

Indxx USA Cloud Computing Index

Index Description

The Indxx USA Cloud Computing Index is a Net Total Return Index which is designed to track the performance of the companies listed on the US exchanges that are actively trading in the cloud computing Industry.

Creation of Master list

Universe

To be eligible for inclusion in the universe, the following considerations must be fulfilled.

- The security must be listed on US exchanges.
- The security must have a minimum market capitalization of \$500 million and a 6-month average daily turnover of at least \$2 million.
- The security must have traded on 90% of the eligible trading days in the last 6 months. In case a security does not have a trading history of 6 months (e.g., IPOs), such a security must have started trading at least 3 months before the start of the Reconstitution/Rebalancing Process and should have traded on 90% of the eligible trading days for the past 3 months.

Free Float

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

Maximum Price

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

Security Type

Common Stock, ADR

Share Classes

If multiple share classes exist for a company, the following preference order is followed:

1. The most liquid share class is considered for inclusion in the portfolio.

Security Selection

Extensive research is undertaken with focus on identifying the industries and themes that would be positively impacted by cloud computing. Indxx has identified the following themes to be the most relevant to the cloud computing. Each company is further researched to establish whether they are engaged in the businesses listed below:

- Infrastructure as a service
- Platform as a service
- Software as a service.

Final Composition

Companies that derive revenue greater than or equal to 50% from the above themes are considered as 'pure-play' cloud computing companies. These are eligible for inclusion in the index.

Weighting

This index is a free float market capitalization weighted index with a single security cap of 5%. The excess weights are re-distributed proportionately to the remaining securities.

Buffer Rules

Buffer Rules are employed to reduce Portfolio Turnover. If an existing index constituent fulfils all the other criteria for universe creation, except market capitalization or liquidity, the following buffer rules apply:

Market Capitalization

The constituent shall continue to be included in the universe, if its market capitalization is greater than or equal to 80% of the previously defined market capitalization limit.

Liquidity

The constituent shall continue to be included in the universe if its 6-month ADTV is greater than or equal to 70% of the previously defined liquidity limit.

Index Calculator

The calculator of the index is **Solactive AG**.

Index Publisher

The index is published by **Indxx**.

Index Editor

The index is edited by **Indxx**.

Reconstitution and Rebalancing Rules

- The index follows an annual reconstitution and rebalancing schedule. The new portfolio becomes effective at the close of last trading day of March each year.
- The security selection and index creation process starts on the close of 17th trading day prior to the effective day. This day is 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 sixth trading day prior to the Effective Day. Index Shares are frozen using weights as of this day.

Corporate Actions

Indxx standard Corporate Actions for market cap weighted indices apply. The corporate action guidebook is present in the Announcements section of our website, under 'Index Documents'

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.

Learn more at www.indxx.com.