Lenwood Volatility Control Index Factsheet

Date:08/30/2019

Index Objective

The Index targets enhanced performance versus traditional benchmark portfolios by dynamically adjusting components based on US Equity and Bond market trends.

Index Strategy

The Index attempts to maximize returns by providing different exposures during different economic cycles using a transparent rules-based relative strength strategy to select and weigh up to four of the following assets on a monthly basis: S&P 500 Total Return Index, S&P 500 Equal Weight Total Return Index, S&P 500 Low Volatility Total Return Index, S&P 500 2-Year U.S. Treasury Note Futures Index ER, S&P 5-Year US Treasury Note Futures Index ER, S&P 10-Year U.S Treasury Note Futures Index ER and Cash. The Index controls risk by targeting a specific level of volatility (7.0%) by dynamically allocating between the relative strength strategy and cash on a daily basis. Volatility is measured over the last 20 days and the cash allocation earns a return based on the 3-month U.S. Dollar London Interbank Offered Rate (LIBOR).

Bloomberg Ticker: LVCI: IND

Reuters RIC: .LVCI

Launch Date: May 28, 2014

Asset Classes: Equity/Fixed Income/Cash

No. of Underlying Indices: Six (6)

Benchmark Indices:
(1) SPTR
(2) 50% Equity (SPTR), 50% Bond (LUATTRUU) Portfolio

Base Date: December 01, 1999

Base Value: 196.374

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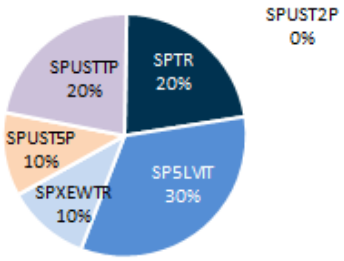
Performance Matrix

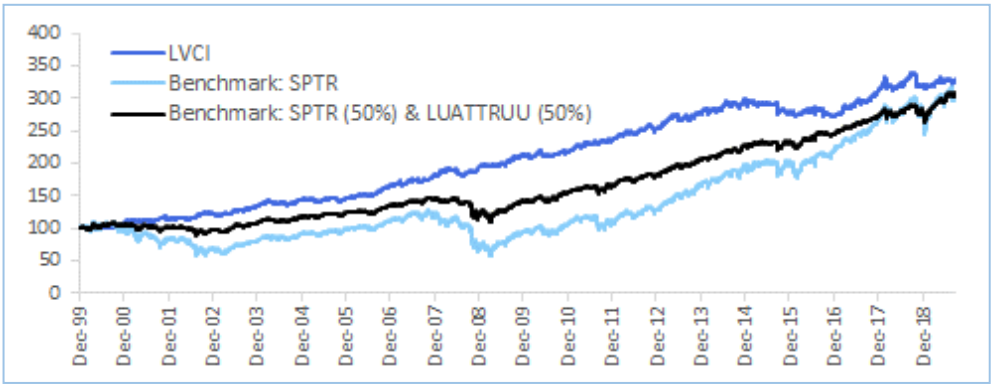
	1	3	5	10	15	YTD*
Annualized Returns	-2.31%	5.20%	2.23%	4.74%	5.95%	3.15%
Standard Deviation	6.46%	6.51%	6.57%	6.21%	6.14%	5.65%
Sharpe Ratio	-0.36	0.80	0.34	0.76	0.97	0.56

