



**ASYMMETRIC 500 INDEX**  
GUIDELINE

Version 6.0

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## INTRODUCTION

This document (the “GUIDELINE”) is to be used as a guideline with regard to the composition, calculation and maintenance of the ASYMMetric 500 Index (the “INDEX”). Any amendments to the rules made to the GUIDELINE are approved by the COMMITTEE specified in Section 5.4. The INDEX is owned and administrated by ASYMMetric Investment Solutions, LLC, the “INDEX ADMINISTRATOR”). The INDEX ADMINISTRATOR has engaged Solactive AG (“SOLACTIVE”) as the calculation and publication agent (the “INDEX CALCULATION AGENT”). The INDEX is calculated and published for the INDEX ADMINISTRATOR by SOLACTIVE. The name “Solactive” is trademarked.

*The text uses defined terms which are formatted with “SMALL CAPS”. Such Terms shall have the meaning assigned to them as specified in Section 6 (Definitions).*

The GUIDELINE and the policies and methodology documents referenced herein contain the underlying principles and rules regarding the structure and operation of the INDEX. Neither the INDEX ADMINISTRATOR nor the INDEX CALCULATION AGENT offer any explicit or tacit guarantee or assurance, neither pertaining to the results from the use of the INDEX nor the level of the INDEX at any certain point in time nor in any other respect. The INDEX CALCULATION AGENT strives to the best of its ability to ensure the correctness of the calculation but accepts no liability from the willful negligence, fraud or default of any person in connection with the calculation and publication of the INDEX. The INDEX CALCULATION AGENT does not make any warranties, express or implied, to the INDEX ADMINISTRATOR, any of its customers, or anyone else regarding the INDEX, including, without limitation, any warranties with respect to the timeliness, sequence, accuracy, completeness, correctness, merchantability, quality or fitness for a particular purpose or any warranties as to the results to be in connection with the use of the INDEX. There is no obligation for the INDEX ADMINISTRATOR or the INDEX CALCULATION AGENT – irrespective of possible obligations to issuers – to advise third parties, including investors and/or financial intermediaries, of any errors in the INDEX. The publication of the INDEX by the INDEX CALCULATION AGENT for the INDEX ADMINISTRATOR does not constitute a recommendation for capital investment and does not contain any assurance or opinion of the INDEX ADMINISTRATOR or the INDEX CALCULATION AGENT regarding a possible investment in a financial instrument based on this INDEX.

# 1. INDEX SPECIFICATIONS

## 1.1. SCOPE OF THE INDEX

Category	Description
Asset Class	Equity
Strategy	Quantitative long/short hedging strategy that seeks to provide protection against bear market losses and to capture the majority of bull market gains with respect to exposure to the 500 largest capitalized equity securities publicly traded in the United States
Regional Allocation	Developed Markets
Rebalancing Frequency	Monthly

## 1.2. IDENTIFIERS AND PUBLICATION

The INDEX is published under the following identifiers:

Name	ISIN	Currency	Type	RIC	BBG ticker
Low Volatility 500 Index	DE000SL0C6M3	USD	GTR*		
ASYMmetric 500 Index	DE000SL0C6L5	USD	Long/Short	.ASPY	ASPY Index

\*GTR means that the Index is calculated as gross total return Index as described in the Equity Index Methodology, which is available on the SOLACTIVE website: <https://www.solactive.com/documents/equity-index-methodology/>

The INDEX is published for the INDEX ADMINISTRATOR on the website of the INDEX CALCULATION AGENT ([www.solactive.com](http://www.solactive.com)) and is, in addition, available via the price marketing services of Boerse Stuttgart GmbH and may be distributed to all of its affiliated vendors. Each vendor decides on an individual basis as to whether it will distribute or display the INDEX via its information systems.

