INDEX METHODOLOGY

PHLX SEMICONDUCTOR SECTOR™ INDEX

SOX™

INDEX DESCRIPTION

The PHLX Semiconductor Sector Index (the "Index") is designed to measure the performance of the 30 largest US-listed semiconductor companies.

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

Security types generally eligible for the Index include common stocks, ordinary shares, American Depositary Receipts (ADRs), shares of beneficial interest and limited partnership interests.

Multiple Securities Per Issuer

One security per issuer is permitted. If an issuer has multiple securities, the security with the largest market capitalization will be considered for possible inclusion into the Index.

Listing Exchanges

A security must be listed on a U.S. exchange as defined in the **Nasdaq Eligible Exchanges**.

Geographies and Countries

There are no specific geographic requirements for index inclusion, however:

A security of a non-US company represented by an ADR may be included in the Index at less than its full global market capitalization. For index purposes, the market capitalization of an ADR will be determined based on the underlying shares on deposit at, and according to, the US depositary bank, adjusted by the ADR ratio.

Industries and Sectors

The security must be classified under the Semiconductors Subsector or Production Technology Equipment Subsector according to the Industry Classification Benchmark (ICB), a product of FTSE International Limited that is licensed for this use.

Market Capitalization

A security must have a minimum market capitalization of $100 million.

Liquidity

A security must have traded at least 1.5 million shares in each of the six calendar months up to and including the month containing the Reconstitution Reference Date.

Seasoning

A security must have been traded for at least three months prior to the Reconstitution Reference Date.

Other Eligibility Criteria

The security must have listed options on a registered options market in the U.S. or be eligible for listed options trading on a registered options market in the U.S.

The security may not be issued by an issuer currently in bankruptcy proceedings.

If, at index 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.

CONSTITUENT SELECTION

Constituent Selection Process

An index reconstitution is conducted annually based on the Reconstitution Reference Date.

The Index selects the 30 largest eligible securities by market capitalization.

CONSTITUENT WEIGHTING

Constituent Weighting Scheme

The Index is a modified market capitalization-weighted index.

Constituent Weighting Process

An index rebalance is conducted quarterly based on the Rebalance Reference Date.

Index Securities' initial weights are determined by dividing each Index Security's market capitalization by the aggregate market capitalization of all Index Securities.

These initial weights are then adjusted to meet the following weight constraints, resulting in the final weights:

- The weights of the top three (3) Index Securities by market capitalization, may not exceed 12%, 10%, 8%, respectively. The weight of a top three (3) Index Security is only adjusted downward if it exceeds its respective constraint.
- The individual weights of other Index Securities may not exceed 4%; only the top three (3) may exceed this constraint.

Should any Index Security's weight exceed its respective constraint, the excess weight is proportionally redistributed to the lower weighted Index Securities by market capitalization. This redistribution is done iteratively, following the sequence outlined above, until all Index Securities are at or below their respective constraints.

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

INDEX CALENDAR

Reconstitution & Rebalancing Schedule

Reconstitution Frequency	Annually
Rebalance Frequency	Quarterly
Reconstitution Reference Dates	Last trading day of July
Reconstitution Announcement Dates	After the close on the sixth trading day prior to the Reconstitution Effective Date
Reconstitution Effective Dates	At market open on the first trading day after the third Friday in September
Rebalance Reference Dates	Last trading day of February, May, August, and November, respectively

Rebalance Announcement Dates	After the close on the sixth trading day prior to the Rebalance Effective Date
Rebalance Effective Dates	At market open on the first trading day after the third Friday in March, June, September, and December, respectively

Holiday Schedule

The Index is calculated Monday through Friday, except on days when the US markets are closed.

Index Calculation and Dissemination Schedule

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.

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 impact the integrity of the Index.

Replacement Policy

Securities may be added to the Index outside of an index reconstitution when there is a deletion. The issuer with the largest market capitalization which is not in the Index and meets all security eligibility criteria will replace the deleted security.

Corporate Actions

In the periods between scheduled index reconstitution and rebalancing events, individual Index Securities may be 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 “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 reconstitution and rebalancing events.

ADDITIONAL INFORMATION

Announcements

Nasdaq announces Index-related information via the Nasdaq Global Index Watch (GIW) website at https://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 **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, refer to the **Nasdaq Index Methodology Guide.**

Website

For further information, 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
7/6/2026	Security Eligibility Criteria: Listing Exchanges	A security must be listed on the Nasdaq Stock Market, the New York Stock Exchange, NYSE American, or the CBOE Exchange.	A security must be listed on a U.S. exchange as defined in the **Nasdaq Eligible Exchanges**. *Note: This update includes the treatment of TXSE as an eligible U.S. exchange.*
4/22/2024	Constituent Weighting: Constituent Weighting Process	SOX employs a two-stage weight adjustment scheme. Index Securities' initial weights are determined by dividing each Index Security's market capitalization by the aggregate market capitalization of all Index Securities. Stage 1: Initial index weights are adjusted to meet the following Stage 1 constraint, producing the Stage 1 weights: • No Index Security weight may exceed 8%. Stage 2: Stage 1 weights are adjusted to meet the following Stage 2 constraints, producing the final weights: For Index Securities with the five largest market capitalizations, Stage 1 weights are maintained. • For all other Index Securities, no weight may exceed 4%. The final weights meet the following constraints: • No Index Security weight may exceed 8% of the index; five may exceed 4%. For additional information about index weighting, see Nasdaq Index Weight Calculations guide.	Index Securities' initial weights are determined by dividing each Index Security's market capitalization by the aggregate market capitalization of all Index Securities. These initial weights are then adjusted to meet the following weight constraints, resulting in the final weights: • The weights of the top three (3) Index Securities by market capitalization, may not exceed 12%, 10%, 8%, respectively. The weight of a top three (3) Index Security is only adjusted downward if it exceeds its respective constraint. • The individual weights of other Index Securities may not exceed 4%; only the top three (3) may exceed this constraint. Should any Index Security's weight exceed its respective constraint, the excess weight is proportionally redistributed to the lower weighted Index Securities by market capitalization. This redistribution is done iteratively, following the sequence outlined above, until all Index Securities are at or below their respective constraints. For additional information about index weighting, see Nasdaq Index Weight Calculations guide.

Effective Date	Methodology Section	Previous	Updated
4/22/2024	Index Maintenance: Index Share Adjustments	If the change in TSO arising from other corporate events, as defined in Nasdaq Corporate Actions and Events Manual – Equities, is greater than or equal to 10%, the change is made as soon as practicable. If the change in TSO is less than 10%, then all changes are 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. The Index Shares are adjusted by the same percentage amount by which the TSO has changed.	Other than as a direct result of corporate actions, the Index does not normally experience share adjustments between scheduled Index Rebalance and Reconstitution events.

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., its third-party providers, nor any of their respective affiliates (collectively "Corporations") make 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**.