***YTD returns are not annualized**

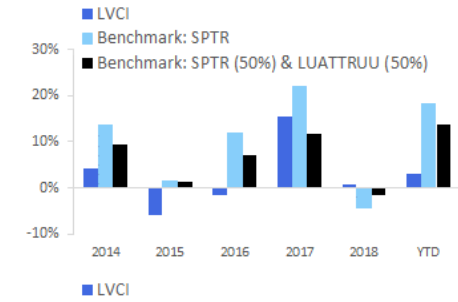
Allocation for Aug 2019



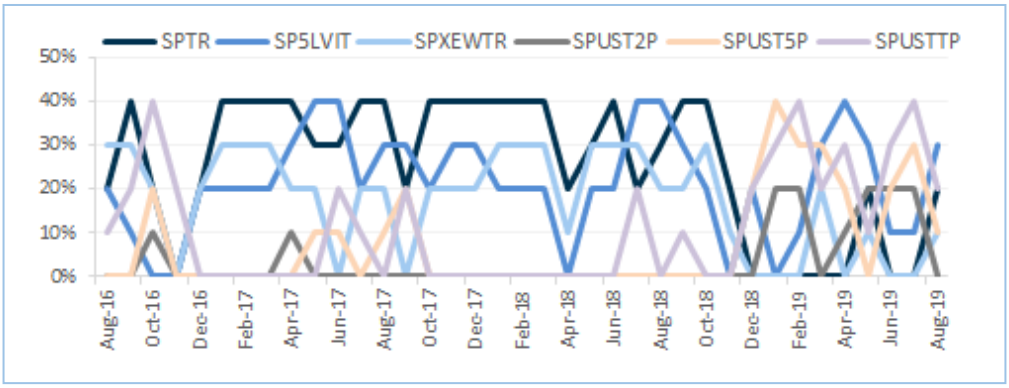
Performance Chart



Annual Return



Historical Weights of the Index Constituents



INDEX METHODOLOGIES

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RISK FACTORS

The following risk factors are not a complete list or explanation of all the risks associated with the Index. All persons referring to or using the Index in connection with any investment in an instrument linked to or associated with the Index should seek advice from their legal, tax, accounting and other advisors.

An investment in an instrument related to the Index may not be a suitable investment for all investors.

Instruments related to the Index are complex financial instruments and such instruments may be purchased as a way for you to incur particular market exposures or seek enhanced yield with an appropriate addition of risk to your overall portfolio. You should not invest in complex financial instruments unless you have the expertise to evaluate how such an instrument may perform under changing conditions, the resulting effects on the value of such instrument and the impact this investment will have on your overall investment portfolio.

Each investor, together with its advisors, must determine the suitability of an investment in an instrument related to the Index in light of his, her or its own circumstances.

Each investor considering an investment in an instrument related to the Index should:

i. have sufficient knowledge and experience to make an evaluation of an investment in an instrument related to the Index and the merits and risks of investing in an instrument related to the Index;

ii. have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of his, her or its particular financial situation, an investment in an instrument related to the Index and the impact such investment will have on the overall investment portfolio;

iii. have sufficient financial resources and liquidity to bear all of the risks of an investment in an instrument related to the Index, including the risk of loss of such investment and any currency risk where the return, if any, on his, her or its investment is payable in one or more currencies, or where the currency for principal or premium or return, if any, on the investment is different from the investor's currency;

iv. understand the terms of the investment in an instrument related to the Index and be familiar with the behavior of the Index, and the components thereof and financial markets generally; and

v. be able to evaluate possible scenarios for economic, interest rate and other factors that may affect the investor's investment and his, her or its ability to bear the applicable risks.

Proprietary and Rules-Based Trading Index

The Index follows a notional rules-based proprietary trading algorithm that operates on the basis of pre-determined rules. Accordingly, potential investors in financial products which are linked to the performance of the Index should determine whether those rules as described in the Description are appropriate in light of their individual circumstances and investment objectives. No assurance can be given that the algorithm on which the Index is based will be successful or that the Index will outperform any alternative algorithm that might be employed.

No Recourse to Assets

The Index is purely synthetic. The exposure to each Underlying is purely notional and will exist only in the records held by the Index Sponsor. There are no assets to which any person is entitled or in which any person has any ownership interest or which serve as collateral for any investment product related to the Index. In particular no investor in instruments linked to this Index will have any rights in respect of any components of any Underlying.

