Investment Planner Methodology

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1 General Information

1.1. The investment planner illustrates the possible performance distribution of the initial investment amount. Graphically illustrated (with a timeline on the horizontal axis and the respective values on the vertical axis) by the corresponding values to form a cone ("**cone**"). The probability of different outcomes is illustrated using quantiles. A quantile is a threshold value: A given portion of the values are smaller than or equal to the quantile, the rest are larger. Example: The 5% quantile is the value at or below which 5% of the possible realisations (possible performances) can be found.

1.2. In the investment planner the 5% quantile (red line) represents poor performance, the 50% quantile (white line) an average and the 95% quantile (turquoise line) a good performance. Performance below the 5% and above the 95% quantile occur with low corresponding probabilities and are (up to the 99% and the 1% quantile, respectively) illustrated by the turquoise and light red area outside the cone.

2 No Simulation of Discretionary Trading or Investment Strategies

2.1. The performance shown in the investment planner does not account for reallocations which result from Scalable Capital's ongoing risk analysis of each and every client's portfolio. Law and regulation set narrow guidelines concerning the illustration of performance; the basis for any illustration must be a financial instrument, underlying asset or an index with a fixed composition. Therefore, simulations of discretionary trading or an investment strategy are not permissible.

2.2. Consequently, the investment planner uses historical returns from the previous 15 years of static portfolios ("**replicating static portfolios**") comprised of indices and ETFs which closely match the characteristics of the corresponding investment strategy. The relevant characteristics are the expected value of returns and their statistical standard deviation. Expected value and standard deviation are basic concepts of statistics. The expected value of a random variable equals the value that the random variable assumes on average. In this case the expected value expresses the expected returns. The statistical standard deviation is a measure for the deviation of a random variable from its expected value. In this case, this expresses the fluctuation or volatility of the respective portfolio.

3 Replicating Static Portfolios and Performance Calculation

3.1. The overview at the end of this document displays the weights of the replicating static portfolios, which form the basis of the illustration of the performance of the respective investment strategies in the investment planner as well as the performance formula and the corresponding calculation parameters used.

3.2. By means of statistical methods, possible performance of the investment has been calculated on the basis of historical performance of aforementioned portfolios for up to 30 years. The statistical methods applied can be explained as follows:

3.2.1. Initially, characteristics are determined from historical data for each and every portfolio describing both performance and risk of the portfolio in the past. Performance is measured in weekly returns and risk is measured as the standard deviation of these weekly returns. Standard deviation of a value expresses the squared root of the average squared deviation from the mean and is a measure for the volatility of an investment.

3.2.2. The average performance of a long-term investment is determined through appropriate scaling of average historical weekly returns. This approach considers compounded interest and fees as mentioned in Section 4.2.

3.2.3. Similar to average returns, risk characteristics can be calculated for different investment horizons. While short-term investments tend to show less absolute fluctuations, the potential for higher fluctuations rises with an increasing investment horizon. In absolute terms, annual fluctuations are expected to be higher than weekly fluctuations. In relative terms, however, risk does not scale proportionally with an increasing investment horizon. Over time, returns partially balance each other out; i.e. a sequence of market moves in the same direction (say, all positive) becomes increasingly unlikely with an increasing investment horizon. This fact is accounted for by assuming temporal stochastic independence for the returns so that risk-diversification occurs over time.

3.2.4. In the last step the calculated long-term standard deviation is translated into quantiles for a better understanding. This is done on the basis of the normal distribution.

3.3. The performance illustrated in the investment planner cannot exactly match the performance resulting from Scalable Capital's continuous monitoring and reallocation process (which may not be published due to the regulatory framework). This is due to the fact that the former are based on static portfolios and the latter considers our dynamic portfolios, which are reallocated over time due to our continuous risk-management technology.

