



Syntax Defined Volatility US
Large Cap 500 Index
(SYDVLC) Rulebook

1 December 2025



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1 Index Objectives

The Syntax Defined Volatility US Large Cap 500 Index (the “Index”) tracks the net asset value of a portfolio that seeks exposure to the large-cap US equity market while targeting annual volatility of 20%. The Index seeks to accomplish these objectives by allocating to shares of the SPDR S&P 500 ETF Trust (Ticker: SPY) (the “Share Position”) together with a cash position (the “Cash Position”) as a way of reducing volatility, and a total return swap as needed on SPY (the “Swap Position”) as a way of applying leverage to the equity position and thereby increasing volatility.

2 Index Parameters

Launch Date: 30 September 2024

First Value Date: 31 December 2004

Index Calendar: US (NYSE)

Index Trading Hours: US (NYSE)

3 Index Allocation

3.1 Possible Allocations

On each trade date, the Index tracks the combined performance of up to three allocations: the Share Position, the Cash Position, and when applicable, the notional value of the Swap Position. The “SPY Exposure” is the combination of the Share Position and any additional exposure to SPY that is synthetically provided by the Swap Position.

On each trade date when it exists, the Swap Position incurs a percentage fee equal to the sum of 1) the daily equivalent of an annual fee of 100 bps (65 bps prior to 1 December 2025), and 2) the current daily



equivalent of the Secured Overnight Financing Rate (SOFR). The fee is charged on the current notional amount of the Swap Position, and its payment is debited from the Index's underlying NAV on the same date, paid by liquidating the equivalent value from out of the Share Position.

On each trade date, the Cash Position earns a percentage interest equal to the current daily equivalent of the Secured Overnight Financing Rate (SOFR). The interest is earned on the current amount of the Cash Position, and its payment is credited to the Index's underlying NAV on the same date, invested into the Share Position.

Prior to 3 April 2018, the Index used the US Federal Funds Effective Rate in lieu of the SOFR.

3.2 Reallocation Trigger

For each trade date, the Target Leverage of the Index is calculated based on data as of the market close as follows:

$$TL = \min \left\{ 2, \frac{0.2}{AV} \right\}$$

Where:

- **TL** is the Target Leverage
- **AV** is the annualized volatility of SPY based on the 21 trailing trade dates' log total returns

Whenever one or both of the following occurs as of the market close, the Index is reallocated effective for the following trade date such that the actual leverage as of that date's market open will be equal to the Target Leverage:

- The actual leverage of the Index diverges from the Target Leverage by more than 0.05 (five percentage points)
- The actual leverage of the Index exceeds 200% (considered starting on 1 December 2025, not prior to that trade date)

Depending on whether the Target Leverage exceeds 50% at the time the trade is triggered, this may be accomplished in either of the following approaches:



- If the Target Leverage is greater than 50%, then the trade equally divides the NAV between the Share Position and Cash Position, and allocates to the Swap Position as needed to meet the Target Leverage.
- If the Target Leverage is no greater than 50%, then the trade allocates that corresponding percentage of the NAV to the Share Position, allocates the remainder of the NAV to the Cash Position, and makes no allocation to the Swap Position.

Prior to 1 December 2025, the Cash Position and Swap Position were mutually exclusive: when a trade was triggered, the Index allocated to the Cash Position as needed to meet a Target Leverage below 100%, or to the Swap Position as needed to meet a Target Leverage above 100%.

4 Daily Calculation

4.1 Index Variants

The Index is calculated in US Dollar (USD) on an end-of-day (EOD) basis by Syntax Indices in the following variant:

Ticker	Name	Return Type	Base Date	Launch Date	Base Level
SYDVLC	Syntax Defined Volatility US Large Cap 500 Index	Gross Total Return	31 Dec 2004	30 Sep 2024	1000

4.2 Index Divisor

For each trade date, the Index Divisor is set to a value of 100.

4.3 Index Levels

For each trade date, the EOD Index Level is calculated as follows (all monetary values are in USD):

$$L = \frac{Q_e * (C_e + I_e) + V_c + I_c - N_s - E_s}{D}$$



Where:

- L is the Index Level as of the market close
- Q_e is the quantity of SPY shares equivalent to the SPY Exposure
- C_e is the share price of SPY as of the market close
- I_e is the per-share income gone ex for shares of SPY
- V_c is the value of the Cash Position, not including any accrued income
- I_c is the daily income earned from the Cash Position
- N_s is the notional value of the Swap Position, on which the daily fee expense for the Swap Position is calculated
- E_s is the daily fee expense incurred by the Swap Position
- D is the Index Divisor

4.4 Data Sourcing

The closing share prices and dividends of SPY and the daily values of the SOFR are sourced from LSEG Data & Analytics.