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INDXX SPAC & NEXTGEN IPO INDEX METHODOLOGY

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1. INDXX SPAC & NEXTGEN IPO INDEX

1.1 INDEX DESCRIPTION

The Indxx SPAC & NextGen IPO Index is a passive rules-based index that tracks the performance of the newly listed Special Purpose Acquisitions Corporations (“SPACs”) ex-warrant and initial public offerings derived from SPACs since August 1, 2017. SPACs are companies with no commercial operations that are established solely to raise capital from investors for the purpose of acquiring one or more operating businesses.

The index has a base date of April 30, 2020 with an initial value of 1,000.

The index is currently available in the following versions:

- Total Return

1.2 CREATION OF MASTER LIST

1.2.1 Initial Universe

To be eligible for inclusion in the Initial Universe:

- Securities must have their listing in United States.
- Securities must have a minimum total market capitalization of \$250 million.
- Securities must have a 3-month average daily turnover greater than or equal to \$1 million.
 - In case an IPO derived from SPAC or a Significant SPAC does not have a trading history of 3 months, such securities must have an average daily turnover greater than or equal to \$1 million since the launch date.
- SPACs must have traded on 90% of the eligible trading days in the last 3 months.
 - In case a SPAC does not have a trading history of 3 months, to be considered for inclusion, in case of Significant SPAC, the SPAC must have been listed at least 5 trading days prior to the ‘Selection Day’.
 - A SPAC is considered to be a “Significant SPAC” if its company level total market capitalization is greater than \$750 million.
- IPOs derived from SPACs will be eligible for inclusion if they are actively trading.

1.2.2 Free Float

All securities must have a minimum free float equivalent to 10% of shares outstanding.

1.2.3 Maximum Price

Securities trading at a price of \$10,000 or above are ineligible for inclusion in the index. This rule is not applicable for existing constituents. Existing constituents shall remain in the initial universe irrespective of their stock price.

1.2.4 Security Type

The following security types are eligible for inclusion:

- Common Stock

1.2.5 Share Classes

- The existing share class /listing in the portfolio is retained if it satisfies all the eligibility criteria of the index
- The most liquid share class/ listing is considered for inclusion.

1.3 SECURITY SELECTION PROCESS

- All the SPACs and IPOs derived from SPACs which qualify the above criteria will form the selection list.
- An IPO derived from SPAC that have traded for 2 years since its inception date will be excluded from the portfolio.

1.4 FINAL COMPOSITION

From the Selection List:

- All the SPACs and IPOs derived from SPACs will form the final portfolio.

1.5 WEIGHTING

The Index is weighted as follows:

- Weights are assigned based on free float adjusted security level market capitalization.
- IPOs derived from SPACs are allocated an aggregate weight of 60% while SPACs are allocated an aggregate weight of 40%.
- A single security cap of 12% is applied along with a minimum required weight of 0.1%.
- The aggregate weight of securities with weight greater than 5% must not exceed 45%. All remaining securities are capped at 4.9%.

1.6 RECONSTITUTION AND REBALANCING RULES

- The index follows an annual reconstitution and quarterly rebalancing schedule. The reconstituted portfolio becomes effective at the close of the last trading day of July each year. This day is called the 'Reconstitution Effective day'. The rebalanced portfolio becomes effective at the close of last trading day of January, April and October each year, called the 'Rebalance Effective Day'.
- The security selection and portfolio creation process start on the close of the nearest Friday falling at least one month before the 'Reconstitution Effective day', called the 'Selection Day.' The selection list is created based on the data as of the Selection Day.
- Weights are calculated at the close of the fourth trading day (three trading days prior) to the Effective Day. Index Shares are frozen using weights as of this day.

1.7 MONTHLY REVIEW

1.7.1 Corporate Governance Review

- To ensure a company's compliance with corporate laws and corporate governance norms, the public filings and press releases of the index constituents will be reviewed on a monthly basis.
- A constituent may be removed from the index in the following cases:
 - Regulatory investigations/cases related to their business operations or financial transactions have been decided against the company, or
 - Admission of violation of applicable local/national corporate laws by the company.

- If the issuer has announced that it has rectified the violations (paid a fine, entered into a settlement, shut down certain operations, etc.), it will continue to remain in the index.
- A security deleted in consideration to corporate governance issues can be added back to the index in the following reviews. Considering, the issuer should have announced rectifications for the violations prior to the review.
- Any deletion to the portfolio becomes effective on the close of last trading day of every month and its weight would be allocated among remaining index constituents in the proportion of their existing weights.

1.7.2 IPO & SPAC Review

- A monthly review is conducted to effectively capture SPACs and IPOs derived from SPACs.
- Any addition to the portfolio becomes effective on the close of last trading day of every month apart from July. This day is called the 'Monthly Review Effective Day'.
- The process to identify SPACs and IPOs derived from SPACs starts at the close of the thirteenth trading day (12 trading days prior) to the Monthly Review Effective Day. This day is called the 'Monthly Review Selection Day'.
- Potential inclusions in the review must meet all the criteria specified in Section 1.2 as of the Monthly Review Selection Day.
- Existing constituents that are SPACs and IPO companies derived from SPACs will remain part of the Index indefinitely unless they fail to meet the eligibility requirements at the time of reconstitution or are delisted.
- Any new addition to the portfolio at the time of the monthly review will be added as per the weighting scheme mentioned in the methodology, calculated at the close of the fourth trading day (three trading days prior) to the Monthly Review Effective Day. The new addition's Index Shares will be frozen using weights as of this day.

