



INDEX METHODOLOGY

NASDAQ US 500 LARGE CAP™ INDEX

NQUS500LC™

INDEX DESCRIPTION

The Nasdaq US 500 Large Cap Index is designed to measure the performance of the 500 largest securities from the NASDAQ US Benchmark Index (NQUSB).

SECURITY ELIGIBILITY CRITERIA

Parent index

Securities must be included in the Nasdaq US Benchmark Index (NQUSB) as of the Index Reconstitution Effective Date. Except as noted below, the Index follows the same Security Eligibility criteria as the Parent Index. Please refer to that methodology for further information.

Multiple classes of securities

One security per issuer is permitted. If an issuer has multiple listed security classes, the security with the highest median liquidity is generally considered for possible inclusion in the Index.

Liquidity eligibility

A security must have a three-month average daily dollar trading volume of at least \$500,000.

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 Index is reconstituted in March and September using market data as of the last trading date of February and August with the exception of market capitalization, which is as of the last trading date of January and July.

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 the Total Shares Outstanding ("TSO") and Last Sale Price ("LSP") of all Index securities 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 trading day after the third Friday in March, June, September and December.

Holiday schedule

The Indexes are calculated Monday through Friday, except on days when the Nasdaq exchange is closed.

Index calculation and dissemination schedule

The Indexes are calculated during the trading day based on the Last Sale Price and are disseminated once per second from 09:30:01 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.

CONSTITUENT SELECTION

Constituent selection process

All securities that meet the applicable Security Eligibility Criteria are considered for inclusion in the Index. Securities are ranked by full company market capitalization. The top 500 are selected for inclusion.

CONSTITUENT WEIGHTING

Constituent weighting scheme

The Index is a float adjusted market capitalization-weighted index.

Constituent weighting process

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

INDEX MAINTENANCE

Deletion policy

If, at any time during the year other than the Index Reconstitution(s), an Index Security that 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 “Market Cap Corporate Action Method”.

Index share adjustments

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.

For handling of changes to a security’s free float factor, or changes in total shares outstanding (TSO) greater than 10% arising from other corporate events, please refer to **Nasdaq Corporate Actions and Events Manual – Equities**.

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**.

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**.

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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