NASDAQ VICTORY VOLATILITY WEIGHTED INDEX FAMILY METHODOLOGY

April 2023
# Table of Contents

1. INTRODUCTION .................................................................................................................. 3

2. SECURITY ELIGIBILITY ........................................................................................................... 3

2.1 OVERVIEW OF SELECTION CRITERIA FOR THE INDEX FAMILY ........................................... 3

3. INDEX CALCULATIONS ........................................................................................................... 8

3.1 LAST SALE PRICE ............................................................................................................... 8

3.2 FOREIGN EXCHANGE RATE ............................................................................................... 8

3.3 INDEX SHARES .................................................................................................................... 8

3.4 INDEX SECURITY MARKET VALUE AND INDEX MARKET VALUE ........................................... 8

3.5 PRICE RETURN DIVISOR ..................................................................................................... 9

3.6 PRICE RETURN INDEX VALUE CALCULATION .................................................................... 9

3.7 GROSS TOTAL RETURN INDEX ......................................................................................... 9

3.8 NET TOTAL RETURN INDEX ............................................................................................... 10

4. INDEX DISSEMINATION ......................................................................................................... 10

5. INDEX MAINTENANCE ........................................................................................................... 11

5.1 INDEX REBALANCING ....................................................................................................... 11

5.2 INDEX SECURITY CHANGES .............................................................................................. 11

5.2.1 BANKRUPTCY ................................................................................................................. 11

5.2.2 DIVIDENDS .................................................................................................................... 11

5.3 INDEX SHARE CHANGES ................................................................................................... 12

6. CORPORATE ACTIONS ......................................................................................................... 12

6.1 STOCK SPLIT AND STOCK DIVIDEND .............................................................................. 12

6.2 REVERSE STOCK SPLIT .................................................................................................... 12

6.3 SPECIAL CASH DIVIDENDS .............................................................................................. 12

6.4 CASH AND STOCK DIVIDENDS ......................................................................................... 12

6.5 STOCK DISTRIBUTION OF ANOTHER SECURITY ................................................................. 13

6.6 SPIN-OFFS ........................................................................................................................ 13

6.7 RIGHTS OFFERINGS .......................................................................................................... 13

7. GENERAL ANNOUNCEMENT POLICY ............................................................................... 14

8. DISCRETIONARY ADJUSTMENTS ....................................................................................... 14

9. APPENDICES ....................................................................................................................... 15

APPENDIX A – NASDAQ VICTORY VOLATILITY WEIGHTED INDEX FAMILY DESCRIPTIONS .......... 15

APPENDIX B – METHODOLOGY CHANGE LOG .................................................................... 19

ABOUT NASDAQ, INC ............................................................................................................. 19

DISCLAIMER ............................................................................................................................. 20
1. **INTRODUCTION**

This document provides the methodology used to calculate the NASDAQ Victory Volatility Weighted Index Family (“The Index Family”).

The Index Family covers various market segments and regions. To be eligible for inclusion in the Index Family, a security must generally be a member of the Nasdaq Global Index (NQGI) unless otherwise stated, have positive net earnings across the last twelve months (LTM), and meet other selection criteria as detailed in Section 2 Security Eligibility.

Appendix A includes a table of index names, symbols and further descriptions on each index.

2. **SECURITY ELIGIBILITY**

2.1 **OVERVIEW OF SELECTION CRITERIA FOR THE INDEX FAMILY**

2.1.1 To be eligible for inclusion in the Nasdaq Victory U.S. 500 Large Cap Volatility Weighted Index (NQVWLC), an Index Security must meet the following criteria:

+ be a member of the NASDAQ Global Index (NQGI);
+ have Nasdaq classified country as United States;
+ be classified as common stock and not a REIT;
+ have positive net earnings across the last twelve months (LTM);
+ have a minimum of $3,000,000 USD median daily traded value over the last 6 months;
+ have at least 180 trading days of price history;
+ one security per issuer is permitted. If an issuer has multiple securities, the security with the higher median daily traded value is generally selected;
+ may not be issued by an issuer currently in bankruptcy proceedings;
+ may not be under sanction from the U.S. Treasury Department;
+ may not have entered into a definitive agreement or other arrangement which would likely result in the security no longer being Index eligible; and
+ may not have annual financial statements with an audit opinion that is currently withdrawn.

The Nasdaq Victory U.S. 500 Large Cap Volatility Weighted Index contains up to the 500 largest publicly traded U.S. stocks within the Nasdaq Global Index. All securities in the Nasdaq Victory U.S. Large Cap Volatility Weighted universe are ranked based on market capitalization. The top 100 highest yielding securities are selected among the top 500 securities to form the Nasdaq Victory U.S. Large Cap High Dividend 100 Volatility Weighted Index (NQVWLD); there may be cases when there are not 100 eligible securities for the Index. The Indexes are rebalanced and reconstituted after the close of the third Friday in March and September using market data through the end of February and August. The Index weights are determined by the inverse of the daily standard deviation (volatility) over the last 180 trading days. There are sector constraints of 25%.
2.1.2 To be eligible for inclusion in the Nasdaq Victory U.S. Small Cap 500 Volatility Weighted Index (NQVWSC), an Index Security must meet the following criteria:

+ be a member of the NASDAQ US Small Cap Index (NQUSS);
+ be classified as common stock and not a REIT;
+ have positive net earnings across the last twelve months (LTM);
+ have a minimum of $3,000,000 USD median daily traded value over the last 6 months;
+ have at least 180 trading days of price history;
+ one security per issuer is permitted. If an issuer has multiple securities, the security with the higher median daily traded value is generally selected;
+ may not be issued by an issuer currently in bankruptcy proceedings;
+ may not be under sanction from the U.S. Treasury Department;
+ may not have entered into a definitive agreement or other arrangement which would likely result in the security no longer being Index eligible; and
+ may not have annual financial statements with an audit opinion that is currently withdrawn.