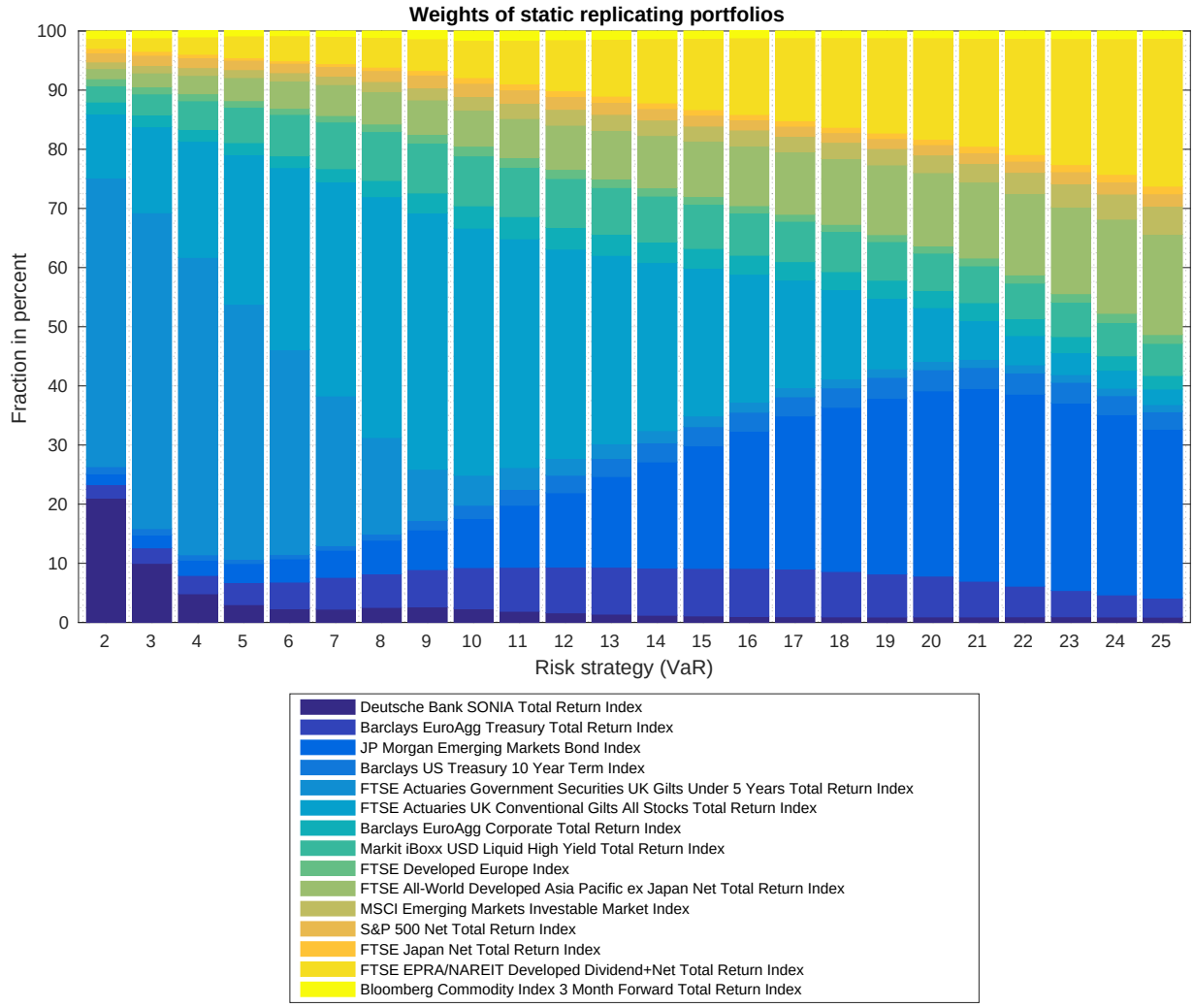
4 Additional Information

4.1. The data source is Bloomberg. All projections and predictions are based on proprietary calculations as explained in this document.

4.2. The illustration of performance considers the impact of commissions, fees and other remunerations, which means that our fee of 0.75% p.a. as well as ongoing costs for ETFs with an average of 0.25% p.a. are included in the calculation.

4.3. Since neither past performance nor projections or predictions are a reliable indicator for future performance, one should not entirely rely on the figures from the investment planner. The purpose is to merely illustrate comprehensible but tentative performance (with respect to strict jurisdictional and supervisory guidelines). An investment in capital markets is associated with risks that can lead to a loss of the investment. Please refer to our risk warning under https://uk.scalable.capital/risk/.

4.4. If you have any questions, we are happy to assist you via support@scalable.capital or +44 (0)203 750 0703.


Weights of static replicating portfolios
Fraction in percent
Risk strategy (VaR)
Deutsche Bank SONIA Total Return Index
Barclays EuroAgg Treasury Total Return Index
JP Morgan Emerging Markets Bond Index
Barclays US Treasury 10 Year Term Index
FTSE Actuaries Government Securities UK Gilts Under 5 Years Total Return Index
FTSE Actuaries UK Conventional Gilts All Stocks Total Return Index
Barclays EuroAgg Corporate Total Return Index
Markit iBoxx USD Liquid High Yield Total Return Index
FTSE Developed Europe Index
FTSE All-World Developed Asia Pacific ex Japan Net Total Return Index
MSCI Emerging Markets Investable Market Index
S&P 500 Net Total Return Index
FTSE Japan Net Total Return Index
FTSE EPRA/NAREIT Developed Dividend+Net Total Return Index
Bloomberg Commodity Index 3 Month Forward Total Return Index

$$\mu_{\text{NET}} = \mu - \log(1.1)$$
$$W_t(\alpha) = \exp\left(\log(W_0) + t\mu_{\text{NET}} + \sqrt{t}\sigma\Phi^{-1}(\alpha)\right)$$

Where:

- t is the observation period in years
- $W_t(\alpha)$ is the α-quantile at time t
- W_0 is the starting value of the portfolio
- μ is the arithmetic mean of log returns
- σ is the standard deviation of log returns

Risk strategy	μ	σ	Risk strategy	μ	σ
VaR02	0.045	0.023	VaR14	0.081	0.071
VaR03	0.049	0.027	VaR15	0.083	0.074
VaR04	0.052	0.031	VaR16	0.085	0.078
VaR05	0.056	0.035	VaR17	0.086	0.082
VaR06	0.059	0.039	VaR18	0.088	0.086
VaR07	0.063	0.043	VaR19	0.090	0.090
VaR08	0.066	0.047	VaR20	0.091	0.094
VaR09	0.068	0.051	VaR21	0.093	0.098
VaR10	0.071	0.055	VaR22	0.094	0.102
VaR11	0.074	0.059	VaR23	0.096	0.106
VaR12	0.076	0.063	VaR24	0.097	0.110
VaR13	0.078	0.067	VaR25	0.098	0.114