



INDEX METHODOLOGY

NASDAQ GLOBAL HIGH EQUITY INCOME™ INDEX

NQGIHEI™

INDEX DESCRIPTION

The Nasdaq Global High Equity Income Index selects securities from the Nasdaq Global™ Index (NQGI™) based on factors such as liquidity, dividend yield and other quality screens. The Index is comprised of six sub-portfolios.

SECURITY ELIGIBILITY CRITERIA

The security eligibility criteria specified herein are evaluated within each sub-portfolio to determine which securities qualify for Index inclusion.

Parent index

A security must be a member of the Nasdaq Global Index (NQGI). For more information on eligibility requirements, please see the NQGI methodology, which is incorporated herein by reference.

Multiple classes of securities

One security per company is permitted for each sub-portfolio. If a company has multiple securities, the security with the highest three-month average daily traded value generally is considered for possible inclusion into the Index.

The Index may include multiple securities from the same company.

Industry or sector eligibility

The Index excludes securities classified as Mortgage Real Estate Investment Trusts at the Sector level according to the Industry Classification Benchmark (ICB), a product of FTSE International Limited that is used under license.

Liquidity eligibility

A security must have a trailing five-day average daily traded value of at least \$2,500,000 (USD) for each of the 60 trading days up to and including the Reconstitution Reference Date.

Other eligibility criteria

A security must have a trailing 12-month dividend yield greater than 150% of the median yield of the dividend paying universe, or 125% of the median yield of the dividend paying universe if the 150% threshold would produce a sub-portfolio containing fewer than 34 securities.

Securities must have positive dividend growth over the last three years or have initiated a dividend.

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**.

INDEX CALENDAR

Reconstitution schedule

The Index is reconstituted monthly, while each sub-portfolio is reconstituted semi-annually by applying the Constituent Selection Process to all securities that meet the applicable Security Eligibility Criteria, according to the following schedule:

- Sub-Portfolio A: January and July
- Sub-Portfolio B: February and August
- Sub-Portfolio C: March and September
- Sub-Portfolio D: April and October
- Sub-Portfolio E: May and November
- Sub-Portfolio F: June and December

Reconstitution reference dates

Index Reconstitutions use end-of-day market data from nine trading days prior to the last Thursday before the last Friday of the month.

Reconstitution announcement dates

Index Reconstitutions are generally announced five trading days prior to the effective date.

Reconstitution effective dates

Index Reconstitutions become effective at the market open on the Thursday before the last Friday of the month.

Rebalance schedule

The Index is rebalanced monthly, while each sub-portfolio is rebalanced semi-annually, in conjunction with the semi-annual reconstitutions, by applying the Constituent Weighting Process. Additionally, in December, all sub-portfolios are adjusted to equally represent one-sixth of the total Index weight.

Rebalance reference dates

The Index Rebalances use end-of-day market data from nine trading days prior to the last Thursday before the last Friday of the month.

Rebalance announcement dates

Index Rebalance changes are generally announced five trading days prior to the effective date.

Rebalance effective dates

Index Rebalance changes become effective at the market open on the Thursday before the last Friday of the month.

Holiday schedules

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 Values are calculated five (5) days a week, Monday through Friday, starting by the earliest time zone, Asia/Tokyo, and closed by the latest time zone, America/New York.

CONSTITUENT SELECTION

Constituent selection process

Securities that meet the applicable Security Eligibility Criteria that are in the top 2,000 market capitalization of the eligible securities are considered for inclusion based on the following screens.

- Securities in the bottom quintile by return on assets are excluded.
- Securities with long term debt to assets greater than 75% are excluded.
- Securities with a three-year dividend payout ratio greater than 90% are excluded.
- Securities with negative free cash flow are excluded.

The securities that pass the above screens are selected for inclusion in the sub-portfolio, with a minimum of 34 securities.

CONSTITUENT WEIGHTING

Constituent weighting scheme

The Index is a modified plowback-weighted index.

Constituent weighting process

Within each sub-portfolio, Index Securities' initial weights are determined by dividing each Index Security's "net income minus dividends paid," or "plowback," by the aggregate plowback of all Index Securities.

Initial weights are then adjusted to meet the following constraints:

- No Index Security assigned by Nasdaq to a Developed Market may have a weight exceeding 3%.
- No Index Security assigned by Nasdaq to an Emerging Market may have a weight exceeding 1%.

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

INDEX MAINTENANCE

Deletion policy

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 merger, acquisition, or other major corporate event that would otherwise adversely affect the integrity of the Index.

Replacement policy

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

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 adjust shares 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 **Nasdaq Index Policies & Procedures: 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.

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 A: METHODOLOGY CHANGE LOG

Effective Date	Methodology Section	Previous	Updated
6/3/2024	Security eligibility criteria: Multiple classes of securities	One security per issuer is permitted. If an issuer has multiple securities, the security with the highest three-month average daily traded value generally is considered for possible inclusion into the Index.	One security per company is permitted for each sub-portfolio. If a company has multiple securities, the security with the highest three-month average daily traded value generally is considered for possible inclusion into the Index. The Index may include multiple securities from the same company.

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.**