

INDEX GUIDELINE

HSCM PUBLIC INSURTECH INDEX

HPIX

Version 1.2

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INTRODUCTION

This document (the "**GUIDELINE**") is to be used as a guideline with regard to the composition, calculation and maintenance of the HSCM Public InsurTech Index (the "**INDEX**"). The INDEX is owned and administered by Hudson Structured Capital Management Ltd. (the "**INDEX OWNER**") assuming the role as administrator (the "**INDEX ADMINISTRATOR**"). The INDEX is calculated and published by Solactive AG ("**SOLACTIVE**") assuming the role as "**CALCULATION AGENT**". The name "Solactive" is trademarked.

The text uses defined terms which are formatted with "SMALL CAPS". Such Terms shall have the meaning assigned to them as specified in Section 6 (Definitions).

The GUIDELINE and the policies and methodology documents referenced herein contain the underlying principles and rules regarding the structure and operation of the INDEX. Neither the INDEX ADMINISTRATOR nor the CALCULATION AGENT offer any explicit or tacit guarantee or assurance, neither pertaining to the results from the use of the INDEX nor the level of the INDEX at any certain point in time nor in any other respect. The CALCULATION AGENT strives to the best of its ability to ensure the correctness of the calculation. There is no obligation for the INDEX ADMINISTRATOR or the CALCULATION AGENT – irrespective of possible obligations to issuers – to advise third parties, including investors and/or financial intermediaries, of any errors in the INDEX. The publication of the INDEX by the CALCULATION AGENT does not constitute a recommendation for capital investment and does not contain any assurance or opinion of the INDEX ADMINISTRATOR or the CALCULATION AGENT regarding a possible investment in a financial instrument based on this INDEX.

1. INDEX SPECIFICATIONS

1.1. SCOPE OF THE INDEX

Category	Description
Asset Class	Equity
Strategy	The Index intends to track the price movements of a portfolio of common equity securities listed since 2010 by companies in the United States insurance sector with novel business models differentiated by technology, which securities are listed and traded on major U.S. exchanges.
Regional Allocation	U.S.-listed equities
Rebalancing Fee	n/a
Rebalancing Frequency	Quarterly

1.2. IDENTIFIERS AND PUBLICATION

The INDEX is published under the following identifiers:

Name	ISIN	Currency	Type	RIC	BBG ticker
HSCM Public InsurTech Index	DE000SLOC1G6	USD	GTR*	.HPIX	HPIX

*GTR means that the Index is calculated as gross total return Index as described in the Equity Index Methodology of the CALCULATION AGENT, which is available on the website: <https://www.solactive.com/documents/equity-index-methodology/>.

The INDEX is published on the website of the CALCULATION AGENT (www.solactive.com) and is, in addition, available via the price marketing services of Boerse Stuttgart GmbH and may be distributed to all of its affiliated vendors. Each vendor decides on an individual basis as to whether it will distribute or display the INDEX via its information systems.

Any publication in relation to the INDEX (e.g. notices, amendments to the GUIDELINE) will be available at the website of the CALCULATION AGENT: <https://www.solactive.com/news/announcements/>.

1.3. INITIAL LEVEL OF THE INDEX

The initial level of the INDEX on the 02/01/2020, the START DATE, is 100. Historical values from the 28/04/2021, the LIVE DATE, will be recorded. Levels of the INDEX published for a period prior to the LIVE DATE have been back-tested.

1.4. PRICES AND CALCULATION FREQUENCY

The level of the INDEX is calculated on each CALCULATION DAY from 9:30 a.m. to 4:50 p.m. Eastern Time based on the TRADING PRICES on the EXCHANGES on which the INDEX COMPONENTS are listed. TRADING PRICES of INDEX COMPONENTS not listed in the INDEX CURRENCY are converted using the current Intercontinental Exchange (ICE) spot foreign exchange rate. Should there be no current TRADING PRICE for an INDEX COMPONENT, the later of: (i) the most recent CLOSING PRICE; or (ii) the last available TRADING PRICE for the preceding TRADING DAY is used in the calculation.

In addition to the intraday calculation a closing level of the INDEX for each CALCULATION DAY is also calculated. This closing level is based on the CLOSING PRICES for the INDEX COMPONENTS on the respective EXCHANGES on which the INDEX COMPONENTS are listed. The CLOSING PRICES of INDEX COMPONENTS not listed in the INDEX CURRENCY are converted using the 04:00 p.m. London time WM Fixing quoted by Reuters. If there is no 04:00 p.m. London time WM Fixing for the relevant CALCULATION DAY, the last available 04:00 p.m. London time WM Fixing will be used for the closing level calculation.

1.5. LICENSING

Licenses to use the INDEX as the underlying value for financial instruments, investment funds and financial contracts may be issued to stock exchanges, banks, financial services providers and investment houses by the INDEX ADMINISTRATOR.

