



# Nasdaq Insurance Solutions

Empowering Investors with Enhanced  
Risk Management: Nasdaq-100  
Volatility Control 10% PR™ Index

September 2024

[nasdaq.com](https://nasdaq.com)

## About Nasdaq:

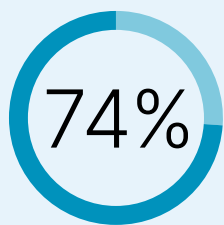
A Leading US and Global Exchange Operator with World-Class Indexing Capabilities

Leveraging its extensive resources and brand recognition as the home of the world’s most innovative companies, Nasdaq continues to push boundaries in the index business.

## Nasdaq by the numbers:

#1

U.S. Equities Exchange and Market Share in U.S. Multi-Listed Options



U.S. IPO Win Rate Over Past Five Years



of Global AUM tracking Nasdaq Indices

At the forefront of Nasdaq’s index offerings stands the Nasdaq-100 Index®, globally respected for defining today’s modern-day industrials. This benchmark has consistently outperformed other US benchmark indexes, attracting investors seeking exposure to the most innovative growth and technology stocks listed on Nasdaq.

# Nasdaq-100 Volatility Control 10% PR™ Index

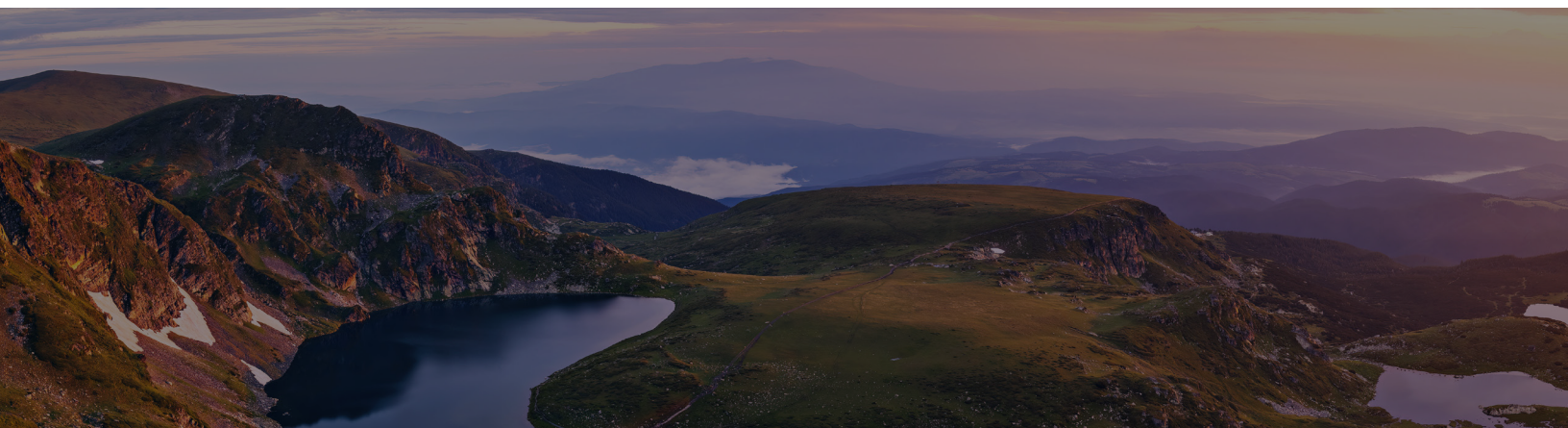
Empowering Investors with  
Enhanced Risk Management

Nasdaq's remarkable achievements are rooted in its steadfast dedication to understanding and addressing the dynamic needs of the market. In line with this commitment, Nasdaq has joined forces with Salt Financial to unveil the Nasdaq-100 Volatility Control 10% PR™ Index.

This index helps empower investors to manage their exposure to volatility while benefiting from the renowned Nasdaq-100 Index® (NDX®). The index aims for a consistent level of annualized volatility of 10%, enabling investors to align their investment goals with their risk tolerance.