The Nasdaq Victory U.S. Small Cap 500 Volatility Weighted Index contains up to the 500 largest publicly traded small cap stocks within the Nasdaq US Small Cap Index. All securities in the Nasdaq Victory U.S. Small Cap 500 Volatility Weighted Index universe are ranked based on market capitalization. The top 100 highest yielding securities are selected among the top 500 securities to form the Nasdaq Victory U.S. Small Cap High Dividend 100 Volatility Weighted Index (NQVWSD); there may be cases when there are not 100 eligible securities for the Index. The Indexes are rebalanced and reconstituted after the close of the third Friday of March and September using market data through the end of February and August. The Index weights are determined by the inverse of the daily standard deviation (volatility) over the last 180 trading days. There are sector constraints of 25%.

2.1.3 To be eligible for inclusion in the Nasdaq Victory International 500 Volatility Weighted Index (NQVWIL), an Index Security must meet the following criteria:

+ be a member of the NASDAQ Global Index (NQGI);
+ have Nasdaq classified region as Developed Markets and excludes the United States;
+ be classified as common stock and not a REIT;
+ have positive net earnings across the last twelve months (LTM)
+ have a minimum of $3,000,000 USD median daily traded value over the last 6 months;
+ have at least 180 trading days of price history;
+ one security per issuer is permitted. If an issuer has multiple securities, the security with the higher median daily traded value is generally selected;
+ may not be issued by an issuer currently in bankruptcy proceedings;
+ may not be under sanction from the U.S. Treasury Department;
+ may not have entered into a definitive agreement or other arrangement which would likely result in the security no longer being Index eligible; and
may not have annual financial statements with an audit opinion that is currently withdrawn.

The Nasdaq Victory International 500 Volatility Weighted Index contains up to the 500 largest publicly traded international stocks within the Nasdaq Global Index. All securities in the Nasdaq Victory International 500 Volatility Weighted Index universe are ranked based on market capitalization. The top 100 highest yielding securities are selected among the top 500 securities to form the Nasdaq Victory International High Dividend 100 Volatility Weighted Index (NQVWID); there may be cases when there are not 500 eligible securities for the Index. The Indexes are rebalanced and reconstituted after the close of the third Friday of March and September using market data through the end of February and August. The Index weights are determined by the inverse of the daily standard deviation (volatility) over the last 180 trading days. There are sector constraints of 25% and country constraints of 20%.

2.1.4 To be eligible for inclusion in the Nasdaq Victory Japan High Dividend 100 Volatility Weighted JPY Index (NQVWJDJ), an Index Security must meet the following criteria:
+ be a member of the NASDAQ Global Index (NQGI);
+ have Nasdaq classified country as Japan;
+ be classified as common stock and not a REIT;
+ have positive net earnings across the last twelve months (LTM);
+ have a minimum of $3,000,000 USD median daily traded value over the last 6 months;
+ have at least 180 trading days of price history;
+ one security per issuer is permitted. If an issuer has multiple securities, the security with the higher median daily traded value is generally selected;
+ may not be issued by an issuer currently in bankruptcy proceedings;
+ may not be under sanction from the U.S. Treasury Department;
+ may not have entered into a definitive agreement or other arrangement which would likely result in the security no longer being Index eligible; and
+ may not have annual financial statements with an audit opinion that is currently withdrawn.

The Nasdaq Victory Japan High Dividend 100 Volatility Weighted Index contains up to the 100 largest publicly traded Japanese stocks within the Nasdaq Global Index. The top 100 highest yielding securities are selected among the top 300 securities ranked by market capitalization; there may be cases when there are not 100 eligible securities for the Index. The Nasdaq Victory Japan High Dividend 100 Volatility Weighted JPY Index is rebalanced and reconstituted after the close of the third Friday of March and September using market data at the end of February and August. The Index weights are determined by the inverse of the daily standard deviation (volatility) over the last 180 trading days. There is no sector constraint placed. The Nasdaq Victory Japan High Dividend 100 Volatility Weighted Ex-Financials JPY Index (NQVWJFJ) follows the same rules but excludes securities in the financial sector.

2.1.5 To be eligible for inclusion in the Nasdaq Victory Emerging Markets 500 Volatility Weighted Index (NQVWEM), an Index Security must meet the following criteria:
+ be a member of the NASDAQ Global Index (NQGI);
+ have Nasdaq classified region as Emerging Markets;
+ be classified as common stock and not a REIT;
+ have positive net earnings across the last twelve months (LTM);
+ have a minimum of $3,000,000 USD median daily traded value over the last 6 months;
+ have at least 180 trading days of price history;
+ one security per issuer is permitted. If an issuer has multiple securities, the security with the higher median daily traded value is generally selected;
+ may not be issued by an issuer currently in bankruptcy proceedings;
+ may not be under sanction from the U.S. Treasury Department;
+ may not have entered into a definitive agreement or other arrangement which would likely result in the security no longer being Index eligible; and
+ may not have annual financial statements with an audit opinion that is currently withdrawn.

The Nasdaq Victory Emerging Markets 500 Volatility Weighted Index contains up to the 500 largest publicly traded emerging market stocks within the Nasdaq Global Index. All securities in the Nasdaq Victory Emerging Markets 500 Volatility Weighted Index universe are ranked based on market capitalization. The top 100 highest yielding securities are selected among the top 500 securities to form the Nasdaq Victory Emerging Markets High Dividend 100 Volatility Weighted Index (NQVWED); there may be cases when there are not 100 eligible securities for the Index. The Indexes are rebalanced and reconstituted after the close of the third Friday of March and September using market data through the end of February and August. The Index weights are determined by the inverse of the daily standard deviation (volatility) over the last 180 trading days. There are sector constraints of 25% and country constraints of 20%.