2. INDEX SELECTION

On each SELECTION DAY, the INDEX ADMINISTRATOR will revise the composition of the INDEX.

In a first step, the INDEX ADMINISTRATOR determines the INDEX UNIVERSE in accordance with Section 2.1. The INDEX UNIVERSE comprises all those financial instruments which fulfill the INDEX UNIVERSE REQUIREMENTS (as specified in Section 2.1) and will constitute a starting pool from which the components of the INDEX will be selected. Based on this INDEX UNIVERSE, the new composition of the INDEX will be determined by applying the rules outlined in Section 2.2.

Each INDEX COMPONENT will be assigned a weight as described in Section 2.3.

2.1. INDEX UNIVERSE REQUIREMENTS

The INDEX UNIVERSE is comprised of all financial instruments which fulfill the below requirements (the “INDEX UNIVERSE REQUIREMENTS”):

- Company has common equity securities (not ADRs) trading on US exchanges including the NYSE, NYSE American, or NASDAQ.

2.2. SELECTION OF THE INDEX COMPONENTS

Based on the INDEX UNIVERSE, the initial composition of the INDEX as well as any selection for an ordinary rebalance is determined on the SELECTION DAY in accordance with the following rules (the “INDEX COMPONENT REQUIREMENTS”):

Any company/security meeting all of the criteria, in the sole opinion of the INDEX ADMINISTRATOR, may be included in the index:

1. TOTAL MARKET CAPITALIZATION is above \$500 million. INDEX COMPONENTS will not be removed solely because their TOTAL MARKET CAPITALIZATION falls below \$500 million.
2. The Company is an operating company; it is not a Special Purpose Acquisition Company (SPAC).
3. The Company must have completed its first IPO or SPAC business combination within 10 years of the index start date, i.e. in 2010 or after. Effective on 1/1/2022, companies/securities are eligible for inclusion on the SELECTION DAY that occurs after the company has reported at least two quarters of financial results while publicly listed.
4. The Company derives at least 50% of its annual group-wide revenue from insurance activities, which may include participating in one or more of the following business activities as concerns insurance: data services, software, computer systems, marketing, lead generation, price comparison, direct or digital distribution, agency management, agent/broker, underwriting,

insurance carrier, risk management, claims management, loss prevention, and related products or services.

5. In the case of insurance carriers and agencies, the Company prominently describes its use of technology as being a critical part of differentiating a novel business model.
6. The Company must not be considered primarily a reinsurer; i.e. a preponderance of revenue must derive from sources other than writing reinsurance (ignoring reinsurance of the Company's own insurance business).

Non-public information will not be used for determining eligibility for the INDEX.

An INDEX COMPONENT may be removed on a SELECTION DAY if the company appears to be ineligible for inclusion based on new information or a material change in its business.

Because some of the **INDEX COMPONENT REQUIREMENTS** are unavoidably subjective, the INDEX ADMINISTRATOR does not view the **INDEX COMPONENTS** as composing a definitive list.

2.3. WEIGHTING OF THE INDEX COMPONENTS

On each Selection Day each INDEX COMPONENT is assigned a weight according to TOTAL MARKET CAPITALIZATION. Then a weight cap of 15 percent is applied for each INDEX COMPONENT. Any excess weight that results from this procedure will be redistributed proportionally among all INDEX COMPONENTS with a weight of less than the cap. If this procedure results in INDEX COMPONENTS receiving a weight of more than the cap, then this weight is capped at the cap with the excess weight being redistributed proportionally among all INDEX COMPONENTS with a weight of less than the cap. This procedure may be done iteratively until the weight of no INDEX COMPONENT is greater than the cap.

3. REBALANCE

3.1. ORDINARY REBALANCE

In order to reflect the new selection of the INDEX COMPONENTS determined on the SELECTION DAY (in accordance with Section 2.1 and 2.2) the INDEX is adjusted on the REBALANCE DAY after CLOSE OF BUSINESS.

This is carried out by implementing the weights calculated on the SELECTION DAY.

For more information on the rebalance procedure please refer to the Equity Index Methodology of the CALCULATION AGENT, which is incorporated by reference and available on the website: <https://www.solactive.com/documents/equity-index-methodology/>.

3.2. EXTRAORDINARY REBALANCE

The INDEX is not rebalanced extraordinarily.

4. CALCULATION OF THE INDEX

4.1. INDEX FORMULA

The INDEX is calculated as a gross total return Index.

The calculation is performed according to the Equity Index Methodology of the CALCULATION AGENT, which is available on the website: <https://www.solactive.com/documents/equity-index-methodology/>. The standard index formula stipulates that the level of the INDEX changes based on the change of the prices of its INDEX COMPONENTS taking into account their weight in the INDEX and any currency conversion in case the price of an INDEX COMPONENT is quoted in a currency other than the INDEX CURRENCY.