Index Name	Ticker	YTD	Volatility	Sharpe Ratio
Nasdaq-100 Volatility Control 10% PR™ Index	NDXV10P™	10.79%	9.78%	0.83
Nasdaq-100 Index®	NDX®	19.22%	21.90%	0.54

Source: Nasdaq, Salt Financial. YTD performance represents January 1, 2024, through September 30, 2024. The live performance date for NDXV10P is July 31, 2024 and prior performance is simulated and backtested. Past performance may not be indicative of future performance.



# The Methodology

By harnessing the rich information in intraday data, the index utilizes an advanced volatility control mechanism that helps deliver greater responsiveness and increased participation through the 10% volatility target, allowing for alignment with product objectives and options budgets.

## Index Construction



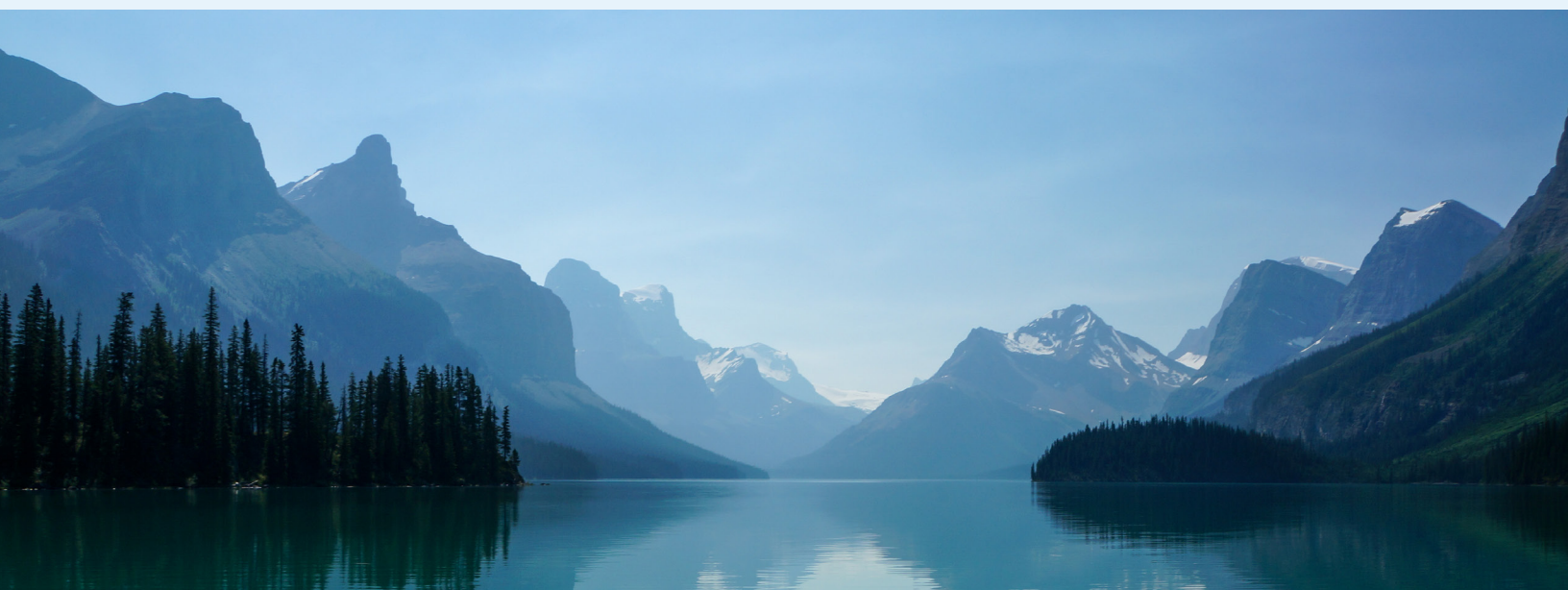
Nasdaq-100 Index® (NDX®)



Use truVol to estimate NDX® volatility and scale the exposure with interest-earning cash to the 10% volatility target



Adjust the exposure of NDX® up or down by 20% based on short term volatility trend determined by the truVol Dynamic Risk Scalars.

