

# SYNTAX<sup>®</sup> NAMES RULE SOLUTIONS

Granular, quality data to achieve and maintain compliance throughout a product's lifecycle

1 Product Validation

2 Style Drift Analysis

3 Ongoing Compliance

The SEC's "Names Rule"\* requires fund managers to demonstrate that "at least 80 percent of the value of its assets" are invested in a manner "consistent with its name."

The Names Rule was recently expanded to cover "funds whose names suggest a focus in investments with particular characteristics," including:



Syntax offers automated, easy-to-use data files that can help managers demonstrate their compliance with the Names Rule

## Example: Measuring Cybersecurity Names Rule Compliance

Business Risk Lens: Cybersecurity

	Portfolio Weight	
<b>Cybersecurity</b>	63.18%	<b>63.2%</b>
Cybersecurity Software	44.19%	With only 63.2% weight allocated to the Syntax Cybersecurity Lens, the Portfolio may not comply with the Names Rule
Cybersecurity Hardware	14.79%	
Cybersecurity Services	4.20%	
<b>Non-Cybersecurity</b>	36.82%	

## Syntax Names Rule Solution Benefits

- **Automated delivery** of qualified universe lists that adhere to regulatory policies and guidelines
- **Analysis of company** revenues by product line data
- **Creation of custom lenses** to generate starting universe or measure alignment with a specific theme or investment characteristic
- **Available for any reporting** period and on-demand

\*Section 35(d) of the Investment Companies Act. For additional information please see <https://www.sec.gov/news/statement/gensler-statement-names-rule-092023> and <https://www.sec.gov/files/rules/final/2023/33-11238.pdf>



# Verify Product Line Data with Direct Citations from Company Filings and Documents



	Revenue \$m	Revenue (%)
<b>Services</b>		
Cloud-based Security Software for Businesses	2,636.9	59.7%
<b>Products</b>		
Security Equipment for Cloud Networks	1,780.5	40.3%

- Product line classification and associated revenue data are based on official regulatory filings and archived for audit purposes
- Clearly identify companies that are inconsistent with the Fund name and those that are not in the portfolio but are consistent with the Fund name

## Citation

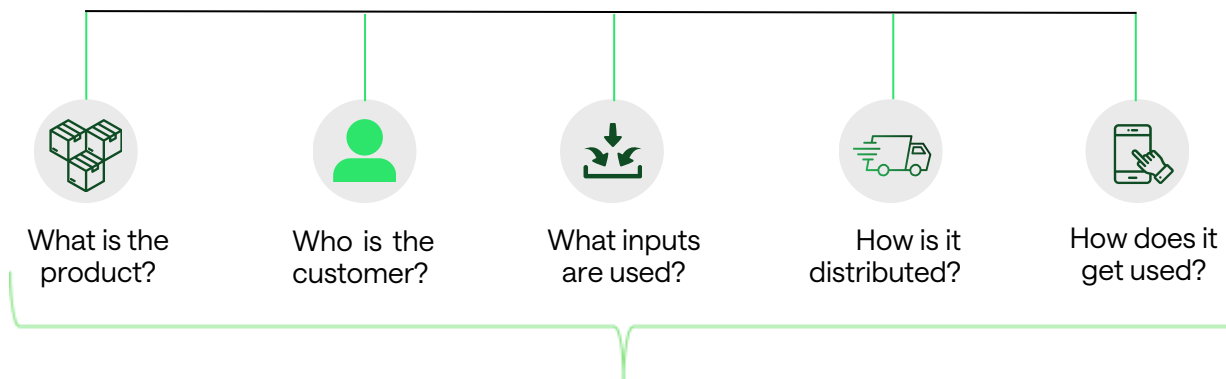
**Service revenue.** Service revenue is generated primarily from FortiGuard security subscription services and FortiCare technical support services. We recognize revenue from FortiGuard security subscription and FortiCare technical support services ratably over the service term. Our typical contractual support and subscription term is one to five years. We also generate a small portion of our revenue from other services, for which we recognize revenue as the services are provided, and cloud-based services, for which we recognize revenue as the services are delivered or on a monthly usage basis...

Text data from page 59 of Fortinet, Inc. 2022 10-K

## Powered by a 360° View of a Company and its Product Lines

Unlike traditional classification systems that only capture a company's primary business, Syntax's Functional Information System (FIS®) recognizes a company is multi-dimensional with numerous product lines – each with distinct attributes, risks and impact.

### COMPANY X



### Is the Company Aligned with the Fund Name?

#### About Syntax

Syntax LLC is a financial data and technology company that codifies business models into a relational system we call Affinity Data™. Syntax operates through three segments: Affinity Data™, Syntax Direct™, and Syntax Indices™. Using its patented FIS® technology inspired by systems sciences, the Affinity Data™ segment offers the most comprehensive, granular, and accurate product line revenue data available on the market. The Syntax Direct™ segment then uses this abundance of data to facilitate the near instantaneous creation and ongoing management of boundless direct indexing solutions and rules-based equity portfolios through a fully automated platform. The Syntax Indices™ segment offers customized and proprietary indices, including core global benchmarks and micro- and macro-thematic, smart beta, defined outcome, and target volatility indices. These indices are foundational for a range of financial products, such as ETFs, UITs, and structured products. Learn more at [www.syntaxdata.com](http://www.syntaxdata.com).

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