



INDEX METHODOLOGY

# NASDAQ CTA INTERNATIONAL CLOUD COMPUTING INDEX™

## CPQI

### INDEX DESCRIPTION

The Nasdaq CTA International Cloud Computing Index is designed to track the performance of companies involved in the international (global excluding United States of America) cloud computing industry. The companies are selected based on classification determined by Consumer Technology Association (CTA).

### SECURITY ELIGIBILITY CRITERIA

#### Parent index

In general, a security must be a member of the NASDAQ Global Ex United States Index (NQGXUS). Furthermore, a depository receipt that is listed on an eligible global exchange as defined by the Nasdaq Global Index (NQGI) methodology and whose issuer of the underlying security is not domiciled in the United States of America is also eligible for inclusion.

#### Eligible security types

Eligible security types generally include common stocks, ordinary shares and depository receipts.

If the security is a depository receipt, then references to the “issuer” are references to the issuer of the underlying security.

#### Multiple classes of securities

One security per issuer is permitted. If an issuer has multiple listed security classes, the security with the highest three-month average daily traded value generally is considered for possible inclusion in the Index. A current Index Security that meets all criteria for Index inclusion may remain in the Index even when another security issued by the same issuer has a higher average daily traded value.

## **Eligible exchanges**

A security must be listed on an eligible global exchange as defined by the **Nasdaq Eligible Exchange Policy**.

## **Industry or sector eligibility**

A security issuer must be classified as a Cloud Computing company, as defined below by CTA, which includes the following categories:

- Infrastructure-as-a-Service (IaaS): Companies that deliver cloud computing infrastructure – servers, storage, and networks as an on-demand service
- Platform-as-a-Service (PaaS): Companies that deliver a platform for the creation of software in the form of virtualization, middleware, and/or operating systems, which is then delivered over the internet
- Software-as-a-Service (SaaS): Companies that deliver software applications over the internet enabling other companies to conduct their operations using the application

## **Market capitalization eligibility**

A security must have a market capitalization of at least \$500 million (USD).

## **Liquidity eligibility**

A security must have a three-month average daily traded value of at least \$5 million (USD).

## **Seasoning eligibility**

A security must have been traded for at least three months prior to the reference date of the Index reconstitution.

## **Float eligibility criteria**

At least 20% of a security's total shares outstanding must be publicly available for trading (float shares).

## **Other eligibility criteria**

A security issuer must generate at least 50% of its trailing twelve months revenue from outside the United States of America as determined by CTA.

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.

## INDEX CALENDAR

### Reconstitution schedule

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

### Reconstitution reference dates

The Security Eligibility Criteria are applied using market data as of the end of January, April, July and October, respectively.

### Reconstitution announcement dates

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

### Reconstitution effective dates

Index Reconstitutions 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 conjunction with the Reconstitution in March, June, September and December.

### Rebalance reference dates

The Index Rebalance uses Last Sale Price ("LSP") 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

All securities that meet the applicable Security Eligibility Criteria are included in the Index.

## CONSTITUENT WEIGHTING

### Constituent weighting scheme

The Index is a modified theme strength-weighted index.

### Constituent weighting process

The Consumer Technology Association (CTA) provides each security with a binary score of 0 or 1 for each category (IaaS, PaaS, and SaaS) defined above. A score of 1 indicates that the company operates in that category. A score of 0 indicates that the company does not operate in that category.

The Cloud Score, CS, for each security (i):

$$CS[i] = 3 * IaaS[i] + 2 * PaaS[i] + 1 * SaaS[i].$$

$$IaaS = \{0, 1\}$$

$$PaaS = \{0, 1\}$$

$$SaaS = \{0, 1\}$$

The weight, W, of each security (i):

$$W[i] = CS[i] / \text{Sum}(CS[1, \dots, n])$$

where n is the number of securities in the basket.

The weights based on Cloud Scores are adjusted to meet the following constraint:

- No Index Security weight may exceed 4.5% of the index.

For additional information about index weighting, see [Nasdaq Standard Index Weight Adjustment Guidelines](#).

## INDEX MAINTENANCE

### Replacement policy

Index Securities are not replaced in the Index outside of the Index Reconstitution.

### 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 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.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 US 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 & 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](mailto: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 index is calculated during the trading day and is disseminated once per second from 09:00:01 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.

Neither Nasdaq, Inc., the Consumer Technology Association (CTA) nor any of their affiliates 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.**