



Nasdaq Insurance Solutions

Empowering Investors with Enhanced
Risk Management: Nasdaq-100
Volatility Control™ Indexes

nasdaq.com

Nasdaq: A Leading US and Global Exchange Operator with World-Class Indexing Capabilities

Leveraging its extensive resources and brand recognition as the home of the world's most innovative companies, Nasdaq continues to push boundaries in the index business.

At the forefront of Nasdaq's index offerings stands the Nasdaq-100 Index®, globally respected for defining today's modern-day industrials. This benchmark has consistently outperformed other US benchmark indexes, attracting investors seeking exposure to the most innovative growth and technology stocks listed on Nasdaq.



Nasdaq-100 Volatility Control™ Indexes

Empowering Investors with
Enhanced Risk Management

Nasdaq's remarkable achievements are rooted in its steadfast dedication to understanding and addressing the dynamic needs of the market. In line with this commitment, Nasdaq has joined forces with Salt Financial to unveil a series of Nasdaq-100 Volatility Control™ Indexes.

These indexes help empower investors to manage their exposure to volatility while benefiting from the renowned Nasdaq-100 Total Return™ Index (XNDX™). Each index aims for a consistent level of annualized volatility, 5%, 7%, 10%, 12%, and 15% respectively, enabling investors to align their investment goals with their risk tolerance.

Index Volatility Target	XNDX Exposure Range	Risk Scaling
5.0%	Up to 150%	20%
7.0%	Up to 150%	20%
10.0%	Up to 150%	20%
12.0%	Up to 150%	15%
15.0%	Up to 200%	15%

Gross Cost	Ticker	4Q 2024	YTD 2024	Sharpe Ratio*
Nasdaq-100 Volatility Control 5%™ Index	XNDX5E™	0.87%	3.23%	0.88
Nasdaq-100 Volatility Control 7%™ Index	XNDX7E™	1.20%	4.50%	0.88
Nasdaq-100 Volatility Control 10%™ Index	XNDX10E™	1.70%	6.64%	0.87
Nasdaq-100 Volatility Control 12%™ Index	XNDX12E™	2.34%	8.81%	0.84
Nasdaq-100 Volatility Control 15%™ Index	XNDX15E™	2.83%	10.85%	0.84
Net Cost	Ticker	4Q 2024	YTD 2024	Sharpe Ratio*
Nasdaq-100 Volatility Control 5%™ NC Index	XNDX5NC™	0.62%	2.45%	0.72
Nasdaq-100 Volatility Control 7%™ NC Index	XNDX7NC™	0.91%	3.61%	0.75
Nasdaq-100 Volatility Control 10%™ NC Index	XNDX10NC™	1.36%	5.58%	0.76
Nasdaq-100 Volatility Control 12%™ NC Index	XNDX12NC™	1.98%	7.66%	0.75
Nasdaq-100 Volatility Control 15%™ NC Index	XNDX15NC™	2.43%	9.52%	0.75
Nasdaq-100 Total Return™ Index	XNDX™	7.63%	25.88%	0.59

*Fed Funds return (1.58%) decremented from the Nasdaq-100 Total Return™ performance.

Source: Nasdaq, Salt Financial. December 31, 2003 through March 28, 2024. Past performance may not be indicative of future performance.

The Methodology

By harnessing the rich information in intraday data, the indexes utilize an advanced volatility control mechanism that helps deliver greater responsiveness and increased participation through the range of volatility targets, allowing for alignment with product objectives and options budgets.

Index Construction

Underlying Index



Nasdaq-100 Total Return™ (XNDX™)

Exposure Ratio



Use truVol to estimate XNDX™ volatility and scale the exposure with cash (or leverage) to target the specified level of volatility.

Dynamic Risk Scaling



Adjust the exposure of XNDX™ up or down based on short-term volatility trend determined by the truVol Dynamic Risk Scalars.

