



Index Policy Relating to IOSCO
“Principles for Financial Benchmarks”

2016

Designed to represent

Alternative Asset Classes.



LPX Index Policy Relating to IOSCO “Principles for Financial Benchmarks”

LPX AG

2016

LPX AG (“LPX”) acts as the administrator for the LPX Listed Private Equity Index Series (“LPX Indices”) and the NMX Infrastructure Index Series (“NMX Indices”). All indices (LPX and NMX Indices) are market-capitalisation weighted stock indices based on market prices sourced from regulated stock exchanges.

This document is designed to communicate the LPX policies with respect to the International Organization of Securities Commissions (IOSCO) Principles for Financial Benchmarks for the LPX and NMX Indices. Specifically, this document provides guidance how LPX ensures compliance with the Principles 1-19.

This document and the information contained herein do not constitute (i) legal advice, (ii) any recommendation to use any LPX or NMX indices or (iii) any guarantees with respect to any LPX or NMX indices. IOSCO and local regulators may issue additional guidance. This document is subject to change at any time without notice.

Principle 1

- a) All relevant information on the design, construction and calculation algorithm of the LPX and NMX Indices is set forth in the index guidelines, which are publicly available under the following links:
LPX Listed Private Equity Index Series: <http://www.lpx-group.com/lpx/documents.html>.
NMX Infrastructure Index Series: <http://www.lpx-group.com/nmx/documents.html>.
- b) As per end of trading day, the LPX and NMX Indices are published based on official closing prices data from regulated stock exchanges. During trading hours all LPX and NMX Indices are available in real time. For detailed information on the LPX and NMX Indices contact info@lpx-group.com.
- c) The LPX and NMX Indices are based on market prices published by independent third parties. The index data is made available widely through market data services providers, which also monitor the correctness of the index data. In case of a market disruption or absence of market prices, LPX immediately informs its clients. Detailed information can be found in the index guidelines. The calculation of the LPX and NMX Indices has been outsourced to a calculation agent (refer to Principles 2). LPX has ensured that the calculation agent has backup systems in place. Moreover, LPX has the continuing ability to calculate and disseminate the LPX and NMX indices.
- d) All aspects of the LPX and NMX Indices are checked by the index oversight, which ensures the compliance of the LPX and NMX Indices with the IOSCO Principles for Financial Benchmarks and local regulatory requirements.

Principle 2

- a) LPX has appointed a third party as a calculation agent for the calculation of the LPX and NMX indices. LPX has defined through written arrangements the role and obligations of the calculation agent as well as the required service level.
- b) LPX is monitoring the calculation agent and ensures that the agent complies with LPX standards. This includes regular on-site visits and quality checks with reference to the index calculation. LPX has defined through written arrangements the role and obligations of the calculation agent as well as the required service level.
- c) Details regarding the outsourcing partner (i.e. calculation agent) may be obtained on request.
- d) Operational risks are identified and are monitored by (i) the calculation agent (ii) LPX and (iii) third party vendors. Given that the indices are based on market prices sourced from regulated stock exchanges there is no need for further monitoring the other data providers. LPX has contingency plans in place to avoid undue operational risk related to the participation of third parties in the index calculation process.

Principle 3

LPX follows an index oversight directive, which addresses potential and actual conflict of interest in general. LPX has currently not identified any material actual conflicts of interest arising from its business relationships or ownership structure. All potential and actual conflict of interest are available upon request to all stakeholders.

Principle 4

LPX follows an index oversight directive, which covers all relevant stages of the benchmark administration. This relates to all LPX and NMX indices.

Principle 5

All relevant aspects, which relate to the LPX and NMX Indices are monitored by the index oversight. Specifically, all decisions affecting the LPX and NMX Indices are overseen, monitored and checked for compliance (i.e., changes and amendments of the index guide, rebalancings, etc.). The index oversight directive is available upon request to all stakeholders.

Principle 6

All relevant information on the design, construction and calculation of the LPX and NMX Indices is set forth in the index guidelines, which are publicly available under the following links:
LPX Listed Private Equity Index Series: <http://www.lpx-group.com/lpx/documents.html>.
NMX Infrastructure Index Series: <http://www.lpx-group.com/nmx/documents.html>.

Principle 7

LPX has dedicated working instructions and procedures in place that ensure that the data quality for benchmark determination purposes is in compliance with IOSCO principles. Details on the input data for benchmark determination are outlined in the respective index guidelines, which are publicly available.

Principle 8

LPX has dedicated working instructions and procedures in place that ensure that the data hierarchy used for benchmark determination is in compliance with IOSCO principles. Details on the input data for benchmark determination are outlined in the respective index guidelines, which are publicly available.

Principle 9

All LPX and NMX Indices are derived from data sourced from regulated stock exchanges. Generally this type of index does not involve significant expert judgement. Detailed information regarding benchmark determination are outlined in the respective index guidelines, which are publicly available.

Principle 10

LPX has dedicated working instructions and procedures in place for the ordinary and extraordinary rebalancing of the LPX and NMX indices. The index oversight controls for all aspects in relation to the rebalancing process of the indices. The summary of the rebalancing is published in advance before each rebalancing on the news section of the LPX corporate website.

Principle 11

All LPX and NMX Indices comply with the standards set forth by IOSCO. Detailed information regarding benchmark determination are outlined in the respective index guidelines, which are publicly available.

Principle 12

Changes to the LPX and NMX index methodology are subject to approval by index oversight and communicated to all clients and partners in advance via appropriate channels. The changes are also communicated on the news section of the LPX corporate website.

Principle 13

Contracts that reference to an LPX or NMX index have robust fall-back provisions in the event of a cessation of an LPX or NMX index. This includes relevant procedures that would be followed in case an index is ceased.

Principle 14

All LPX and NMX Indices are derived from data sourced from regulated stock exchanges. Detailed information regarding benchmark determination are outlined in the respective index guidelines, which are publicly available.

Principle 15

LPX has appointed a third party as a calculation agent for the calculation of the LPX and NMX indices. LPX has defined through written arrangements the role and obligations of the calculation agent. LPX is monitoring the calculation agent and ensures that the agent complies with LPX standards. This includes regular on-site visits and quality checks of the index calculation. All input data for benchmark determination are sourced from regulated stock exchanges.

Principle 16

Complaints can be made to the following email address: complaints@lpx-group.com

Principle 17

LPX is committed to appointing an independent external auditor to perform an audit of compliance of LPX with the IOSCO principles. As the LPX and NMX Indices are designed for replication, based on regulated market data input, LPX does not deem to undergo further audits.

Principle 18

LPX stores all benchmark relevant data for at least for 5 years.

Principle 19

LPX is currently not supervised by any regulatory authority with respect to the LPX and NMX Indices LPX has applied at the national competent authority (BAFIN) for the registration of the LPX and NMX Indices with regard to the EU benchmark regulation.

Contact

LPX AG
Florastrasse 17
8008 Zuerich
Switzerland

Tel: +41(0)44 382 90 20
Fax: +41(0)44 382 90 21

info@lpx-group.com
www.lpx-group.com

LPX GROUP

LPX AG
Florastrasse 17
8008 Zürich
Switzerland

T: +41 (0) 44 38 290 20

F: +41 (0) 44 38 290 21

M: info@lpx.ch

W: www.lpx-group.com

W: www.lpx.ch

W: www.nmx-infra.ch