2.1.6 The Long/Cash Volatility Weighted Indexes tactically reduce exposure to the equity markets during periods of significant market decline and reinvest when market prices have further declined or rebounded. The exit and reinvestment strategies of the Long/Cash Indexes are based on the month-end value of the Reference Index relative to its All-Time Highest Daily Closing Value (“AHDCV”). AHDCV is the highest daily closing price the Reference Index has achieved since its inception date. There are four reference Indexes used to calculate the Long/Cash Indexes: the Nasdaq Victory U.S. Large Cap 500 Volatility Weighted Total Return Index (NQVWLC), the Nasdaq Victory U.S. Large Cap High Dividend 100 Volatility Weighted Total Return Index (NQVWLDT), the Nasdaq Victory U.S. Small Cap 500 Volatility Weighted Total Return Index (NQVWSTC), and the Nasdaq Victory International 500 Volatility Weighted Net Total Return Index (NQVWILN). The Long/Cash Indexes are evaluated to determine the allocation to cash after the close of the first business day of each month using market data through the end of the prior month. If the evaluation results in an allocation to cash, the Index will invest in the Nasdaq US T-Bill Index (NQCASH) based on the determined allocation percentage. The allocation to cash is made effective prior to market open on the second business day of the month. Allocation changes to the Long/Cash Indexes may not be required every month. Additionally, the Long/Cash Indexes will also be rebalanced and reconstituted after the close of the third Friday of March and September using market data at the end of February and August, in conjunction with the Index position it currently holds.

Exit Strategy:

The exit strategy refers to the tactical reduction of equity exposure (the point of exit). The exit strategy can only be implemented at a time when the reference index is fully allocated to equity. Once the exit strategy is implemented another exit event cannot occur until the reinvestment strategy is fully achieved and the index is again fully invested in equity.

- All measurements for the exit strategy are based on month-end values of the Reference Index relative to its AHDCV.
- There are 3 potential points of exit, each with specific reallocation rules.
If the Reference Index has declined below a point of exit, the Long/Cash Index will liquidate no more than 75% of its equity exposure at month-end.

The exact point of exit and new equity exposure should simultaneously satisfy all the Points of Exit and Reinvestment rules listed in the chart below.

When the Long/Cash Index is less than 100% invested in its equity securities, the remaining assets in the Long/Cash Index will be invested in Treasury bills (NQCASH).

Reinvestment Strategy:

The reinvestment strategy refers to the tactical increase to equities following the implementation of the exit strategy. Reinvestment occurs as market prices have further declined from the point of exit or rebounded.

- All measurements for reinvestment are based on month-end values of the Reference Index.
- If the Reference Index has further declined below the initial point of exit the Long/Cash Index will reinvest in its equity securities.
- There are four potential reinvestment points outlined in the chart below.
- The index will return to 100% equity exposure if it declines to the lowest reinvestment range, or rebounds within a defined range from the AHDCV specific to each index.
- No further exits will occur until which time the index returns to being fully invested in 100% equities.
- The exact point of reinvestment and new equity exposure should simultaneously satisfy all the Points of Exit and Reinvestment rules listed in the chart below.

Points of Exit and Reinvestment Rules:

The exit and reinvestment strategies of the Long/Cash Indexes are based on the month-end value of the Reference Index relative to its All-Time Highest Daily Closing Value (“AHDCV”).

<table>
<thead>
<tr>
<th>Rule</th>
<th>NQVWLCT (US Large Cap 500)</th>
<th>NQVWLDT (US Lg Cap High Div 100)</th>
<th>NQVWSCT (US Small Cap 500)</th>
<th>NQVWILN (International 500)</th>
<th>Reallocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The index is fully invested, or Reinvests</td>
<td>Within 10% from AHDCV</td>
<td>Within 8% from AHDCV</td>
<td>Within 11% from AHDCV</td>
<td>Within 12% from AHDCV</td>
<td>100% equities</td>
</tr>
<tr>
<td>Point of Exit</td>
<td>Down 10%</td>
<td>Down 8%</td>
<td>Down 11%</td>
<td>Down 12%</td>
<td>25% equities/75% cash</td>
</tr>
<tr>
<td>Point of Exit, or Reinvests if Exit already occurred</td>
<td>Down 20%</td>
<td>Down 16%</td>
<td>Down 22%</td>
<td>Down 24%</td>
<td>50% equities/50% cash</td>
</tr>
<tr>
<td>Point of Exit, or Reinvests if Exit already occurred</td>
<td>Down 30%</td>
<td>Down 24%</td>
<td>Down 33%</td>
<td>Down 36%</td>
<td>75% equities/25% cash</td>
</tr>
<tr>
<td>Fully Reinvests</td>
<td>Down 40%</td>
<td>Down 32%</td>
<td>Down 44%</td>
<td>Down 48%</td>
<td>100% equities</td>
</tr>
</tbody>
</table>
3. INDEX CALCULATIONS

The Index Family comprises of volatility weighted indexes. Three versions of each of the Indexes are calculated: price return Index, gross total return Index and net total return Index. The price return Index is ordinarily calculated without regard to cash dividends on Index Securities. The gross total return Index reinvests cash dividends in the Index on the ex-date. The dividend is reinvested in all the Index Securities proportionally to their respective Index weights. The net total return Index reinvests cash dividends after deduction of non-resident withholding tax rate who do not benefit from double taxation treaties. An Index Security’s withholding tax rate is based on the general tax rate of the Index Security’s country of incorporation. All Index versions reflect extraordinary cash distributions.