Simulated Operating History

The Index will be first calculated on a live basis on or around the Live Date and therefore lacks actual historical performance. The Calculation Agent and the Sponsor have retrospectively calculated the closing levels of the Index from the Base Date to but excluding the Live Date. However, because the Index will not be calculated before the Live Date, all such retrospective closing levels are simulated and must be considered hypothetical and illustrative only.

Simulated data prior to the Live Date may be constructed using certain procedures that vary from the procedures used to calculate the Index following its establishment and on the basis of certain assumptions that may not apply in the future. Although these assumptions are considered reasonable or necessary, the variations used in producing simulated historical data from those used to calculate the Index going forward could produce variations in returns of indeterminate direction and amount.

In particular, simulated history for the period from December 31, 1991 to one day prior to Live Date was constructed in two parts: from December 31, 1991 to December 1, 1999 bond futures with Bloomberg tickers TU1 Comdty, FV1 Comdty and TY1 comdty are used. To make the simulated history more representative, from December 2, 1999 to one day prior to Live Date, S&P excess return bond indices with Bloomberg tickers SPUST2P Index, SPUST5P Index, and SPUSTTP Index are used[1]. December 1, 1999 is the earliest date for which S&P excess return indices are available.

To generate live Index Levels US Treasury Note Futures indices with Bloomberg tickers SPUST2P Index, SPUST5P Index, and SPUSTTP Index shall be used as the underlyings.

The actual performance of the Index may be materially different from the results presented in any Simulated Operating History relating to the Index. Past performance should not be considered indicative of future performance.

Future Index Performance

No assurance can be given that the strategies employed by the Calculation Agent and/or the Sponsor will be successful or that the return on the Index, as demonstrated by the Simulated Operating History, will continue in the future. The Simulated Operating History should not be considered indicative of future performance of the Index as markets are unpredictable.

There can be no assurance that the Index will generate positive returns or outperform any benchmark index or alternative strategy.

Volatility Control Risk

For the purposes of the Index, volatility is a measure of how much an asset has deviated from its average over a defined time. The Index has an automatic feature that aims to protect against some of the inherent volatility exhibited by the Underlyings and, by consequence, the levels of the Core Index by reducing exposure to the Core Index in times of high volatility.

[The Index will be exposed to up to 150% of the Core Index during periods of low volatility, but will proportionally reduce exposure to less than 100% as the Core Index volatility increases to 7% or above.] In periods of high market volatility this feature may cushion the effect of market falls but constrain the benefit of market rises. This feature may not be successful, and this may have an impact of the performance of the Index.

Dynamic Exposure and Leverage

The Index is calculated using the Dynamic Exposure mechanism which means that the exposure to the Core Index may be greater than 100% (up to a maximum of 150% and a minimum of 0%), and the use of the Dynamic Exposure may therefore leverage returns of the Core Index. Leverage (where exposure is greater than 100%) has the potential to magnify the gains or losses of the Index.

Termination of the Index

The Sponsor and the Calculation Agent are under no obligation to continue the calculation, publication and dissemination of the Index. The Index may be terminated at any time by the Sponsor. Should the Index cease to exist, this may have a negative impact on the return on any investment in an instrument, the return on which is liked in whole or in part to the Index.

Amendment or Modification to the Description

This Description, the methodology and rules relating to the Index may be amended, modified or adjusted from time to time by the Calculation Agent and/or the Sponsor, as applicable, without the consent of or notice to investors in instruments linked to the Index. Any such amendment may have an adverse effect on the level of the Index. The Index may be renamed in the future (although this would not change the economic profile of the Index).

Discretion of Sponsor and Calculation Agent

The Index confers on the Calculation Agent and/or the Index Sponsor, as applicable, discretion in making certain determinations, calculations and corrections from time to time. Although any such determinations, calculations and corrections must be made by the Calculation Agent and/or the Sponsor in good faith, the exercise of such discretion in the making of calculations, determinations and corrections may adversely affect the performance of the Index. The Sponsor shall determine in good faith whether any such corrections shall apply retrospectively or from the relevant date forward.

