S&P Dow Jones Indices

A Division of S&P Global

S&P 500 Daily Covered Call Indices

Methodology

June 2024

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Introduction

Index Objective

The S&P 500 Daily Covered Call Indices measure the performance of the components of a daily buy-write strategy using S&P 500 Index and listed S&P 500 Weeklys[SM] Index options one day from their maturity date. The family is composed of the main commingled index strategy and two sub-indices intended to provide specific views to determine the notional value and income of the underlying components.

Index Family

S&P 500 Daily Covered Call Index: The index measures the performance of a long position in the S&P 500 Total Return Index and a short position in a standard S&P 500 daily call option. The index aims to generate higher income and have lower timing risk by using daily options as opposed to monthly options.

S&P 500 Daily Covered Call Index - Call Only: The index measures the performance of only the short call portion of the S&P 500 Daily Covered Call Index.

S&P 500 Daily Covered Call Index - Income Only: The index measures the performance of the total cash received from the call writing and index dividends received from the S&P 500 Daily Covered Call Index.

For information on the S&P 500, please refer to the S&P U.S. Indices Methodology, available at www.spglobal.com/spdji/.

Supporting Documents

This methodology is meant to be read in conjunction with supporting documents providing greater detail with respect to the policies, procedures and calculations described herein. References throughout the methodology direct the reader to the relevant supporting document for further information on a specific topic. The list of the main supplemental documents for this methodology and the hyperlinks to those documents is as follows:

Supporting Document	URL
S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology	Equity Indices Policies & Practices
S&P Dow Jones Indices' Index Mathematics Methodology	Index Mathematics Methodology
S&P Dow Jones Indices' Options Indices Policies and Practices Methodology	Options Indices Policies & Practices Methodology
S&P Dow Jones Indices' Commodities Indices Policies & Practices Methodology	Commodities Indices Policies & Practices

This methodology was created by S&P Dow Jones Indices to achieve the aforementioned objective of measuring the underlying interest of each index governed by this methodology document. Any changes to or deviations from this methodology are made in the sole judgment and discretion of S&P Dow Jones Indices so that the index continues to achieve its objective.

Index Construction

The S&P 500 Daily Covered Call index consists of a long position in the S&P 500 Total Return Index and a short one-day maturity out-of-the-money S&P 500 Index call option. The option is sold daily, and strike of the option is chosen as a function of the S&P 500 Index levels and the Cboe VIX Index levels.

Strike Selection

The option sold on index calculation day, *t*, is the S&P 500 Weeklys[SM] option expiring on day, *t+1*, which has a strike closest to the target strike K_t[1], and calculates as:

$$K_t = SPX_{TWAP,t} \times \left(1 + \frac{VIX_{t-1}}{100 \times 15}\right) \quad (1)$$

where:

$SPX_{TWAP,t}$ = TWAP of the S&P 500 Index calculated over the index TWAP window for strike selection on day *t*

VIX_{t-1} = CBOE VIX Index closing level on index calculation day *t-1*

Pricing

Options prices are provided via vendor feed.

For further information on pricing, please refer to S&P Dow Jones Indices' Options Indices Policies & Practices Methodology.

Index Calculation

On the index base date, $t = 0$, the values of the index and cash are initialized to the base value, whereas the values of the equity and call are set to 0. On any business day *t*, after the base date, the index is floored at zero and calculates as follows:

$$Index_t = Max\ (0, Equity_t - \ Call_t + Cash_t) \quad (2)$$

where:

$Equity_t$ = Value of the position in S&P 500 Total Return Index, as defined in (3)

$Call_t$ = Value of the short call position, as defined in (4)

$Cash_t$ = Value of the cash balance, as defined in (5)

The value of the equity, short call, and cash balance are calculated as follows:

$$Equity_t = Equity_{t-1} \times \frac{SPTR_t}{SPTR_{t-1}} - N_{t-1} \times \max\left(0, SPX_t - K_{t-1}^{trd}\right) + Cash_{t-1} \times \left(1 + \frac{RF_{t-1}}{360} \times ACT(t-1, t)\right) \quad (3)$$

$$Call_t = N_t \times OptPx_{TWAP,t}^{obs} \quad (4)$$

$$Cash_t = N_t \times OptPx_{TWAP,t}^{exec} \quad (5)$$

[1] In the event of two strikes being equidistant to K_t, the larger of the two is taken.

