Methodology Policies

VettaFi indexes are based on methodologies designed to represent their underlying designated markets or interest. The following items are assessed and integrated into the index design, calculation, and review:

- Ability to obtain unbiased accurate pricing : Pricing for securities, derivatives, and funds are obtained from major exchanges via leading market data providers.
- Inputs used in construction are primarily market data, industry standard classifications, fundamental data, financial statements, revenue data, company filings, and earnings estimates from leading data providers. For thematic indexes data may come from government agencies and other industry recognized sources.
- Indexes have liquidity requirements designed to ensure accurate valuations, quality, and sufficient trading to support associated products.
- When available preference is given to automated data from leading market providers.
- Benchmarks do not rely on extrapolated data.
- New index approaches are vetted with multi-year back testing.
- New indexes are reviewed by the Index Committee. The Index Committee examines adequacy of the sample used to represent the interest, size and liquidity of the relevant market, relative size of the underlying market in relation to the volume of trading in the market that references the Benchmark, market concentration, and market dynamics.
- It also reviews the objective, operational sustainability, risks to the index, risk mitigators, backtested performance, and characteristics. Included in the risk assessment are potential limitations of the index. These items are formalized in a new index template that addresses these items.
- During initial approval and subsequently during periodic reviews, the Index Committee may consult with stakeholders regarding index methodology.
- External Voting members participate in the review process.
- VettaFi maintains a Key Terms Glossary on its Index Resources page under the Methodologies tab.

Review:

Version	1.0.1
Reviewed by	Index Governance and Index Committee
Review Date	June 2023
Next Review	June 2024
Review Date	August 2024
Next Review	June 2025

Changes:

Version	Date	Author/Editor	Summary of Change
1.0.0	June 2023	Moshe Greenberg	Policy Creation
1.0.1	June 2023	Moshe Greenberg	Moved Expert Judgement to Index Policies
1.0.2	August 2024	Moshe Greenberg	Annual Review