



Fact Sheet

Nasdaq *IFED* 4% Target Volatility Index



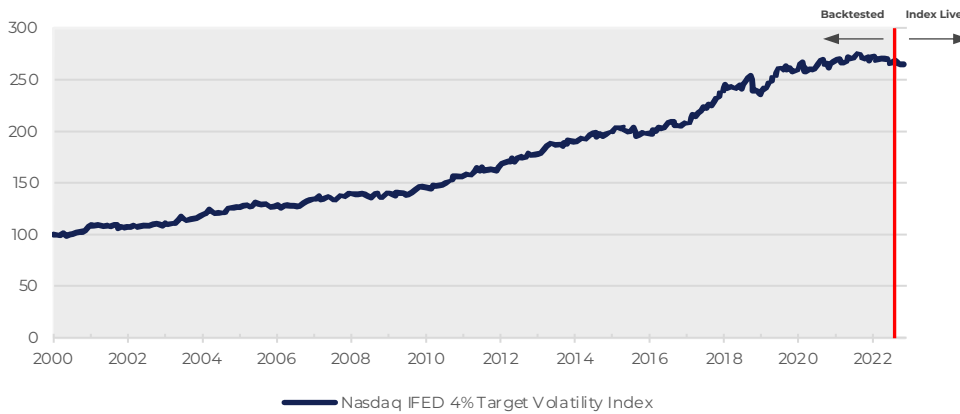
For more information:

w: www.economicindexassociates.com
e: info@economicindexassociates.com
p: +1 212 653 0697

Objective

The Nasdaq *IFED* 4% Target Volatility Index (Nasdaq *IFED-LV4*TM) allocates dynamically to the Nasdaq *IFED* US Large-Cap Low Volatility Index (Nasdaq *IFED-LV*) and the UBS 10Y Treasuries Excess Return Index. The Index adjusts its leverage on a daily basis targeting a volatility of 4%.

Historical Backtest **



Index Annual Return

2000	9.43%
2001	-1.50%
2002	3.26%
2003	7.48%
2004	6.42%
2005	-0.06%
2006	5.54%
2007	3.21%
2008	1.39%
2009	3.25%
2010	7.89%
2011	6.74%
2012	5.74%
2013	7.70%
2014	5.18%
2015	-1.41%
2016	5.16%
2017	15.41%
2018	-0.39%
2019	9.49%
2020	2.82%
2021	1.81%
2022 YTD	-2.70%

	Year To Date	Past 1y	Past 3y	Past 5y	Past 10y	All
Annualized Return						
IFEDLV4	-2.70% (not annualized)	-0.99%	0.74%	2.13%	4.11%	4.35%
Annualized Volatility						
IFEDLV4	-	3.66%	3.82%	3.84%	3.79%	3.84%
Sharpe Ratio						
IFEDLV4	-	-0.27	0.19	0.55	1.08	1.14



- On average, the exposure to Equity is 27.60% with a maximum exposure of 84.58% since January 3rd 2000
- The average exposure to the Dynamic Treasury Component is 77.51% with an effective average exposure to 10y Treasury post-signal of 42.69%

Source: Indxx, LLC, Bloomberg. All Nasdaq *IFED-LV4* constituent data, performance data or data derived from such performance data, including data above and elsewhere in this material, prior to August 15, 2022, is based on hypothetical back-tested performance of the Index (not live performance). The Index live date was August 15, 2022. ** Back-tested data range: January 3, 2000 - August 14, 2022. Live (historical) data range: August 15, 2022 - November 30, 2022.

INDEX METHODOLOGY

Nasdaq *IFED* US Large-Cap Low Volatility Index (Nasdaq *IFED-LV*)

UBS Dynamic Treasury Futures Tracker Strategy



STARTING UNIVERSE AND STOCK SCORING

- Stocks listed on NYSE or Nasdaq with at least three years of data
- EIA's proprietary monetary indicator uses Fed policy rates to classify the environment as expansive, restrictive or indeterminate
- Twelve firm-specific metrics are used to score each stock based on its ability to benefit from prevailing market conditions



COMPOSITION & WEIGHTING

- Each stock is ranked by its *IFED* Score
- Stocks with the highest scores for prevailing conditions are selected as potential constituents
- The Nasdaq *IFED* US Large-Cap Index selects 75 components from the 150 large-cap stocks with the lowest volatility at each rebalance

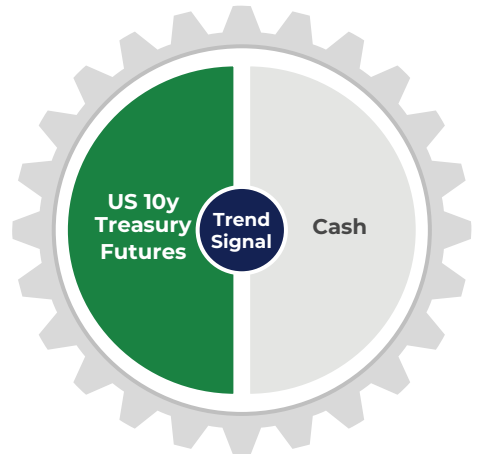


INDEX BALANCE TIMING

- Nasdaq *IFED* US Low Volatility Index is rebalanced under two conditions:
 - 1) the monetary environment changes;
 - 2) with no environment change in the six months prior to June 1st, a rebalance occurs based on changes in firm-specific metrics

FUTURES ALLOCATION BASED ON TREND SIGNAL

- **Trend:** interest rates tend to exhibit trending behavior; the stronger the trend, the greater the strength of the trend signal
- UBS Dynamic Treasury Futures Tracker Strategy adjusts US treasury futures exposure from 0% to 100% based on "Trend Signal"
- **At the time of interest rate hiking regime, the Strategy is expected to allocate less exposure to treasury futures to avoid suffering from treasury price drops**
- While, at the time of interest rate falling period, the Strategy is expected to keep the treasury exposure to benefit from treasury price increase



2 Layers of Volatility Target

Nasdaq *IFED* 4% Target Volatility Index applies two layers of risk control

1 Volatility of the Portfolio

- Every day, the volatility control measures the recent volatility of all sub-components of the index:
 - Nasdaq *IFED* US Large-Cap Low Volatility Index TR
 - UBS Dynamic Treasury Futures Tracker Strategy
- This enables the volatility control to measure the (simulated) recent volatility of the portfolio, using current portfolio weights
- Multiple different lookback windows, with different exponential decays, are used
- The volatility control takes the highest of the various volatility measures to conservatively determine the portfolio allocation needed to target the desired volatility level



2 Volatility of the Final Index

- Every day, the realized volatility of the intermediate index is measured over two time-windows
- This additional measure of volatility is used to tilt the exposure level, if needed, up or down in order to keep the realized volatility in line with the target over the long-term
- The residual exposure is allocated to an interest-free cash component