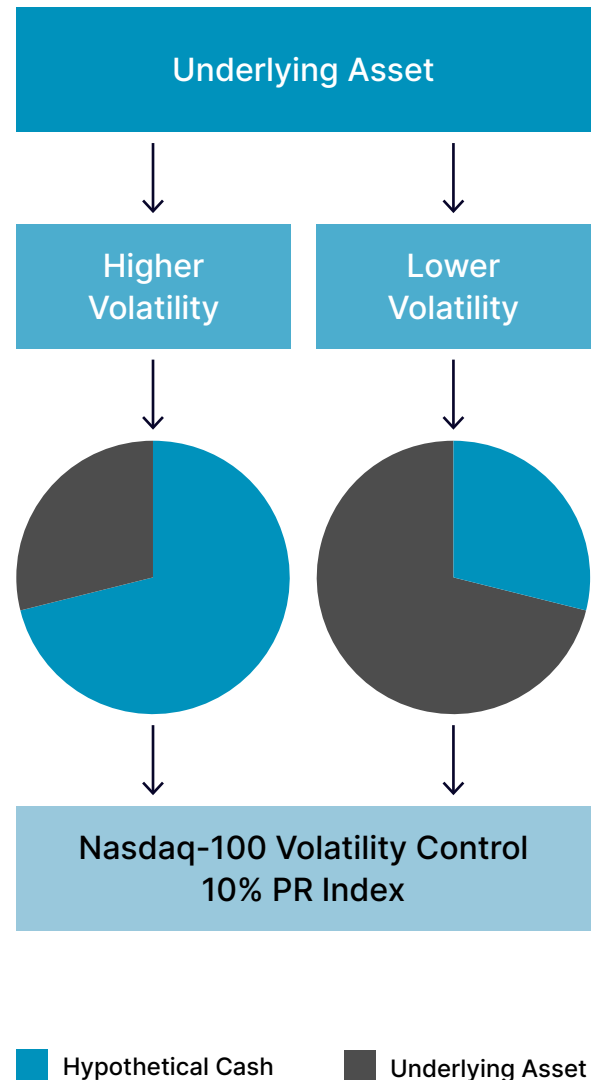


# Enhanced Returns with Stable Volatility

## Introducing the truVol® Risk Control Engine (RCE)

Developed by Salt Financial, truVol® utilizes a volatility model based on intraday prices to enable faster reactions to market events.

The dynamic rebalancing feature helps achieve optimal performance by adjusting exposure to the underlying asset to achieve the desired level of volatility. In times of high volatility, exposure is reduced to mitigate risk. Conversely, when volatility is low, exposure is increased to target the specified volatility target.



## Benefits of Volatility Control

The benefits of volatility control are significant; by stabilizing index returns and containing volatility around targeted levels, these mechanisms improve options pricing and can help reduce drawdowns, increasing potential upside for investors.

Furthermore, better pricing allows for better participation rates, leading to improved interest crediting for investors. The stability offered by volatility control allows for more consistent participation rates during the renewal process, providing investors with a sense of assurance.



## Link to Nasdaq-100

Nasdaq-100 Index®: The New Definition of Modern Industrials

Our globally respected Nasdaq-100 Index® (NDX®) redefines modern industrials, consistently outperforming other U.S. benchmarks. Offering investors exposure to the foremost innovative growth and technology stocks listed on The Nasdaq Stock Exchange, we ensure your journey aligns with our mission of empowerment and enrichment.

The index is designed to capture the price return generated by holding 100 of the largest non-financial, domestic and international, Nasdaq-listed stocks using a modified market cap-weighted approach to index construction.

In the Nasdaq-100 Volatility Control 10% PR™ Index, NDX® serves as the underlying asset. The index dynamically adjusts exposure to NDX® based on market volatility; during high volatility periods, exposure to NDX® is reduced, while it is increased during low volatility periods. This dynamic rebalancing ensures a more predictable and stable volatility profile, enhancing risk management for investors.

