INDEX METHODOLOGY

NASDAQ NOVO BRAZIL™ INDEX

NQMB™

INDEX DESCRIPTION

The Nasdaq Novo Brazil Index (NQMB), the "Index", is designed to track the performance of U.S. listed companies that derive at least 25% of their revenues from Brazil.

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, unless stated otherwise.

Security types

Eligible security types include American Depositary Receipts (ADRs) or New York Registry Shares (NYRS), REITs, common stocks, ordinary shares and tracking stocks.

Multiple classes of securities

If a company has multiple listed security classes, all security classes are eligible subject to meeting all other Security Eligibility Criteria.

Listing exchanges

A security must be listed on a public U.S. exchange.

Industry or sector

A security must not be allocated by the Industry Classification Benchmark (ICB) to the Open End and Miscellaneous Investment Vehicles sector. ICB is a product of FTSE International Limited that is used under license.

Liquidity

A security must have a three-month average daily value traded (ADVT) of at least $1 million (USD).

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Geographic revenue

At least 25% of a company's revenue must be derived from Brazil. Additionally, Brazil must represent the top country from which a company derives its revenue.

Other eligibility criteria

If, at reconstitution, Nasdaq becomes aware that a company 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, 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

Constituent selection process

Securities that meet all applicable *Security Eligibility Criteria* are included in the Index.

CONSTITUENT WEIGHTING

Constituent weighting scheme

The Index is a modified free float market capitalization-weighted index.

Constituent weighting process

Weight Calculation

Index Company initial weights are determined using the process detailed below:

1. A modified free float market value is calculated for each Index Security by multiplying its free float market capitalization by its parent company's percentage of revenue derived from Brazil. The modified free float market value is aggregated at the company level by summing the modified free float market capitalization across Index-eligible securities.
2. Each Index Company's initial weight is determined by dividing its modified free float market value by the total modified free float market value of all Index Companies.

Weight Adjustment

Initial Index weights are adjusted to reduce excessive concentration. The weight adjustment is described below:

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- Step 1: Apply a 1% minimum weight to all Index Companies.
- Step 2: Raise each Index Company's initial index weight to the power, P, where P is a value between 0 and 1 (Adjusted Initial Weight). Please see **Weight Constraints** below.
- Step 3: Once capped Company weights have been determined from Step 2, each Company's weight is redistributed to underlying Company-related Index securities by multiplying the Company's capped weight by each Index security's proportion of total Company modified free float market cap.

Final weights are those determined from Step 3 above.

Weight Constraints

The exact power, P, is determined through an iterative process in which weights are re-evaluated by reducing P in increments of 0.0001. The power, P, is incrementally reduced until the following weighting constraints have been met:

- No single company may exceed 10%.
- The aggregate weight of companies greater than 4.75% does not exceed 50%.

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

INDEX CALENDAR

Reconstitution & Rebalancing schedule

Reconstitution Frequency	Quarterly
Rebalance Frequency	Quarterly
Reconstitution Reference Dates	Last trading day of February, May, August, and November, respectively
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 following the third Friday in March, June, September, and December, respectively
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 following the third Friday in March, June, September, and December, respectively

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Holiday schedules

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

Index calculation and dissemination schedule

Index Values are made available on each trading day via the Nasdaq Global Index Watch (GIW) website at https://indexes.nasdaqomx.com/. Where applicable, Index values are available throughout the trading day.

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 a merger, acquisition or other major corporate event that would otherwise adversely affect the integrity of the Index. Refer to the **Corporate Actions and Events Manual – Equities** for further information.

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 **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 rebalance and reconstitution events.

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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 **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 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, 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**.

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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.**

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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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