

# What is a calculated index?



## Answer

A calculated index uses prices that are computed for the purpose of creating the index, instead of the valuations contributed by asset managers or owners. EDHEC*infra* indices are calculated and follow a consistent and robust valuation methodology for all the assets in the index universe, thus eliminating all biases.

Some of the key advantages of calculated indices include:

- Defined universe with appropriate representation of assets
- Consistent modelling methodology over time which is calibrated to market trends
- Clearly explain the valuation of all assets in the universe
- Allow for sophisticated analysis



## Things to consider

Calculated indices benefit from greater methodological transparency and consistency. They use prices that are model-driven i.e. average market prices that representative investors would tend to pay rather than what individual investors actually pay. In a highly illiquid and segmented market this can make a significant difference.

## Related topics

- [Asset Values \(Prices\)](#)
- [Index Construction](#)