Any dividends or other distributions are reinvested back into the INDEX COMPONENT paying the dividend or other distribution at the opening of the effective date (the so called ex-date) of the payment of such dividend or other distribution.

A more detailed description of the mechanics of the index calculation formula can be found in the Equity Index Methodology of the CALCULATION AGENT under Section 1.2.

4.2. ACCURACY

The level of the INDEX will be rounded to two decimal places. TRADING PRICES and foreign exchange rates will be rounded to six decimal places.

4.3. ADJUSTMENTS

Under certain circumstances, an adjustment of the INDEX may be necessary between two regular REBALANCE DAYS. Such adjustment has to be made if a corporate action (as specified in Section 4.4 below) in relation of an INDEX COMPONENT occurs. Such adjustment may have to be done in relation to an INDEX COMPONENT and/or may also affect the number of INDEX COMPONENTS and/or the weighting of certain INDEX COMPONENTS and will be made in compliance with the Equity Index Methodology of the CALCULATION AGENT, which is incorporated by reference and available on the website: <https://www.solactive.com/documents/equity-index-methodology/>.

4.4. CORPORATE ACTIONS

As part of the INDEX maintenance the CALCULATION AGENT will consider various events – also referred to as corporate actions – which result in an adjustment to the INDEX between two regular REBALANCE DAYS. Such events have a material impact on the price, weighting or overall integrity of INDEX COMPONENTS. Therefore,

they need to be accounted for in the calculation of the INDEX. Corporate actions will be implemented from the cum-day to the ex-day of the corporate action, so that the adjustment to the INDEX coincides with the occurrence of the price effect of the respective corporate action.

Adjustments to the INDEX to account for corporate actions will be made in compliance with the Equity Index Methodology of the CALCULATION AGENT, which is available on the website: <https://www.solactive.com/documents/equity-index-methodology/>. This document contains for each corporate action a brief definition and specifies the relevant adjustment to the INDEX variables.

While the CALCULATION AGENT aims at creating and maintaining its methodology for the treatment of corporate actions as generic and transparent as possible and in line with regulatory requirements, it retains the right in accordance with the Equity Index Methodology of the CALCULATION AGENT to deviate from these standard procedures in case of any unusual or complex corporate action or if such a deviation is made to preserve the comparability and representativeness of the INDEX over time.

The CALCULATION AGENT considers the following, but not conclusive, list of corporate actions as relevant for the INDEX maintenance:

- > Cash Distributions (e.g. payment of a dividend)
- > Stock distributions (e.g. payment of a dividend in form of additional shares)
- > Stock distributions of another company (e.g. payment of a dividend in form of additional shares of another company (e.g. of a subsidiary))
- > Share splits (company's present shares are divided and therefore multiplied by a given factor)
- > Reverse splits (company's present shares are effectively merged)
- > Capital increases (such as issuing additional shares)
- > Share repurchases (a company offer its shareholders the option to sell their shares to a fixed price)
- > Spin-offs (the company splits its business activities into two or more entities and distributes new equity shares in the created entities to the shareholders of the former entity)
- > Mergers & Acquisitions (transaction in which the ownership of a company (or other business organizations) are transferred or consolidated with other entities, e.g. fusion of two or more separate companies into one entity)
- > Delistings (company's shares are no longer publicly traded at a stock exchange)
- > Nationalization of a company (effective control of a legal entity is taken over by a state)
- > Insolvency

4.5. MARKET DISRUPTION

In periods of market stress the CALCULATION AGENT calculates the INDEX following predefined and exhaustive arrangements as described in the Disruption Policy of the CALCULATION AGENT, which is incorporated by reference and available on the website: <https://www.solactive.com/documents/disruption-policy/>. Such market stress can arise due to a variety of reasons, but generally results in inaccurate or delayed prices for one or more INDEX COMPONENTS. The determination of the INDEX may be limited or impaired at times of illiquid or fragmented markets and market stress.

5. MISCELLANEOUS

5.1. DISCRETION

The INDEX ADMINISTRATOR may seek opinions from third parties regarding the determination of the INDEX UNIVERSE, the selection of INDEX COMPONENTS, and other aspects of administering the index.

5.2. METHODOLOGY REVIEW

The methodology of the INDEX is subject to regular review by the INDEX ADMINISTRATOR.

