

NYSE® Zebra Edge® II Index

Ticker: ZEDGENY2

Based in part upon the award-winning research of professor Roger G. Ibbotson

ICE Data Indices has partnered with Zebra Capital to offer the NYSE® Zebra Edge® II Index, a follow-on offering to the first-to-market popularity-based behavioral finance index.

The NYSE® Zebra Edge® II Index is based in part upon the award-winning research of Professor Ibbotson to provide an opportunity for consistent long-term returns through bull and bear markets. Roger and his team at Zebra Capital have found that, historically, long-term investors have been rewarded for removing overly popular stocks from their portfolios. These are defined as having excessive share turnover relative to the amount of shares outstanding and being overly volatile.

In order to enhance equity participation rates for investors, an innovative partial market hedge feature has been designed to further dampen volatility of the portfolio, allowing for more efficient exposure.

Zebra Capital Management

- A fundamental systemic equity manager specializing in the liquidity/popularity investment style
- Founded in 2001 by Roger Ibbotson, Zebra Capital Management has combined leading-edge academic research and analytical methods with decades of direct trading, risk management and operational experience

Roger G. Ibbotson, PH.D.

- Chairman and founder of Zebra Capital Management
- Finance Professor, Yale School of Management for Over 30 Years
- Founder, advisor and former chairman of Ibbotson Associates, now a Morningstar Company

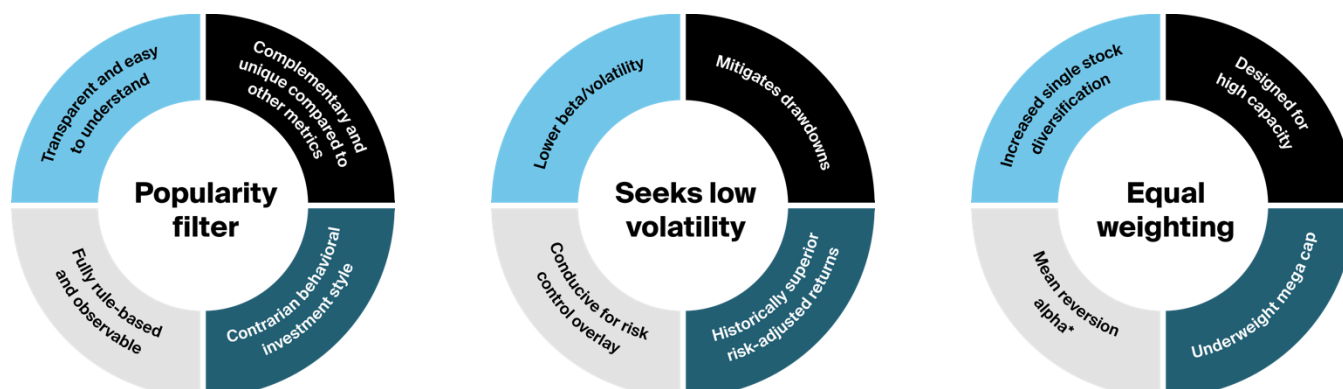
1“Liquidity as an Investment Style: 2015 Update,” by Roger Ibbotson, Ph.D. and Daniel Y.-J. Kim, Ph.D., zebrecapm.com.



“Popularity can encompass all investment styles... It has rewarded the investor with longer horizons—and who has been willing to be contrarian.”

– Roger G. Ibbotson

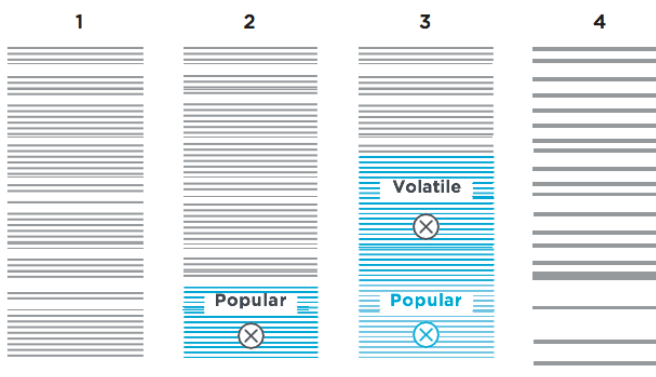
Index construction methodology



*10 Years Later: “Where in the World is Equal Weight Index Now?” by Liyu Zeng, CFA and Frank Luo, Ph.D Copyright © 2013 by S&P Dow Jones Indices LLC. First published in April 2013.