Any publication in relation to the INDEX (e.g. notices, amendments to the GUIDELINE) will be published for the INDEX ADMINISTRATOR and available at the website of the INDEX CALCULATION AGENT: <https://www.solactive.com/news/announcements/> and INDEX ADMINISTRATOR website <https://www.ASYM solutions.com/>.

## 1.3. INITIAL LEVEL OF THE INDEX

The initial level of the INDEX on the 31/12/1999, the START DATE, is 1000. Historical values from the 26/02/2021, the LIVE DATE, will be recorded in accordance with Article 8 of the BMR. Levels of the INDEX published for a period prior to the LIVE DATE have been back-tested.

## 1.4. PRICES AND CALCULATION FREQUENCY

The level of the INDEX is calculated on each CALCULATION DAY from 9:30 a.m. to 16:50 p.m. EST based on the TRADING PRICES on the EXCHANGES on which the INDEX COMPONENTS are listed. TRADING PRICES of INDEX COMPONENTS not listed in the INDEX CURRENCY are converted using the current Intercontinental Exchange (ICE) spot foreign exchange rate. Should there be no current TRADING PRICE for an INDEX COMPONENT, the later of: (i) the most recent CLOSING PRICE; or (ii) the last available TRADING PRICE for the preceding TRADING DAY is used in the calculation.

In addition to the intraday calculation a closing level of the INDEX for each CALCULATION DAY is also calculated. This closing level is based on the CLOSING PRICES for the INDEX COMPONENTS on the respective EXCHANGES on which the INDEX COMPONENTS are listed. The CLOSING PRICES of INDEX COMPONENTS not listed in the INDEX CURRENCY are converted using the 04:00 p.m. London time WM Fixing quoted by Reuters. If there is no 04:00 p.m. London time WM Fixing for the relevant CALCULATION DAY, the last available 04:00 p.m. London time WM Fixing will be used for the closing level calculation.

## 1.5. LICENSING

Licenses to use the INDEX as the underlying value for financial instruments, investment funds and financial contracts may be issued to stock exchanges, banks, financial services providers and investment houses by the INDEX ADMINISTRATOR.

## 2. INDEX SELECTION

On each SELECTION DAY, the INDEX ADMINISTRATOR will revise the composition of the INDEX.

In a first step, the INDEX ADMINISTRATOR determines the INDEX UNIVERSE in accordance with Section 2.1. The INDEX UNIVERSE comprises all those financial instruments which fulfill the INDEX UNIVERSE REQUIREMENTS (as specified in Section 2.1) and will constitute a starting pool from which the components of the INDEX will be selected. Based on this INDEX UNIVERSE, the new composition of the INDEX will be determined by applying the rules outlined in Section 2.2.

Each new INDEX COMPONENT will be assigned a weight as described in Section 2.3.

### 2.1. INDEX UNIVERSE REQUIREMENTS

The INDEX UNIVERSE is comprised of the 500 largest capitalized equity securities publicly traded in the United States.

The determination of the INDEX UNIVERSE is fully rule-based and the INDEX ADMINISTRATOR cannot make any discretionary decisions.

### 2.2. RISK ENVIRONMENT

The Price Momentum Indicator is driven by the 200 Day Simple Moving Average (“200 Day SMA”) of the S&P 500® Index (“SPX Index”). The Price Momentum Indicator is signaling Risk-On, if the S&P 500® Index is trading above its 200 Day SMA and Risk-Off, if the S&P 500® Index is trading below the 200 Day SMA.

Price Momentum Indicator	
Risk-On	Risk-Off
S&P 500® Index <u>Above</u> 200 Day SMA	S&P 500® index <u>Below</u> 200 Day SMA

The Price Volatility Indicator is driven by the Index Owner’s PriceVol™ a proprietary measure of realized volatility or price volatility. PriceVol™ is the dispersion of returns of the 500 largest capitalized equity securities publicly traded in the United States. The Price Volatility Indicator is signaling Risk-On, if PriceVol™ is below a threshold of 10 and Risk-Off, if PriceVol™ is above a threshold of 10.

