

NASDAQ International Dividend Achievers™ Index Methodology

Index Description

The NASDAQ International Dividend Achievers Index is comprised of non-US incorporated securities with at least five consecutive years of increasing regular dividend payments.

Index Calculation

The NASDAQ International Dividend Achievers Index is a dividend yield weighted index. 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 Price¹, and divided by the divisor of the Index. The divisor serves the purpose of scaling such aggregate value to a lower order of magnitude which is more desirable for Index reporting purposes. The Index began on September 15, 2009 at a base value of 2383.71490983.

The formula for index value is as follows:

Aggregate Adjusted Market Value/Divisor

The formula for the divisor is as follows:

(Market Value after Adjustments/Market Value before Adjustments) X Divisor before Adjustments

Two version of the Index are calculated – a price return index and a total return index.

- The Index (NASDAQ: DAT) is ordinarily calculated without regard to cash dividends on Index Securities.
- The total return Index (NASDAQ: DATTR) reinvests cash dividends on the ex-date.

All Indexes reflect extraordinary cash distributions.

The Indexes are calculated and disseminated once per second from 9:30:01 to 17:16:00 Eastern Time (ET) in USD. The closing value of the Index is determined at 16:00:00 ET using the 16:00:00 UK time closing spot rates however; 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 Securities. If the Index Market is closed or an Index Security is not trading, the price of the Index Security may still fluctuate due to changes in the intraday spot rate.

Eligibility

¹ For purposes of this document, Last Sale Price refers to the last regular way trade reported on such security's Index Market. The Index Market is the listing market for which prices are received and used by NASDAQ OMX in the Index calculation and generally will represent the most liquid trading market of the Index Security. If a security does not trade on its Index Market on a given day or the Index Market has not opened for trading, the most recent last sale price from the Index Market (adjusted for corporate actions, if any) is used. For securities where NASDAQ is Index Market, the Last Sale Price may be the NASDAQ Official Closing Price (NOCP) when NASDAQ is closed.

Index eligibility is limited to specific security types only. The security types eligible for the Index include ADRs, GDRs, limited partnership interests, ordinary shares and shares of limited liability companies.

Eligibility Criteria

To be eligible for inclusion in the Index a security must meet the following criteria:

- be listed on The NASDAQ Stock Market® (NASDAQ®), the New York Stock Exchange, NYSE MKT;
- the issuer of the security must be incorporated outside of the United States;
- the security must have a minimum average daily cash volume of \$500 thousand in November and December;
- the security must have at least five consecutive years of increasing annual regular dividends based on pay-date;
- one security per issuer is permitted. If an issuer has multiple securities, the security with the highest cash volume will be selected for possible inclusion into the Index;
- the issuer of the security may not have entered into a definitive agreement or other arrangement which would likely result in the security no longer being Index eligible;
- the issuer may not be issued by an issuer currently in bankruptcy proceedings; and
- a GDR must be listed on the London Stock Exchange and have a US listing on the OTCBB, Pink Sheets or NBB and meet the additional eligibility criteria other than listing market.

Index Evaluation

The Index Securities are evaluated annually in January. The above criteria are applied using market data through the end of December. Securities meeting the criteria are included in the Index. Security additions and deletions are made effective after the close of trading on the last Friday in January.

Additionally, if at any time during the year other than the Evaluation, an Index Security no longer meets the Eligibility Criteria, or is otherwise determined to have become ineligible for inclusion in the Index, the security is removed from the Index and is not replaced. In all cases, a security is removed from the Index at its Last Sale Price. If, however, at the time of its removal the Index Security is halted from trading on its primary listing market and an official closing price cannot readily be determined, the Index Security may, in NASDAQ OMX's discretion, be removed at a zero price. The zero price will be applied to the Index Security after the close of the market but prior to the time the official closing value of the Index is disseminated, which is ordinarily 17:16:00 ET.

Index Maintenance

Index Share changes are not made during the quarter however changes arising from stock dividends, stock splits and rights offering that are in the money are made to the Index on the evening prior to the effective date of such corporate action. In the case of certain spin-offs, the price of the Index Security is adjusted.

A special cash dividend announced by the listing exchange, will result in an adjustment to the Last Sale Price of an Index Security prior to market open on the ex-date for the special amount distributed. A special dividend may also be referred to as extra, extraordinary, non-recurring, one-time, unusual, etc.

Ordinarily, whenever there is a change in an Index Security or a change to the price of an Index Security due to spin-offs, rights issuances or special cash dividends as mentioned above, the divisor is adjusted to ensure that there is no discontinuity in the value of the Index which might otherwise be caused by any such change. All changes are announced in advance and are reflected in the Index prior to market open on the Index effective date.

Index Rebalancing

The Index employs a dividend yield weighted methodology. At each quarter, the Index is rebalanced based on the dividend yield of each security as compared to the dividend yield of all Index Securities as of the last trading day in December, March, June and September, respectively. The changes are effective after the close of trading on the last day in January, April, July and October.

NASDAQ OMX may, from time to time, exercise reasonable discretion as it deems appropriate in order to ensure Index integrity.

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