

## **NASDAQ EURO 50 Index (NQEURO50)**

### **Index Description:**

The NASDAQ EURO 50 Index (NQEURO50) is a UCITS compliant blue-chip index for the Eurozone. The index is composed of the 50 largest stocks from the Eurozone, covering Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain. NQEURO50 is an investor-friendly index designed to act as an underlying for derivatives, ETFs, Index funds etc. The NASDAQ EURO 50 Index is weighted according to free-float market capitalization and is quarterly capped at 15 per cent<sup>1</sup>. Numbers of shares are reviewed quarterly after closing the third Friday in March, June, September and December. The population is reviewed in March and September.

### **Eligible Securities**

Eligible: Typically all listed equity securities.

Ineligible: Security types typically not included in the Index are closed-end funds, exchange traded funds, mutual funds, unit investment trusts, convertible debentures, preferred stocks, rights, warrants, and other derivative securities.

If a company has listed multiple stock classes each of which is priced and traded separately, all stock classes are considered during the reviews and are treated as separate securities.

### **General Eligibility Criteria**

- A minimum market capitalization of \$150 million;
- A minimum three-month average daily dollar trading volume of \$100 thousand;
- A minimum free float of 20%; and
- The issuer of the security must have “seasoned” on a recognized market (generally, a company is considered to be seasoned if it has been listed on a market for at least three months).

To be eligible for inclusion in the NASDAQ EURO 50, a security must also meet the following criteria:

- The country of the issuer of the security must qualify as the Eurozone region, covering Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain.

### **Selection criteria**

To keep the population stable the following rules are applied in the continuously semi- annually selection of securities to the index portfolio. The Index Securities are evaluated semi-annually in March and September using market data through the end of February and August, respectively. Security additions

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<sup>1</sup> Free float factor provided by FTSE International Ltd

and deletions are made effective after the close of trading on the third Friday of each March and September.

Selection steps of NQEURO50:

- (i) All eligible securities in the Eurozone are ranked according to free float adjusted market cap.
- (ii) Securities from the current index portfolio qualify first.
- (iii) Securities among the top 45 in the market cap ranking (i) will automatically qualify as index constituents.
- (iv) If securities among the top 45 (iii) is not in the current index portfolio, it will replace the current index security (ii) with the lowest market cap.
- (v) Securities in the current index portfolio with ranking lower than 55 will be replaced by securities with the highest market cap equal to or better than 55 if such security exists.

### **Index Types**

The NASDAQ EURO 50 will be calculated as Price Return, Total return and Net Total Return.

For the Net Total Return adjustment is made for the payment of ordinary dividends after deduction of withholding tax rate.

### **Formula**

Index calculation (PR, TR, NTR)

The value of the Index equals the aggregate value of the Index share weights, also known as the Index Shares, of each of the Index Securities multiplied by each such security's Last Sale Price, and divided by the divisor of the Index. The divisor serves the purpose of scaling such aggregated value to a lower order of magnitude which is more desirable for reporting purposes.

The formula for index value (PR, TR, NTR) is as follows:

$$\text{Aggregated Adjusted Market Value/Divisor}$$

The formula for the divisor is as follows:

$$(\text{Market Value after Adjustments/Market Value before Adjustments}) * \text{Divisor before Adjustments}$$

**Index Shares**

According to S&P standard methodology

**Capping**

In connection with the semi annually review and the quarterly updates in between, any security with a weight above 15% will be capped at 15%.

**Limits of liability**

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