1.8 INDEX COMMITTEE POLICY

The Index Committee is responsible for setting policy, determining index composition, and administering the index in accordance with the Indxx index methodology. The Index Committee reserves the right to use qualitative judgment to include, exclude, adjust, or postpone the inclusion of a stock. Continued index membership of a constituent is not necessarily subject to the guidelines provided in the index methodology. A stock may be considered for exclusion by the Index Committee on the basis of corporate governance, accounting policies, lack of transparency and lack of representation, despite meeting all the criteria provided in the index methodology.

1.9 CORPORATE ACTIONS

The corporate action guidebook is present in the Announcements section of our website, under 'Index Documents'.

2. APPENDIX

2.1 METHODOLOGY CHANGES

Methodology changes since December 2020 are as follows:

Section	Previous Value	New Value	Effective Date (close)
1.2.1	Securities must have a 3-month average daily turnover greater than or equal to \$1 million. In case an IPO derived from SPAC does not have a trading history of 3 months, such security must have an average daily turnover greater than or equal to \$1 million since the IPO launch date.	<ul style="list-style-type: none"> Securities must have a 3-month average daily turnover greater than or equal to \$1 million. <ul style="list-style-type: none"> In case an IPO derived from SPAC or a Significant SPAC do not have a trading history of 3 months, such securities must have an average daily turnover greater than or equal to \$1 million since the launch date. 	Dec 03, 2020
	Securities other than IPOs derived from SPACs must have traded on 90% of the eligible trading days in the last 3 months. IPOs derived from SPACs will be eligible for inclusion if they are actively trading.	<ul style="list-style-type: none"> SPACs must have traded on 90% of the eligible trading days in the last 3 months. <ul style="list-style-type: none"> In case a SPAC does not have a trading history of 3 months, to be considered for inclusion, in case of Significant SPAC, the SPAC must have been listed at least 5 trading days prior to the 'Selection Day'. A SPAC is considered to be a "Significant SPAC" if its company level total market capitalization is greater \$750 million. IPOs derived from SPACs will be eligible for inclusion if they are actively trading. 	
1.3	<ul style="list-style-type: none"> All the SPACs and IPOs derived from SPACs which qualify the above criteria will form the selection list. 	<ul style="list-style-type: none"> All the SPACs and IPOs derived from SPACs which qualify the above criteria will form the selection list. An IPO derived from SPAC that have traded for 2 years since its inception date will be excluded from the portfolio. 	Dec 03, 2020
1.5	IPOs derived from SPACs are allocated an aggregate weight of 80% while SPACs are allocated an aggregate weight of 20%.	IPOs derived from SPACs are allocated an aggregate weight of 60% while SPACs are allocated an aggregate weight of 40%.	Dec 03, 2020

Section	Previous Value	New Value	Effective Date (close)
1.7.2	<p>IPO Review –</p> <ul style="list-style-type: none"> • A monthly review is conducted to effectively capture IPOs derived from SPACs. • Any addition to the portfolio becomes effective on the close of last trading day of every month apart from July. This day is called the ‘Monthly Review Effective Day’. • The process to identify IPOs derived from SPACs starts at the close of the thirteenth trading day (12 trading days prior) to the Monthly Review Effective Day. This day is called the ‘Monthly Review Selection Day’. • Potential inclusions in the IPO review must meet all the criteria specified in Section 1.2 as of the Monthly Review Selection Day. • Existing constituents that are IPO companies derived from SPACs will remain part of the Index indefinitely unless they fail to meet the eligibility requirements at the time of reconstitution or are delisted. • Any new addition to the portfolio at the time of the monthly review will be added as per the weighting scheme mentioned in the methodology, calculated at the close of the fourth trading day (three trading days prior) to the Monthly Review Effective Day. The new addition’s Index Shares will be frozen using weights as of this day. 	<p>IPO and SPAC Review-</p> <ul style="list-style-type: none"> • A monthly review is conducted to effectively capture SPACs and IPOs derived from SPACs. • Any addition to the portfolio becomes effective on the close of last trading day of every month apart from July. This day is called the ‘Monthly Review Effective Day’. • The process to identify SPACs and IPOs derived from SPACs starts at the close of the thirteenth trading day (12 trading days prior) to the Monthly Review Effective Day. This day is called the ‘Monthly Review Selection Day’. • Potential inclusions in the review must meet all the criteria specified in Section 1.2 as of the Monthly Review Selection Day. • Existing constituents that are SPACs and IPO companies derived from SPACs will remain part of the Index indefinitely unless they fail to meet the eligibility requirements at the time of reconstitution or are delisted. • Any new addition to the portfolio at the time of the monthly review will be added as per the weighting scheme mentioned in the methodology, calculated at the close of the fourth trading day (three trading days prior) to the Monthly Review Effective Day. The new addition’s Index Shares will be frozen using weights as of this day. 	Dec 03, 2020
1.5	<ul style="list-style-type: none"> • A single security cap of 12% is applied along with a minimum required weight of 0.5%. 	<ul style="list-style-type: none"> • A single security cap of 12% is applied along with a minimum required weight of 0.1%. 	Jan 14, 2021

3.DISCLAIMER

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