Price Volatility Indicator	
Risk-On	Risk-Off

Low Price Volatility <u>Below</u> Threshold of 10	High Price Volatility <u>Above</u> Threshold of 10
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The output of the Price Momentum Indicator and Price Volatility Indicator are used to classify the Market into three risk environments (i) Risk-On, (ii) Risk-Elevated, and (ii) Risk-Off (each a “Risk Environment” and together the “Risk Environments”) as outlined in the table below.

Risk Environments		
Risk Environment	Price Momentum Indicator	Price Volatility Indicator
Risk-On	Risk-On	Risk-On
Risk-Elevated	Risk-Off	Risk-On
Risk-Off	Risk-Off	Risk-Off

### 2.3. NET EXPOSURE

The Risk Environment determines the net exposure of the Index, as referenced in the table below. In the Risk-On environment, the net beta adjusted exposure of the Index is 75%. In the Risk-Elevated environment, the beta adjusted exposure of the index is 0%. In the Risk-Off environment, the net beta adjusted exposure of the Index is -25%.

Net Exposure	
Risk Environment	Net Exposure
Risk-On	75%
Risk-Elevated	0%
Risk-Off	-25%

### 2.4. WEIGHTING OF INDEX COMPONENTS

The ASYMMetric 500 Index is comprised of three components a (i) LONG INDEX; (ii) SHORT COMPONENT; and (iii) CASH COMPONENT. The LONG INDEX is a rules-based low volatility version of the 500 largest capitalized equity securities publicly traded in the United States (LONG INDEX). The SHORT COMPONENT is the SPDR S&P 500® ETF Trust (SHORT COMPONENT). Cash is represented as CASH COMPONENT. These three components are weighted according to the table below depending on the Risk Environment.

Weighting of Index Components			
Risk Environment	Long Index Weight	Short Component Weight	Cash Component Weight
Risk-On	100%	0%-25%	0%-25%
Risk-Elevated	35%	0%-35%	65%-100%
Risk-Off	20%	0%-45%	80%-125%

## 2.5. LONG INDEX SELECTION AND WEIGHTS

On each Monthly Select Day, the following selection criteria are performed:

### LONG INDEX – Component Selection

1. The volatility (“Security Beta”) of each constituent of the Market is calculated.
2. The constituents of Market are ranked by volatility from the lowest to the highest.
3. The lowest ranking or least volatility constituents of each GICS sector are selected for inclusion in the LONG INDEX. The number of components selected in each sector of the LONG INDEX is calculated as described below.

### LONG INDEX – Sector and Component Weightings

1. The sector weights of the eleven GICS sectors of the Market are calculated.
2. The number of index components in each sector of the LONG INDEX is calculated by multiplying the sector weight by the number of components in the LONG INDEX, as per the below formula.

Components by Sector = Sector Weight (%) x Target Number of Components (50)

The target number of components in the LONG INDEX is 50. The number of components per sector is rounded which may cause the Long Book to have slightly more or less than 50 components.

3. The weight of each component in the LONG INDEX is equal weighted within each sector, as per the below formula.

Component Weight by Sector = Sector Weight (%) / Number of Components in Sector

The following table is hypothetical example of how the number of components and security weights are calculated by GICS sector for the LONG INDEX.

<b>Long Book Components Weighting - Example</b>			
<b>GICS Sector</b>	<b>Sector Weight</b>	<b>Number of Components</b>	<b>Component Weight</b>
Sector X	10%	50 x 10% = 5 components	10% / 5 = 2% weight

4. The constituents of the Market are sorted by GICS sectors. The lowest Security Beta ranked constituents of each GICS sector are selected until the number of positions for the sector are filled. If the Index is not in compliance with applicable Investment Company Act restrictions, at this point, additional positions will be added until the Index is in compliance. These are the new LONG INDEX components to be made effective on Index Adjustment Days.