5.3. CHANGES IN CALCULATION METHOD

The application by the INDEX ADMINISTRATOR and the CALCULATION AGENT of the method described in this document is final and binding. The INDEX ADMINISTRATOR and the CALCULATION AGENT shall apply the method described above for the composition and calculation of the INDEX. However, it cannot be excluded that the market environment, supervisory, legal and financial or tax reasons may require changes to be made to this method. The INDEX ADMINISTRATOR may also make changes to the terms and conditions of the INDEX and the method applied to calculate the INDEX that it deems to be necessary and desirable in order to prevent obvious or demonstrable error or to remedy, correct or supplement incorrect terms and conditions. The INDEX ADMINISTRATOR is not obliged to provide information on any such modifications or changes.

6. DEFINITIONS

“**BUSINESS DAY**” is a day on which the Nasdaq Stock Exchange is open for general business.

“**CALCULATION AGENT**” shall have the meaning as defined in Section “Introduction”.

“**CALCULATION DAY**” is every weekday from Monday to Friday. A day on which the Nasdaq Stock Exchange is not open for general business is not a **CALCULATION DAY**.

“**CLOSE OF BUSINESS**” is the calculation time of the closing level of the **INDEX** as outlined in Section 1.4.

The “**CLOSING PRICE**” in respect of an **INDEX COMPONENT** and a **TRADING DAY** is a security's final regular-hours **TRADING PRICE** published by the **EXCHANGE** and determined in accordance with the **EXCHANGE** regulations. If the **EXCHANGE** has no or has not published a **CLOSING PRICE** in accordance with the **EXCHANGE** rules for an **INDEX COMPONENT**, the last **TRADING PRICE** will be used.

“**DAILY VALUE TRADED**” means, in respect of an **INDEX COMPONENT** and a **TRADING DAY**, the product of (i) the **CLOSING PRICE** of such **INDEX COMPONENT** and (ii) the volume traded (measured as a number of shares) of such **INDEX COMPONENT** on the **EXCHANGE** during such **TRADING DAY**.

“**EXCHANGE**” is with respect to the **INDEX** and every **INDEX COMPONENT**, the respective exchange where the **INDEX COMPONENT** has its listing as determined in accordance with the rules in Section 2.

“**GUIDELINE**” shall have the meaning as defined in Section “Introduction”.

“**INDEX**” shall have the meaning as defined in Section “Introduction”.

“**INDEX ADMINISTRATOR**” shall have the meaning as defined in Section “Introduction”.

“**INDEX COMPONENT**” is each security reflected in the **INDEX**.

“**INDEX COMPONENT REQUIREMENTS**” shall have the meaning as defined in Section 2.2.

“**INDEX CURRENCY**” is the currency specified in the column “Currency” in the table in Section 1.2.

“**INDEX OWNER**” is Hudson Structured Capital Management Ltd.

“**INDEX UNIVERSE REQUIREMENTS**” shall have the meaning as defined in Section 2.1.

“**INDEX UNIVERSE**” is the sum of all financial instruments which fulfill the **INDEX UNIVERSE REQUIREMENTS**.

“**LIVE DATE**” shall have the meaning as defined in Section 1.3.

“**REBALANCE DAY**” is second **BUSINESS DAY** of January, April, July and October. If that day is not a **TRADING DAY** the **REBALANCE DAY** will be the immediately following **TRADING DAY**.

“**SELECTION DAY**” is 10 **BUSINESS DAYS** before **REBALANCE DAY**, disregarding any potential change of the **REBALANCE DAY**.

The “**SHARE CLASS MARKET CAPITALIZATION**” is with regard to each of the securities in the **INDEX** on a **SELECTION DAY** the share class-specific market capitalization for any security in the **INDEX UNIVERSE**. It is

calculated as the multiplication of the shares outstanding with the CLOSING PRICE of the share class as of the respective SELECTION DAY.

“START DATE” shall have the meaning as defined in Section 1.3.

The **“TOTAL MARKET CAPITALIZATION”** is with regard to each of the securities in the INDEX on a SELECTION DAY the sum of all SHARE CLASS MARKET CAPITALIZATIONS of a company.

“TRADING DAY” is with respect to an INDEX COMPONENT included in the INDEX at the REBALANCE DAY and every INDEX COMPONENT included in the INDEX at the CALCULATION DAY immediately following the REBALANCE DAY (for clarification: this provision is intended to capture the TRADING DAYS for the securities to be included in the INDEX as new INDEX COMPONENTS with close of trading on the relevant EXCHANGE on the REBALANCE DAY) a day on which the relevant EXCHANGE is open for trading (or a day that would have been such a day if a market disruption had not occurred), excluding days on which trading may be ceased prior to the scheduled EXCHANGE closing time and days on which the EXCHANGE is open for a scheduled shortened period. The CALCULATION AGENT is ultimately responsible as to whether a certain day is a TRADING DAY.

The **“TRADING PRICE”** in respect of an INDEX COMPONENT and a TRADING DAY is the most recent published price at which the INDEX COMPONENT was traded on the respective EXCHANGE.

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