AKROS

MOORGATE BENCHMARKS

Akros Index Family

Calculated by Moorgate Benchmarks Ltd.

Calculation Guide

Version 1.0

Change History

Version Number	Editor	Date	Comments
1.0	Mark Penfold	08/04/2022	Put live

Distribution

Name	Firm/Department	Location
Moorgate Benchmarks		
Akros		
ETC		

Products definition

1.1. Akros Index Family

1.1.1. The Akros Index Family comprises indices that seek to create diversified equities and multi-asset portfolios. A further description of each price or index can be found below. Each is designed to ensure the tradability of each price or of the underlying index basket when traded as part of an index portfolio trade.

1.1.2. Members of the Akros Family:

Name	Ticker	Value	Inception Date
Akros Total Stock Market Price Return Index	RTRN	1000	2015-12-31
Akros Multi-Asset Price Return Index	MPAY	1000	2015-12-31

1.2. Akros Total Stock Market Index

1.2.1. The Akros Total Stock Market Index is a 50-stock equity index that provides focused exposure to companies that exhibits excess return factors. Those factors are not the traditional factors used in factor investing and are not labelled.

1.3. Akros Multi-Asset Index

1.3.1. The Akros Multi-Asset Index comprises two components, US exposure provided by the constituents of the Akros Total Stock Market Index, and a list of 18 ETFs.

1.3.2. Whilst no guarantee of future performance or distribution can be made, the design of the Akros Multi-Asset Index seeks to facilitate the fund's adopted policy to pay monthly distributions on Fund shares at a target rate that represents an annualized payout of approximately 7.0% on the Fund's per-share net asset value on the date of a distribution's declaration.

2. Governance

2.1. Akros Technologies, Inc. (Akros)

2.1.1. Akros is the index provider and owner of the Akros Index Family.

2.2. Moorgate Benchmarks Limited (Moorgate)

2.2.1. Moorgate Benchmarks Limited is calculator of the index family. Moorgate is regulated by the Financial Conduct Authority as a registered benchmark administrator under the UK benchmarks regulation and by BaFin as a registered benchmark administrator under the EU benchmarks regulation.

2.3. Akros Index Committee

2.3.1. The Akros Index Committee is responsible for the management of this methodology, for their continuing fitness for purpose, and therefore for any periodic amendments thereto.

2.3.2. The committee is composed of a chairperson appointed by Akros, and a minimum of two additional members, either from Akros or external index experts.

2.3.3. Akros provides secretarial and other support that the committee requires.

2.3.4. The Akros Index Committee convenes on at least an annual basis, in the second week of July.

2.3.5. Full details of its responsibilities are detailed within the Committee's terms of reference.

2.4. Moorgate Benchmarks Index Management Committee

2.4.1. The Moorgate Benchmarks Index Management Committee oversees the day-to-day management of the index and the implementation of the annual review.

2.4.2. Where an index-impacting event occurs the resolution of which is not clear from these rules, and that due to time constraints cannot be discussed with the Akros Index Committee, the Moorgate Benchmarks Index Management Committee is empowered to decide on the most appropriate action to take to resolve the event. The action will be disclosed to the Akros Index Committee for its review.

2.4.3. The Moorgate Benchmarks Index Management Committee is also responsible, in the event of the rules not providing a clear process for the management of any situation, for determining the process to be followed.

2.5. Index Methodology Changes

2.5.1. The Akros Index Committee may at any time recommend changes to this methodology (including the Index construction criteria) by submitting any proposed changes for consideration and approval in advance of the Moorgate Benchmarks Index Management Committee's next meeting.

2.5.2. Following approval by the Moorgate Benchmarks Index Committee, such changes shall be implemented by way of an update to these rules, which shall be published on www.moorgatebenchmarks.com and https://www.akrostec.com.

2.5.3. Except in exceptional circumstances, new rules and rules adjustments will become effective after the following annual review of index constituents and weightings.

3. Index construction – Akros Total Stock Market Index

3.1. Eligible shares

Geographic Eligibility

3.1.1. Constituents must have shares listed on the New York Stock Exchange (NYSE) or on the NASDAQ exchange (NASDAQ).

3.1.2. Potential constituents whose primary exchange is not one of the eligible exchanges are removed from the eligible universe.

Size eligibility

3.1.3. Shares with a minimum full market capitalization of less than $1bn are removed from the eligible universe.

Liquidity

3.1.4. The Akros AI weighting process looks to ensure sufficient trading capacity exists within each constituent at its selected weight.

Free float

3.1.5. Shares with a free float of less than 10% are removed from the eligible universe.

3.2. Constituent Selection

3.2.1. Akros selects and weights constituents according to the following process:

3.2.2. Akros builds an initial universe of eligible index constituents according to the criteria defined above.

3.2.3. The Akros AI Investment Management System (the "Akros AI") applies a proprietary artificial intelligence algorithm that automatically finds the excess return factors of stocks from historical financial and trading data.

3.2.4. Akros ranks all stocks in the initial universe by the normalized sum of all excess return factors. Excess return factors are calculated and transformed into a cross-sectional normalized z-score for each stock. The higher the score, the higher possibility the stock outperforms.

3.2.5. The top 50 (i.e. highest z-score) securities are selected for inclusion in the index.

3.3. Constituent Weighting

3.3.1. Constituents are weighted according to modern portfolio theory principles.

4. Index construction – Akros Multi-Asset Index

4.1. Composition

4.1.1. The Akros Multi-Asset Index is a combination of the Akros Total Stock Market Index and a portfolio of ETFs.

4.1.2. The ETF portfolio is selected by Akros and will in general comprise 18 ETFs.

4.1.3. The index constituents are weighted using modern portfolio theory principles. The Akros AI allocates weights among the different asset classes.

4.1.4. The individual weight of ETFs are capped at 10% of the index. Where an individual ETF's weight would be greater than 10% if not capped, one or more additional ETFs will be added from the same asset class and given the excess weight.

4.1.5. The index constituents taken from the Akros Total Stock Market Index are weighted within the Akros Multi-Asset Index pro-rata to their weight in the Akros Total Stock Market Index.

5. Monthly review of the Akros Index Family

5.1. Timings

5.1.1. The Akros Index Family is reviewed monthly by Akros.

5.1.2. Dates applicable to reviews are detailed below:

Date	Name	
The second last business day of each month (T-2)	Determination date	Date on which data is collected for use in the index review. (Data is collected at the close of markets on this day.)
The last business day of each month (T-1)	Review release date	Date on which the results of the review are published to licensees.
The first business day of the following month (T)	Implementation date	Date on which the results of the review are implemented in the index. (Changes are effective in the index after the close of business on the first business day of the following month.)

5.1.3. Where US markets are closed on a determination, review release or implementation date, the previous day on which US markets are open will be used instead of the indicated date.

5.2. Review process

5.2.1. Akros rebuilds the index from first principles according to the process described in section 3 above.

6. Calculation of the Akros Index Family

6.1. Index versions calculated

6.1.1. Price, net total return, and gross total return versions of each index are calculated.

6.1.2. The indices are calculated in US dollars.

6.1.3. The indices are end of day indices, calculated on all US trading days using the closing auction price received from each constituent's primary listing exchange, converted (where necessary) using the WM/Refinitiv London 4pm closing spot values, and are published shortly after the close of US markets.

6.2. Index formula & divisor calculations

6.2.1. For details of the index calculation formula and related processes, please refer to the "Moorgate Benchmarks Equity Index Calculation Guide". The Akros Total Stock Market Index is treated as a market capitalization-weighted index.

6.3. Constituent exits between reviews

6.3.1. The handling of constituents who undergo takeover or mergers follows the policy detailed in the Moorgate Benchmarks Equity Index Calculation Guide.

6.3.2. Constituents removed due to takeovers or mergers, or for any other reason, are not replaced until the next index review.

6.3.3. Where a constituent is removed, the weight of the constituent is distributed pro-rata across the remaining constituents. If the company is removed at a zero value, due to bankruptcy etc, no redistribution of weight is necessary.

6.4. Other corporate actions and events

6.4.1. The constituents of the Akros Index Family indices are proactively maintained to reflect changes that may result from corporate actions.

6.4.2. The management of corporate events follows the processes and procedures outlined in the Moorgate Benchmarks Corporate Actions Guide – Market Capitalization Weighted Indices.

6.5. Errors

6.5.1. If an error is discovered in an index value Moorgate Benchmarks will follow the process outlined in the "Moorgate Benchmarks Error Correction Policy", available at www.moorgatebenchmarks.com.

7. Exceptions and amendments to these Rules

7.1. Exceptions

7.1.1. Moorgate Benchmarks shall apply the method described above for the composition and calculation of the indices. However, it cannot be excluded that the market environment, supervisory, legal, financial or tax reasons may require unforeseen changes to be made to the Akros Index Family. Where possible, such changes will be made in conjunction with the Moorgate Benchmarks Index Management Committee, and in all instances, reported to that committee.

7.1.2. Wherever exceptions are required, Moorgate Benchmarks will endeavour to ensure a calculation method is applied that is consistent with the method described in this document.

7.2. Amendments

7.2.1. Moorgate Benchmarks Limited and Akros Technologies, Inc. notify users of the benchmarks that whilst it is the policy of Akros Technologies, Inc. as administrator to consult fully on any material change to a benchmark, it is possible that circumstances, particularly external events beyond the control of Moorgate Benchmarks and Akros Technologies, Inc., may necessitate immediate changes to, or the cessation of, a benchmark and therefore, any financial contracts or other financial instruments that reference the benchmarks, or any market participants that use the benchmarks in valuations should plan to be able to manage the possibility of changes to, or cessation of, the benchmarks. Please consult the Moorgate Benchmarks Cessation or Material Change Policy for further details.

7.2.2. Akros and the Moorgate Benchmarks Index Management Committee may prescribe changes to the selection criteria and other rules governing the indices and the method applied to calculate the indices, which they deem to be necessary and desirable in order to prevent material errors or to remedy, correct or supplement the rules currently described in these Guidelines.

7.2.3. Akros Technologies, Inc. and Moorgate Benchmarks shall ensure that any amendments to the methodology are updated and published as soon as possible after any changes to the indices are implemented, and shall notify all persons who have licensed the use of the indices as far in advance of such implementation as reasonably practicable.

8. Data publication

8.1. Data distribution

8.1.1. The index values are published via various data vendors. Each vendor determines whether they will distribute/display the index data via their respective information systems. Values are also published at www.Akros.co and www.moorgatebenchmarks.com.

8.1.2. The composition of the index, as well as the respective weightings of index constituents, is published on a retrospective basis in respect of each review date on the business day immediately following the next review date, at www.Akrostec.com and www.moorgatebenchmarks.com.

9. Contact details

9.1.1. The index provider, Akros Technologies, Inc., can be contact at contact@akrostec.com. More information is available at https://www.akrostec.com.

9.1.2. The index calculator, Moorgate Benchmarks Ltd, can be contacted at info@moorgatebenchmarks.com. More information is available at www.moorgatebenchmarks.com.

10. Legal

10.1.1. Akros Technologies, Inc. or any successor thereto (the "Index Provider") owns solely and exclusively the intellectual property rights in the Akros Index Family and its methodology (excluding methodological elements not developed specifically for the creation of the Akros Index Family). Any use or publication of such intellectual property, as well as of the Akros trademark or any other Akros related methodologies, provisions or values, must be with the prior written consent of the Akros Technologies, Inc..

10.1.2. Akros Technologies, Inc. and Moorgate Benchmarks Ltd. assume no obligation, duty or liability to any person in relation to the Index save as provided in any written agreement with such person. Akros Technologies, Inc. and Moorgate Benchmarks Ltd. make no express or implied warranty as to:

a) the advisability of purchasing or assuming any risk in connection with any transaction related to the indexes;

b) the levels at which the indexes stand at any particular time on any particular date;

c) the results to be obtained by any party from the use of the indexes or any data included in them for the purposes of issuing securities or carrying out any financial transaction;

d) any other matter.

10.1.3. Akros Technologies, Inc. may assign the proprietary rights in the indexes to a third party in its reasonable discretion.

10.2. Licensing

10.2.1. Licenses to use the indices as the underlying value for investment products and derivative instruments may be issued to stock exchanges, banks, financial services providers and investment houses by Akros Technologies, Inc.

Appendix A: Index Information

Name	Ticker	ISIN	Value	Inception Date
Akros Total Stock Market Price Return Index	RTRN	DE000A3DCY14	1000	2015-12-31
Akros Total Stock Market Total Return Index	RTRNTR	DE000A3DCY22	1000	2015-12-31
Akros Total Stock Market Net Return Index	RTRNNTR	DE000A3DCY30	1000	2015-12-31
Akros Multi-Asset Price Return Index	MPAY	DE000A3DCYY2	1000	2015-12-31
Akros Multi-Asset Total Return Index	MPAYTR	DE000A3DCYZ9	1000	2015-12-31
Akros Multi-Asset Net Return Index	MPAYNTR	DE000A3DCY06	1000	2015-12-31