## 2.6. BETA ADJUSTED WEIGHTS

Long exposure of the ASYMMetric 500 Index is beta adjusted. The Beta of LONG INDEX relative to the Market is calculated on Monthly Selection Day. LONG INDEX exposure (as calculated in Section 2.1 Selection and Weighting of Index Components) is multiplied by the Portfolio Beta of the Long Book to derive Beta Adjusted Long Book exposure.

$$\text{Beta Adjusted Long Exposure} = \text{Target Long Exposure} \times \text{Portfolio Beta Long Book}$$

Net Exposure of the Index is subtracted from the Beta Adjusted Long Book Exposure to establish the actual Short Book weight.

$$\text{Beta Adjusted Short Exposure} = \text{Beta Adjusted Long Exposure} - \text{Target Net Exposure}$$

<b>Beta Adjusted Exposure - Example</b>			
<b>Long Exposure</b>	<b>Long Book Portfolio Beta</b>	<b>Beta Adjusted Long Exposure</b>	<b>Beta Adjusted Short Exposure</b>
100%	0.9	90%	90% - 75% = 15%

## 3. REBALANCE

### 3.1. ORDINARY REBALANCE

In order to reflect the new selection of the INDEX COMPONENTS determined on the SELECTION DAY (in accordance with Section 2) the INDEX is adjusted by the INDEX CALCULATION AGENT on the REBALANCE DAY after CLOSE OF BUSINESS.

This is carried out by implementing the shares as determined on the FIXING DAY based on the weights calculated on the SELECTION DAY.

For more information on the rebalance procedure please refer to the Equity Index Methodology, which is incorporated by reference and available on the SOLACTIVE website: <https://www.solactive.com/documents/equity-index-methodology/>

SOLACTIVE will publish for the INDEX ADMINISTRATOR any changes made to the INDEX COMPONENTS with sufficient notice before the REBALANCE DAY on the SOLACTIVE website under the section "Announcement", which is available at <https://www.solactive.com/news/announcements/>

### 3.2. EXTRAORDINARY REBALANCE

The INDEX is not rebalanced extraordinarily.

## 4. CALCULATION OF THE INDEX

### 4.1. INDEX FORMULA

The LONG INDEX is calculated as a gross total return Index, the LONG SHORT INDEX is calculated as a combination of LONG INDEX, SHORT COMPONENT and CASH COMPONENT.

The calculation is performed according to the Equity Index Methodology, which is available on the SOLACTIVE website: <https://www.solactive.com/documents/equity-index-methodology/>. The standard index formula stipulates that the level of the INDEX changes based on the change of the prices of its INDEX COMPONENTS taking into account their weight in the INDEX and any currency conversion in case the price of an INDEX COMPONENT is quoted in a currency other than the INDEX CURRENCY.

Any dividends or other distributions are reinvested back into the INDEX COMPONENT paying the dividend or other distribution at the opening of the effective date (the so called ex-date) of the payment of such dividend or other distribution.

A more detailed description of the mechanics of the index calculation formula can be found in the Solactive Equity Index Methodology under Section 1.2.

### 4.2. ACCURACY

The level of the INDEX will be rounded to 2 decimal places. TRADING PRICES and foreign exchange rates will be rounded to six decimal places.

### 4.3. ADJUSTMENTS

Under certain circumstances, an adjustment of the INDEX may be necessary between two regular REBALANCE DAYS. Such adjustment has to be made if a corporate action (as specified in Section 4.4 below) in relation of an INDEX COMPONENT occurs. Such adjustment may have to be done in relation to an INDEX COMPONENT and/or may also affect the number of INDEX COMPONENTS and/or the weighting of certain INDEX COMPONENTS and will be made in compliance with Section 2.1 of the Equity Index Methodology, which is incorporated by reference and available on the SOLACTIVE website: <https://www.solactive.com/documents/equity-index-methodology/>.

