



INDEX METHODOLOGY

NASDAQ Q-50 INDEX

NXTQ

INDEX DESCRIPTION

The Nasdaq Q-50 Index is designed to measure the performance of 50 of the largest Nasdaq-listed non-financial companies outside of the Nasdaq-100 Index®.

SECURITY ELIGIBILITY CRITERIA

A security must meet the existing Nasdaq-100 Index® security eligibility criteria.

INDEX CALENDAR

Reconstitution schedule

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

Reconstitution reference dates

The Security Eligibility Criteria and Constituent Selection Process are applied using market data as of the end of January, April, July and October, and total shares outstanding as of the end of February, May, August and November, respectively.

Reconstitution announcement dates

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

Reconstitution effective dates

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

Rebalance schedule

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

Rebalance reference dates

The Index Rebalance uses the Total Shares Outstanding ("TSO") and Last Sale Price ("LSP") of all Index Securities 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 following the third Friday in March, June, September and December.

CONSTITUENT SELECTION

Constituent selection process

At each Index Reconstitution, all issuers that meet the applicable Security Eligibility Criteria are ranked by market capitalization, with the issuer having the highest market capitalization getting a rank of 1, the issuer having the second highest market capitalization getting a rank of 2, and so on. The largest 50 ranked issuers by market capitalization that are not in the Nasdaq-100 Index® are included in the Index.

CONSTITUENT WEIGHTING

Constituent weighting scheme

The Index is a modified market capitalization-weighted index.

Constituent weighting process

Index Securities' initial weights are determined by dividing each Index Security's market capitalization by the aggregate market capitalization of all Index Securities. The initial index weights are adjusted to meet the following constraint:

- No Index Security weight may exceed 4%.

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

INDEX MAINTENANCE

Deletion policy

If, at any time during the year other than the Index Reconstitution(s), an Index Security that 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 Reconstitutions are not replaced. When a Nasdaq Q-50 Index Security is added to the NASDAQ-100 Index[®], the security is deleted from the Nasdaq Q-50 Index and is not replaced.

The Nasdaq Q-50 Index is reviewed quarterly and the review for eligible Nasdaq-100 Index[®] securities is performed on a monthly basis. It is possible that a security may be added to the Nasdaq-100 intra-quarter without being a constituent of the Nasdaq Q-50 Index at the time of addition to the Nasdaq-100 Index[®].

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. ~~With the exceptions noted below, s~~pecific 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 "Market Cap Corporate Action Method." At the quarterly rebalancing, no changes are made to the Index from the previous month end until the quarterly share change effective date, with the exception of corporate actions with an ex-date.

~~Exception(s):~~

~~• Spin-offs~~

- ~~○ If the parent is an Index Security and there is a when-issued market for the spinco, the price of the parent is adjusted downward for the value of the spinco. The value of the spinco is calculated as the spin-off ratio multiplied by the when-issued Last Sale Price ("LSP") of the spinco. The Index Shares of the parent security will be adjusted in order to maintain its pre-spinoff weight. This will generally not result in a divisor adjustment. The spinco is not added to the Index.~~

~~If there is no when issued market for the spinco, then no price or Index Share adjustment is made to the Index Security. The spinco is not added to the Index.~~

Index share adjustments

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.

For handling of changes in total shares outstanding (TSO) greater than 10% arising from other corporate events, please refer to **Nasdaq Corporate Actions and Events Manual – Equities**.

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 **Calculation Manual – Equities and 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.

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