

# Frequently Asked Questions

## 1. What is an index?

In the case of financial markets, an index consists of a theoretical portfolio of securities (typically stocks or bonds) that are selected and weighted based on rules. For example: a simple index could be the 50 largest publicly traded stocks in the United States based on their market capitalization.

## 2. Who is Indxx?

Indxx seeks to redefine the global indexing space by delivering innovative custom indexing and calculation solutions. Indxx indices are currently used as benchmarks for exchange-traded funds, SMAs, and other financial products.

## 3. Where are you located?

We have offices in New Delhi, New York, and Prague.

## 4. What are the services you offer?

We offer the following services:

- **Indxx Indices:** With our Indxx Indices service, Indxx's research team utilizes its deep experience in indexing and understanding of trends in the market to develop unique index concepts fully in-house. We then approach our clients with these unique individual indices, or families of indices, for them to license for passive products.
- **Custom Indices:** Indxx builds custom indices for our clients upon request. Our experienced index development team works closely with our clients to ensure that the indices being built are of the highest quality while effectively targeting the investment thesis desired.
- **Client Indices:** These indices are based upon client's request. Clients typically provide Indxx with the exact index requirements, and Indxx's team then codes, builds and backtests the index based on the client's instructions. We then also calculate and run the index methodologies for our clients going forward.
- **Equity Basket Calculation:** This service is best utilized by clients who seek to run their own equity index methodologies and then simply provide Indxx with the index names and weights on a predetermined basis.

Please note that these are our standard service offerings, but we also offer more customized solutions should the need arise.

## 5. What is your position in the market?

Indxx indices have been nominated for and received numerous awards, including most recently 'Most Innovative ETF Index Provider' for the Americas at the 14th Annual Global ETF Awards.

## 6. Who are your clients?

Indxx works with a diverse range of clients across the globe, including: ETF issuers; investment banks and asset managers. Our clients range in size from startups to some of the largest financial firms in the world. We strive to ensure all our clients, regardless of size, receive the same quality of service.

## 7. What are your core values?

Our core values can be summarized as 'IKEEP':

- **Inclusiveness:** Through an inclusive workplace, we strive to create an environment for colleagues from diverse backgrounds to feel welcome, valued and integrated into our family.
- **Knowledge:** We believe knowledge is an amalgamation of constant learning, skill enhancement, retention and sharing. By focusing on knowledge, we aim to not only develop thought leadership in the world of indexing, but also deploy state of the art technology-based solutions in our processes, that in turn lead to superior efficacy.
- **Entrepreneurship:** Our goal is to promote the spirit of entrepreneurship among employees. We believe in the concept of self-supervision which in turn increases the sense of responsibility and motivation.
- **Empowerment:** We believe that firm-wide excellence can only be achieved if we provide people with the opportunity to become a part of something bigger than themselves and their individual jobs. We seek to do this by valuing people's opinion and trusting their intentions to make the right decisions.
- **Productivity:** We want to excel: in quality, in novelty, and in timeliness. We aim to meet this through superior processes, superior technology and a highly motivated workforce.

## 8. Why choose Indxx?

Indxx provides various advantages to its clients:

- **Quality:** We strive to deliver indices and services of the highest quality to our clients. Our indices have been nominated for numerous awards by the indexing and ETF industry.
- **Speed:** We deliver our quality products in a consistent and timely manner. We have one of the fastest development and onboarding times in the industry.
- **Innovative Products:** In addition to the awards and nominations we have received, Indxx is generally regarded as one of the most innovative index providers globally. Our indices are on the leading edge of the industry.
- **Client-Focused Pricing:** We provide cost effective and flexible pricing options.
- **11+ Year of Indexing Experience**

## 9. Do you build white label indices?

Yes, we build white label indices, typically under our 'Client Indices' service. These indices are often used by banks and asset managers who require coding and independent third-party index calculation and administration of their proprietary internal indices. Our team is

experienced in multiple coding languages, including Python and MATLAB, to ensure a quick and cost-effective solution of the highest quality.

#### 10. How is a custom index created?

The following steps are typically followed when creating a custom index for a client:

- **Research:** An in-depth study is conducted to gain more knowledge about the market that the index seeks to track.
- **Methodology:** Based on the client's requirements, a methodology is created in compliance with Indxx's Standard Investability criteria. Once the methodology is approved, the portfolios are created.
- **Backtesting:** Historical portfolios are created in accordance with the methodology. The performance of the index is gauged through the risk and return analysis of the historical portfolios.
- **Index Launch:** The index is made live on the equity calculation engine.

#### 11. How long does it take to create a custom index?

On an average, it takes approximately 3-4 weeks to create a complete custom index. The timeline may vary depending on the complexity of the investment strategy.

#### 12. Which asset classes can be used to create an index?

Indices can track various types of asset classes including stocks, bonds and commodities, among others.

#### 13. How much does it cost to create an index?

The pricing of the index depends on the complexity of the investment strategy and the development effort. Indxx ensures that cost effective solutions are delivered to its clients in a timely manner.

#### 14. How is an index maintained?

Indices are maintained on a regular basis through reconstitution, rebalancing and review processes. The frequency of these processes based on the index methodology. Corporate actions (e.g. dividends, stock splits, etc.) are adjusted daily.

#### 15. Does Indxx adhere to any standard principles for financial institutions?

Indxx complies with IOSCO principles. The IOSCO principles seek to establish best practices with regard to all aspects of production, dissemination and maintenance of index data, but without restricting the ability to innovate. Our statement of compliance with IOSCO principles can be found on our website [here](#).

#### 16. How is an index calculated? What is the frequency at which an index is calculated?

The details of the standard calculation procedure followed by Indxx can be found [here](#). An index has its value calculated typically at the end of each trading day, or intraday (i.e. every 15 seconds).

**17. How are corporate actions handled in an index?**

We have standard corporate action policies for various types of indices, and also offer our clients more customized options if the need arises.

**18. Can I speak with someone to learn more?**

Absolutely, you can reach out to us at [info@indxx.com](mailto:info@indxx.com) or call us at +1 844 55-INDXX.