

June 2022

# INDXX MULTI ASSET INCOME INDEX METHODOLOGY

# CONTENTS

1.	INDXX MULTI ASSET INCOME INDEX.....	2
1.1	INDEX DESCRIPTION.....	2
1.2	CREATION OF MASTER LIST .....	2
1.2.1	Initial Universe .....	2
1.2.2	Security Type.....	2
1.3	SECURITY SELECTION PROCESS .....	2
1.4	FINAL COMPOSITION .....	3
1.5	WEIGHTING .....	3
1.6	RECONSTITUTION AND REBALANCING RULES.....	3
1.7	CORPORATE ACTIONS .....	3
2.	DISCLAIMER.....	4

---

# 1. INDXX MULTI ASSET INCOME INDEX

---

## 1.1 INDEX DESCRIPTION

The Indxx Multi Asset Income Index seeks to provide exposure to different asset classes, with an objective of providing a diversified portfolio of United States listed assets. The index seeks exposure to the following ten asset classes:

- US Convertible Bond
- EM Sovereign
- US Government Bond- Intermediate Term
- US HY Bond
- US IG Bond – Short-Term
- US IG Bond – Intermediate Term
- US Preferred
- US Dividend
- REITs
- US Bank Loan

The index has a base date of 31/05/2017 with an initial value of 1,000.

## 1.2 CREATION OF MASTER LIST

### 1.2.1 Initial Universe

To be eligible for inclusion in the Initial Universe, securities must have:

- Their domicile and listing in the United States
- A minimum total market capitalization of \$1 billion
- A 3-month average daily turnover greater than or equal to \$20 million
- The fund must have traded on 90% of the eligible trading days in the last 3 months.
- In case of US Government Bond- Intermediate Term asset class ETFs consisting of municipal bonds, inflation protected bonds and ETF of ETFs are excluded.

### 1.2.2 Security Type

The following security types are eligible for inclusion:

- Exchange-traded fund

## 1.3 SECURITY SELECTION PROCESS

- For each asset class, a factor rank is calculated for every fund. For AUM factor, each fund is ranked by AUM and AUM is assigned a weight of 70%. Similarly for turnover factor, each fund in each asset class is ranked by turnover and turnover is assigned a weight of 30%.
- A composite score is calculated as a sum product of factor ranks with factor weights.
- The final rank is arrived at based on composite score calculated above.
- The fund with final rank 1 is selected from each asset class to be included in the portfolio except in the case of US Government Bond- Intermediate Term and US Dividend.
- In Case of US Government Bond- Intermediate Term and US Dividend top 2 funds are selected based on

- the final rank.
- In case of availability of only one fund in any asset class, the same will be selected.

The above list of asset classes will be reviewed at every reconstitution and the changes(addition/deletion) will be made based on the decision by the Index Review Committee.

## 1.4 FINAL COMPOSITION

From the Selection List:

- All the securities will form the final Index.
- In case a same ETF is a part of 2 or more than 2 asset classes then the selection of the ETF for those asset classes will be at the discretion of Index Committee.

## 1.5 WEIGHTING

The index is weighted as follows and in case of US Government Bond- Intermediate Term and US Dividend the weight is equally divided among both the funds.

US Convertible Bond	05.00%
EM Sovereign	05.00%
US Government Bond- Intermediate Term	30.00%
US HY Bond	07.50%
US IG Bond - Short-Term	02.50%
US IG Bond - Intermediate-Term	05.00%
US Preferred	05.00%
US Dividend	30.00%
REITs	05.00%
US Bank Loan	05.00%

## 1.6 RECONSTITUTION AND REBALANCING RULES

### 1.7.1 Reconstitution

- The index follows a quarterly reconstitution schedule. The reconstituted portfolio becomes effective at the close of last trading day of August, November, February, and May each year. This day is called the 'Reconstitution 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 Seventh trading day prior (six trading days prior) to the Reconstitution Effective Day. The weights are calculated as per the weighting scheme mentioned in section 1.5. Index Shares are frozen using weights as of this day.

## 1.7 CORPORATE ACTIONS

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

## 2. DISCLAIMER

---

This methodology document and all information contained herein including, without limitation, all text, data, graphs, charts, visuals and theory (collectively, the “information”), were created by and is the sole property of Indxx, LLC. Redistribution, reproduction and/or photocopying of this document in whole or part is prohibited without written permission from Indxx. All information in this document provided by Indxx is impersonal and not tailored to the needs of any person, entity or group. None of the information constitutes an attempt at an offer to sell (or an attempt of an offer to buy), or a promotion or recommendation of, any security, product, investment vehicle or any trading strategy, and Indxx does not endorse, approve or otherwise express any opinion regarding any issuer, security, financial product, instrument, or trading strategy. None of the information, Indxx indices, models, other products or services contained herein is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and should not be relied on as such. A decision to invest in any investment fund or other vehicle should not be made based solely on information or statements contained in this document. Prospective investors are advised to make an investment in any such fund or other vehicle only after carefully considering the risks, fees and expenses associated with investing, as detailed in an offering memorandum or similar document that is prepared by or on behalf of the issuer of the investment fund or other vehicle. Historical data, analysis and performance of Indxx indices should not be taken as an indication or guarantee of any future performance. Indxx does not guarantee the accuracy and/or completeness of any Indxx index, any data included herein, or any data from which it is based, and Indxx shall have no liability for any errors, omissions, or interruptions therein. All information in these materials is provided “as is” and the content may change without notice.

For more information on the index, please email [info@indxx.com](mailto:info@indxx.com).

Learn more at [www.indxx.com](http://www.indxx.com).