

Firm Brochure

(Part 2A of Form ADV)

THE INDEX GROUP, LLC.

CRD No. 131670

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July 22, 2019

This brochure provides information about the qualifications and business practices of The Index Group, LLC., formerly known as The Index Group, Inc. If you have any questions about the contents of this brochure, please contact us at 719-884-7500, or by email at michael.willis@index.fund. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about The Index Group, LLC. is available on the SEC's website at www.adviserinfo.sec.gov

Material Changes

Material Changes since the Last Update

- None

Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: 719-884-7500 or by email at:

Mike.Willis@Index.Fund.

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Firm Description

The Index Group, LLC. ("The Index Group," the "firm," or "we"), formerly known as The Index Group, Inc., was founded in 2004.

The firm provides investment management to high-net worth individuals, registered investment companies, pension and profit-sharing plans, trusts, estates, charitable organizations and businesses. The firm is strictly a fee-only investment management firm. The firm does not receive commissions for purchasing or selling annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. The firm is not affiliated with entities that sell financial products or securities except as it relates to Index Funds, LLC. No commissions in any form are accepted.

Other professionals (e.g., lawyers, accountants, insurance agents, financial planners, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

The firm presently serves as the investment adviser to the Index Funds S&P 500® Equal Weight Fund (the "Fund"), a separate series of Index Funds, a Delaware statutory trust and an investment company registered under the Investment Company Act of 1940 (the "Investment Company Act of 1940").

As of December 31, 2018, the firm managed approximately \$32.3 million on a discretionary basis.

Principal Owners

Michael G. Willis is the principal owner of The Index Group, LLC. and S. Todd Johnson owns through STOA Capital Development, LLC is a minority owner.

Tailored Relationships

Investment decisions for the Fund are generally tailored to the investment objectives and investment strategies as set forth in the Fund's prospectus. Only separate account clients may impose restrictions on investing in certain securities or types of securities.

Asset Management

Assets will be invested primarily in S&P 500® constituents or no-load S&P 500® index mutual funds and ETFs, usually through discount brokers or fund companies.

Separately managed account ("SMA") clients should note that the firm may invest a portion of the SMA portfolio into the Fund. To seek to mitigate conflicts of interest that may arise, the firm typically waives its asset management fee on the portion of the SMA account that is invested in the Fund. Such portion of the SMA account is still indirectly subject, however, to

the fees that are payable by the Fund to the firm in its capacity as investment adviser to those funds.

Initial public offerings (IPOs) are not available through the firm.

Fees and Compensation

Description

As noted above, the firm bases its fees on a percentage of assets under management.

Investment Management Agreements

The typical annual fee for an Investment Management Agreement is 0.25% of assets under management. Separate account fees may be negotiable based on the size and complexity of the account in question.

The Fund

Index Funds, on behalf of the Fund, has entered into an advisory agreement with The Index Group. As compensation for its services, The Index Group is contractually entitled to a management fee of 0.25% of the Fund's assets (annualized).

Fee Billing

Investment management fees are billed monthly. Payment in full is expected upon invoice presentation. Fees are usually deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account.

Other Fees

Client assets invested in investment funds may be subject to management fees charged by the manager of these funds and operating expenses which are in addition to management fees charged by us. Information regarding the fees and expenses to which these funds are subject can typically be found in the prospectuses or statements of additional information for such funds. Clients may also pay custodial fees and broker commissions for transactions.

As noted above, the firm may invest a portion of SMA client account assets in the Fund. In such instances, the firm will typically waive its asset management fee on the portion of the SMA account invested in the Funds. However, such portion of the SMA account is still indirectly subject, to the fees that are payable by the Fund to the firm in its capacity as investment adviser to those funds.

The Index Group, in its sole discretion, may waive its minimum fee for separate accounts and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of

assets to be managed, related accounts, account composition, negotiations with clients, etc.).

Expense Ratios

Mutual funds and ETFs generally charge a management fee for their services as investment managers in addition to other direct expenses of the Fund not covered under the management fee. The combination of the management fee and direct expenses is called an expense ratio. For example, an expense ratio of 0.50% means that the mutual fund is paying 0.5% in total costs including management fees. These costs are in addition to the fees paid by you to The Index Group.

Performance figures quoted by mutual fund companies in various publications are after these costs have been deducted.

Past Due Accounts and Termination of Agreement

The Index Group reserves the right to stop work on any account that is more than 30 days overdue. In addition, the firm reserves the right to terminate any relationship where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in the firm's judgment, to providing proper financial advice or investment management. Any unused portion of fees collected in advance will be refunded within 30 days.

