INDEX METHODOLOGY

# NASDAQ Q-50 INDEX®

# NXTQ™

## INDEX DESCRIPTION

The Nasdaq Q-50 Index (the "Index") is designed to measure the performance of 50 of the largest Nasdaq-listed non-financial companies outside of the Nasdaq-100 Index® (NDX®).

## SECURITY ELIGIBILITY CRITERIA

To qualify for index inclusion, a security must meet the existing Nasdaq-100 Index® eligibility criteria[1]. Please refer to the NDX® methodology for further information.

## CONSTITUENT SELECTION

### Constituent Selection Process

An index reconstitution is conducted quarterly based on the Reconstitution Reference Date, unless otherwise noted.

All issuers that meet the applicable Security Eligibility Criteria are ranked, in descending order, by market capitalization, calculated in accordance with the *Market Capitalization Determination* section of the Nasdaq-100 Index® methodology. The largest 50 ranked issuers by market capitalization that are not in the Nasdaq-100 Index® as of the Reconstitution Effective Date are included in the Index.

## CONSTITUENT WEIGHTING

### Constituent Weighting Scheme

The Index is a modified market capitalization-weighted index.

[1] The Fast Entry provision does not apply.

 

### Constituent Weighting Process

An index rebalance is conducted quarterly based on the Rebalance Reference Date.

Index Securities' initial weights are determined by dividing each Index Security's market capitalization, calculated in accordance with the *Modified Market Capitalization Determination* section of the Nasdaq-100 Index® methodology, by the aggregate market capitalization of all Index Securities.

The initial index weights are adjusted to meet the following constraint:

- No Index Security weight may exceed 4%.

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

## 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 |
| **Rebalance Reference Dates** | Same as the Reconstitution Reference Dates |
| **Rebalance Announcement Dates** | Same as the Reconstitution Announcement Dates |
| **Rebalance Effective Dates** | Same as the Reconstitution Effective Dates |

### Holiday Schedule

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

### Index Calculation and Dissemination Schedule

The Index is calculated during the trading day based on the Last Sale Price 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 constituents.

 

# INDEX MAINTENANCE

## Deletion Policy

If, at any time other than the quarterly Index Reconstitution, Nasdaq determines that an index constituent has or will undergo a fundamental alteration that would make it ineligible for index inclusion, the index constituent is removed and not replaced.

Such alterations may include:

- A listings switch to an ineligible Index Exchange.
- Merger, acquisition, or other major corporate event that would adversely impact the integrity of the Index.
- If a company is reorganized as a Real Estate Investment Trust ("REIT").
- If an index constituent is reclassified as a Financial company (those companies that are classified under the Financials Industry) according to the Industry Classification Benchmark (ICB), a product of FTSE International Limited that is used under license.
- If an index constituent is added into the Nasdaq-100 Index®.

In the case of mergers and acquisitions, removals from the Index will be largely event-based, with the goal to remove affected index constituents as soon as completion of the acquisition or merger has been deemed highly probable. Notable events include, but are not limited to, completion of various regulatory reviews, the conclusion of material lawsuits and/or shareholder and Board approvals.

Securities that are added to the Index as the result of a spin-off event are normally maintained in the Index, subject to the removal criteria specified above. Those that are not immediately removed may be removed at a later date to protect the integrity of the Index, for example, if a spun-off security demonstrates liquidity characteristics that diverge materially from the *Security Eligibility Criteria*.

## Replacement Policy

Index constituents that are deleted at any time during the year other than the quarterly Index Reconstitution are not replaced. When a Nasdaq Q-50 index constituent is added to the Nasdaq-100 Index®, the security is deleted from the Nasdaq Q-50 Index and is not replaced.

The Nasdaq Q-50 Index is reviewed quarterly. It is possible that a security may be added to the Nasdaq-100 Index® intra-quarter without being a constituent of the Nasdaq Q-50 Index at the time of addition to the Nasdaq-100 Index®.