Zebra equity component construction

1. Universe: NYSE U.S. Large Cap Equal Weight Index (500 stocks)
2. Remove the 150 most popular names
3. Remove the 250 most long- and short-term volatile names
4. Equally weight the remaining names. Rebalances quarterly on the last day of trading in February, May, September and November



Risk controls

To help mitigate the effects of volatility on returns, the Index utilizes a risk control process comprised of a short benchmark equity futures position, US Treasury futures, and cash which is rebalanced daily. As well as reducing volatility, this approach provides direct exposure to the outperformance of the Zebra Equity portfolio relative to the broader market.



Enhanced equity exposure

An enhanced equity portfolio is created by combining a 125% investment in the Zebra Equity component with a defensive overlay consisting of a short position in listed equity benchmark futures (-40% notional).



U.S. treasury response II strategy

Depending on performance trends of the enhanced equity portfolio and the combination of performance & carry signals of different maturities across the U.S. Treasury curve, a tactical allocation is balanced between Treasury futures and cash to dampen the effects of heightened equity market volatility.



Portfolio-level volatility target

A short-term measure of realized volatility is used to target a 4.2% risk budget for the index. A longer dated variance adjustment factor is applied to further control the overall level of risk. When simulated volatility for the blended allocation exceeds 4.2%, overall exposure is reduced by allocating a pro-rata portion of the portfolio to an interest-free cash account. When volatility is below 4.2%, full portfolio exposure is maintained or can be increased up to a maximum of 150%.



Cost function

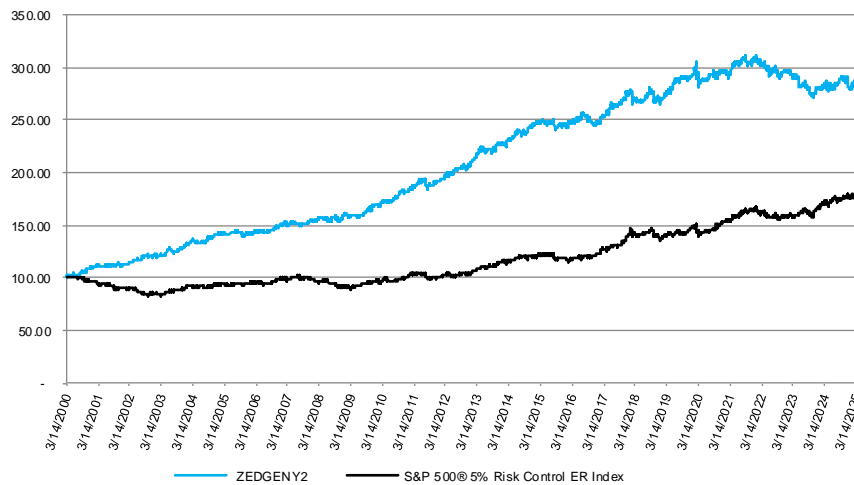
To better stabilize product pricing and allow for consistency in renewals, the following funding & rebalancing costs are embedded within the index:

- Zebra equity financing: Fed Funds + 50bp
- Short equity futures financing: 10bp
- US Treasury futures financing: 5bp

Risk control rebalancing: 1.5bp on changes in allocation

Hypothetical historical performance

Performance VS. S&P 500 5% risk control excess return index



ICE sector weights

Financials	19.86%
Industrials	19.07%
Consumer Staples	10.23%
Real Estate & REITs	9.42%
Healthcare	9.39%
Utilities	8.29%
Technology	6.82%
Consumer Discretionary	5.99%
Materials	4.61%
Media & Communications	3.87%
Energy	2.46%

Sector weights are calculated using non-risk control allocations as of June 30, 2025

Monthly and yearly returns

Year	Jan	Feb	Mar	Apr	May	June	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2000			2.48	0.18	1	-1.7	0.99	1.32	1.92	1.81	1.09	1.96	11.56
2001	-1.09	1.16	-0.34	-0.44	1.18	-1.07	0.98	0.64	-0.48	0.75	-0.63	0.08	0.72
2002	0.23	1.67	0.12	1.58	0.6	-0.04	1.43	1.32	1.41	-0.55	-1.36	2.79	9.53
2003	-2.39	1.56	-0.5	1.3	3.15	-0.43	-1.38	0.28	1.02	1.65	0.76	2.47	7.6
2004	0.14	2.01	0.07	-1.45	0.19	0.71	-0.5	2.39	0.56	0.76	1.16	1.22	7.44
2005	-0.47	-0.05	-0.29	-0.02	1.05	0.24	0.79	-0.44	-0.88	-1.04	0.76	0.21	-0.18
2006	-0.32	1.38	0.08	0.86	-0.61	-0.21	0.3	0.6	0.91	1.21	0.49	1.29	6.12
2007	0.27	-0.22	-0.06	0.78	0.65	-1.25	-1.27	1.18	0.64	-0.2	2.25	-0.71	2.02
2008	0.87	1.01	0.35	-1.16	0.12	-0.82	0.62	0.96	-0.81	-0.81	2.27	1.52	4.13
2009	-1.07	-0.92	1.49	-0.37	-0.49	0.77	0.79	0.95	1.83	-0.58	2.77	0.15	5.38
2010	-0.5	1.28	1.03	1.25	-1.3	0.58	1.86	0.15	2.32	1.05	-0.74	0.96	8.16
2011	0.69	1.62	0.12	2.02	1.22	-0.64	-0.63	-1.14	-0.17	1.03	0.53	0.82	5.56
2012	0.59	0.56	1.73	1.16	-0.31	1.7	0.38	-0.09	0.54	0.37	0.53	0.31	7.73
2013	2.04	1.58	2.34	1.43	-1.04	-0.46	0.99	-1.48	1.51	1.76	0.52	0.55	10.08
2014	-0.79	1.7	0.64	0.59	1.44	1.24	-2.47	2.4	-0.97	2.08	1.32	0.34	7.67
2015	0.46	0.54	0.27	-1.06	0.59	-0.9	1.48	-2.8	0.75	0.59	0.13	-0.29	-0.3
2016	0.12	0.76	0.97	-0.46	0.58	2.24	0.31	-1.04	-0.84	-1.19	-1.27	0.53	0.65
2017	0.47	2.69	-0.18	1.27	1.91	-0.35	0.76	0.64	-0.02	1.31	3	-0.68	11.3
2018	0.75	-2.75	-0.08	-0.64	0.18	0.43	2.01	1.47	-0.55	-3.29	1.67	-1.26	-2.19
2019	1.21	0.63	1.65	1.14	-0.15	2.01	0.3	1.22	0.24	-0.39	-0.07	0.45	8.52
2020	2.18	-3.22	-0.66	0.55	0.55	-0.26	1.47	0.28	-0.5	-0.86	1.96	0.5	1.88
2021	-1.54	-0.54	2.11	1.83	0.44	-0.42	1.73	0.58	-2.84	1.52	-1.05	2.83	4.57
2022	-1.64	-0.47	-0.25	-1.1	-0.02	-1.46	1.19	-1.37	-1.53	1.36	1.05	-0.61	-4.82
2023	0.3	-1.55	-0.41	0.4	-3.42	0.74	0.1	-1.28	-2.06	-0.83	1.45	1.37	-5.17
2024	-0.25	0.86	1.47	-1.91	0.61	-0.83	1.86	1.18	0.39	-1.22	1.86	-3.46	0.41
2025	0.61	1.43	0.13	-1	-0.68	0.01							0.49

Source: ICE Data Indices.

The term "hypothetical historical performance" refers to simulated performance data provided as an illustration of how the Index would have performed during the relevant period had the Index sponsor been calculating the Index using the current Index methodology. Such simulated performance data has inherent limitations, as the simulated data is produced by the retroactive application of a backtested methodology. Simulated performance data is based on criteria applied retroactively with the benefit of hindsight and knowledge of factors that may have positively affected its performance and may reflect a bias toward strategies that have performed well in the past. This data does not reflect actual performance, nor was a contemporaneous investment model run of the Index. No future performance of the Index can be predicted based on the simulated performance described herein. All data presented for the NYSE® Zebra Edge® Index prior to its live date of October 6, 2020, and for the S&P 500 5% Risk Control Excess Return Index prior to its live date of September 10, 2009, are based on hypothetical historical performance.

Key statistics

	NYSE® Zebra Edge® II Index	S&P 500 5% Risk Control ER Index
Annualized return	4.15%	2.23%
Annualized volatility	4.39%	5.08%
Return to risk	0.94	0.44
1 year return (ann.)	0.99%	-0.57%
3 year return (ann.)	-1.44%	3.39%
5 year return (ann.)	-0.41%	3.86%

The key statistics of the Index are derived from simulated performance data provided as an illustration of how the Index would have performed during the relevant period had the Index sponsor been calculating the Index using the current Index methodology.

