



INDEX METHODOLOGY

NASDAQ OMX ICELAND FIXED DURATION INDEXES

INDEX DESCRIPTION

The Nasdaq OMX Iceland Fixed Duration Indexes, each an “Index” and collectively the “Indexes”, aim to reflect the Icelandic government-guaranteed fixed income universe. In order to fix the duration of the Indexes, only government-guaranteed bonds listed on Nasdaq Iceland with duration that falls within a certain range are eligible. The Indexes are calculated in Icelandic kronas (ISK) and Index composition is reviewed on a monthly basis.

The Index family consists of the following Indexes:

Index (Symbol)	Description
OMXI 1-Year Non-Indexed (OMXI1YNI)	The Index is designed to provide exposure to Icelandic government-guaranteed bonds, notes, and bills with a duration of 0 to 2 years. The Index employs a duration-based weighting scheme.
OMXI 5-Year Non-Indexed (OMXI5YNI)	The Index is designed to provide exposure to Icelandic government-guaranteed bonds, notes, and bills with a duration of 2 to 8 years. The Index employs a duration-based weighting scheme.
OMXI 5-Year Indexed (OMXI5YI)	The Index is designed to provide exposure to Icelandic inflation-linked government-guaranteed bonds, notes, and bills with a duration of 2 to 8 years. The Index employs a duration-based weighting scheme.
OMXI 10-Year Non-Indexed (OMXI10YNI)	The Index is designed to provide exposure to Icelandic government-guaranteed bonds, notes, and bills with a duration of 4.5 to 15.5 years. The Index employs a duration-based weighting scheme.
OMXI 10-Year Indexed (OMXI10YI)	The Index is designed to provide exposure to Icelandic inflation-linked government-guaranteed bonds, notes, and bills with a duration of 4.5 to 15.5 years. The Index employs a duration-based weighting scheme.

Unless stated otherwise, all capitalized terms used in this document are defined in Appendix A: Definitions.

INDEX CALCULATION

The total return is calculated by aggregating the interest return, reflecting the return due to interest earned, and price return, reflecting the gains or losses due to changes in constituent bond prices and instalment payments. Where applicable, the total return may also include indexation, that is the periodic adjustment to principal and coupon payments based on the Consumer Price Index (CPI).

For each Index, the Index value is equal to the Index Base Value on the Index Base Date. Thereafter, for each Index Day, the value of an Index is calculated in accordance with the following formula:

$$I_t = I_{t-1} \times \sum_{i=1}^n w_{i,t} \times \frac{P_{i,t}}{P_{i,t-1} - j_{i,t}}$$

where:

t = an Index Day t .

$t - 1$ = the Index Day immediately preceding Index Day t .

I_x = the Index value for Index Day x .

$w_{i,t}$ = the weight of constituent bond i in the Index for Index Day t .

$P_{i,t}$ = the settlement price (dirty price) for constituent bond i in the Index for Index Day t (rounded to six decimal places). This is based on the last traded market price on the Exchange or a crossing best bid/ask price at the end of Index Day t (see *Appendix A: Definitions* for further details).

$j_{i,t}$ = the adjustment factor used for adjusting the price of constituent bond i in the Index for interest payments and instalments (inflation-adjusted where applicable) for Index Day t .

Index Yield Calculation

Index yield is calculated at the end of each Index Day. The method used is meant to approximate an average yield. The weighted individual yield for each constituent is multiplied by its duration since duration is the discounted weighted average time to receive a constituent's future cash flows:

$$Y_t = \frac{\sum_{i=1}^n w_{i,t} \times d_{i,t} \times P_{i,t} \times y_{i,t}}{\sum_{i=1}^n w_{i,t} \times d_{i,t} \times P_{i,t}}$$

where:

$d_{i,t}$ = the Macaulay duration for constituent bond i in the Index for Index Day t .

$P_{i,t}$ = the settlement price (dirty price) for constituent bond i in the Index for Index Day t (rounded to six decimal places). This is based on the last traded market price on the Exchange or a crossing best bid/ask price at the end of Index Day t .

$w_{i,t}$ = the weight of constituent bond i in the Index for Index Day t .

$y_{i,t}$ = the yield-to-maturity of constituent bond i in the Index for Index Day t .

Y_t = the Index yield for Index Day t .

n = the number of constituent bonds in the Index.

INDEX CONSTRUCTION

Eligible Securities

All Icelandic government-guaranteed bonds, notes, and bills listed and traded on Nasdaq Iceland are eligible for Index inclusion, subject to the criteria outlined in the *Constituent Selection* section below.

