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The S&P 500 Futures Intraday VT Decrement Indices

The Reference Assets Behind PAYH and PAYM

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Systematic Exposure to the S&P 500

Can be increased up or down to meet desired volatility

Stability

Intraday rebalancing to a volatility target to help achieve a more stable profile

Dynamic Exposure and Volatility Targeting

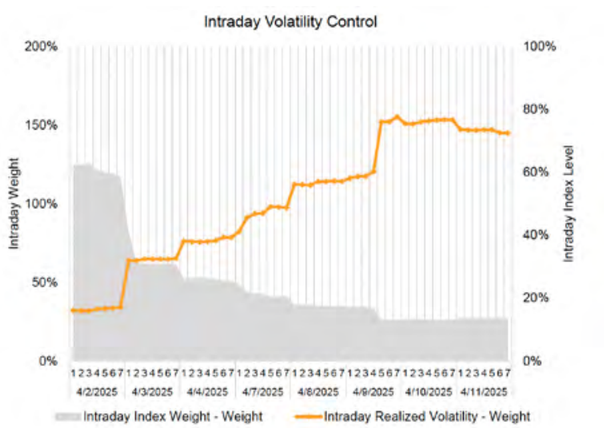
The S&P 500 Futures Intraday VT Decrement Indices (The S&P 500 Futures 35% Intraday VT 4% Decrement Index[1] and The S&P 500 Futures 20% Intraday VT 2% Decrement Index[2]) provide dynamic, volatility-targeted exposure to E-mini S&P 500 Futures.Their core intraday volatility target methodology adjusts futures exposure 7 times throughout the day to help keep the index's realized volatility near the target level.

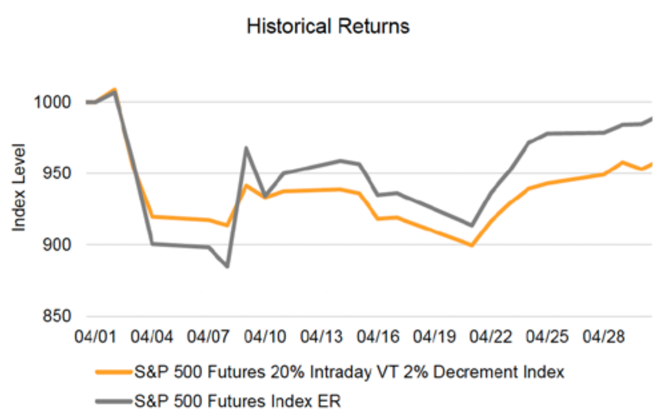
This allows the volatility target to be achieved more responsively and consistently, helping enable the ETF to reach for higher yield in low volatility environments and potentially reducing the impact of short-term volatility spikes.

1 -The S&P 500® Futures 35% Intraday VT Index measures the performance of a long-only, dynamically adjusted strategy based on E-mini S&P 500 futures (a type of futures contract based on the S&P 500 index). The index seeks to achieve a 35% volatility target by using an intraday rebalance strategy based on volume-weighted average prices computed during different time windows in the day, and it may be levered up to four times to achieve its target. The index has a decrement factor of 4% per year. 2- The S&P 500® Futures 20% Intraday VT Index measures the performance of a long-only, dynamically adjusted strategy based on E-mini S&P 500 futures. The index seeks to achieve a 20% volatility target by using an intraday rebalance strategy based on volume-weighted average prices computed during different time windows in the day, and it may be levered up to two times to achieve its target. The index has a decrement factor of 2% per year.

Volatility Targeting in Action: An April 2025 Case Study

Due to geopolitical and policy uncertainty during the first week of April 2025, the market experienced an extremely volatile period and significant sell-off.





Source: S&P Dow Jones Indices LLC. Data from Dec. 31 2007, to Dec. 31, 2008. Index performance based on price return in USD. All data prior to index launch date is back-tested hypothetical data. S&P 500 Futures 40% Intraday VT 4% Decrement Index (USD) ER launched on Aug. 30, 2024 . The S&P 500 Futures 35% Intraday VT 4% Decrement Index and S&P 500 Futures 20% Intraday VT 2% Decrement Index launched Sept. 26, 2025.Past performance is no guarantee of future results. Chart/table is provided for illustrative purposes and reflects hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance. The Fund's portfolio may differ significantly from the securities held in the index. You cannot invest directly in an index; therefore, its performance does not reflect the expenses associated with the active management of an actual portfolio.

By rebalancing 7 times throughout the day, the S&P 500 Futures 20% Intraday VT 2% Decrement Index adjusted its exposure from 120% on April 2nd to 50% by the end of April 4th in response to rising intraday volatility above the 20% target, ultimately minimizing drawdowns compared to S&P 500 Futures.

The Volatility Targeting Mechanism: A Look at How It Works

Dynamic Leverage

The indices may apply leverage up to four times (400% exposure) to the E-mini S&P 500 Futures to help hit their specified target (35% or 20%).

In Calm Markets

If the realized volatility of the S&P 500 is low, the index will increase its exposure (leverage) to try and meet the target volatility.