Performance-Based Fees

The Index Group does not use a performance-based fee structure.

Types of Clients

Description

The Index Group generally provides investment management to high-net worth individuals, banks or thrift institutions, investment companies, pension and profit-sharing plans, trusts, estates, or charitable organizations, corporations or business entities.

Client relationships vary in scope and length of service.

Account Minimums

The initial investment minimum for the Fund is \$1,000, and the minimum amount for subsequent investments is \$1,000. Due to the proportionately higher costs of servicing accounts with lower balances, Fund accounts maintaining a balance under \$25,000 will be charged a \$20 annual maintenance fee. The Fund also reserves the right to close accounts under \$1,000 and send the proceeds to the shareholder.

The minimum account size for a separate account managed by The Index Group is \$10 million of assets under management.

When a separate account falls below \$10 million in value, the minimum annual fee of \$25,000 will be charged under most circumstances

The Index Group has the discretion to waive the account minimum for separate accounts. Accounts of less than \$10 million may be set up when the client and the advisor anticipate the client will add additional funds to the accounts bringing the total to at least \$10 million within a reasonable time. Other exceptions may apply to employees of the firm and their relatives, or relatives of existing clients.

Clients receiving ongoing asset management services may be assessed a \$30,000 minimum annual fee. Clients with assets below the minimum account size may pay a higher percentage rate on their annual fees than the fees paid by clients with greater assets under management.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Security analysis methods may include charting, fundamental analysis, technical analysis, and cyclical analysis.

The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

Other sources of information that the firm may use include Morningstar Principia mutual fund information, Morningstar Principia stock information, Charles Schwab & Company's "SchwabLink" service, Advisor Intelligence, and the World Wide Web.

Investment Strategies

The primary investment strategy used on separately managed accounts is an asset allocation of stocks, mutual funds, and ETFs designed to track the S&P 500® Indexes. In some circumstances the Adviser may utilize strategies which include stocks, bonds, gold and silver investments or instruments with exposure to the same. Under normal circumstances, The Index Group primarily utilizes equities, mutual funds, ETFs, and ETNs to achieve its objectives.

Investors in the Fund should consult the prospectus and statement of additional information for a more detailed description of their investment strategies and the associated risks. The firm reserves the right to utilize some or all the strategies discussed herein, or to modify the manner in which they are used.

Risk of Loss

All investment programs have certain risks that are borne by the investor, and all investors should be prepared to bear losses. Our investment approach constantly keeps the risk of loss in mind. Investors may generally face the following investment risks associated with the strategies that the firm may employ:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Disciplinary Information

Legal and Disciplinary

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

Other Financial Industry Activities and Affiliations

Financial Industry Activities

The Index Group may from time to time serve as a commodity pool operator exclusively by its role as investment adviser to the Fund but is currently exempt from registration with the U.S. Commodity Futures Trading Commission ("CFTC") pursuant to Rule 4.5 under the CFTC's regulations.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

The employees of the firm have committed to a Code of Ethics that is available for review by clients and prospective clients upon request.

The Index Group has adopted a Code of Ethics that it believes is reasonably designed to protect against conflicts between the personal securities transactions (if any) of the firm and its principals, officers and employees (and members of their families) and transactions effected on behalf of clients. The Code of Ethics is based on the principle that the firm and its employees owe a fiduciary duty to the clients. Thus, employees of the firm must generally (i) place the interests of clients first, (ii) avoid taking inappropriate advantage of their positions within the firm, and (iii) conduct their personal securities transactions (if any) in full compliance with the Code of Ethics.

The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

Participation or Interest in Client Transactions

The Index Group and its employees may buy or sell securities that are also held by separately managed accounts. Employees may not trade their own securities ahead of client trades, but mutual funds and ETFs are exempt from this restriction.

Personal Trading

The Chief Compliance Officer of The Index Group is David Collett. He typically reviews all employee trades, including his own trades, each quarter. The personal trading reviews seek to ensure that the personal trading of employees does not affect the markets, and that clients of the firm are not disadvantaged.

Selecting Brokerage Firms

The Index Group typically has discretionary authority to determine the type, amount, price and timing of securities being bought and sold on behalf of each of its clients, including the selection of and commissions paid to brokers, subject to each client's investment policies and goals.

