Syntax Defensive Index (SYDFNV) Rulebook

13 November 2023

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1 Index Objective

The Syntax® Defensive Index (the "Index") equally weights up to 50 publicly traded US companies that provide goods or services for which demand is relatively inelastic. The Index applies screens for thematic purity of exposure, liquidity, and size, and defines business segments including defensive utilities, consumer staples and necessities, defensive healthcare, and other defensive businesses.

The Index uses company classification data structured in Syntax's proprietary Functional Information System (FIS)®, which draws primarily from audited annual reports (e.g., 10-K filings) and secondarily from unaudited documents (e.g., news articles, company websites) to allow granular groupings and comparisons of companies by the characteristics of their various product lines.

Information regarding the day-to-day calculation and maintenance of this and other Syntax Indices — as well as regarding the definitions of key terms used throughout this and other Syntax Index Rulebooks — is available in an accompanying document, the *Syntax Index Calculations & Adjustments Rulebook.*

2 Index Parameters

Launch Date: 16 December 2022

First Value Date: 15 March 2013

Index Calendar: US (NYSE)

Index Trading Hours: US (NYSE)

Corporate Action Handling: Equal-weight Methods

Regular Dividend Reinvestment: Pro rata Method

Reconstitution: Quarterly — each March, June, September and December (the "Reconstitution Months")

Rebalancing: Quarterly — each March, June, September and December (the "Rebalancing Months")

Snapshot Date: The last US trade date before the Rebalancing Month, at the market close

Weight Date: The last US trade date on or before the Wednesday before the second Friday of the Rebalancing Month, at the market close

Rebalance Date: The last US trade date on or before the third Friday of the Rebalancing Month, at the market close

Effective Date: The first US trade date following the third Friday of the Rebalancing Month, at the market open

Inter-Basket Changes: Constituent entities are neither added nor removed in the Rebalancing except as compelled by reasons that could have triggered an Intra-Basket Change had they occurred between Rebalancings. The Constituent security or Constituent listing of a Constituent entity may be replaced in the Rebalancing by another that provides sufficiently equivalent exposure to the same Constituent entity, as per the Administrator's Expert Judgment. Additions and removals of all kinds may be made in the Reconstitution.

Intra-Basket Changes: Index Constituents may be removed at any time due to corporate actions or events severely affecting liquidity, business integrity, or the relevance of business engagement. Except where specified in the *Syntax Index Calculations & Adjustments Rulebook* for handling of corporate actions such as mergers or spinoffs, Index Constituents are not added between Rebalancings.

3 Basket Constructions

3.1 Universe

The Index's Universe is drawn from the Syntax US 3000 Index (SY3000). Candidates are identified using Syntax FIS data showing that each has at least 50% Theme Exposure (typically measured as a percentage

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of revenues, and in some cases reflecting profit or other indicators that are deemed more relevant) from one or more of the following business segments:

- **Defensive Utilities:** the provision of water, electricity, heat, or gas.

- **Consumer Staples & Necessities:** products that are consumer staples and necessities, including food, personal, and household-care products. This group includes pharmacies but excludes pharmaceutical manufacturing.

- **Defensive Healthcare:** the pharmaceuticals or medical devices supply chain, including manufacturing of equipment, distribution of pharmaceutical ingredients, and more.

- **Other Defensive Businesses:** the provision of goods and services (excluding utilities, healthcare and consumer staples and necessities) for which demand is inelastic, such as auto repair and wastewater treatment.

3.2 Selection

To be considered an "Eligible Candidate" and enter the ranking process, a Candidate must meet all the following eligibility criteria:
- Average Daily Traded Value (ADTV): three-month minimum of 5 million USD based on at least one month of trading history
- Float Factor: minimum of 20%
- Market capitalization: minimum of 15 billion USD
- Float-adjusted market capitalization: minimum of 1 billion USD

The Index selects Constituents from among the Eligible Candidates by the following steps:
1) Rank all the Eligible Candidates by three metrics in descending order separately: market capitalization, three-month ADTV, and Theme Exposure.

2) For each Eligible Candidate, average the three metrics' rank numbers.

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3) By ascending order of the averaged rank numbers from (2), using three-month ADTV as a rank tiebreaker — such that all else held equal, Eligible Candidates with higher values for the three metrics are selected first — select Constituents from among the Eligible Candidates until either 50 Constituents are selected, or all Eligible Candidates are selected.

3.3 Weighting

All Constituents are equally weighted as of the Weight Date.

4 Index Variants

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

Ticker	Name	Return Type	Base Date	Launch Date	Base Level
SYDFNV	Syntax Defensive Index	Price Return	15 Mar 2013	16 Dec 2022	1000
SYDFNVG	Syntax Defensive Total Return Index	Gross Total Return	15 Mar 2013	16 Dec 2022	1000

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