where:

$SPTR_t$ = The closing level of the S&P 500 Total Return Index on day *t*

RF_{t-1} = Effective Federal Funds Rate on day *t-1*

$ACT(t-1,t)$ = The number of calendar days between day *t-1* and day *t*

$OptPx^{obs}_{TWAP,t}$ = TWAP of the option mid-price for the call option sold on day *t*, computed over the option TWAP window for end-of-day valuation on day *t*

$OptPx^{exec}_{TWAP,t}$ = $OptPx^{obs}_{TWAP,t} - OptSpread_t$

SPX_t = The closing level of the S&P 500 Index on day *t*

K^{trd}_{t-1} = The strike of the option traded on day *t-1*

The number of new call option units calculates as follows[2]:

$$N_t = \frac{Index_{TWAP,t}}{SPX_{TWAP,t}} \tag{6}$$

$$Index_{TWAP,t} = Equity_{t-1} \times \frac{SPTR_{TWAP,t}}{SPTR_{t-1}} - N_{t-1} \times OptPx^{curr}_{TWAP,t} + Cash_{t-1} \times \left(1 + \frac{RF_{t-1}}{360} \times ACT(t-1,t)\right) \tag{7}$$

where:

$SPTR_{TWAP,t}$ = TWAP of the S&P 500 Total Return Index calculated over the index TWAP window for unit calculation on day *t*

$OptPx^{curr}_{TWAP,t}$ = TWAP of the option mid-price for the call option sold on day *t-1,* calculated over the option TWAP window for unit calculation on day *t*

$SPX_{TWAP,t}$ = TWAP of the S&P 500 Index calculated over the index TWAP window for unit calculation on day *t*

For further information on TWAP calculation, please refer to Appendix I and Appendix II. For more information on the calculation of $OptSpread_t$ please refer to Appendix III.

S&P 500 Daily Covered Call Index - Call Only

The S&P 500 Daily Covered Call Index - Call Only consists of the short one-day maturity out-of-the-money S&P 500 Index call option from the S&P 500 Daily Covered Call index. The index calculates as follows:

$$CallIndex_t = CashCI_t - CallCI_t \tag{8}$$

where:

$$CallCI_t = NC_t \times OptPx^{obs}_{TWAP,t} \tag{9}$$

$$CashCI_t = CashCI_{t-1} + NC_t \times OptPx^{exec}_{TWAP,t} - NC_{t-1} \times \max(0, SPX_t - K^{trd}_{t-1}) + (CashCI_{t-1} - CallIndex_{t-1}) \times \frac{RF_{t-1}}{360} \times ACT(t-1,t) \tag{10}$$

The number of new call option units calculates as follows:

[2] Notional amount of the short call component is determined using intraday values and is therefore expected to not perfectly match the notional amount of the equity component at the end of the day.

$$NC_t = \frac{CallIndex_{TWAP,t}}{SPX_{TWAP,t}} \quad (11)$$

$$CallIndex_{TWAP,t} = CashCI_{t-1} - NC_{t-1} \times OptPx^{curr}_{TWAP,t} + (CashCI_{t-1} - CallIndex_{t-1}) \times \frac{RF_{t-1}}{360} \times ACT(t-1,t) \quad (12)$$

where:

$OptPx^{curr}_{TWAP,t}$ = TWAP of the option mid-price for the call option sold on day *t-1,* calculated over the option TWAP window for unit calculation on day *t*

$SPX_{TWAP,t}$ = TWAP of the S&P 500 Index calculated over the index TWAP window for unit calculation on day *t*

S&P 500 Daily Covered Call Index - Income Only

The S&P 500 Daily Covered Call Index - Income Only measures the amount of cash received by the S&P 500 Daily Covered Call Index and consists of the option premium received along with any dividends received from the long equity position. The index calculates as follows:

$$IncomeIndex_t = IncomeIndex_{t-1} + Cash_t + \frac{SPXDIV_t}{SPX_{t-1}} \times Equity_{t-1} \quad (13)$$

where:

$Cash_t$ = Value of cash balance in the S&P 500 Daily Covered Call Index on day *t*

$Equity_{t-1}$ = Value of the equity position in the S&P 500 Daily Covered Call Index on day *t-1*

$SPXDIV_t$ = The index dividend of the S&P 500 Index on day *t*

SPX_{t-1} = The closing level of the S&P 500 Index on day *t-1*

Index Maintenance

Rebalancing

The index rebalances daily using TWAPs calculated during the windows specified in *Appendix II*. Certain market events impact the calculation, as defined below:

- If there is no tick data pricing available for the option sold on day *t* within the option TWAP window and an end of day *t* mid-price is available, the end of day *t* mid-price is used in lieu of $OptPx^{obs}_{TWAP,t}$.
- For any disruption event that prevents the identification of the settlement value on day *t* for the option sold on day *t-1,* the settlement price is set to the value published by the Options Clearing Corporation (OCC) for that option.
- For any disruption event that prevents the identification of the S&P 500 Weeklys[SM] option to be short on day *t,* or any disruption event that causes there to be no end-of-day and no TWAP pricing available for the identified option, or any disruption event that halts the trading of the option prior to the option TWAP window, the index does not enter a new short call option on that day.

For further information on the impact of unavailable pricing on the TWAP calculation, please refer to the S&P Dow Jones Indices' Commodities Indices Policies & Practices Methodology

Currency of Calculation and Additional Index Return Series

In addition to the indices detailed in this methodology, additional return series versions of the indices may be available, including, but not limited to: currency, currency hedged, decrement, fair value, inverse, leveraged, and risk control versions. For a list of available indices, please refer to *S&P DJI Methodology & Regulatory Status Database*.

For information on the calculation of different types of indices, please refer to S&P Dow Jones Indices' Index Mathematics Methodology.

For the inputs necessary to calculate certain types of indices, including decrement, dynamic hedged, fair value, and risk control indices, please refer to the Parameters documents available at www.spglobal.com/spdji/.

Base Date and History Availability

The index history availability, base date, and base value are shown in the table below.[3]

Index	Launch Date	First Value Date	Base Date	Base Value
S&P 500 Daily Covered Call Index	10/05/2023	06/01/2022	06/01/2022	100
S&P 500 Daily Covered Call Index - Call Only	10/05/2023	06/01/2022	06/01/2022	100
S&P 500 Daily Covered Call Index – Income Only	10/05/2023	06/01/2022	06/01/2022	0

[3] For history prior to 08/21/2023, due to unavailability of tick data for the options, the index calculated using end-of-day prices of the options. For a detailed description of the calculation, please refer to *Appendix IV*.

Index Governance

Index Committee

An S&P Dow Jones Indices Index Committee maintains the index. All Committee members are full-time professional members of S&P Dow Jones Indices staff. The Index Committee meets regularly. At each meeting, the Index Committee reviews any significant market events. In addition, the Index Committee may revise index policy for timing of rebalancings or other matters.

S&P Dow Jones Indices considers information about changes to its indices and related matters to be potentially market moving and material. Therefore, all Index Committee discussions are confidential.

S&P Dow Jones Indices' Index Committees reserve the right to make exceptions when applying the methodology if the need arises. In any scenario where the treatment differs from the general rules stated in this document or supplemental documents, clients will receive sufficient notice, whenever possible.

In addition to the daily governance of indices and maintenance of index methodologies, at least once within any 12-month period, the Index Committee reviews the methodology to ensure the indices continue to achieve the stated objectives, and that the data and methodology remain effective. In certain instances, S&P Dow Jones Indices may publish a consultation inviting comments from external parties.

For information on Quality Assurance and Internal Reviews of Methodology, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology and/or Options Indices Policies & Practices Methodology.

Index Policy

Announcements

Announcements of the daily index values are made after the market close each day.

Holiday Schedule

Each index calculates daily when the underlying equity index is calculated.

A complete holiday schedule for the year is available at www.spglobal.com/spdji/.

Unexpected Exchange Closures

For information on Unexpected Exchange Closures, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.

Recalculation Policy

For information on the recalculation policy, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology and Options Indices Policies & Practices Methodology for the underlying indices, respectively.