The Index Group, in seeking to obtain the best execution of portfolio transactions, may consider the quality and reliability of brokerage services. The firm may also consider brokerage, research and investment information provided by the brokers and dealers. Factors considered by the firm in selecting brokers and dealers may include the following: price; the broker's or dealer's facilities, reliability and financial stability; the ability of the broker or dealer to effect securities transactions, particularly with regard to such aspects as complexity of the trade, timing, order size and execution of the orders; and the brokerage and research products and services provided by that broker or dealer to the firm that are expected to enhance the firm's general portfolio management capabilities, notwithstanding that a client may not be the direct or exclusive beneficiary of such services.

Best Execution, Soft Dollars and Directed Brokerage

Commission rates, being a component of price, are one factor considered together with other factors. The Index Group may cause a client's account to pay a broker or dealer a commission for effecting a transaction for the client's account that may be higher than a commission charged by another broker, in exchange for brokerage and/or research services. This is a benefit to the firm because the firm does not directly produce or pay for the research or services. This may create an incentive to select a broker based on the research or other services provided rather than the client's interest in best execution. Under Section 28(e) of the Securities Exchange Act of 1934 (the "Exchange Act"), the firm may do this if it determines in good faith that the amount of commission charged was reasonable in relation to the value of brokerage and/or research services provided by such broker.

To mitigate and address any conflicts of interest that may arise, the firm has adopted policies and procedures to evaluate, on an ongoing basis, the value of a broker's research and brokerage services and the reasonableness of any commissions charged. The Index Group does not receive any portion of the trading fees.

As of the date of this brochure, The Index Group does not have any soft dollar arrangements in place with brokers, and does not use soft dollars. However, The Index Group reserves the right to enter into such arrangements in the

future. If The Index Group enters into soft dollar arrangements in the future, the services and products it receives could include, for example, economic/market/industry data, electronic brokerage support, trading, market and research software.

As noted above, the firm typically retains discretion over brokerage selection. Certain clients may sometimes wish to restrict brokerage to a particular broker. Because directed brokerage may, in the firm's view, restrict the discretion the firm would otherwise have in selecting broker-dealers to effect transactions and in negotiating commissions generally for the client's account, The Index Group typically does not permit directed brokerage arrangements.

Order Aggregation

Where appropriate, transactions for multiple clients may be combined for execution purposes, which will not ordinarily affect commissions charged and execution prices on such transactions. Consistent with the firm's general investment strategies, most trades are transactions in mutual funds or exchange-traded funds where trade aggregation does not garner any meaningful client benefit.

Review of Accounts

Periodic Reviews

Account reviews are typically performed quarterly by Michael Willis, President of The Index Group. Additional account reviews may be performed more frequently when market conditions, regulatory developments or changes in a client's situation dictate.

The review process typically considers the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client.

Clients receive periodic communications on at least an annual basis. The Funds also make available their annual and semi-annual reports as required by the Investment Company Act of 1940.

Client Referrals and Other Compensation

Referrals

The Index Group does not currently engage or compensate third parties for referrals, and does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

Custody

SEC “Custody”

The Index Group does not retain physical custody of clients’ funds or securities but may exercise limited custody in connection with its ability to deduct fees from accounts, subject to written client authorization. Assets are typically held at a qualified custodian. Each qualified custodian typically provides account statements directly to clients at their address of record at least quarterly. Assets of the Funds are custodied pursuant to an agreement between a qualified custodian and the Index Funds trust, in accordance with the requirements of the Investment Company Act of 1940, and the firm does not retain custody of those assets.

Performance Reports

Clients are urged to compare the account statements received directly from their custodians to the performance report statements provided by The Index Group.

Investment Discretion

Discretionary Authority for Trading

The Index Group accepts discretionary authority to manage securities accounts on behalf of clients. The Index Group typically has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. Limitations on discretionary authority may be negotiated at the firm’s discretion. Discretionary authority is typically conferred via standard investment management agreements and/or powers of attorney if applicable.

Voting Client Securities

Proxy Votes

The Index Group does not retain authority to vote proxies on securities, other than with respect to its registered investment company clients. All other clients are expected to vote their own proxies.

Financial Information

Financial Condition

The Index Group does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because the firm does not serve as a custodian for client funds or securities, and does not require

prepayment of fees of more than \$1,200 per client, and six months or more in advance.

Business Continuity Plan

General

The Index Group has a Business Continuity Plan in place that provides steps to mitigate and recover from the loss of office space, communications, services or key people.

Disasters

The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily.