

Methodology

SPAMI and SPAMITR

1. Summary

SPAM Index LLC (“Provider”) picks stocks based on the news.

The Simple Port Actively Managed Index (“SPAMI”) is a price-return index of stocks the Provider picks. SPAMITR is a total return version of SPAMI. Together, this document may refer to SPAMI and SPAMITR as the “Indices.” There is no guarantee that the Indices will meet their objectives.

The Provider may make discretionary changes to the Indices that are outside the scope of the methodology defined here or other rules of the Index. The Provider’s inclusion or exclusion of a particular security in the Index may drive persons tracking the Index to purchase or sell such a security in response, thereby potentially affecting the price and availability of the security. The Provider may make the constituents of the Index available to some persons before others, and such persons may therefore have an advantage in purchasing securities in the Index.

The ambition is to rank names by outliers and pick accordingly.

Name	Size
Alice:	2.2
Bob:	1.9
Chandler:	1.4

Pick 2 largest

Example

Figure 1: How the Provider may evaluate components of the Index

The Provider or its affiliates may invest in securities that constitute the Index or whose prices change as a result of changes in the Index. The Provider may have the right or authority to purchase, sell or direct the purchase or sale of any security, and may therefore have a conflict in providing information relating to the Indices.

2. Universe

The Indices cover U.S. companies traded on the NASDAQ or New York Stock Exchange. While the Indices may include any constituents that satisfy this criterion, in practice, the Provider intends to focus primarily on U.S. Companies in sectors outside of healthcare. The Provider retains the discretion to define a U.S. Company and determine whether a given security satisfies this definition. The Provider further intends to emphasize agriculture, industrials, consumer, financials, and transportation companies among the constituents of the Indices, and deemphasize technology companies. There is no guarantee that the Provider will implement this intent in its definition of the eligibility criteria for the Indices, or the extent to which the Provider will follow

such criteria. The Provider retains the discretion to modify constituents at any time for any reason or no reason at all.

The definition of a “U.S. company” is inherently subjective. The Developer retains discretion in defining “U.S. company” as it deems fit, and this definition may change from time to time without notice. In addition, in practice the Developer is unlikely to memorialize the definition of “U.S. company” other than in this document.

The Developer retains discretion to identify any company with a nexus to the United States of America as a “U.S. company” for purposes of the Indices. In addition, the Developer retains the discretion to determine that a company fails to meet this criterion, for any reason or no reason at all.

3. Concentration Limits

The Provider aims to maintain diversification, as defined by the Internal Revenue Code of the United States as of the date of this Methodology, in the Indices as of a given rebalance date (“Diversification”). The Provider may fail to achieve Diversification. The Provider may abandon this objective at any time for any reason or no reason.

Even if the Provider succeeds in establishing Diversification as of a given rebalance date, the Indices may not meet the criteria for Diversification between rebalance dates.

Please note that Diversification may not provide sufficient (or any) protection against risk. Even if the Provider succeeds in establishing Diversification, the Indices may include concentration in positions far in excess of customary amounts in the industry or those considered prudent by experts.

Concentration in a position increases the risk and severity of loss. The Indices aspire to maximize that risk within the meaning of Diversification.

4. Corporate Actions

The Provider intends for the Indices to use the Modified Market Cap Weighted Index structure to keep all events Cap Neutral with the exception of Capital Dividends and Index drops. For Zero Price Spin Offs, the Provider has instructed the Calculating Agent to retain the component until the next review at a future date.

The Provider may modify this plan at any time.

5. Rebalancing

The Provider expects to rebalance the Indices approximately weekly.

The Provider may rebalance the Indices from time to time based on changes in the news, changes in price, discretion of the Provider, or other factors without notice.

6. Pro Forma period

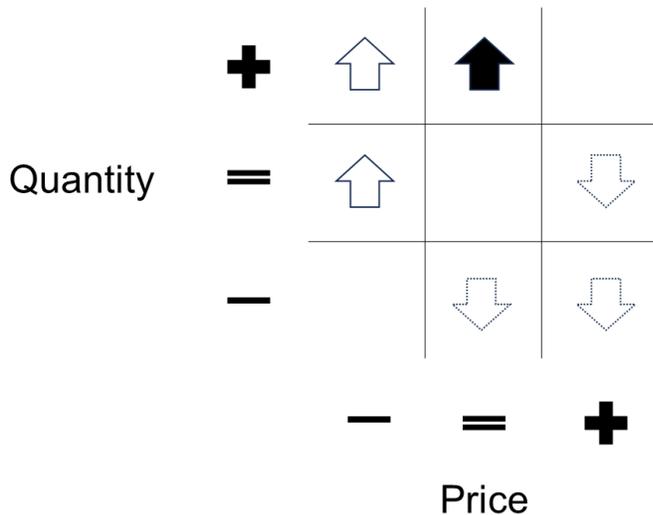
The Indices do not maintain a pro forma period. Per section 5, rebalancing may occur at any time.

Nonetheless, while the Provider’s policy is that rebalancing may occur at any time with no notice, in practice, the Provider expects that changes to the composition of the Indices will become effective on the second trading day after the Provider announces such change.

7. Selection Process

The Provider intends to review the news on an ongoing basis. The cycle may be as short as one day, or shorter. The cycle may be longer than a year. For each cycle of review, the Provider intends to organize coverage into buckets by name. The total number of buckets may be less than, equal to, or in excess of names in the Universe.

The Provider intends to then count the number of mentions for each name. The Provider next plans to compute how the number of mentions, expressed as a share of total words, compares to historical figures for the name. The Provider intends to express this comparison in the form of standard deviations (the “Outlier”).



The Provider intends to rank both positive and negative outliers. The Provider intends to then select a number of the largest outliers by absolute value. The Provider may also implement a comparison of the outlier count by mention or share of voice to similar measures in price or other indicators. There is no guarantee that Provider will successfully implement this change in the selection process.

Figure 1 outlines one way of thinking about selection of constituents in SPAMI.

The Provider may modify this algorithm at any time. The Provider may override this algorithm at any time.

Figure 2: The index may compare price to quantity to identify stocks that go up.

8. Target Hold

The Provider expects that SPAMI will include a name for approximately 90 (ninety) days, or until the name reaches its target price, whichever is sooner (“Hold Period”).

The actual Hold Period for any name may be shorter or longer than the above.

9. Composition

The Provider expects that SPAMI will not include fewer than 10 (ten) constituents once fully ramped (the “Floor”). SPAMI may hold fewer such number of constituents at any time.

The Provider expects that SPAMI will not include more than 100 (one hundred) constituents once fully ramped (the “Ceiling”). SPAMI may hold fewer such number of constituents at any time.

The Provider anticipates that SPAMI will have approximately 40 (forty) constituents at launch.

See Section 3.

10. Cash

The Indices may have a cash component. If the Indices include a cash component, the cash will not accrue interest. The Provider intends to increase the amount of cash in the Indices if the Indices approach their target returns for a year. The Provider may increase or decrease the amount of cash in the Indices in other circumstances, or in its discretion.

If the Provider includes cash in the Index at a point in time, the Index will not recalculate prior results.

11. Weighting

The Provider intends to use a discretionary non-market-cap-weighted weighting scheme for constituents of the Indices.

12. Z Factor

The Provider may create one or more versions of SPAMI for different portfolio sizes at any time or from time to time.

13. Level

SPAMI intends to normalize to a level of 100 as of August 29, 2025.

14. Provider

The Provider may assign any or all of its rights or responsibilities with respect to the Indices at any time or from time to time. The Provider disclaims, to the fullest extent permissible under applicable law, any duties the Provider has to consumers or other recipients of the Indices.

15. Returns

The Provider targets returns of 10 (ten) to 12 (twelve) percent per year for the Indices.

The Provider will not achieve such returns.

16. Governing law

The Provider intends to use Delaware law to govern SPAMI and related agreements.

17. Calculating Agent

The Provider relies on a third party (the “Calculating Agent”) to calculate the Indices. The Provider or the Calculating Agent may terminate their relationship in certain circumstances. In such an event, the Provider may use a replacement Calculating Agent for the Indices. The Provider may also perform functions relating to calculations of the Indices internally.

18. Tools

The Provider may use a program provided by an affiliate or third parties to help construct part or all of the Index. In the event the program fails, the Provider may substitute tools or methodologies in its discretion, or terminate the construction of SPAMI without notice.

19. Terminology

Capitalized terms not defined in this document reference the Calculating Agent’s methodology for non-market-cap-weighted indices.