# Syntax Stratified 1000 Index (SY1KPR) Rulebook

**10 June 2023**

# Table of Contents

# 1  Index Objective

The Syntax Stratified 1000 Index (the "Index") measures the Stratified Weight® performance of the Constituents of the Syntax US 1000 Index (SY1000).

All Syntax Stratified Indices® diversify Constituents across related business risks using stratification, a technique common in statistics. The Index defines related business risks using 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:** 21 August 2019

**First Value Date:** 30 September 1998

**Index Calendar:** US (NYSE)

**Index Trading Hours:** US (NYSE)

**Corporate Action Handling:** Equal-weight Methods; prior to the June 2023 Reconstitution, methods described in FTSE Russell's *Corporate Actions and Events Guide for Non-Market Capitalisation Weighted Indices*

**Regular Dividend Reinvestment:** Pro rata Method; prior to the June 2023 Reconstitution, the Total Return Indices (TRI) method described in FTSE Russell's *Guide to Calculation FTSE Global Equity Index Series*

**Reconstitution:** Quarterly — each March, June, September, and December (the "Reconstitution Months"); prior to the June 2023 Reconstitution, Annual — each June

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

**Weight Date:** The last US trade date on or before the Wednesday immediately preceding the second Friday of the Rebalancing Month, at the market close; for the June 2023 Reconstitution, 7 June 2023, at the market close; and prior to the June 2023 Reconstitution, the last US trade date on or before the Wednesday immediately preceding the second Friday of June, and the last US trade date on or before the Wednesday immediately preceding the first Friday of March, September and December, 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; for the June 2023 Reconstitution, 9 June 2023, at the market close; and prior to the June 2023 Reconstitution, the last US trade date on or before the fourth Friday of June, and the last US trade date on or before the third Friday of March, September and December, at the market close

**Effective Date:** The first US trade date following the third Friday of the Rebalancing Month, at the market open; for the June 2023 Reconstitution, 12 June 2023, at the market open; and prior to the June 2023 Reconstitution, the first US trade date following the fourth Friday of June, and the first US trade date following the third Friday of March, September and December, at the market open; for the June 2023 Reconstitution, 12 June 2023 at the market open

**Inter-Basket Changes:** The Index reflects the Constituent additions and removals of its Universe, but differs from that Universe with respect to Index Shares and Index Weights, as per the Index's weighting methodology.

**Intra-Basket Changes:** The Index reflects the Constituent additions and removals of its Universe, but may differ from that Universe with respect to Constituent allocation adjustments, as per the Index's corporate action handling.

# 3 Basket Construction

## 3.1 Universe

The Index's Universe is the Syntax US 1000 (SY1000) Index. Prior to the June 2023 Reconstitution, the Index's Universe was the Russell 1000 Index.

## 3.2 Selection

The Index selects as Constituents all Candidates from the Universe.

## 3.3 Weighting

Syntax identifies "related business risk groups" (sets of risk characteristics, where those characteristics are defined by a sequence of FIS tags) represented by the Constituents. The Index's related business risk groups are used to create the "Stratification Architecture" (a hierarchy of related business risk groups, where each Constituent is allocated exactly one related business risk group at each level of the hierarchy).

As of the Weight Date, Constituents are weighted by equally weighting the related business risk groups at the first level of the Stratification Architecture, equally weighting the subgroups of each level, and equally weighting the Constituents in the lowest level subgroup.

# 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 |
|--------|------|-------------|-----------|-------------|------------|
| SY1KPR | Syntax Stratified 1000 Index | Price Return | 28 Jun 2019 | 21 Aug 2019 | 100 |
| SY1KTR | Syntax Stratified 1000 Index (TR) | Gross Total Return | 28 Jun 2019 | 21 Aug 2019 | 100 |

Prior to the June 2023 Reconstitution, the Index was calculated by FTSE Russell.