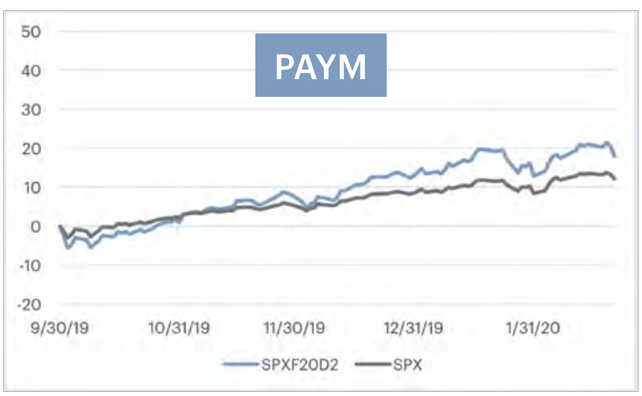
In Volatile Markets

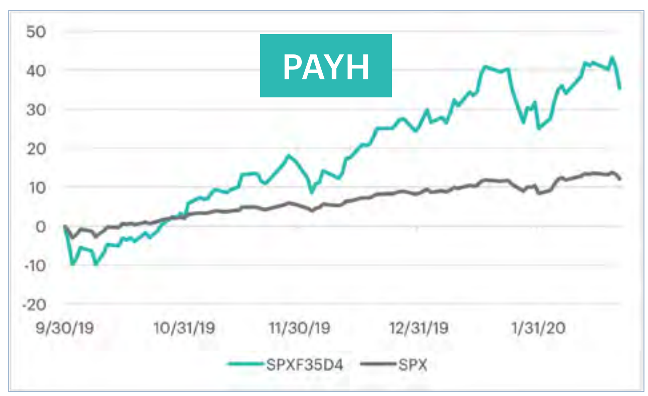
If the realized volatility of the S&P 500 is high, the index will reduce its exposure to dampen the index's fluctuations and avoid exceeding the target.

A Closer Look at How the Reference Indices Performed Against the S&P 500 (SPX) in Various Scenarios

Calm Market Environments

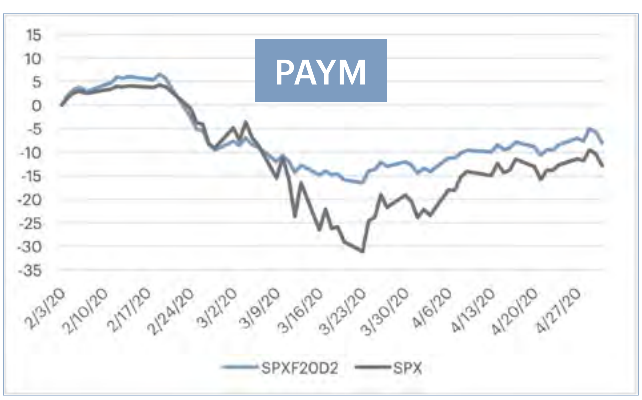
percentage change

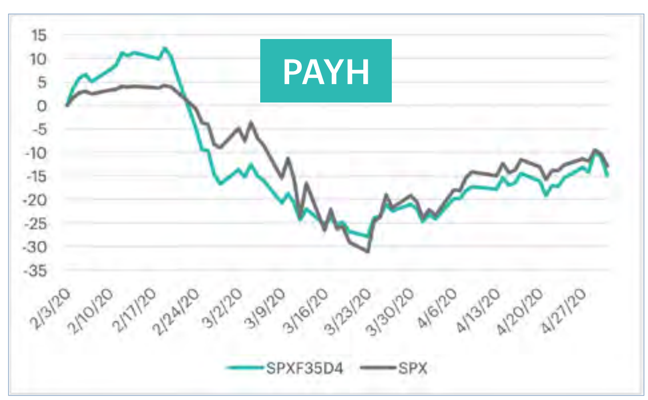




Volatile Market Environments

percentage change





In calm markets, the indices increase equity exposure for growth. In volatile markets, the indices reduce exposure to help limit drawdowns. The indices seek to maintain consistent risk and improve risk-adjusted returns across all market environments. The hypothetical example does not represent the returns of any particular investment.

Intraday Adjustment for Precision

Unlike many volatility-controlled indices that rebalance only daily, these indices implement a sophisticated intraday rebalance strategy.

- The indices adjust their exposure to equities up to 7x a day.
- The exposure is based on the realized volatility of the futures contract over the previous 3 and 5 days.
- The rebalancing for each intraday window uses Volume-Weighted Average Prices (VWAPs) to minimize the potential impact of sudden price movements during the adjustment process.

Want to take a peek at how the reference indices would have performed in past market drawdowns? Look them up:

S&P 500 Futures 35% Intraday VT 4% Decrement Index: SPXF35D4

S&P 500 Futures 20% Intraday VT 2% Decrement Index: SPXF20D2

Ready to Learn More?

The S&P 500 Futures Intraday VT Decrement Indices are the engine driving the autocallable notes inside TrueShares S&P Hedged Structured Income High ETF (PAYH) and TrueShares S&P Hedged Structured Income Moderate ETF (PAYM). To learn more, visit **www.true-shares.com/structuredincome**.