

**BIANCO RESEARCH FIXED INCOME
TOTAL RETURN INDEX METHODOLOGY**

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1. Overview and Description of Methodology Guide

Bianco Research Advisors LLC developed the Bianco Research Fixed Income Total Return Index (“the Index”) to provide weighted exposure to the factors that should lead to outperformance relative to a market cap weighted exposure to the universe of US Dollar-denominated investment grade debt (“the Baseline”).

The Index comprises fixed-income exchange-traded funds (collectively, “Fixed Income ETFs”) and is reconstituted at the end of each month or on an ad-hoc basis as circumstances dictate, such as rebalancing after an extreme market event or change in government policy. The Fixed Income ETFs may provide exposure to one or more of the following fixed income investments: government bonds, corporate bonds, mortgage-backed securities, high yield securities, inflation-protected securities, municipal securities, and international and emerging markets fixed income securities.

The Index considers five factors when determining its relative weightings to the Baseline universe:

- The Option-Adjusted Modified Duration, or a measure of the Index’s sensitivity to interest rate movements.
- Yield curve weightings, or how the option-adjusted modified duration is owned across the yield curve.
- Credit weightings, or the Index weighting of credit-related exposure to the Benchmark.
- Structure/mortgage weightings, or the Index weighting of structure/mortgage exposure to the Benchmark.
- Outlier or out of Benchmark exposure in the Index.

Using quantitative and qualitative inputs, the Index Committee members calibrate desired tilts to the factors listed above and select a group of Fixed Income ETFs from a pool of approved funds (described in Section 2.4 below) to achieve these desired exposures and provide the best chance for outperformance relative to market cap based weighted benchmarks from the Index Committee’s perspective. Quantitative measures include statistical studies of past relationships, valuation measures, momentum, and other factors that drive the movements in fixed-income markets. The Committee will also incorporate qualitative measures such as a historical understanding of government policy and interpretations of economic statistics and central bank communications.

2. Key Features

2.1. Membership Criteria

The Index is comprised of Fixed Income ETFs selected by the Index Committee. Fixed Income Exchange-Traded Funds (ETFs) are investment products providing exposure to the performance of a diversified basket of bonds and offer access to fixed income securities and/or equivalents, such as corporate, government, municipal, international, and global debt. For an ETF to be eligible for the pool, they must have at least 90% of their net assets invested in fixed income securities, cash (including cash equivalents), senior loans, preferred securities or derivatives that provide economic exposure similar to fixed income securities. Fixed-income ETF shares are listed on a stock exchange and traded throughout the day. In aggregate, the index will maintain a minimum exposure to fixed income securities, cash, and derivatives providing fixed income exposure of at least 90%, as assessed at the monthly index rebalance. Liquidity, cost effectiveness and efficiency in achieving desired exposure are three additional criteria used in determining eligibility.

2.2 Base Date and Base Value

The Index was established with a base value of 1,000 on September 1, 2023.

2.3 Calculation and Dissemination

The Index is calculated every weekday. Index values are calculated on a total-return basis in U.S. dollars. The total return Index is calculated and disseminated on an end-of-day basis.

2.4 Annual Constitution

On an annual basis, a pool of Fixed Income ETFs will be selected as eligible for use as constituents within the Index. Liquidity, cost effectiveness, and efficiency in achieving desired exposure will all be considered by the Index Committee in selecting eligible Fixed Income ETFs. Collectively, the pool of Fixed Income ETFs will provide the Index Committee flexibility and contingencies in achieving the desired factor exposure in a cost-effective manner. Consequently, it is not expected that all of the Fixed Income ETFs in the pool will serve as Index constituents, but all Index constituents will be members of the pool.

a. Additions

Fixed Income ETFs can be added on a selective basis over the course of the year, adhering to the same criteria as used in the annual constitution of the Index.

b. Deletions

A Fixed Income ETF may be removed from the Index at the discretion of the Index Committee or in the event of a material event that impairs the ability of the Fixed Income ETF or its management company to operate, including due to liquidation, there is a substantial or material change to the Fixed Income ETF's investment objective that causes the Fixed Income ETF to no longer be appropriate for the Index, the Fixed Income ETF fails to offer acceptable tracking of its benchmark or struggles to deliver its targeted exposure (relative to other available ETFs that meet the criteria for selection).