3.1 LAST SALE PRICE

The Last Sale Price refers to the last regular way trade reported on such security’s Index Market. The Index Market is the listing market for which prices are received and used by Nasdaq’s in the Index calculation and generally will represent the most liquid trading market of the Index Security.

If a security does not trade on its Index Market on a given day or the Index Market has not opened for trading, the most recent last sale price from the Index Market (adjusted for corporate actions, if any) is used. For securities where Nasdaq is Index Market, the Last Sale Price may be the Nasdaq Official Closing Price (NOCP) when Nasdaq is closed.

If an Index Security is removed from an Index, it will ordinarily be removed at its Last Sale Price. If, however, at the time of its removal the Index Security is halted from trading on its Index Market and a Last Sale Price cannot readily be determined, the Index Security may, at Nasdaq’s discretion, be removed at a price of $0.00000001. This price will be applied to the Index Security after the close of all the trading markets in the Index but prior to the time the official closing value of the Index is disseminated.

3.2 FOREIGN EXCHANGE RATE

The Index Family uses the WM Company, Closing Spot Rates at 16:00:00 New York time in the calculation of the closing Index Values. SIX Financial Information Intraday Spot Rates are applied to the real time Index calculations during the trading day.

3.3 INDEX SHARES

Index Shares value is the number of shares in the Index for an Index Security.

3.4 INDEX SECURITY MARKET VALUE AND INDEX MARKET VALUE

The Index Security Market Value is the Last Sale Price of the Index Security multiplied by its Index Shares, converted into the Index currency. The Index Market Value is the aggregate of each of the Index Security’s Market Value.
3.5 **PRICE RETURN DIVISOR**

The Divisor serves the purpose of scaling an Index Market Value to a lower order of magnitude which is recommended for reporting purposes. The Divisor is adjusted to ensure that changes in Index Securities either by corporate actions or index participation occurring outside of trading hours do not affect the value of the Index. All Divisor changes occur after the close of Index Security markets contained in the Index.

The Price Return Index Divisor for day \( t \) is calculated as the ratio of the Start Of Day (SOD) market value and the previous day index value as follows:

\[
Price \ Return \ Index \ Divisor_t = \frac{Index \ SOD \ Market \ Value_t}{Index \ Value_{t-1}}
\]

3.6 **PRICE RETURN INDEX VALUE CALCULATION**

The Price Return Index value reflects changes in market value of Index Securities during the trading day and is calculated without regard to ordinary cash dividends, but includes special dividends and the formula is as follows:

\[
Price \ Return \ Index_t = \frac{Index \ Market \ Value_t}{Index \ Divisor_t}
\]

3.7 **GROSS TOTAL RETURN INDEX**

The Gross Total Return Index value reflects ordinary cash and special dividends and the formula is as follows:

\[
Gross \ Total \ Return \ Index_t = Gross \ Total \ Return \ Index_{t-1} \times \frac{Price \ Return \ Index_t + IDP}{Price \ Return \ Index_{t-1}}
\]

- \( Gross \ Total \ Return \ Index_t = \) the value of the Gross Total Return Index on current day
- \( Gross \ Total \ Return \ Index_{t-1} = \) the previous day's closing Gross Total Return Index value
- \( Price \ Return \ Index_t = \) the value of the Price Return Index on current day
- \( Price \ Return \ Index_{t-1} = \) the previous day's closing Price Return Index value
- \( IDP(\text{Index Dividend Points}) = \frac{Index \ Dividend \ Market \ Value_t}{Price \ Return \ Index \ Divisor_t} \)
- \( Index \ Dividend \ Market \ Value_t = \) sum of the Index Security Dividend Market Values (SOD or EOD) for all Index Securities on current day
- \( Index \ Security \ Dividend \ Market \ Value_t = \) dividend per share, for Index Security with ex-dividend date on the current day, multiplied by the Index Shares of that Index Security multiplied by \( Fx \ rate_{t-1} \)
- \( Fx \ rate_{t-1} = \) the previous day's WM Company, Closing Spot Rates at 16:00:00 New York
3.8 NET TOTAL RETURN INDEX

The Net Total Return Index value reflects ordinary cash and special dividends adjusted for withholding tax rates (WTR as defined for each country is found in Appendix D and the formula is as follows):

\[
Net \ Total \ Return \ Index_t = Net \ Total \ Return \ Index_{t-1} \times \frac{Net \ Price \ Return \ Index_t + NetIDP_t}{Net \ Price \ Return \ Index_{t-1}}
\]

\(Net \ Total \ Return \ Index_t\) = the value of the Net Total Return Index on current day
\(Net Total \ Return \ Index_{t-1}\) = the previous day’s closing Net Total Return Index value
\(Net \ Price \ Return \ Index_t\) = the value of the Net Price Return Index on current day
\(Net \ Price \ Return \ Index_{t-1}\) = the previous day’s closing Net Price Return Index value

\[
Net \ Price \ Return \ Index_t = \frac{Net \ Price \ Return \ Index \ Market \ Value_t}{Net \ Price \ Return \ Index \ Divisor_t}
\]

\(Net \ Price \ Return \ Index \ value\) is not publicly distributed. It is calculated only as the basis for the Net Total Return Index.

\[
Net \ IDP(Net \ Index \ Dividend \ Points) = \frac{Index \ Net \ Dividend \ Market \ Value_t}{Net \ Price \ Return \ Index \ Divisor_t}
\]

\(Net \ Index \ Dividend \ Market \ Value_t\) = sum of the Security Dividend Market Values (SOD or EOD) adjusted for withholding tax rate (WTR) for all Index Securities on current day

\(Net \ Index \ Security \ Dividend \ Market \ Value_t\) = dividend per share adjusted for withholding tax rate (WTR) for Index Security with ex-dividend date on the current day multiplied by the Index Shares of that Index Security multiplied by \(Fx \ rate_{t-1}\)

\(Fx \ rate_{t-1}\) is the previous day’s WM Company, Closing Spot Rate at 16:00:00 New York

4. INDEX DISSEMINATION

The Index Values for NQVWLC, NQVWLCC, NQVWLD, NQVWLDC, NQVWSC, NQVWSD, and NQVWSCC are calculated in United States Dollars (USD) during the US. market trading day and are disseminated once per second.