Potential Conflicts of Interest

Potential conflicts of interest may exist in the structure and operation of the Index and the course of the normal business activities of the Calculation Agent and/or the Sponsor and any of their respective affiliates or subsidiaries or their respective directors, officers, employees, representatives, delegates or agents (each a “person” for the purposes of this Description).

During the course of their normal business, each person may enter into or promote, offer or sell transactions or investments (structured or otherwise) linked to the Index and/or any of the notional trading positions. In addition, any person may have, or may have had, interests or positions, or may buy, sell or otherwise trade positions in or relating to the Index or any of the notional trading positions, or may invest or engage in transactions with other entities, or on behalf of such entities relating to any of these items. Such activity may or may not have an impact on the Index Level but all

investors reading this Description should be aware that a conflict of interest could arise where anyone is acting in more than one capacity, and such conflict may have an impact, positive or negative on the Index Level. Neither the Calculation Agent nor the Sponsor nor any other person has any duty to consider the circumstances of any entities when participating in such transactions or to conduct themselves in a manner that is favorable to anyone with exposure to the Index. S&P Opco, LLC, a subsidiary of S&P Dow Jones Indices LLC is the initial Calculation Agent of the Index.

Market Risks

The performance of the Index is dependent on the performance of the Core Index, which is dependent on the performance of the Underlyings and their relevant components. As a consequence, investors in financial products linked to the Index should appreciate that their investment is exposed to the performance of the components of the Underlyings.

Price movements in components in each Underlying can be volatile and can be affected by a wide range of factors, which will affect the level of the Index. Historical performance of each Underlying, the Core Index and the Index should not be considered indicative of future performance.

Equities Risk

Underlyings 1,2, and 3 reference the performance of equities. Prospective investors should understand that investment in instruments relating to equity markets may be negatively affected by global economic, financial and political developments, and that such developments among other things may have a material effect on the value of Underlyings 1, 2, and 3 and/or the performance of the Index.

Bonds Risk (Corporate Bonds and Government Bonds)

Underlyings 4, 5 and 6 reference the performance of fixed income indices. The value of a bond is volatile and subject to market conditions. The value of a bond is subject to the supply of, and/or demand and whether or not any alternatives to that bond exist. When interest rates rise, bond prices fall; conversely, when rates decline, bond prices rise. The longer the time to a bond's maturity, the greater its sensitivity to changes in interest rates is. Bonds relating to debt capital markets may be negatively affected by global economic, financial and political developments. Further, investments in bonds are subject to the credit risk of the issuer of such securities, whether a corporate or a sovereign issuer. Should the issuer of bonds default, an investor in such bonds debt securities may lose some or all of their investment. The credit risk of an issuer and global developments, among other things, may have a material effect on the value of the bonds and consequently the performance of the Index.

Allocation Risk

The Core Index uses a mechanism by which it compares and ranks the Relative Strength Score of an Underlying in an effort to determine each Underlying's relative risk-adjusted performance. Comparing Underlyings based on their Relative Strength Scores therefore takes the riskiness of an Underlying into account when comparing their performance. The lower the Relative Strength Score, the higher the risk-adjusted performance of an Underlying. The Underlying is assigned a rank relative to the Relative Strength Score of the other Underlyings. Investment weights are allocated to the Underlyings in accordance with the method described in Section 4.2.4.

If the Core Index has no allocation to an Underlying for any given period, then the Index will not benefit from any appreciation of such Underlying during that given period. Further, if an Underlying has a positive weight allocation, investors will be exposed to any downside movements of that Underlying.

The Index is based on the assumption that the past Relative Strength Score of the Underlyings is a good measure of the risk-adjusted return and therefore a good indicator of the future performance of the Underlyings. There is no assurance that this assumption is correct, nor any assurance that the strategy taken by the Index will generate positive returns.

Costs Deducted from the Index

The level of the Index will be reduced by the Volatility Control Charge. It is fixed at 0.50% for the simulated history, but may change at the discretion of the Sponsor.

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