# Nasdaq-100 Volatility Control 10% PR™ Index Annualized Returns

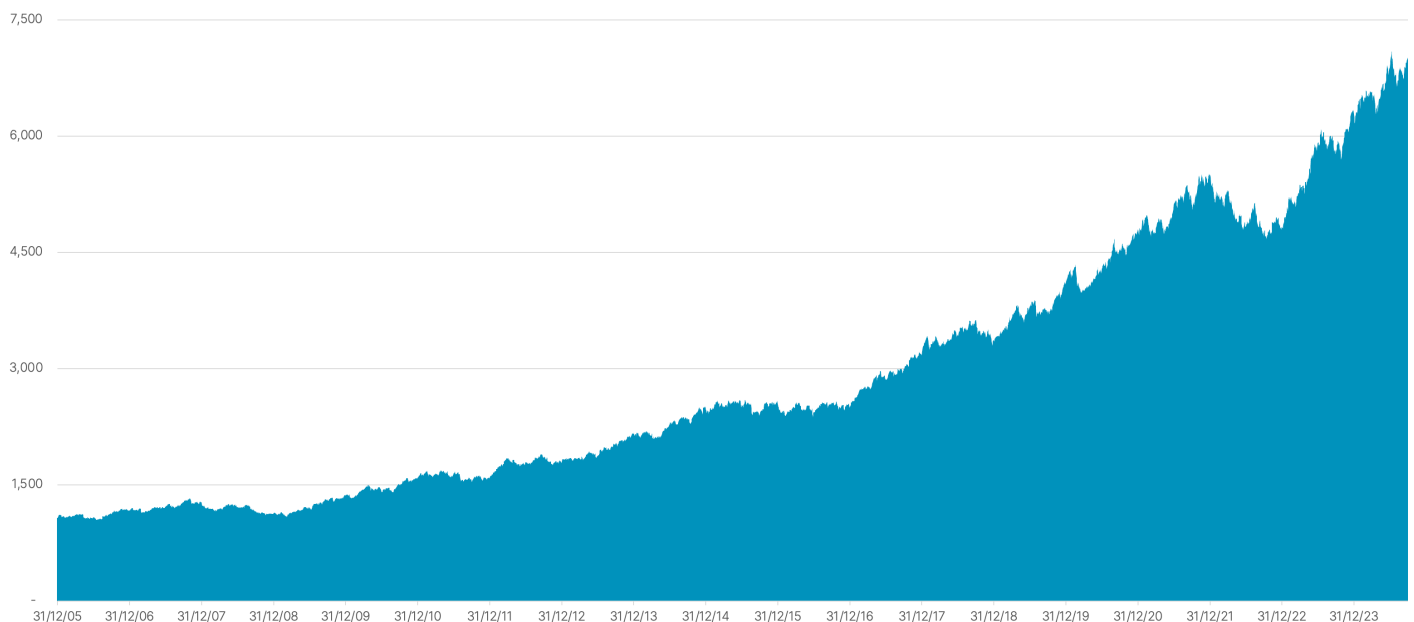
The backtested historical performance offers insights into how this index might have performed under various market conditions.

While it's essential to consider that past performance does not guarantee future results, the backtested performance offer valuable information for investors looking to evaluate the potential of Nasdaq-100 Volatility Control 10% PR™ Index.

Index Name	Ticker	YTD	1Y	3Y	5Y	10Y
Nasdaq-100 Volatility Control 10% PR™ Index	NDXV10P™	10.8%	20.7%	37.1%	87.2%	197.4%

Source: Nasdaq, Salt Financial. Simulated Historical Performance: Back-tested returns using historical data through September 30, 2024.

## NDXV10P Simulated historical and live performance as of September 30, 2024



## Contact your wholesaler to learn more about this solution.

Learn more about Nasdaq's other insurance solutions:  
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