The Index Values for NQVWIL, NQVWILC, NQVWID, NQVWEM and NQVWED are calculated in United States Dollars (USD) five (5) days a week, Monday through Friday, starting by the earliest time zone Asia/Tokyo and close by the latest time zone America/New York.

The Index Values for NQVWJFJ, and NQVWJD are calculated in Japanese Yen (JPY) five (5) days a week, Monday through Friday during Japanese hours.
5. INDEX MAINTENANCE

5.1 INDEX REBALANCING

The Indexes employ a volatility weighted methodology. The Indexes are rebalanced and reconstituted after the close on the third Friday in March and September using market data through the end of February and August, respectively. The Index weights are determined by the inverse of the daily standard deviation (volatility) over the last 180 trading days. For all Indexes except the Long/Cash Indexes, the changes are made effective after the close on the third Friday in March and September.

The Long/Cash Indexes are evaluated to determine the allocation to cash after the close of the first business day of each month using market data through the end of the prior month. Allocation changes to the Long/Cash Indexes may not always be required each month. Additionally, the Long/Cash Indexes will also be rebalanced and reconstituted after the close of the third Friday of March and September using market data at the end of February and August, in conjunction with the Index position it currently holds. The effective date for the Indexes Rebalancing and Allocation changes follows the US Exchange Holiday Schedule.

5.2 INDEX SECURITY CHANGES

If at any time during the year other than an Evaluation, an Index Security no longer meets the Eligibility Criteria, or is otherwise determined to have become ineligible for inclusion in the Index(es), the Index Security is removed from its Index and is not replaced. Index Securities will be removed at their Last Sale Price in accordance with Section 3.1 Last Sale Price, adjusted by the WM Company, Closing Spot Rate.

In the case of mergers and acquisitions, the Index Security will be removed the day following the shareholder vote or the expected expiration of the tender offer, provided the acquisition is not contested. In the event the acquisition is contested, the deletion will occur once results have been received that indicate the acquisition will likely be successful. If the approval is by written consent, then the removal will occur as soon as reasonably practical.

5.2.1 BANKRUPTCY

If a company files for bankruptcy, the Index Security will be removed from the Index as soon as practicable thereafter. The value of the Index Security will be considered $0.00000001, if no other applicable price can be observed on the Index Market.

5.2.2 DIVIDENDS

For NQVWLD, NQVWLDC and NQVWSD only, an Index Security that suspends or decreases its dividend payments greater than or equal to 50% based on the prior ex-date of the last dividend distributed at each semiannual rebalance and reconstitution market data reference date will be removed at market open the next trading day after the third Friday of the following month.

For NQVWID, NQVWED, NQVWJFJ and NQVWJDJ only, an Index Security that suspends its dividend payments based on the prior ex-date of the last dividend distributed at each semiannual rebalance and reconstitution market data reference date will be removed at market open the next trading day after the third Friday of the following month.
5.3 INDEX SHARE CHANGES

Index Share changes are not made during the quarter; however, changes arising from stock dividends and stock splits are made to the Index on the evening prior to the effective date of such corporate actions. In the case of certain spin-offs or rights issuances, the price of the Index Security is adjusted and a corresponding adjustment is made to the Index Shares such that the weight of the Index Security does not change as a result of the action.

6. CORPORATE ACTIONS

The following corporate actions will be made effective in the Index on the ex-date. If there is no ex-date announced by the Index Exchange, there will be no adjustment to the Index as a result of a corporate action.

6.1 STOCK SPLIT AND STOCK DIVIDEND

A stock split and stock dividend is the action of an Index Security increasing its Index Shares and decreasing the par value in proportion. There is no flow of capital into or out of the company. The number of Index Shares increases but the market capitalization of the company remains unchanged.

The price of the Index Security is adjusted downward to reflect the ratio of a stock split and stock dividend and a corresponding adjustment will be made to the Index Shares of the security such that the weight of the Index Security will not change as a result of the action.

6.2 REVERSE STOCK SPLIT

A reverse stock split is the action of an Index Security decreasing its Index Shares and increasing the par value in proportion. There is no flow of capital into or out of the company. The number of Index Shares decreases but the market capitalization of the company remains unchanged.

The price of the Index Security is adjusted upward to reflect the ratio of the reverse stock split and a corresponding adjustment will be made to the Index Shares of the security such that the weight of the Index Security will not change as a result of the action.

6.3 SPECIAL CASH DIVIDENDS

A dividend is considered special if the information provided by the listing Exchange in their announcement of the ex-date indicates that the dividend is special. Other nomenclature for a special dividend may be (but not limited to) extra, extraordinary, non-recurring, one-time, unusual, etc. The price of the Index Security is adjusted for the amount of the special cash dividend. A corresponding adjustment will be made to the Index Shares of the security such that the weight of the Index Security will not change as a result of the action.

