



INDEX METHODOLOGY

NASDAQ A-SHARE GLOBALIZATION LEADERS™ INDEX CAGR™

INDEX DESCRIPTION

The Nasdaq A-share Globalization Leaders Index is designed to track the performance of China A-share companies that have expanded to overseas markets and generate robust revenue.

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 types

A security must be a common stock.

Multiple classes of securities

One security per company is permitted. If a company 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 must be listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange.

Liquidity

All securities that rank in the lowest 10th percentile in terms of 12-month ADVT are excluded. For securities with less than 12 months of trading history, the security's available trading history is utilized.

Other eligibility criteria

A company's fundamental data is collected from its annual report, and must satisfy the below criteria:

- A company must have an annual overseas revenue of at least 200 million CNY
- A company must have a positive annual net profit
- A company must have an overseas revenue of at least 50% of its total revenue
- A company must have a YoY overseas revenue growth above 0%
- A company must have a YoY overseas revenue share growth of at least 0%. Overseas revenue share is calculated by dividing the company's overseas revenue by the company's total revenue.
- A company's security must not have a status of ST (Special Treatment)

If, at reconstitution, Nasdaq becomes aware that an issuer or security will soon undergo a fundamental change that makes it ineligible, Nasdaq will generally 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

A Reconstitution is conducted on an annual basis, at which time Tianfeng Research Institute assigns Globalization Scores to eligible companies.

Eligible securities are ranked by their company Globalization Score, and the top 50 securities with the highest scores are selected for the Index. In the event of a tie in the ranking, market capitalization as of the Reconstitution reference date will be used as the tiebreaker between eligible securities with the same Globalization Score.

CONSTITUENT WEIGHTING

Constituent weighting scheme

The Index is an equal-weighted index.

Constituent weighting process

The Index employs an equal weighting scheme: all Index Securities have equal Index market value.

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

INDEX CALENDAR

Reconstitution & Rebalancing schedule

Reconstitution Frequency	Annually
Rebalance Frequency	Annually
Reconstitution Reference Dates	Last trading day of April
Reconstitution Announcement Dates	After the close on the second Friday in June
Reconstitution Effective Dates	At market open on the first trading day following the third Friday in June
Rebalance Reference Dates	Last trading day of May
Rebalance Announcement Dates	After the close on the second Friday in June
Rebalance Effective Dates	At market open on the first trading day following the third Friday in June

Holiday schedule

The Index is calculated Monday through Friday and does not close for holidays, as it is a Global Index.

Index calculation and dissemination schedule

The Index Value is calculated five (5) days a week, Monday through Friday, once per second from 09:30:00 Japan Standard Time until 17:00:00 Greenwich Mean Time.

INDEX MAINTENANCE

Deletion policy

Daily

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. Such alterations may include a merger, acquisition, or other major corporate event that would otherwise adversely impact the integrity of the Index.

Monthly

At each month-end, if an Index Security is assigned ST status, then the Index Security will be removed from the Index at market open on the first trading day following the third Friday of the next month.

Replacement policy

Index securities deleted at any time during the year other than the Index Reconstitution are not replaced.

Corporate actions

In the 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. The 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.nasdaq.com>.

For more information on the general Index Announcement procedures, refer to the **Nasdaq Index Methodology Guide**.

Unexpected market closures

For information on Unexpected Market Closures, 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), refer to the **Nasdaq Index Policies & Procedures: Calculation Manual – Equities and Commodities**.

Recalculation and restatement policy

For information on the Recalculation and Restatement Policy, 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, 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.nasdaq.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, refer to the **Nasdaq Index Methodology Guide**.

Website

For further information, refer to the Nasdaq GIW website at <https://indexes.nasdaq.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, 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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