Nasdaq Insurance Index^{SM} Methodology

Index Description

The NASDAQ Insurance Index (Symbol: INSR) includes securities of NASDAQ-listed companies classified according to the Industry Classification Benchmark (ICB) as Insurance. ICB is a product of FTSE International Limited licensed for this use.

Index Calculation

The formula for index value is as follows:

Aggregate Adjusted Market Value/Divisor

The formula for the divisor is as follows:

(Market Value after Adjustments/Market Value before Adjustments) X Divisor before Adjustments

The Index is ordinarily calculated without regard to cash dividends on Index Securities. 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.

Eligibility

Index eligibility is limited to specific security types only. The security types eligible for the Index include common stocks, ordinary shares, ADRs, shares of beneficial interest or limited partnership interests and tracking stocks. Security types not included in the Index are closed-end funds, convertible debentures, exchange traded funds, preferred stocks, rights, warrants, units and other derivative securities.

Eligibility Criteria

To be eligible for inclusion in the Index, a security must be listed on The NASDAQ Stock Market and be classified as Insurance at a supersector level, as defined by the Industry Classification benchmark (ICB).

Index Maintenance

Changes in the price and/or Index Shares driven by corporate events such as stock dividends, stock splits, and certain spin-offs and rights issuances are adjusted on the ex-date. A change in the total shares outstanding [1] arising from other corporate actions including, secondary offerings, stock repurchases, conversions, and acquisitions is ordinarily made to the Index on the evening prior to the effective date of such corporate action or as soon as practicable thereafter.

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[1] If a security is a depositary receipt, the total shares outstanding is the actual depositary shares outstanding as reported by the depositary banks.

In the case of a special cash dividend, a determination is made on an individual basis whether to make a change to the price of an Index Security in accordance with its Index dividend policy. If it is determined that a change will be made, it will become effective on the ex-date.

Index eligible security additions to The NASDAQ Stock Market (IPO or seasoned security) are included in the Index once a Last Sale Price is established. In addition, currently listed NASDAQ securities will be added to the Index if there is a change in ICB such that it qualifies for inclusion.

If at any time during the year an Index Security no longer meets the Eligibility Criteria, or is otherwise determined to have become ineligible for continued inclusion in the Index, the security is removed from the Index. Ordinarily, a security will be removed from the Index at its Last Sale Price. If, however, at the time of its removal the Index Security is halted from trading on its primary listing market and an official closing price cannot readily be determined, the Index Security may, in NASDAQ's discretion, be removed at a zero price. The zero price will be applied to the Index Security after the close of the market but prior to the time the official closing value of the Index is disseminated, which is ordinarily 17:16:00 ET.

Ordinarily, whenever there is a change in Index Shares, a change in an Index Security or a change to the price of an Index Security due to spin-offs, rights issuances, or special cash dividends, the divisor is adjusted to ensure that there is no discontinuity in the value of the Index which might otherwise be caused by any such change. All changes are made after market close and are reflected in the Index the following morning.

In administering the Index, NASDAQ OMX will exercise reasonable discretion as it deems appropriate to ensure Index integrity.

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