



Syntax AI Index (SYAI) Rulebook

12 January 2024

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1 Index Objective

The Syntax AI Index (the “Index”) modified market cap-weights up to 50 publicly traded US companies that produce AI software or hardware or utilize AI to provide revenue-generating services. The Index applies screens for thematic purity of exposure, liquidity, and size, and defines business segments including AI hardware, AI software, and AI services.

The Index uses company classification data structured in Syntax's proprietary Functional Information System (FIS)®, which draws primarily from audited annual reports (e.g., 10-K filings) and secondarily from unaudited documents (e.g., news articles, company websites) to allow granular groupings and comparisons of companies by the characteristics of their various product lines.

Information regarding the day-to-day calculation and maintenance of this and other Syntax Indices — as well as regarding the definitions of key terms used throughout this and other Syntax Index Rulebooks — is available in an accompanying document, the *Syntax Index Calculations & Adjustments Rulebook*.

2 Index Parameters

Launch Date: 28 September 2023

First Value Date: 21 September 2018

Index Calendar: US (NYSE)

Index Trading Hours: US (NYSE)

Corporate Action Handling: Cap-weight Methods

Regular Dividend Reinvestment: Pro rata Method

Reconstitution: Quarterly — each March, June, September and December (the “Reconstitution Months”)

Rebalancing: Quarterly — each March, June, September and December (the “Rebalancing Months”)



Snapshot Date: The last US trade date before the Rebalancing Month, at the market close

Weight Date: The last US trade date on or before the Wednesday before the second Friday of the Rebalancing Month, at the market close

Rebalance Date: The last US trade date on or before the third Friday of the Rebalancing Month, at the market close

Effective Date: The first US trade date following the third Friday of the Rebalancing Month, at the market open

Inter-Basket Changes: Constituent entities are neither added nor removed in the Rebalancing except as compelled by reasons that could have triggered an Intra-Basket Change had they occurred between Rebalancings. The Constituent security or Constituent listing of a Constituent entity may be replaced in the Rebalancing by another that provides sufficiently equivalent exposure to the same Constituent entity, as per the Administrator's Expert Judgment. Additions and removals of all kinds may be made in the Reconstitution.

Intra-Basket Changes: Index Constituents may be removed at any time due to corporate actions or events severely affecting liquidity, business integrity, or the relevance of business engagement. Except where specified in the *Syntax Index Calculations & Adjustments Rulebook* for handling of corporate actions such as mergers or spinoffs, Index Constituents are not added between Rebalancings.

3 Basket Construction

3.1 Universe

The Index's Universe is drawn from the Syntax US 3000 Index (SY3000). Candidates are identified using Syntax FIS data showing that each has at least 20% Theme Exposure (typically measured as a percentage of revenues, and in some cases reflecting profit or other indicators that are deemed more relevant) from one or more of the following business segments:

- **AI Software:** companies that derive revenue from developing, publishing, or licensing software leveraging artificial intelligence technology, including AI-enabled software for healthcare;



transportation and logistics; finance and insurance; search; sales, marketing, and customer service; voice recognition; visualization, design, and development; and security.

- **AI Hardware:** companies that derive revenue from developing, manufacturing, or fabricating hardware used in artificial intelligence applications, including high-performance compute systems, machine vision hardware, quantum computing hardware, and semiconductors and processors for AI data analytics.
- **AI Services:** companies that derive revenue from utilizing artificial intelligence technology in providing services to their clients, including data analytics, IT services, risk analysis, and education.

3.2 Selection

To be considered an “Eligible Candidate” and enter the ranking process, a Candidate must meet all the following eligibility criteria:

- Average Daily Traded Value (ADTV): three-month minimum of 1 million USD based on at least one month of trading history
- Float Factor: minimum of 20%
- Market capitalization: minimum of 50 million USD
- Float-adjusted market capitalization: minimum of 50 million USD

The Index selects Constituents from among the Eligible Candidates by the following steps:

- 1) Rank all the Eligible Candidates by three metrics in descending order separately: market capitalization, three-month ADTV, and Theme Exposure.
- 2) For each Eligible Candidate, average the three metrics’ rank numbers.
- 3) Sort the Eligible Candidates into two buckets: one comprising the Eligible Candidates whose Theme Exposures are at least 50% (the “Pure-play Bucket”), and the other comprising the Eligible Candidates whose Theme Exposures are below 50% (the “Diversified Bucket”).
- 4) By ascending order of the averaged rank numbers from (2), using three-month ADTV as a rank tiebreaker — such that all else held equal, Eligible Candidates with higher values for the three metrics are selected first — select Constituents from among the Eligible Candidates within as



many Buckets as are needed, proceeding through the Buckets in the following order until either 50 Constituents are selected, or all Eligible Candidates are selected:

- a. Pure-play Bucket
- b. Diversified Bucket

3.3 Weighting

All Constituents are weighted by float-adjusted market capitalization within their respective Buckets (Pure-play or Diversified) as of the Weight Date, subject to an Index Weight maximum of 4.8% for Constituents in the Pure-play Bucket and an Index Weight maximum of 3% for Constituents in the Diversified Bucket, with the Pure-play Bucket allocated 80% of the total Index Weight and the Diversified Bucket allocated 20% of the total Index Weight.

4 Index Variants

The Index is calculated in US Dollar (USD) on an end-of-day (EOD) basis by Syntax Indices in the following variants:

Ticker	Name	Return Type	Base Date	Launch Date	Base Level
SYAI	Syntax AI Index	Price Return	21 Sep 2018	28 Sep 2023	1000
SYAIG	Syntax AI Index Total Return	Gross Total Return	21 Sep 2018	28 Sep 2023	1000