S&P Dow Jones Indices

A Division of S&P Global

S&P Managed Risk 2.0 Indices

As more investors think about retirement and their long-term savings objectives, the importance of downside protection without limiting the opportunity for potential gains is on the rise. For decades, large financial institutions have relied on managed risk strategies to help navigate market risk and stabilize volatility. Through the innovative design of the S&P Managed Risk 2.0 Indices, these portfolio management tools are now accessible to everyone.

Why Does This Strategy Matter to Your Practice?

- Minimizes the cost of portfolio insurance, so you are only paying for the protection you need
- Dynamic risk management reduces managers' need to monitor and act on risk as frequently

What's Inside the Indices?

Each index in the S&P Managed Risk 2.0 Index Series* has 3 components:

Equities*: S&P 500®

Fixed Income (Longer-Term Reserve Asset): S&P U.S. Treasury Bond Current 5-Year Index

Fixed Income (Short-Term Reserve Asset): S&P U.S. Treasury Bill 0-3 Month Index

Unlike many risk control or managed risk strategies that use cash for volatility management, the S&P Managed Risk 2.0 strategy utilizes reserve assets in an effort to enhance performance.

How Do the S&P Managed Risk 2.0 Indices Respond to Volatility?

The embedded risk management features of the indices monitor risk signals and turn on at the point of detection – using mathematical allocation methods that seek to stabilize volatility and reduce risk in higher volatility environments.

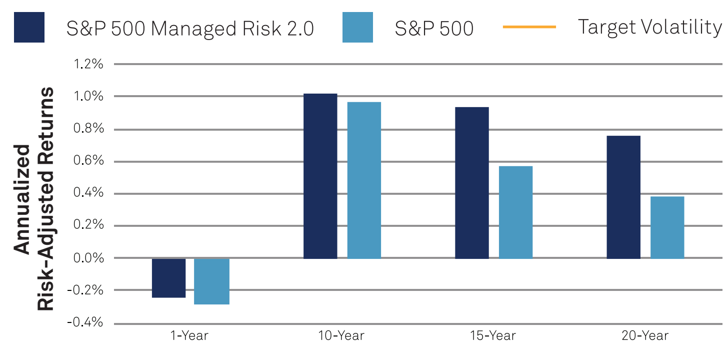
When **volatility goes ↑** – Hedge protection and volatility control actively reduce the equity component and increase the long-term reserve asset, seeking to protect from steep drawdowns.

When **volatility goes ↓** – Hedge protection and volatility control "turn off" gradually to allow for higher equity exposure, increasing potential upside in rising equity markets.

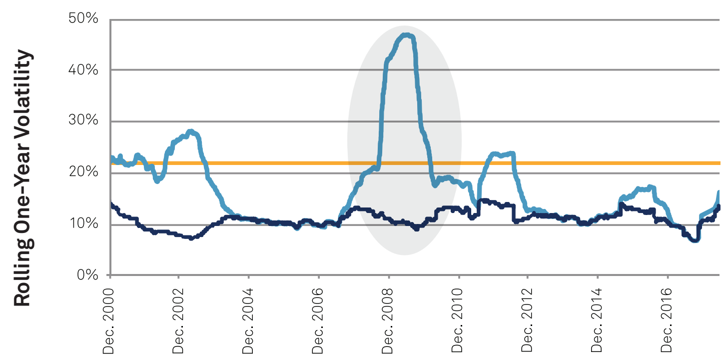
What Are the Potential Benefits?

Managed risk strategies seek to reduce risk when risk increases, without sacrificing potential gains.

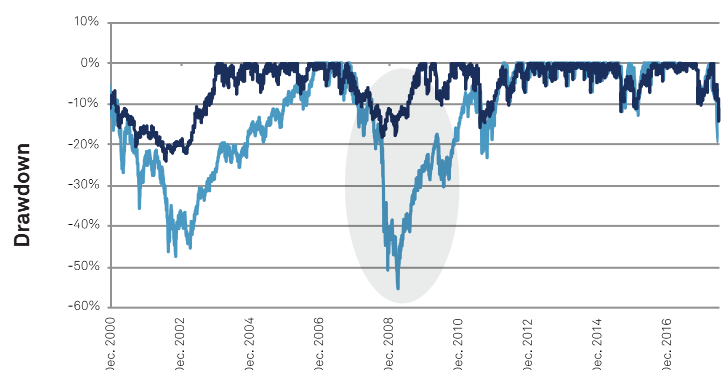
Better Risk-Adjusted Returns**



Low and Stable Volatility**



Shorter and Shallower Drawdowns**



*Managed Risk 2.0 strategies are available for these additional universes: S&P MidCap 400®, S&P SmallCap 600®, S&P Emerging Plus LargeMidCap, and S&P EPAC Ex. Korea LargeMidCap.

Source: S&P Dow Jones Indices LLC. Data from March 28, 1990, to Dec. 31, 2018. **Table is provided for illustrative purposes and reflects hypothetical historical performance for all data prior to Jan. 23, 2017. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

About S&P Dow Jones Indices

S&P Dow Jones Indices is the largest global resource for essential index-based concepts, data and research, and home to iconic financial market indicators, such as the S&P 500® and the Dow Jones Industrial Average®. More assets are invested in products based on our indices than products based on indices from any other provider in the world. Since Charles Dow invented the first index in 1884, S&P DJI has been innovating and developing indices across the spectrum of asset classes helping to define the way investors measure and trade the markets.

S&P Dow Jones Indices is a division of S&P Global (NYSE: SPGI), which provides essential intelligence for individuals, companies, and governments to make decisions with confidence. For more information, visit www.spdji.com.

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Performance Disclosure

The S&P 500 Managed Risk 2.0 Index, S&P 400 Managed Risk 2.0 Index, S&P 600 Managed Risk 2.0 Index, S&P Emerging Plus LargeMidCap Managed Risk 2.0 Index, and S&P EPAC Ex. Korea LargeMidCap Managed Risk 2.0 Index were launched on January 23, 2017. The S&P U.S. Treasury Bond Current 5-Year Index was launched on September 13, 2013. The S&P U.S. Treasury Bill 0-3 Month Index was launched on March 24, 2010. All information for an index prior its Launch Date is back-tested, based on the methodology in effect on the Launch Date. However, when creating back-tested history for periods of market anomalies or other periods that do not reflect the general current market environment, index methodology rules may be relaxed to capture a large enough universe of securities to simulate the target market the index is designed to measure or strategy the index is designed to capture. For example, market capitalization and liquidity thresholds may be reduced. Back-tested performance, which is hypothetical and not actual performance, is subject to inherent limitations because it reflects application of an Index methodology and selection of index constituents in hindsight. No theoretical approach can take into account all of the factors in the markets in general and the impact of decisions that might have been made during the actual operation of an index. Actual returns may differ from, and be lower than, back-tested returns.