In the case an extraordinary event is not outlined the Equity Index Methodology, the COMMITTEE will instruct the INDEX CALCULATION AGENT on the INDEX adjustments.

SOLACTIVE will announce for the INDEX ADMINISTRATOR the INDEX adjustment giving a notice period of at least two TRADING DAYS (with respect to the affected INDEX COMPONENT) on the SOLACTIVE website under the Section “Announcements”, which is available at <https://www.solactive.com/news/announcements/>.

The INDEX adjustments will be implemented on the effective day specified in the respective notice.

## 4.4. CORPORATE ACTIONS

As part of the INDEX maintenance the INDEX CALCULATION AGENT will consider various events – also referred to as corporate actions – which result in an adjustment to the INDEX between two regular REBALANCE DAYS. Such events have a material impact on the price, weighting or overall integrity of INDEX COMPONENTS. Therefore, they need to be accounted for in the calculation of the INDEX. Corporate actions will be implemented from the cum-day to the ex-day of the corporate action, so that the adjustment to the INDEX coincides with the occurrence of the price effect of the respective corporate action.

Adjustments to the INDEX to account for corporate actions will be made by the INDEX CALCULATION AGENT in compliance with Section 2.1 of the Equity Index Methodology, which is available on the SOLACTIVE website: <https://www.solactive.com/documents/equity-index-methodology/>. This document contains for each corporate action a brief definition and specifies the relevant adjustment to the INDEX variables.

While the INDEX CALCULATION AGENT aims at creating and maintaining the methodology for treatment of corporate actions as generic and transparent as possible and in line with regulatory requirements, the INDEX ADMINISTRATOR retains the right to deviate from these standard procedures specified in the Equity Index Methodology in case of any unusual or complex corporate action or if such a deviation is made to preserve the comparability and representativeness of the INDEX over time. The INDEX ADMINISTRATOR will instruct the INDEX CALCULATION AGENT on the INDEX adjustments.

The INDEX CALCULATION AGENT considers following, but not conclusive, list of corporate actions as relevant for INDEX maintenance:

- > Cash Distributions (e.g. payment of a dividend)
- > Stock distributions (e.g. payment of a dividend in form of additional shares)
- > Stock distributions of another company (e.g. payment of a dividend in form of additional shares of another company (e.g. of a subsidiary))
- > Share splits (company's present shares are divided and therefore multiplied by a given factor)
- > Reverse splits (company's present shares are effectively merged)
- > Capital increases (such as issuing additional shares)
- > Share repurchases (a company offer its shareholders the option to sell their shares to a fixed price)
- > Spin-offs (the company splits its business activities into two or more entities and distributes new equity shares in the created entities to the shareholders of the former entity)
- > Mergers & Acquisitions (transaction in which the ownership of a company (or other business organizations) are transferred or consolidated with other entities, e.g. fusion of two or more separate companies into one entity)
- > Delistings (company's shares are no longer publicly traded at a stock exchange)
- > Nationalization of a company (effective control of a legal entity is taken over by a state)

> Insolvency

## 4.5. RECALCULATION

The INDEX CALCULATION AGENT makes the greatest possible efforts to accurately calculate and maintain the indices for the INDEX ADMINISTRATOR. However, errors in the determination process may occur from time to time for variety reasons (internal or external) and therefore, cannot be completely ruled out. The INDEX CALCULATION AGENT endeavors to correct all errors that have been identified within a reasonable period of time. The understanding of “a reasonable period of time” as well as the general measures to be taken are generally depending on the underlying and is specified in the Solactive Correction Policy, which is incorporated by reference and available on the SOLACTIVE website: <https://www.solactive.com/documents/correction-policy/>.

## 4.6. MARKET DISRUPTION

In periods of market stress the INDEX CALCULATION AGENT calculates indices following predefined and exhaustive arrangements as described in the Solactive Disruption Policy, which is incorporated by reference and available on the SOLACTIVE website: <https://www.solactive.com/documents/disruption-policy/>. Such market stress can arise due to a variety of reasons, but generally results in inaccurate or delayed prices for one or more INDEX COMPONENTS. The determination of the INDEX may be limited or impaired at times of illiquid or fragmented markets and market stress.

