

Index Description

The Nasdaq Q-50 Index is designed to track the performance of companies that are next-eligible for inclusion into the Nasdaq-100 Index.

Index Calculation

The Nasdaq Q-50 Index is a market capitalization-weighted index. The value of the Index equals the aggregate value of the Index share weights, also known as the Index Shares, of each of the Index Securities multiplied by each such security's Last Sale Price¹, and divided by the divisor of the Index. The divisor serves the purpose of scaling such aggregate value to a lower order of magnitude which is more desirable for reporting purposes. If trading in an Index Security is halted on its primary listing market, the most recent Last Sale Price for that security is used for all index computations until trading on such market resumes. Likewise, the most recent Last Sale Price is used if trading in a security is halted on its primary listing market before the market is open. The Index began on October 10, 2007 at a base value of 150.00.

The formula for index value is as follows:

$$\text{Aggregate Adjusted Market Value/Divisor}$$

The formula for the divisor is as follows:

$$(\text{Market Value after Adjustments/Market Value before Adjustments}) \times \text{Divisor before Adjustments}$$

Three versions of the Index are calculated – a price return index, a total return index, and a notional net total return index. The price return index (Nasdaq: NXTQ) is ordinarily calculated without regard to cash dividends on Index Securities. The total return index (Nasdaq: NTQX) reinvests cash dividends on the ex-date. The notional net total return index (Nasdaq: NXTQNNR) is designed to reflect a net total return index reinvesting 70% of cash dividends, and factors in a deduction based on an indicative 30% tax rate. All Indexes reflect extraordinary cash distributions.

The Index is calculated during the trading day 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.

Eligibility

Index eligibility is limited to specific security types only. The security types eligible for the Index include common stocks, ordinary shares, ADRs, and tracking stocks. Security or company types not included in the Index are closed-end funds, convertible debentures,

¹ For purposes of this document Last Sale Price refers to the last sale price on Nasdaq, which may be the Nasdaq Official Closing Price (NOCP).

exchange traded funds, limited liability companies, limited partnership interests, preferred stocks, rights, shares or units of beneficial interest, warrants, units and other derivative securities. The Index does not contain securities of investment companies.

Eligibility Criteria

To be eligible for inclusion in the Index, a security must meet the existing Nasdaq-100 Index eligibility criteria.

Ranking Review

Index composition is reviewed on a quarterly basis in March, June, September and December. Securities which meet the applicable eligibility criteria are ranked by market value. The securities of the top 50 companies not currently in the Nasdaq-100 Index are selected for inclusion in the Index. The data used in the ranking includes end of January, April, July and October market data and are updated for total shares outstanding submitted in a publicly filed SEC document via EDGAR through the end of the month prior to the quarterly evaluation². Any security additions and deletions shall be made effective after the close of trading on the third (3rd) Friday of each March, June, September and December.

Additionally, if at any time during the year other than the Ranking Review, an Index company no longer meets the Index Eligibility Criteria, or is otherwise determined to have become ineligible for continued inclusion in the Index, the company is removed from the Index and will not be replaced. When a component company from the Nasdaq Q-50 Index is added to the Nasdaq-100 Index, the company is deleted from the Nasdaq Q-50 Index and will not be replaced. Ordinarily, a security will be removed from the Index at its Last Sale Price. If, however, at the time of its removal the Index Security is halted from trading on its primary listing market and an official closing price cannot readily be determined, the Index Security may, in Nasdaq's discretion, be removed at a zero price. The zero price will be applied to the Index Security after the close of the market but prior to the time the official closing value of the Index is disseminated, which is ordinarily 17:16:00 ET.

The Nasdaq Q-50 Index is subjected to a quarterly evaluation and the review for eligible Nasdaq-100 Index Securities is performed on a monthly basis. Under this scenario, it is possible that a security may be added to the Nasdaq-100 Index intra-quarter without being a constituent of the Nasdaq Q-50 Index at the time of addition to the Nasdaq-100 Index.

Index Maintenance

Changes in the price and/or Index Shares driven by corporate events such as stock dividends, stock splits and certain spin-offs and rights issuances are adjusted on the ex-date. If the change in total shares outstanding² arising from other corporate actions is greater than or equal to 10.0%, the change is made as soon as practicable. Otherwise, if the change in total shares outstanding is less than 10%, then all such changes are

² If a security is a depositary receipt, the total shares outstanding is the actual depositary shares outstanding as reported by the depositary banks.

accumulated and made effective at one time on a quarterly basis after the close of trading on the third Friday in each of March, June, September and December.

A special cash dividend announced by the listing exchange, will result in an adjustment to the Last Sale Price of an Index Security prior to market open on the ex-date for the special amount distributed. A special dividend may also be referred to as extra, extraordinary, non-recurring, one-time, unusual, etc.

Ordinarily, whenever there is a change in Index Shares, a change in an Index Security, or a change to the price of an Index Security due to spin-offs, rights issuances or special cash dividends as mentioned above, the divisor is adjusted to ensure that there is no discontinuity in the value of the Index which might otherwise be caused by any such change. All changes are announced in advance and are reflected in the Index prior to market open on the Index effective date.

Nasdaq may, from time to time, exercise reasonable discretion as it deems appropriate in order to ensure Index integrity.

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