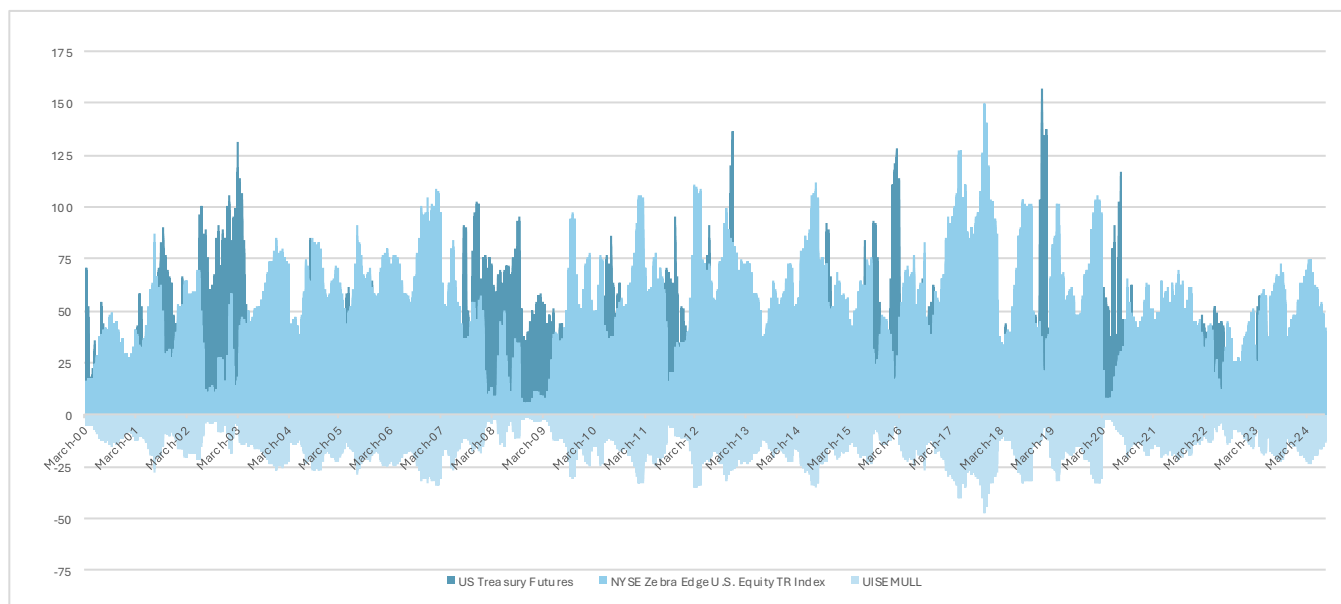
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Range: July 6, 2000 – June 30, 2025

Source: ICE Data Indices and S&P Dow Jones.

Hypothetical historical asset allocation

The term “hypothetical historical asset allocation” refers to simulated Index asset allocations provided as an illustration of the Index’s asset allocations during the relevant period had the Index sponsor been calculating the Index using the current Index methodology. Simulated Index data has inherent limitations, as the simulated data is produced by the retroactive application of a backtested methodology. This data does not reflect the Index’s actual asset allocations over the relevant period. No future asset allocations of the Index can be predicted based on the simulated asset allocations described herein.



Range: July 7, 2000 – June 30, 2025

Source: ICE Data Indices.

Note: the NYSE® Zebra Edge® U.S. Equity Total Return Index (NYZUSTR) allocation is reduced by an annual interest rate consisting of the Secured Overnight Financing Rate (SOFR) plus a spread adjustment of 0.26161%.

Selected risk considerations

- NYSE® Zebra Edge® II Index relies on risk control methodology, and could underperform indices that do not have a risk control overlay.
- Risk control overlay strategies may underperform in a volatile range bound market.
- The Zebra Edge™ Equity Component could underperform relative to other equity investment strategies.
- The NYSE® Zebra Edge™ Index contains exposure either to the ICE U.S. 5 Year Treasury Futures Index or the ICE U.S. 10 Year Treasury Futures Index, which creates risks of investing in futures and bonds. The component may decline if interest rates rise.
- The U.S. Treasury Response Strategy embeds a trend following strategy to mitigate losses in a rising rate market. However, the strategy could lose value if there is a rapid or sudden increase in interest rates causing bond prices to fall.

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