For information on Calculations and Pricing Disruptions, Expert Judgment and Data Hierarchy, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices and Options Indices Policies & Practices Methodology documents for the underlying indices, respectively.

Contact Information

For questions regarding an index, please contact: index_services@spglobal.com.

Index Dissemination

Index levels are available through S&P Dow Jones Indices Web site at *www.spglobal.com/spdji/*, major quote vendors (see codes below), numerous investment-oriented Web sites, and various print and electronic media.

Tickers

The table below lists headline indices covered by this document. All versions of the below indices that may exist are also covered by this document. Please refer to *S&P DJI Methodology & Regulatory Status Database* for a complete list of indices covered by this document.

Index	BBG	RIC
S&P 500 Daily Covered Call Index (USD) TR	SP500DCC	.SP500DCC
S&P 500 Daily Covered Call Index (USD) - Call Only	SP500DCO	.SP500DCO
S&P 500 Daily Covered Call Index (USD) - Income Only	SP500DCI	.SP500DCI

Index Data

Daily constituent and index level data are available via subscription.

For product information, please contact S&P Dow Jones Indices, www.spglobal.com/spdji/en/contact-us.

Web site

For further information, please refer to S&P Dow Jones Indices Web site at www.spglobal.com/spdji/.

Appendix I

Index TWAP Calculation

Given an intraday time window, *h*, defined by a window start time and a window end time, to calculate the TWAP for an index, first, group the tick level pricing data as follows:

- Define the time window as beginning at (and including) the start time and ending at (and excluding) the end time.
- Split the time window into *k* intervals depending on the provided interval length parameter.
    - For example, assuming start time of 8:30:00, end time of 8:45:00, and *interval = 60s*, meaning 60 seconds, there will be *k = 15*, 60-second intervals starting at each minute from 8:30 to 8:44.
    - For the same start and end time, if *interval = 1s,* meaning 1 second, there will be *k = 900,* 1-second intervals starting at each second from 8:30:00 to 8:44:59.
- For each interval, keep the first available index level in that interval (inclusive of the start time and exclusive of the end time)

On a day *t*, for a given time window *h*, and interval within that window, *k,*

$IndexLevel_t^{h,k}$ = First index level in interval *k* of time window *h* on day *t*

The TWAP for the index calculates as:

$$TWAP(Index, t, StartTime_h, EndTime_h, interval) = \frac{\sum_k \left(\delta_t^{h,k} \times IndexLevel_t^{h,k}\right)}{\sum_k \delta_t^{h,k}}$$

where:

$$\delta_t^{h,k} = \begin{cases} 1 & \text{if } IndexLevel_t^{h,k} \text{ exists} \\ 0 & \text{otherwise} \end{cases}$$

Option TWAP Calculation

Given an intraday time window, *h*, defined by a window start time and a window end time, to calculate the TWAP for an option, first group the tick level pricing data as follows:

- Define the time window as beginning at (and including) the start time and ending at (and excluding) the end time.
- Split the time window into *k* intervals depending on the provided interval length parameter.
    - For example, assuming start time of 8:30:00, end time of 8:45:00, and *interval = 60s*, meaning 60 seconds, there will be *k = 15*, 60-second intervals starting at each minute from 8:30 to 8:44.
    - For the same start and end time, if *interval = 1s,* meaning 1 second, there will be *k = 900,* 1-second intervals starting at each second from 8:30:00 to 8:44:59.

- To determine the option TWAP, for each interval, use the last quoted bid price and the last quoted ask price of the option in the window that starts at the TWAP lookback time and ends at the interval end time.

On a day *t*, for a given time window *h*, and interval within that window, *k,*

$$OptPx_{h,k}^{t} = \begin{cases} \dfrac{BidPx_{h,k}^{t} + AskPx_{h,k}^{t}}{2} & \text{if both } BidPx_{h,k}^{t} \text{ and } AskPx_{h,k}^{t} \text{ exist} \\ N/A & \text{otherwise} \end{cases}$$

where:

$BidPx_{h,k}^{t}$ = The last quoted option bid price in the window starting at TWAP lookback time and ending at the end time of interval (*h, k)* on day *t*

$AskPx_{h,k}^{t}$ = The last quoted option ask price in the window starting at TWAP lookback time and ending at the end time of interval (*h, k)* on day *t*

The TWAP for the option calculates as:

$$TWAP(Option, t, StartTime_h, EndTime_h, interval) = \frac{\sum_k \left(\delta_t^{h,k} \times OptPx_t^{h,k}\right)}{\sum_k \delta_t^{h,k}}$$

where:

$$\delta_t^{h,k} = \begin{cases} 1 & \text{if } OptPx_t^{h,k} \text{ exists} \\ 0 & \text{otherwise} \end{cases}$$

Appendix II

TWAP Windows

The TWAP calculation windows on a regular trading day are defined as follows:

	TWAP Lookback Time	Start Time	End Time	Interval	Time Zone
Index TWAP Window for Strike Selection	N/A	14:00:00	14:10:00	15 sec	US/Eastern
Option TWAP Window for end-of-day valuation	15:00:00	15:59:30	16:00:00	1 sec	US/Eastern
Index TWAP Window for unit calculation	N/A	14:00:00	14:10:00	15 sec	US/Eastern
Option TWAP Window for unit calculation	13:00:00	14:00:00	14:10:00	15 sec	US/Eastern

For any trading day scheduled as an early market closure day (13:00 ET), the TWAP calculation windows are defined as follows:

	TWAP Lookback Time	Start Time	End Time	Interval	Time Zone
Index TWAP Window for Strike Selection	N/A	11:00:00	11:10:00	15 sec	US/Eastern
Option TWAP Window for end-of-day valuation	12:00:00	12:59:30	13:00:00	1 sec	US/Eastern
Index TWAP Window for unit calculation	N/A	11:00:00	11:10:00	15 sec	US/Eastern
Option TWAP Window for unit calculation	10:00:00	11:00:00	11:10:00	15 sec	US/Eastern

Appendix III

Option Spread Calculation

The option spread on day *t* calculates as:

$$OptSpread_t = \min\left[0.0001 \times \max(0.25, \min(2, 0.033 \times VIX_t)) \times SPX_t, 0.5 \times OptPx_{TWAP,t}^{obs}\right]$$

where:

SPX_t	= The S&P 500 Index level as of day *t*
VIX_t	= Closing level of the Cboe VIX Index on day *t*
$OptPx_{TWAP,t}^{obs}$	= TWAP of the option mid-price for the call option sold on day *t*, calculated over the option TWAP window for end-of-day valuation on day *t*

Appendix IV

Historical Back-Test Rule Deviations

Due to unavailability of option tick data prior to 08/21/2023, the S&P 500 Daily Covered Call Index and the S&P 500 Daily Covered Call Index - Call Only have been calculated using end-of-day prices of the options as shown below:

$$OptPx_{TWAP,t}^{obs} = \frac{BidPx_t + AskPx_t}{2}$$

where:

$BidPx_t$ = Bid Price of the short call option at the end of the business day *t*
$AskPx_t$ = Ask Price of the short call option at the end of the business day *t*

The number of call option units for the S&P 500 Daily Call Overwrite Index were calculated as

$$N_t = \frac{Index_{t-1}}{SPX_{t-1}}$$

The number of call option units for the S&P 500 Daily Call Overwrite Index – Call Only were calculated as

$$NC_t = \frac{CallIndex_{t-1}}{SPX_{t-1}}$$

Appendix V

ESG Disclosures

EXPLANATION OF HOW ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) FACTORS ARE REFLECTED IN THE KEY ELEMENTS OF THE BENCHMARK METHODOLOGY[4]		
1.	**Name of the benchmark administrator.**	S&P Dow Jones Indices LLC.
2.	**Underlying asset class of the ESG benchmark.[5]**	N/A
3.	**Name of the S&P Dow Jones Indices benchmark or family of benchmarks.**	S&P DJI Options Indices Benchmark Statement
4.	**Do any of the indices maintained by this methodology take into account ESG factors?**	No
Appendix latest update:		January 2021
Appendix first publication:		January 2021

[4] The information contained in this Appendix is intended to meet the requirements of the European Union Commission Delegated Regulation (EU) 2020/1817 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the minimum content of the explanation of how environmental, social and governance factors are reflected in the benchmark methodology and the retained EU law in the UK [The Benchmarks (amendment and Transitional Provision) (EU Exit) Regulations 2019].