Constituent Selection

The selection of constituent bonds for an Index is as follows:

Index (Symbol)	Description
OMXI 1-Year Non-Indexed (OMXI1YNI)	All nominal Icelandic government-guaranteed bonds, notes, and bills with a duration of 0 to 2 years are eligible. In addition, bonds and notes must not have had more than two Exchange trading days in a month without at least one daily bid and ask price.
OMXI 5-Year Non-Indexed (OMXI5YNI)	All nominal Icelandic government-guaranteed bonds, notes, and bills with a duration of 2 to 8 years are eligible. In addition, bonds and notes must not have had more than two Exchange trading days in a month without at least one daily bid and ask price.
OMXI 5-Year Indexed (OMXI5YI)	All inflation-linked Icelandic government-guaranteed bonds, notes, and bills with a duration of 2 to 8 years are eligible. In addition, bonds and notes must not have had more than two Exchange trading days in a month without at least one daily bid and ask price.
OMXI 10-Year Non-Indexed (OMXI10YNI)	All nominal Icelandic government-guaranteed bonds, notes, and bills with a duration of 4.5 to 15.5 years are eligible. In addition, bonds and notes must not have had more than two Exchange trading days in a month without at least one daily bid and ask price.
OMXI 10-Year Indexed (OMXI10YI)	All inflation-linked Icelandic government-guaranteed bonds, notes, and bills with a duration of 4.5 to 15.5 years are eligible. In addition, bonds and notes must not have had more than two Exchange trading days in a month without at least one daily bid and ask price.

Note: When determining the eligibility of a security, its duration is rounded to one decimal place.

Intra-Month Listings: New bonds listed between composition reviews are eligible for inclusion at the next monthly composition review provided that in the case of bonds or notes, they have no more than two Exchange trading days without at least one daily bid and ask price since their listing date. New bonds listed up to five Exchange trading days prior an upcoming monthly composition review Reference Date are eligible provided that in the case of bonds or notes, they have no more than one Exchange trading day without at least one daily bid and ask price since their listing date.

In addition, wherever possible, bonds, notes, and bills of both longer and shorter duration than that of the Index will be chosen. Thus, bonds outside of the duration intervals indicated above can be considered, if necessary, to ensure that the Index includes durations both longer and shorter than the designated Index duration.

If bonds with durations on both sides of the Index duration are not available, only one bond shall be chosen for the Index (i.e., the bond with a duration closest to the Index duration). Only under such circumstances is the Index duration variable and will differ from its reference duration.

Constituent Weighting

The calculation of the weight of each constituent bond in the Index is done in two steps:

1. All bonds, notes, and bills in the Index with a duration less than the Index duration are placed in one group (portfolio 1), and all bonds exceeding the Index duration in another (portfolio 2).
2. The weights of the constituent bonds in each group are determined using a normal distribution, with the mean equal to the Index duration and standard deviation equal to $0.25 \times (1 + \text{Index duration})$. In particular, the weight of a constituent bond i in portfolio k ($k = 1$ or 2) is:

$$\alpha_i = \frac{F(-z_i)}{\sum_{i=1}^{n_k} F(-z_i)}$$

where:

α_i = the weight of constituent bond i in the portfolio k .

$F(\cdot)$ = the cumulative probability function for the afore-mentioned normal distribution.

z_i = the number of standard deviations (absolute value) the Macaulay duration of a constituent bond i is from the duration of the Index.

n_k = the number of constituent bonds in group k .

The weights of the portfolios on each side of the Index duration are determined in the following manner:

If d_{p_1} is the duration of portfolio 1, d_{p_2} is the duration of portfolio 2, and d_{index} is the duration of the Index, the weight of portfolio 1 is:

$$\gamma_{p_1} = \frac{d_{index} - d_{p_2}}{d_{p_1} - d_{p_2}}$$

and the weight of portfolio 2 is:

$$\gamma_{p_2} = 1 - \gamma_{p_1}$$

The weight of constituent bond i in the Index is thus:

$$w_i = \alpha_i \times \gamma_{p_k}$$

where the constituent bond is in portfolio k ($k = 1$ or 2)

The duration of portfolio k is found using the following formula:

$$d_{p_k} = \sum_{i=1}^n \alpha_i \times d_i$$

where:

d_i = the Macaulay duration of constituent bond i .

Composition Review

Index composition is reconstituted and rebalanced on a monthly basis using Reference Date data. Any changes to the composition of an Index take effect on the Effective Date and are announced on the Announcement Date.

Monthly Composition Review Calendar	
Reference Date	Close of the 25 th calendar day of each month. If the 25 th calendar day of the month is not an Index Day, then the Reference Date shall be the Index Day immediately preceding the 25 th calendar day of that month.
Effective Date	Open of the first Index Day of each month.
Announcement Date	At least one Index Day prior to the Effective Date.