6.4 CASH AND STOCK DIVIDENDS

If an Index Security is paying a cash and stock dividend on the same date, the cash dividend is applied before the stock dividend unless otherwise indicated in the information provided by the Exchange. Additionally, in the case of an optional dividend which allows the holder to choose between receiving cash or stock, the adjustment will be made in the manner the dividend has been announced by the Exchange.
6.5 STOCK DISTRIBUTION OF ANOTHER SECURITY

If an Index Security is distributing shares of a different security, the value of the Index Security will be adjusted downward to reflect the ratio of the distribution. There is no adjustment to Index Shares. If the security being distributed is another class of common shares of the same issuer, the value of the existing Index Security will be adjusted downward to reflect the ratio of the distribution with no adjustment to Index Shares, and the new class of shares is not added to the index. A corresponding adjustment will be made to the Index Shares of the security such that the weight of the Index Security will not change as a result of the action.

6.6 SPIN-OFFS

If an Index Security is spinning off a security, the value of the Index Security will be adjusted downward to reflect the ratio of the distribution and a corresponding adjustment is made to the Index Shares such that the weight of the Index Security does not change as a result of the action. If a when-issued market is established for the spinco, the price of the Index Security is adjusted downward by the value of the spinoff. The value of the spin-off is determined by multiplying the spin-off ratio by the when-issued price. In the event the value of the spinoff has not been established as indicated above, due to no when-issued trading available the spin-co security, the spin-co security may be added to the Index at a zero value. In this case, the spin-co security will be removed from the Index after two full days of trading.

6.7 RIGHTS OFFERINGS

The price of an Index Security is adjusted on the ex-date for rights offerings if the rights are transferable and has a subscription price on an equivalent per share basis that is less than the closing price of the Index Security the right entitles a holder to purchase (the “Underlying Security”) on the day prior to the ex-date (in-the-money). The price of the Index Security is adjusted downward for the value of the right. The value of the right is determined by the previous Last Sale Price (LSP) of the Underlying Security minus the sum of the Subscription Price of the right plus the cash dividend of the Underlying Security, if any, divided by the number of rights required to purchase one share, plus one. A corresponding adjustment will be made to the Index Shares of the security such that the weight of the Index Security will not change as a result of the action.
7. GENERAL ANNOUNCEMENT POLICY

Nasdaq announces Index-related information via our premier service the Global Index Watch (GIW) at http://indexes.nasdaqomx.com.

Generally, the list of additions and deletions as a result of each Quarterly Evaluation is publicly announced via an announcement on the Global Index Watch (GIW).

Corporate actions are implemented in the Indexes in accordance with the Index maintenance rules. Announcements are made prior to the effective date of the corporate actions.

In the event that a change has been made to an Index intraday, an announcement will be made to inform clients of the change.

In the event that an Index calculation has been corrected historically, an announcement will be provided and clients will be informed to update their databases accordingly.

8. DISCRETIONARY ADJUSTMENTS

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.
## APPENDIX A – NASDAQ VICTORY VOLATILITY WEIGHTED INDEX FAMILY DESCRIPTIONS