## 5. MISCELLANEOUS

### 5.1. METHODOLOGY REVIEW

The methodology of the INDEX is subject to regular review, at least annually. In case a need of a change of the methodology has been identified within such review (e.g. if the underlying market or economic reality has changed since the launch of the INDEX, i.e. if the present methodology is based on obsolete assumptions and factors and no longer reflects the reality as accurately, reliably and appropriately as before), such change will be made by the Index Administrator.

Such change in the methodology will be announced and published by the INDEX CALCULATION AGENT for the INDEX ADMINISTRATOR on the SOLACTIVE website under the Section “[Announcement](#)”, which is available at <https://www.solactive.com/news/announcements/>. The date of the last amendment of this INDEX is contained in this GUIDELINE.

### 5.2. CHANGES IN CALCULATION METHOD

The application by the INDEX ADMINISTRATOR and the INDEX CALCULATION AGENT of the method described in this document is final and binding. The INDEX ADMINISTRATOR and the Index Calculation Agent shall apply the method described above for the tasks assigned to them with regard to the composition, determination, calculation, maintenance and publication of the INDEX. However, it cannot be excluded that the market environment, supervisory, legal and financial or tax reasons may require changes to be made to this method. The INDEX ADMINISTRATOR may also make changes to the terms and conditions of the INDEX and the method applied to calculate the INDEX, and instruct the INDEX CALCULATION AGENT accordingly, that it deems to be necessary and desirable in order to prevent obvious or demonstrable error or to remedy, correct or supplement incorrect terms and conditions. Neither the INDEX ADMINISTRATOR nor the INDEX CALCULATION AGENT obliged to provide information on any such modifications or changes. Despite the modifications and changes, the INDEX ADMINISTRATOR and the INDEX CALCULATION AGENT will take the appropriate steps to ensure a calculation method is applied that is consistent with the method described above.

### 5.3. TERMINATION

The INDEX ADMINISTRATOR makes the greatest possible efforts to ensure the resilience and continued integrity of its indices over time. Where necessary, the INDEX ADMINISTRATOR follows a clearly defined and transparent procedure to adapt Index methodologies to changing underlying markets (see Section 5.2 “Methodology Review”) in order to maintain continued reliability and comparability of the indices. Nevertheless, if no other options are available the orderly cessation of the INDEX may be indicated. This is usually the case when the underlying market or economic reality, which an index is set to measure or to reflect, changes substantially and in a way not foreseeable at the time of inception of the index, the index rules, and particularly the selection criteria, can no longer be applied coherently or the index is no longer used as the underlying value for financial instruments, investment funds and financial contracts.

## 5.4. OVERSIGHT

The INDEX ADMINISTRATOR is responsible for decisions regarding any amendments to the rules of the INDEX.

## 6. DEFINITIONS

“BUSINESS DAY” is a day on which New York Stock Exchange is open for general business.

“CALCULATION DAY” is every weekday from Monday to Friday. A day on which New York Stock Exchange is not open for general business is not a CALCULATION DAY.

“CLOSE OF BUSINESS” is the calculation time of the closing level of the INDEX as outlined in Section 1.4.

The “CLOSING PRICE” in respect of an INDEX COMPONENT and a TRADING DAY is a security's final regular-hours TRADING PRICE published by the EXCHANGE and determined in accordance with the EXCHANGE regulations. If the EXCHANGE has no or has not published a CLOSING PRICE in accordance with the EXCHANGE rules for an INDEX COMPONENT, the last TRADING PRICE will be used.

“EXCHANGE” is with respect to the INDEX and every INDEX COMPONENT, the respective exchange where the INDEX COMPONENT has its listing as determined in accordance with the rules in Section 2.