2.5 Baseline Definition

Baseline aggregate exposures for duration, curve, credit and volatility risk (collectively, the "Baseline") are calculated based on a universe of investment grade debt issues, including US Treasury, quasi-government, corporate, and securitized securities, that are:

- publicly issued in US markets,
- denominated in US Dollars,
- have a zero or fixed coupon, and
- have a least 1 year to final maturity.

Securities featuring floating rate coupons or inflation adjustments are excluded, as well as securities that have been stripped. Convertible securities, preferred securities and tax-exempt securities issued by US municipal issuers are also excluded from the calculation.

The factor exposures for this universe are then estimated by Bianco Research Advisors LLC to serve as the baseline for the tilt determination within the rebalance process. Key factor metrics include option-adjusted duration, duration within specified duration buckets at different points of the yield curve, spread duration, and duration with respects to change in volatility. Exposure to different asset sectors will also be estimated by Bianco Research Advisors LLC to guide the rebalance process.

Both the composition of the Baseline universe and the estimated factor exposures will be revisited on a monthly basis.

2.6 Rebalance and Weighting Determination

At the rebalance, the Index Committee will consider the baseline factor exposures and its quantitative and qualitative assessment of current market conditions to first calculate desired tilts to these exposures.

The Index Committee will then assess the current weightings of the Index

for their alignment in delivering these exposures. If necessary, weights between ETFs will be shifted and constituents added or removed to improve the Index's ability to deliver the desired exposures.

In most normal market environments, the relative weightings of the Index will be constrained by the following parameters:

- **DURATION:** The option-adjusted modified duration of the Index will be constrained to 50% to 200% of the duration of the Baseline.
- **CURVE:** The Index Committee will also determine how the option-adjusted modified duration will be apportioned across the yield curve.
- **CREDIT:** The corporate bond or credit weighting will be constrained to between 50% to 200% of the weighting in the Baseline.
- **VOLATILITY:** The structure/mortgage weighting will be constrained to between 50% to 200% of the weighting in the Baseline.
- **DIVERSIFICATION AND HIGH CONVICTION:** The Outlier or Out of Benchmark weighting will range between 0% and 20% of the Index. The Outlier weighting will facilitate exposures to more speculative or diversifying credit positions, such as high yield corporates or emerging market debt, and positioning against inflation risks or positioning for potential declines or appreciation in the dollar relative to non-US currencies.
- The structure and weighting to US Treasury ETFs complements the other exposures to complete the Index and finalize the desired factor exposures.
- **EXTRAORDINARY CONDITIONS:** In deteriorating market environments, the Index Committee may, but is not obligated to, select Index constituents that are entirely composed of Treasury components.

2.7 Dividend Treatment

Normal dividend payments are reinvested and accounted for in the total return Index.

3.0 Index Maintenance

Index maintenance includes monitoring and implementing the adjustments for deletions, stock splits, spin-offs, or other corporate actions. Some corporate actions, such as stock splits, require changes in the Index shares and the stock prices of the components in the Index. Other corporate actions, such as special dividends, may require Index divisor adjustments. Any corporate action, whether it requires divisor adjustments or not, will be implemented after the close of trading on the day before

the ex-date of such corporate action. Whenever possible, changes to the Index's components, such as deletions because of corporate actions, will be announced at least two business days before their implementation date.

3.1 Reorganization

Should an ETF be reorganized into an ETF with a substantially or materially similar investment objective, such surviving ETF will stay in the Index until the next Index reconstitution. ETFs that substantially alter their investment objective will be replaced before re-organization with a suitable replacement.

3.2 Index Divisor Adjustments

Changes in the Index's market capitalization due to changes in composition, weighting, or corporate actions result in a divisor change to maintain the Index's continuity. By adjusting the divisor, the Index value retains continuity before and after the event. Corporate actions that require divisor adjustments will be implemented before the opening of trading on the effective date. In certain instances where information is incomplete or the completion of an event is announced too late to be implemented before the ex-date, the implementation will occur as of the close of the following day or as soon as practicable after that. Bianco Research Advisors LLC reserves the right to determine the appropriate implementation method for corporate actions not described herein, or combinations of different types of corporate events and other exceptional cases.