<table>
<thead>
<tr>
<th>Symbol</th>
<th>Index Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>NQVWLC</td>
<td>Nasdaq Victory U.S. Large Cap 500 Volatility Weighted Index</td>
<td>The Nasdaq Victory U.S. Large Cap 500 Volatility Weighted Index contains the 500 largest publicly traded stocks within the Nasdaq Global Index universe, has a Nasdaq country definition as United States and must have the last twelve months (LTM) of positive net earnings.</td>
</tr>
<tr>
<td>NQVWLCT</td>
<td>Nasdaq Victory U.S. Large Cap 500 Volatility Weighted Total Return Index</td>
<td></td>
</tr>
<tr>
<td>NQVWLCN</td>
<td>Nasdaq Victory U.S. Large Cap 500 Volatility Weighted Net Total Return Index</td>
<td></td>
</tr>
<tr>
<td>NQVWLCC</td>
<td>Nasdaq Victory U.S. Large Cap 500 Long/Cash Volatility Weighted Index</td>
<td>The Nasdaq Victory U.S. Large Cap 500 Long/Cash Volatility Weighted Index is based on the Nasdaq Victory U.S. Large Cap 500 Volatility Weighted Index and has the ability to tactically reduce its exposure to the equity markets during periods of significant market decline and reinvests when market prices have further declined or rebounded.</td>
</tr>
<tr>
<td>NQVWLCTT</td>
<td>Nasdaq Victory U.S. Large Cap 500 Long/Cash Volatility Weighted Total Return Index</td>
<td></td>
</tr>
<tr>
<td>NQVWLCCN</td>
<td>Nasdaq Victory U.S. Large Cap 500 Long/Cash Volatility Weighted Net Total Return Index</td>
<td></td>
</tr>
<tr>
<td>NQVWLD</td>
<td>Nasdaq Victory U.S. Large Cap High Dividend 100 Volatility Weighted Index</td>
<td>The Nasdaq Victory U.S. Large Cap High Dividend 100 Volatility Weighted Index begins with the highest 100 dividend-yielding stocks within the Nasdaq Victory U.S. Large Cap 500 Volatility Weighted Index.</td>
</tr>
<tr>
<td>NQVWLDT</td>
<td>Nasdaq Victory U.S. Large Cap High Dividend 100 Volatility Weighted Total Return Index</td>
<td></td>
</tr>
<tr>
<td>NQVWLDN</td>
<td>Nasdaq Victory U.S. Large Cap High Dividend 100 Volatility Weighted Net Total Return Index</td>
<td></td>
</tr>
<tr>
<td>Code</td>
<td>Description</td>
<td>Description</td>
</tr>
<tr>
<td>----------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>NQVWLDC</td>
<td>Nasdaq Victory U.S. Large Cap High Dividend 100 Long/Cash Volatility Weighted Index</td>
<td>The Nasdaq Victory U.S. Large Cap High Dividend 100 Long/Cash Volatility Weighted Index is based on the Nasdaq Victory U.S. Large Cap High Dividend 100 Volatility Weighted Index and has the ability to tactically reduce its exposure to the equity markets during periods of significant market decline and reinvests when market prices have further declined or rebounded.</td>
</tr>
<tr>
<td>NQVWLDCN</td>
<td>Nasdaq Victory U.S. Large Cap High Dividend 100 Long/Cash Volatility Weighted Total Return Index</td>
<td></td>
</tr>
<tr>
<td>NQVWLDCT</td>
<td>Nasdaq Victory U.S. Large Cap High Dividend 100 Long/Cash Volatility Weighted Net Total Return Index</td>
<td></td>
</tr>
<tr>
<td>NQVWLDCN</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NQVWSC</td>
<td>Nasdaq Victory U.S. Small Cap 500 Volatility Weighted Index</td>
<td>The Nasdaq Victory U.S. Small Cap 500 Volatility Weighted Index contains the 500 largest publicly traded stocks within the Nasdaq US Small Cap Index universe and must have the last twelve months (LTM) of positive net earnings.</td>
</tr>
<tr>
<td>NQVWSCN</td>
<td>Nasdaq Victory U.S. Small Cap 500 Volatility Weighted Total Return Index</td>
<td></td>
</tr>
<tr>
<td>NQVWSCC</td>
<td>Nasdaq Victory U.S. Small Cap 500 Volatility Weighted Net Total Return Index</td>
<td></td>
</tr>
<tr>
<td>NQVWSCC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NQVWSCC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NQVWSD</td>
<td>Nasdaq Victory U.S. Small Cap High Dividend 100 Volatility Weighted Index</td>
<td>The Nasdaq Victory U.S. Small Cap High Dividend 100 Volatility Weighted Index begins with the highest 100 dividend-yielding stocks within the Nasdaq Victory U.S. Small Cap 500 Volatility Weighted Index.</td>
</tr>
<tr>
<td>NQVWSDT</td>
<td>Nasdaq Victory U.S. Small Cap High Dividend 100 Volatility Weighted</td>
<td></td>
</tr>
<tr>
<td>NQVWSDT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NQVWSDN</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Index Code</td>
<td>Index Description</td>
<td>Index Description</td>
</tr>
<tr>
<td>------------</td>
<td>-------------------</td>
<td>-------------------</td>
</tr>
<tr>
<td>NQVWIL</td>
<td>Nasdaq Victory International 500 Volatility Weighted Index</td>
<td>The Nasdaq Victory International 500 Volatility Weighted Index contains the 500 largest publicly traded stocks within the Nasdaq Global Index universe, with Nasdaq classified region as developed market excluding the United States, and with the last twelve months (LTM) of positive net earnings.</td>
</tr>
<tr>
<td>NQVWILT</td>
<td>Nasdaq Victory International 500 Volatility Weighted Total Return Index</td>
<td></td>
</tr>
<tr>
<td>NQVWILN</td>
<td>Nasdaq Victory International 500 Volatility Weighted Net Total Return Index</td>
<td></td>
</tr>
<tr>
<td>NQVWILC</td>
<td>Nasdaq Victory International 500 Long/Cash Volatility Weighted Index</td>
<td>The Nasdaq Victory International 500 Long/Cash Volatility Weighted Index and has the ability to tactically reduce its exposure to the equity markets during periods of significant market decline and reinvests when market prices have further declined or rebounded.</td>
</tr>
<tr>
<td>NQVWILCT</td>
<td>Nasdaq Victory International 500 Long/Cash Volatility Weighted Total Return Index</td>
<td></td>
</tr>
<tr>
<td>NQVWILCN</td>
<td>Nasdaq Victory International 500 Long/Cash Volatility Weighted Net Total Return Index</td>
<td></td>
</tr>
<tr>
<td>NQVWID</td>
<td>Nasdaq Victory International High Dividend 100 Volatility Weighted Index</td>
<td>The Nasdaq Victory International High Dividend 100 Volatility Weighted Index begins with the highest 100 dividend-yielding stocks within the Nasdaq Victory International 500 Volatility Weighted Index.</td>
</tr>
<tr>
<td>NQVWIDT</td>
<td>Nasdaq Victory International High Dividend 100 Volatility Weighted Total Return Index</td>
<td></td>
</tr>
<tr>
<td>NQVWIDN</td>
<td>Nasdaq Victory International High Dividend 100 Volatility Weighted Net Total Return Index</td>
<td></td>
</tr>
<tr>
<td>Code</td>
<td>Description</td>
<td>Description</td>
</tr>
<tr>
<td>------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>NQVWJDJ</td>
<td>Nasdaq Victory Japan High Dividend 100 Volatility Weighted JPY Index</td>
<td>The Nasdaq Victory Japan High Dividend 100 Volatility Weighted JPY Index contains the highest 100 dividend-yielding stocks within the 300 largest publicly traded stocks that are within the Nasdaq Global Index universe, has a Nasdaq country definition as Japan and positive net earnings across the last twelve months (LTM).</td>
</tr>
<tr>
<td>NQVWJDJT</td>
<td>Nasdaq Victory Japan High Dividend 100 Volatility Weighted JPY Total Return Index</td>
<td></td>
</tr>
<tr>
<td>NQVWJDJN</td>
<td>Nasdaq Victory Japan High Dividend 100 Volatility Weighted JPY Net Total Return Index</td>
<td></td>
</tr>
<tr>
<td>NQVWJFJ</td>
<td>Nasdaq Victory Japan High Dividend 100 Volatility Weighted Ex-Financials JPY Index</td>
<td>The Nasdaq Victory Japan High Dividend 100 Volatility Weighted Ex-Financials JPY Index contains the highest 100 dividend-yielding stocks within the 300 largest publicly traded stocks within the Nasdaq Global Index universe, has a Nasdaq country definition as Japan, excludes financial sectors as defined by ICB, and positive net earnings across the last twelve months (LTM).</td>
</tr>
<tr>
<td>NQVWJFIT</td>
<td>Nasdaq Victory Japan High Dividend 100 Volatility Weighted Ex-Financials JPY Total Return Index</td>
<td></td>
</tr>
<tr>
<td>NQVWJFJN</td>
<td>Nasdaq Victory Japan High Dividend 100 Volatility Weighted Ex-Financials JPY Net Total Return Index</td>
<td></td>
</tr>
<tr>
<td>NQVWEM</td>
<td>Nasdaq Victory Emerging Markets 500 Volatility Weighted Index</td>
<td>The Nasdaq Victory Emerging Markets 500 Volatility Weighted Index contains the 500 largest publicly traded stocks within the Nasdaq Global Index universe, with a Nasdaq classified region as emerging markets and with the last twelve months (LTM) of positive net earnings.</td>
</tr>
<tr>
<td>NQVWEMN</td>
<td>Nasdaq Victory Emerging Markets 500 Volatility Weighted Total Return Index</td>
<td></td>
</tr>
<tr>
<td>NQVWEMN</td>
<td>Nasdaq Victory Emerging Markets 500 Volatility Weighted Net Total Return Index</td>
<td></td>
</tr>
<tr>
<td>NQVWED</td>
<td>Nasdaq Victory Emerging Markets High Dividend 100 Volatility Weighted Index</td>
<td>The Nasdaq Victory Emerging Markets High Dividend 100 Volatility Weighted Index begins with the highest 100 dividend-yielding stocks within the Nasdaq Victory Emerging Markets 500 Volatility Weighted Index.</td>
</tr>
<tr>
<td>NQVWEDT</td>
<td>Nasdaq Victory Emerging Markets High Dividend 100 Volatility Weighted Total Return Index</td>
<td></td>
</tr>
<tr>
<td>NQVWEDN</td>
<td>Nasdaq Victory Emerging Markets High Dividend 100 Volatility Weighted Net Total Return Index</td>
<td></td>
</tr>
</tbody>
</table>
APPENDIX B – METHODOLOGY CHANGE LOG

