



## INDEX METHODOLOGY

# NASDAQ AUSTRALIA SMALL CAP SELECT™ INDEX AUSCS™

## INDEX DESCRIPTION

The Nasdaq Australia Small Cap Select Index is designed to provide exposure to select small cap companies in Australia through a smart-beta based selection process.

## SECURITY ELIGIBILITY CRITERIA

To qualify for index inclusion, securities must meet the following Security Eligibility Criteria, which are applied as of the Reconstitution reference date, unless otherwise stated. The below Security Eligibility Criteria are applied in sequential order.

### Index inclusion

A security must be included in the Nasdaq All Cap Australian Equity™ Index (AUAC™) as of the Reconstitution effective date. Please refer to that methodology for further information on its constituent selection.

### Market capitalization

A security must have a rank between 91 and 500, inclusive, based on the free float market capitalization rankings from the Nasdaq All Cap Australian Equity Index (AUAC). Additionally, the security must have a free float market capitalization of at least \$100 Million (AUD).

### Liquidity

For at least 90% of the time, a security's five-day rolling average daily value traded (ADVT) over the last 90 trading days must be at least \$100,000 (AUD).

### Seasoning

A security must have traded for at least one year on the Australian Stock Exchange up to and including the Reconstitution reference date.

## 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, or other events as described in Section 3 of **Corporate Actions and Events Manual – Equities**.

## CONSTITUENT SELECTION

### Constituent selection process

An Index Reconstitution is conducted annually based on the Reconstitution reference date.

Securities that meet the applicable *Security Eligibility Criteria* are eligible for inclusion in the Index, except CDIs, which are excluded from consideration.

The following quality screens are simultaneously applied to the remaining securities, which passed the above criteria:

- Exclude securities in the bottom quintile by momentum.
- Exclude securities in the top decile by price to book ratio.
- Exclude securities outside the top 185 by share turnover unless the security is within the top 10% ranked by the average of the 6-month and 12-month ADVT.
  - Share turnover is calculated as the average of the 12-month median turnover divided by the 12-month average free float shares outstanding and the 6-month median turnover divided by the 6-month average free float shares outstanding.

The following quality screens are subsequently applied to the remaining securities, which passed the above criteria:

- Exclude securities with an interest cover ratio less than 2.
- Exclude securities with non-positive earnings per share.

## CONSTITUENT WEIGHTING

### Constituent weighting scheme

The Nasdaq Australia Small Cap Select Index is a free float market capitalization-weighted index.

### Constituent weighting process

An Index Rebalance is conducted annually based on the Rebalance reference date.

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 CALENDAR

### Reconstitution & Rebalancing schedule

<b>Reconstitution Frequency</b>	Annually
<b>Rebalance Frequency</b>	Annually
<b>Reconstitution Reference Dates</b>	Last trading day in January
<b>Reconstitution Announcement Dates</b>	After the close on the sixth trading day prior to the Reconstitution effective date
<b>Reconstitution Effective Dates</b>	At market open on the first trading day after the third Friday in March
<b>Rebalance Reference Dates</b>	Last trading day in February
<b>Rebalance Announcement Dates</b>	Same as the Reconstitution announcement dates
<b>Rebalance Effective Dates</b>	Same as the Reconstitution effective dates

### Holiday schedules

The Indexes are calculated Monday through Friday and does not close for holidays, as it is a Global Index.

### Index calculation and dissemination schedule

The Index is calculated during the trading day based on the Last Sale Price and disseminated once per second from 9:30:00 AM to 16:30:00 AEST. The closing value of the indexes may change after market hours due to corrections to the Last Sale Price of the Index Securities.

## INDEX MAINTENANCE

### Deletion policy

If, at any time other than the Index Reconstitution(s), an Index Security no longer meets the Eligibility Criteria, or is otherwise determined to have become ineligible for continued inclusion, it is removed from the Index as soon as practicable. 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. Refer to the **Corporate Actions and Events Manual – Equities** for further information.

### **Replacement policy**

Index Securities are not replaced between Index Reconstitutions.

### **Addition policy**

Index Securities are not added between Index Reconstitutions.

### **Corporate actions**

Information on corporate actions and events can be found in the **Corporate Actions and Events Manual – Equities**.

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**

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.nasdaq.com>.

For more information on the general Index Announcement procedures, refer to the **Nasdaq Index Methodology Guide**.

### **Unexpected market closures**

For information on Unexpected Market Closures, 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), refer to the **Calculation Manual – Equities and Commodities**.

## **Recalculation and restatement policy**

For information on the Recalculation and Restatement Policy, refer to the **Nasdaq Index Recalculation Policy**.

## **Data sources**

For information on data sources, refer to the **Nasdaq Index Methodology Guide**.

## **Contact information**

For any questions regarding an Index, contact the Nasdaq Index Client Services team at [indexservices@nasdaq.com](mailto:indexservices@nasdaq.com).

## **Index dissemination**

Index values and weightings information are available through Nasdaq Global Index Watch (GIW) website at <https://indexes.nasdaq.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, refer to the **Nasdaq Index Methodology Guide**.

## **Website**

For further information, Refer to Nasdaq GIW website at <https://indexes.nasdaq.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
10/6/2025	Index maintenance: Corporate actions	<p>Information on corporate actions and events handling can be found in the Corporate Actions and Events Manual – Equities.</p> <p>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.”</p>	<p>Information on corporate actions and events handling can be found in the Corporate Actions and Events Manual – Equities.</p> <p>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.”</p>
3/24/2025	Index name	Australia Small Cap Select™ Index	Nasdaq Australia Small Cap Select™ Index
3/24/2025	Security eligibility criteria: Index inclusion	--	<p>A security must be included in the Nasdaq All Cap Australian Equity™ Index (AUAC™) as of the Reconstitution effective date. Please refer to that methodology for further information on its constituent selection.</p>
3/21/2022	Security eligibility criteria: Market capitalization	--	Updated ranking from market capitalization to free float market capitalization.
3/21/2022	Security eligibility criteria: Liquidity	--	Included that securities must pass the \$100,000 (AUD) criteria for at least 90% of the last 90 days.
3/21/2022	Constituent selection: Constituent selection process	--	Included an average daily value traded (ADVT) pass criteria for securities that would otherwise fail turnover.

## 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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