“FIXING DAY” is the SELECTION DAY.

“GUIDELINE” shall have the meaning as defined in Section “Introduction”.

“INDEX” shall have the meaning as defined in Section “Introduction”.

“INDEX ADMINISTRATOR” shall have the meaning as defined in Section “Introduction”.

“INDEX CALCULATION AGENT” shall have the meaning as defined in Section “Introduction”.

“INDEX COMPONENT” is each security reflected in the INDEX.

“INDEX COMPONENT REQUIREMENTS” shall have the meaning as defined in Section 2.2.

“INDEX CURRENCY” is the currency specified in the column “Currency” in the table in Section 1.2.

“INDEX UNIVERSE REQUIREMENTS” shall have the meaning as defined in Section 2.1.

“INDEX UNIVERSE” is the sum of all financial instruments which fulfill the INDEX UNIVERSE REQUIREMENTS.

“LIVE DATE” shall have the meaning as defined in Section 1.3.

“LONG INDEX” is Low Volatility 500 Index.

“Market” is the 500 largest capitalized equity securities publicly traded in the United States.

“NET EXPOSURE” is the primary determinant of the direction the Index will move relative to its benchmark.

“NET BETA ADJUSTED EXPOSURE” adjusts Long Exposure by the beta of the Long Index.

“PORTFOLIO BETA” is a measure of the volatility of a portfolio. Beta measures the movement of portfolio relative to a benchmark index.

“PRICE MOMENTUM INDICATOR” is an algorithm that measures the price risk of a market.

“PRICE VOLATILITY INDICATOR” is bespoke measure of the price volatility (“PriceVol™”) of a market.

“PRICEVOL™” The brand of ASYMMetric’s bespoke measure of Price Volatility. It is used in the Price Volatility Indicator.



“REBALANCE DAY” is the 4<sup>th</sup> Business day following the SELECTION DAY. If that day is not a TRADING DAY the REBALANCE DAY will be the immediately following TRADING DAY.

“RISK ENVIRONMENT” determine by the scores of the Price Momentum and Price Volatility Indicators.

“RISK-ON ENVIRONMENT” is when the Price Momentum Indicator is above the 200-day SMA and the Price Volatility Indicator is Low.

“RISK-ELEVATED ENVIRONMENT” is when the Price Momentum Indicator is below the 200-day SMA and the Price Volatility Indicator is Low.

“RISK-OFF ENVIRONMENT” is when the Price Momentum Indicator is below the 200-day SMA and the Price Volatility Indicator is High.

“SECURITY BETA” is a measure of the volatility of a security. Beta measures the movement of a security relative to a benchmark index.

“SELECTION DAY” is the last business day of each month of the year.

“SHORT BOOK” is the SPDR S&P 500<sup>®</sup> ETF Trust (SPY).

“SOLACTIVE” shall have the meaning as defined in Section “Introduction”.

“START DATE” shall have the meaning as defined in Section 1.3.

“TRADING DAY” is with respect to an INDEX COMPONENT included in the INDEX at the REBALANCE DAY and every INDEX COMPONENT included in the INDEX at the CALCULATION DAY immediately following the REBALANCE DAY (for clarification: this provision is intended to capture the TRADING DAYS for the securities to be included in the INDEX as new INDEX COMPONENTS with close of trading on the relevant EXCHANGE on the REBALANCE DAY) a day on which the relevant EXCHANGE is open for trading (or a day that would have been such a day if a market disruption had not occurred), excluding days on which trading may be ceased prior to the scheduled EXCHANGE closing time and days on which the EXCHANGE is open for a scheduled shortened period. The INDEX ADMINISTRATOR is ultimately responsible as to whether a certain day is a TRADING DAY.

The “TRADING PRICE” in respect of an INDEX COMPONENT and a TRADING DAY is the most recent published price at which the INDEX COMPONENT was traded on the respective EXCHANGE.

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