<table>
<thead>
<tr>
<th>Effective date</th>
<th>Methodology section</th>
<th>Description or summary of changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 20, 2023</td>
<td>2.1 - Selection criteria for all indexes</td>
<td>The liquidity requirement, as measured by six-month median daily traded value, is increased from $1 million to $3 million (USD).</td>
</tr>
<tr>
<td>March 20, 2023</td>
<td>2.1.2 – Selection criteria for NQVWSC</td>
<td>The security universe index is changed from NQGI to NQUSS.</td>
</tr>
<tr>
<td>March 20, 2023</td>
<td>2.1.2 – Selection criteria for NQVWSC</td>
<td>The country eligibility criterion is removed.</td>
</tr>
<tr>
<td>March 20, 2023</td>
<td>2.1.2 – Selection criteria for NQVWSC</td>
<td>The market capitalization eligibility criterion is removed.</td>
</tr>
<tr>
<td>September 20, 2021</td>
<td>5.2.2 – Dividend-related index security changes for NQVWLD, NQVWLDC and NQVWSD</td>
<td>A maintenance procedure is introduced to remove companies with dividend payment suspensions or decreases of at least 50%.</td>
</tr>
<tr>
<td>September 20, 2021</td>
<td>5.2.2 – Dividend-related index security changes for NQVWID, NQVWED, NQVWJFJ and NQVWJDJ</td>
<td>A maintenance procedure is introduced to remove companies with dividend payment suspensions or decreases of any magnitude.</td>
</tr>
<tr>
<td>March 22, 2021</td>
<td>2.1 – Selection criteria for all indexes</td>
<td>For the purposes of identifying sector classifications and constraints, the Index is migrating from using the four (4) digit to using the eight (8) digit Industrial Classification Benchmark (ICB) codes, a product of FTSE Russell that has been licensed for use.</td>
</tr>
<tr>
<td>September 21, 2020</td>
<td>2.1 - Selection criteria for all indexes</td>
<td>The requirement that a company have positive net earnings is changed from being each of the past four quarters to over the last twelve months.</td>
</tr>
</tbody>
</table>

ABOUT NASDAQ GLOBAL INDEXES

Nasdaq Global Indexes has been creating innovative, market-leading, transparent indexes since 1971. Today our index offering spans geographies and asset classes and includes diverse families such as the Dividend & Income, Global Equity, Nasdaq BulletShares, Nordic, Green Economy and Commodity Indexes.

We continuously offer new opportunities for financial product sponsors across a wide-spectrum of investable products and for asset managers to measure risk and performance. Nasdaq Global Indexes also provides custom index services, data, design and calculation solutions as well as ETP listings.

For more information, visit [http://indexes.nasdaqomx.com](http://indexes.nasdaqomx.com).

ABOUT NASDAQ, INC.

Nasdaq (Nasdaq:NDAQ) is a leading provider of trading, clearing, exchange technology, listing, information and public company services across six continents. Through its diverse portfolio of solutions, Nasdaq enables customers to plan, optimize and execute their business vision with confidence, using proven technologies that
provide transparency and insight for navigating today's global capital markets. As the creator of the world's first electronic stock market, its technology powers more than 70 marketplaces in 50 countries, and 1 in 10 of the world's securities transactions. Nasdaq is home to more than 3,500 listed companies with a market value of approximately $9.3 trillion and more than 17,000 corporate clients. To learn more, visit: nasdaq.com.

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.