[5] The 'underlying assets' are defined in European Union Commission Delegated Regulation (EU) 2020/1816 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published.

Disclaimer

Performance Disclosure/Back-Tested Data

Where applicable, S&P Dow Jones Indices and its index-related affiliates ("S&P DJI") defines various dates to assist our clients by providing transparency. The First Value Date is the first day for which there is a calculated value (either live or back-tested) for a given index. The Base Date is the date at which the index is set to a fixed value for calculation purposes. The Launch Date designates the date when the values of an index are first considered live: index values provided for any date or time period prior to the index's Launch Date are considered back-tested. S&P DJI defines the Launch Date as the date by which the values of an index are known to have been released to the public, for example via the company's public website or its data feed to external parties. For Dow Jones-branded indices introduced prior to May 31, 2013, the Launch Date (which prior to May 31, 2013, was termed "Date of introduction") is set at a date upon which no further changes were permitted to be made to the index methodology, but that may have been prior to the Index's public release date.

Please refer to the methodology for the Index for more details about the index, including the manner in which it is rebalanced, the timing of such rebalancing, criteria for additions and deletions, as well as all index calculations.

Information presented prior to an index's launch date is hypothetical back-tested performance, not actual performance, and is based on the index 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. In addition, forks have not been factored into the back-test data with respect to the S&P Cryptocurrency Indices. For the S&P Cryptocurrency Top 5 & 10 Equal Weight Indices, the custody element of the methodology was not considered; the back-test history is based on the index constituents that meet the custody element as of the Launch Date. Also, the treatment of corporate actions in back-tested performance may differ from treatment for live indices due to limitations in replicating index management decisions. Back-tested performance reflects application of an index methodology and selection of index constituents with the benefit of hindsight and knowledge of factors that may have positively affected its performance, cannot account for all financial risk that may affect results and may be considered to reflect survivor/look ahead bias. Actual returns may differ significantly from, and be lower than, back-tested returns. Past performance is not an indication or guarantee of future results.

Typically, when S&P DJI creates back-tested index data, S&P DJI uses actual historical constituent-level data (e.g., historical price, market capitalization, and corporate action data) in its calculations. As ESG investing is still in early stages of development, certain datapoints used to calculate certain ESG indices may not be available for the entire desired period of back-tested history. The same data availability issue could be true for other indices as well. In cases when actual data is not available for all relevant historical periods, S&P DJI may employ a process of using "Backward Data Assumption" (or pulling back) of ESG data for the calculation of back-tested historical performance. "Backward Data Assumption" is a process that applies the earliest actual live data point available for an index constituent company to all prior historical instances in the index performance. For example, Backward Data Assumption inherently assumes that companies currently not involved in a specific business activity (also known as "product involvement") were never involved historically and similarly also assumes that companies currently involved in a specific business activity were involved historically too. The Backward Data Assumption allows the hypothetical back-test to be extended over more historical years than would be feasible using only actual data. For more information on "Backward Data Assumption" please refer to the FAQ. The methodology and factsheets of any index that employs backward assumption in the back-tested history

will explicitly state so. The methodology will include an Appendix with a table setting forth the specific data points and relevant time period for which backward projected data was used. Index returns shown do not represent the results of actual trading of investable assets/securities. S&P DJI maintains the index and calculates the index levels and performance shown or discussed but does not manage any assets.

Index returns do not reflect payment of any sales charges or fees an investor may pay to purchase the securities underlying the Index or investment funds that are intended to track the performance of the Index. The imposition of these fees and charges would cause actual and back-tested performance of the securities/fund to be lower than the Index performance shown. As a simple example, if an index returned 10% on a US $100,000 investment for a 12-month period (or US $10,000) and an actual asset-based fee of 1.5% was imposed at the end of the period on the investment plus accrued interest (or US $1,650), the net return would be 8.35% (or US $8,350) for the year. Over a three-year period, an annual 1.5% fee taken at year end with an assumed 10% return per year would result in a cumulative gross return of 33.10%, a total fee of US $5,375, and a cumulative net return of 27.2% (or US $27,200).

Intellectual Property Notices/Disclaimer

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