## Addition Policy

Other than as the result of a spin-off event, no securities are added to the Index outside of the quarterly Index Reconstitution.

 

### Corporate Actions

In the interim periods between scheduled index reconstitution events, individual index constituents may be 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." At the quarterly rebalancing, no changes are made to the Index from the previous month end until the quarterly share change effective date, with the exception of corporate actions with an ex-date.

### Index Share Adjustments

Other than as a direct result of corporate actions, the Index does not normally experience share adjustments between scheduled index reconstitution and rebalancing events.

## ADDITIONAL INFORMATION

### Announcements

Nasdaq announces Index-related information via the Nasdaq Global Index Watch (GIW) website at https://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, refer to the **Nasdaq Index Methodology Guide.**

 

## APPENDIX A: METHODOLOGY CHANGE LOG

| Effective Date | Methodology Section | Previous | Updated |
|---|---|---|---|
| 6/22/2026 | Constituent Selection:<br><br>Constituent Selection Process | At each Index Reconstitution, all issuers that meet the applicable Security Eligibility Criteria are ranked by market capitalization as defined in the Nasdaq-100 Index® methodology, with the issuer having the highest market capitalization getting a rank of 1, the issuer having the second highest market capitalization getting a rank of 2, and so on. The largest 50 ranked issuers by market capitalization that are not in the Nasdaq-100 Index® are included in the Index. | "All issuers that meet the applicable Security Eligibility Criteria are ranked, in descending order, by market capitalization, calculated in accordance with the Market Capitalization Determination section of the Nasdaq-100 Index® methodology. The largest 50 ranked issuers by market capitalization that are not in the Nasdaq-100 Index® as of the Reconstitution Effective Date are included in the Index."<br><br>*Note: Reflects the Nasdaq-100 Index® methodology's updated definition of market capitalization used for the purpose of constituent selection.* |
| 6/22/2026 | Constituent Weighting:<br><br>Constituent Weighting Process | "Index Securities' initial weights are determined by dividing each Index Security's market capitalization by the aggregate market capitalization of all Index Securities." | "Index Securities' initial weights are determined by dividing each Index Security's market capitalization, calculated in accordance with the *Modified Market Capitalization Determination* section of the Nasdaq-100 Index® methodology, by the aggregate market capitalization of all Index Securities."<br><br>Note: Reflects the Nasdaq-100 Index® methodology's updated definition of market capitalization used for the purpose of weight calculations. |
| 6/22/2026 | Index Maintenance:<br><br>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.<br><br>For handling of changes in TSO greater than or equal to 10.0% arising from other corporate events, refer to the Nasdaq Corporate Actions and Events Manual – Equities. | Other than as a direct result of corporate actions, the Index does not normally experience share adjustments between scheduled index reconstitution and rebalancing events. |
| 6/24/2024 | Index Calendar:<br><br>Reconstitution reference dates | The Security Eligibility Criteria and Constituent Selection Process are applied using market data as of the end of January, April, July and October, and total shares outstanding as of the end | The Security Eligibility Criteria and Constituent Selection Process are applied using data as of the last trading day of |



 

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|---|---|---|---|
| | | of February, May, August and November, respectively. | February, May, August and November, respectively. |
| 6/9/2021 | Index Maintenance:<br><br>Corporate action exceptions | Spin-offs<br><br>If the parent is an Index Security and there is a when-issued market for the spinco, the price of the parent is adjusted downward for the value of the spinco. The value of the spinco is calculated as the spin-off ratio multiplied by the when-issued Last Sales Price ("LSP") of the spinco. There is no adjustment to the Index Shares of the parent. This will result in a divisor adjustment. The spinco is not added to the index.<br><br>If there is no when-issued market for the spinco, then no price or Index Share adjustment is made to the Index Security. The spinco is not added to the index. | -- |

## 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**.

 