Additions: Bonds are only added to an Index at the monthly composition review. Please note that for the OMXI 1-Year Non-Indexed (OMXI1YNI), eligible bills are added to the Index the Index Day immediately following its first available trade price or bid.

Deletions: Generally, there are no bond deletions between monthly composition reviews. However, a deletion may occur between monthly composition reviews due to a bond default, delisting, or early repayment. In such a case, the bond will be removed as soon as practicable and will not be replaced until the next monthly composition review. In addition, bonds are removed from the Index three (3) Index Days prior to their maturity date.

The Index Administrator, however, may respond to special circumstances or changes in market conditions as they occur with advance notice provided.

INDEX CALENDAR

Holiday Schedule

The Indexes are calculated Monday through Friday, except on days when the Exchange is scheduled to be closed (the “Holiday Schedule”).

Index Calculation and Dissemination Schedule

Index values are made available after the market close on each Index Day via the [Nasdaq Global Index Watch \(GIW\) website](#).

ADDITIONAL INFORMATION

Announcements

Nasdaq announces Index-related information via the [Nasdaq Global Index Watch \(GIW\) website](#).

For more information on the general Index Announcement procedures, please refer to the [Nasdaq Index Methodology Guide](#).

Recalculation and Restatement Policy

For information on the Recalculation and Restatement Policy, please refer to the [Nasdaq Index Recalculation Policy](#).

Contact Information

For any questions regarding an Index, please contact the Nasdaq Index Client Services team at indexservices@nasdaq.com.

Index Dissemination

Where applicable, Index values and weightings information are available through the [Nasdaq Global Index Watch \(GIW\) website](#) 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, please see the [Nasdaq Index Methodology Guide](#).

Website

For further information, please refer to the [Nasdaq Global Index Watch \(GIW\) website](#).

FTP and Dissemination Service

Where applicable, 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 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, please refer to the [Nasdaq Index Methodology Guide](#).

APPENDIX A: DEFINITIONS

Term	Description
Calculation Disruption Event	In respect of an Index and a constituent bond, the occurrence of one or more of the following events that affects that constituent bond or any underlying instrument of that constituent bond, and that the Index Administrator deems to be material to the Index: • Price Failure: Any event that impairs or prevents the ability of the Index Administrator to obtain a relevant price, level, rate, value or any other information from an exchange or other source necessary, on a timely basis and in a manner acceptable to the Index Administrator, in order to perform the calculation of the Index. • Inaccurate Data: The price or value of a constituent bond, or other input data, used directly or indirectly in the Index that, in the determination of the Index Administrator, is inaccurate, incomplete and/or does not adequately reflect the true market price or value of such constituent bond or input data. • Force Majeure: Any event or circumstance that is beyond the reasonable control of the Index Administrator and that the Index Administrator determines, in its sole discretion, affects the Index, a constituent bond of the Index, any input data required to calculate the Index, or that prevents the ability of the Index Administrator to calculate the Index. • General Moratorium: the Index Administrator observes on any day that there has been a declaration of a general moratorium in respect of banking activities in any relevant jurisdiction.
Consequences of a Calculation Disruption Event or Market Disruption Event	In respect of an Index, if a Calculation Disruption Event or Market Disruption Event occurs or is occurring on an Index Day that the Index Administrator determines materially affects the Index, the Index Administrator may: • Delay the calculation of the Index and halt the dissemination of the value of the Index and /or other information relating to the Index until such time, which may be a subsequent Index Day, that the Index Administrator determines that such Calculation Disruption Event or Market Disruption Event is no longer occurring. • Determine a good faith estimate of any affected or missing input data required to calculate the Index or the value of the Index for such Index Day or time for such Index Day.
Exchange	Nasdaq Iceland hf.
Index Administrator	Nasdaq Index Solutions, LLC
Index Base Date	December 30, 1997
Index Base Value	100.00
Index Day	In respect of an Index and starting with the Index Base Date, each weekday that is not a scheduled holiday according to the Index Holiday Schedule as defined in the <i>Index Calendar</i> section.
Market Disruption Event	In respect of an Index and a constituent bond, the occurrence of one or more of the following events that affects that constituent bond or any underlying instrument of that constituent bond, and that the Index Administrator deems to be material to the Index:

Term	Description
	• Exchange Disruption: Any exchange-related event on a relevant exchange that disrupts or impairs the ability of market participants to effect transactions or obtain market values or price discovery of a constituent bond used directly or indirectly in the Index. • Trading Disruption: Any unscheduled closure of the relevant exchange; a material suspension, limitation or disruption of trading on such exchange; a failure of such exchange to publish the relevant price, level, value or other information; a halt in trading, such as a circuit breaker or other exchange imposed halt, including an exchange imposed daily “limit price”; or any other event that materially affects the ability of market participants to trade, effect transactions in, maintain or unwind positions in that constituent bond or any underlying instrument of that constituent bond.
Nominal Amount	In respect of an Index and a constituent bond, the nominal amount of bond i applied in the index for Index Day t. This is denoted as $(q_{i,t})$ and is a result of the monthly composition review. The nominal amount is fixed between composition reviews. The nominal amount applied in an Index is based on the outstanding nominal amount on the monthly composition review Reference Date. The new Index composition is published on the composition review Announcement Date and takes effect on the composition review Effective Date. Nominal amounts do not include securities lending from issuers to primary dealers. <i>For further details on the monthly composition review calendar, please refer to the Composition Review section within Index Construction.</i>
Settlement Price	The dirty price for a given Index Day and is derived from the last Exchange-traded clean market price on that day, subject to the following: • If the best closing clean bid price is higher than the most recent clean trade price, then that clean bid price shall be used to derive the dirty price. • If the best closing clean ask price is lower than the most recent clean trade price, then that clean ask price shall be used to derive the dirty price. If there are no market trades for a given Index Day, then the Settlement Price for that day shall be derived using the yield from the Index Day immediately preceding such day, subject to the following: • If the best closing bid price is higher than the yield-derived price, then that bid shall be used. • If the best closing ask price is lower than the yield-derived price, then that ask price shall be used.

For additional key terms not defined above, please refer to the [Nasdaq Index Methodology Guide](#).

APPENDIX B: METHODOLOGY CHANGE LOG

Effective Date (DD/MM/YYYY)	Methodology Section	Previous	Updated
30/10/2026	Index Construction: Constituent Selection: Intra-Month Listings	--	New bonds listed between composition reviews are eligible for inclusion at the next monthly composition review provided that in the case of bonds or notes, they have no more than two Exchange trading days without at least one daily bid and ask price since their listing date. New bonds listed up to five Exchange trading days prior an upcoming monthly composition review Reference Date are eligible provided that in the case of bonds or notes, they have no more than one Exchange trading day without at least one daily bid and ask price since their listing date.
30/10/2026	Index Construction: Constituent Selection: OMXI 1-Year Non-Indexed (OMXI1YNI)	All nominal Icelandic government-guaranteed bonds, notes, and bills with a duration of 0 to 2 years are eligible. In addition, bonds and notes must have a two-sided market maker agreement.	All nominal Icelandic government-guaranteed bonds, notes, and bills with a duration of 0 to 2 years are eligible. In addition, bonds and notes must not have had more than two Exchange trading days in a month without at least one daily bid and ask price.
30/10/2026	Index Construction: Constituent Selection: OMXI 5-Year Non-Indexed (OMXI5YNI)	All nominal Icelandic government-guaranteed bonds, notes, and bills with a duration of 2 to 8 years are eligible. In addition, bonds and notes must have a two-sided market maker agreement.	All nominal Icelandic government-guaranteed bonds, notes, and bills with a duration of 2 to 8 years are eligible. In addition, bonds and notes must not have had more than two Exchange trading days in a month without at least one daily bid and ask price.
30/10/2026	Index Construction: Constituent Selection: OMXI 5-Year Indexed (OMXI5YI)	All inflation-linked Icelandic government-guaranteed bonds, notes, and bills with a duration of 2 to 8 years are eligible. In addition, bonds and notes must have a two-sided market maker agreement.	All inflation-linked Icelandic government-guaranteed bonds, notes, and bills with a duration of 2 to 8 years are eligible. In addition, bonds and notes must not have had more than two Exchange trading days in a month without at least one daily bid and ask price.
30/10/2026	Index Construction: Constituent Selection: OMXI 10-Year Non-Indexed (OMXI10YNI)	All nominal Icelandic government-guaranteed bonds, notes, and bills with a duration of 4.5 to 15.5 years are eligible. In addition, bonds and notes must have a two-sided market maker agreement.	All nominal Icelandic government-guaranteed bonds, notes, and bills with a duration of 4.5 to 15.5 years are eligible. In addition, bonds and notes must not have had more than two Exchange trading days in a month without at least one daily bid and ask price.

Effective Date (DD/MM/YYYY)	Methodology Section	Previous	Updated
30/10/2026	Index Construction: Constituent Selection: OMXI 10-Year Indexed (OMXI10YI)	All inflation-linked Icelandic government-guaranteed bonds, notes, and bills with a duration of 4.5 to 15.5 years are eligible. In addition, bonds and notes must have a two-sided market maker agreement.	All inflation-linked Icelandic government-guaranteed bonds, notes, and bills with a duration of 4.5 to 15.5 years are eligible. In addition, bonds and notes must not have had more than two Exchange trading days in a month without at least one daily bid and ask price.

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., its third-party providers, nor any of their respective affiliates (collectively “Corporations”) make 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.**