

# Nasdaq-100 Agile 15%™ Index (XNDXAG15™)

ELEVATOR PITCH



NASDAQ INDEX SOLUTIONS FOR INSURANCE CARRIERS

## 10 SECOND PITCH

The Nasdaq-100 Agile 15% Index (the “Index” or “Agile”) provides exposure to the Nasdaq-100 Total Return™ Index, while targeting a volatility level of 15%. The Index is designed to mitigate downside risk by using intraday data to identify volatility swings that may not be reflected in close-to-close values.

## 30 SECOND PITCH

Agile is ideal for investors seeking to capture the potential market gains of significant intraday volatility swings of the Nasdaq-100, while maintaining a target volatility and prioritizing capital preservation.

### ↪ Access to the Nasdaq-100®

Through Agile’s core allocation to the Nasdaq-100 Total Return™ Index, investors gain access to leading innovative technology and growth companies listed on Nasdaq®.

### ✓ Intraday Risk Management

In addition to close-to-close data, Agile leverages open prices and intraday highs and lows to measure realized volatility. This means the Index can potentially benefit from significant intraday price swings.

### 📖 Backed By Academic Research

The Index’s methodology was developed using the academic research from Dennis Yang and Qiang Zhang in Drift-Independent Volatility Estimation Based on High, Low, Open, and Close Prices.<sup>1</sup>

## 60 SECOND PITCH

The Nasdaq-100 Agile 15% Index employs a unique strategy to deliver potential upside for investors:

### ↪ Access to the Nasdaq-100

- The Nasdaq-100 Agile 15% Index provides investors exposure to the Nasdaq-100 Total Return™ Index while targeting a specified 15% volatility target.
- The Nasdaq-100 Total Return Index (XNDX™) tracks the performance of the 100 largest non-financial companies listed on the Nasdaq Stock Market®. Unlike the Nasdaq-100 which is, by default, a price return index, the Nasdaq-100 Total Return Index offers a more complete performance picture as it accounts for all income generated from underlying stocks – such as reinvested dividends.

### ✓ Intraday Risk Management

- Traditional volatility control indexes use close-to-close returns to measure realized volatility. The intraday volatility metric utilized by Agile incorporates daily high and low prices, daily closing and opening prices, and overnight close-to-open price moves in its volatility calculation. This method of measuring volatility has the potential benefit of observing higher volatility on days during which there are significant intraday swings, especially when they are not reflected in the close-to-close prices.
- In addition to a daily rebalance Agile incorporates a built-in rebalance threshold to reduce turnover. On each day, the index calculates the daily volatility and “preliminary leverage”. If on any day the incoming portfolio volatility is within 1.125% of the target volatility (15%), the index does not rebalance, and instead it will continue using the previous day’s portfolio.

### 📖 Backed By Academic Research

- The Index was designed using academic research published in Drift-Independent Volatility Estimation Based on High, Low, Open, and Close Prices, by Dennis Yang and Qiang Zhang.
- This research paper presents a new way to estimate volatility using multiple periods of high, low, open, and close prices in a historical time series. It posits that volatility estimates derived from this method is more accurate than close-to-close estimates.

<sup>1</sup> Yang, Dennis, and Qiang Zhang. “Drift-Independent Volatility Estimation Based on High, Low, Open, and Close Prices.” The Journal of Business 73, no. 3 (2000): 477–92. <https://doi.org/10.1086/209650>

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