Volatility Adjustment Factor



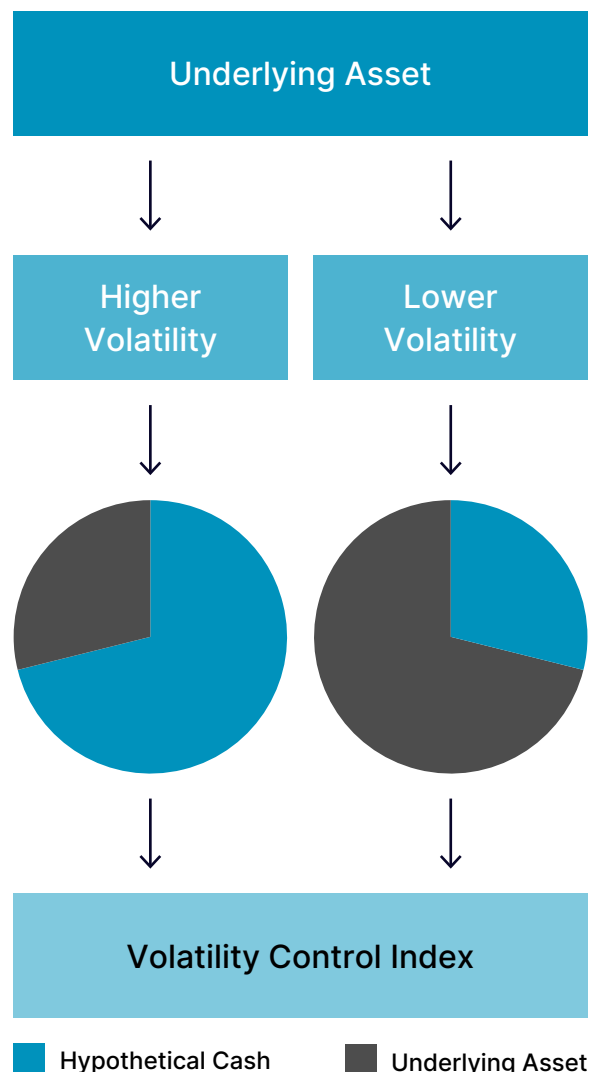
Adjust the final exposure based on trailing volatility of the index itself to maintain the specified volatility level.

Enhanced Returns with Stable Volatility

Introducing the truVol® Risk Control Engine (RCE)

Developed by Salt Financial, truVol® utilizes a volatility model based on intraday prices to enable faster reactions to market events.

The dynamic rebalancing feature helps achieve optimal performance by adjusting exposure to the underlying asset to achieve the desired level of volatility. In times of high volatility, exposure is reduced to mitigate risk. Conversely, when volatility is low, exposure is increased to target the specified volatility target.



Benefits of Volatility Control

The benefits of volatility control are significant; by stabilizing index returns and containing volatility around targeted levels, these mechanisms improve options pricing and can help reduce drawdowns, increasing potential upside for investors. Furthermore, better pricing allows for better participation rates, leading to improved interest crediting for annuitants. The stability offered by volatility control allows for more consistent participation rates during the renewal process, providing investors with a sense of assurance.



Link to Nasdaq-100

Nasdaq-100 Index®: The New Definition of Modern Industrials

Our globally respected Nasdaq-100 Index® redefines modern industrials, consistently outperforming other US benchmarks. Offering investors exposure to the foremost innovative growth and technology stocks listed on The Nasdaq Stock Exchange, we ensure your journey aligns with our mission of empowerment and enrichment.

The Nasdaq-100 Total Return™ Index (XNDX™) is designed to capture the total return generated by holding stocks within the Nasdaq-100 Index®, considering both price appreciation and reinvested dividends. It provides a comprehensive view of the overall performance for investors.

In the Volatility Control Indexes suite, XNDX™ serves as the underlying asset. The suite dynamically adjusts exposure to XNDX™ based on market volatility; during high volatility periods, exposure to XNDX™ is reduced, while it is increased during low volatility periods. This dynamic rebalancing ensures a more predictable and stable volatility profile, enhancing risk management for investors.

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