



INDEX METHODOLOGY

NASDAQ CTA ARTIFICIAL INTELLIGENCE AND ROBOTICS INDEXSM

NQROBO

INDEX DESCRIPTION

The Nasdaq CTA Artificial Intelligence and Robotics Index is designed to measure the performance of companies engaged in the artificial intelligence and robotics segment of the technology, industrial, medical and other economic sectors. The Index includes companies in artificial intelligence or robotics that are classified as either enablers, engagers or enhancers.

SECURITY ELIGIBILITY CRITERIA

Eligible security types

Eligible security types generally include common stocks, ordinary shares, depositary shares (both American and Global), shares of beneficial interest or limited partnership interests and tracking stocks.

If the security is a depositary receipt representing a security of a non-US issuer, 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 inclusion in the Index. A current Index Security that meets all other 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 Index-eligible global stock exchange. Global stock exchanges are reviewed periodically for eligibility. For more information and a complete listing of Index-eligible exchanges, please refer to **Nasdaq Eligible Exchanges Policy**.

Industry or sector eligibility

A company must be classified by Consumer Technology Association (CTA) as an Artificial Intelligence or Robotics company.

Market capitalization eligibility

A security must have a market capitalization of at least 250 million United States Dollars (USD).

Liquidity eligibility

A security must have a three-month average daily traded value of at least 3 million USD.

Float eligibility criteria

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

Other Eligibility Criteria

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 semi-annually in March and September.

Reconstitution reference dates

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

Reconstitution announcement dates

Index Reconstitutions are announced in early March and September.

Reconstitution effective dates

Index Reconstitutions are effective at market open on the trading day after the third Friday in March and September.

Rebalance schedule

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

Rebalance reference dates

The Index Rebalance uses Last Sale Price 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 are effective at market open on the next trading day after the third Friday in March, June, September and December.

CONSTITUENT SELECTION

Constituent selection process

CTA's AI Intensity Ratings capture the perceived degree of a company's AI sector involvement within one of the three categories: Enabler, Engager and Enhancer.

- Enablers are companies that develop the building block components for robotics or artificial intelligence, such as advanced machinery, autonomous systems/self-driving vehicles, semiconductors, databases used for machine learning.
- Engagers are companies that design, create, integrate, or deliver robotics and/or artificial intelligence in the form of products, software, or systems.
- Enhancers are companies that provide their own value-added services within the Artificial Intelligence and Robotics ecosystem, but which are not core to their product or service offering.

Securities that meet the applicable Security Eligibility Criteria are ranked within their categories by their companies' CTA AI Intensity Ratings. Securities ranked in the top 30 within each category, including ties, are selected for the Index.

CONSTITUENT WEIGHTING

Constituent weighting scheme

The Index is a modified equal-weight index.

Constituent weighting process

Category weights are set to the following values:

- Enablers: 25%
- Engagers: 60%
- Enhancers: 15%

All Index Securities are assigned equal Index market value within their respective categories.

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

INDEX MAINTENANCE

Deletion policy

If, at any time during the year other than the Index Reconstitution(s), an Index Security no longer meets the Eligibility Criteria, or is otherwise determined to have become ineligible for inclusion in the Index, it is removed from the Index. This includes circumstances where an Index Security is determined to be ineligible for continued inclusion in the Index due to bankruptcy, delisting, or a definitive agreement that would likely result in the security no longer being Index eligible. Please refer to **Nasdaq's Corporate Actions and Events Manual – Equities** for detailed handling of the aforementioned event types.

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 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 and does not close for holidays, as it is a Global Index.

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, see the **Nasdaq Index Methodology Guide**.

Index calculation and dissemination schedule

The index is calculated starting by the earliest time zone (Asia/Tokyo) and closes by the latest time zone (America/New York).

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.

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