

OVERVIEW

SmartB SPY RM is a dynamic hedging strategy on SPDR S&P 500 ETF Trust that generates positive alpha while mitigating losses from adverse market movements using similar or lower volatility than a pure cash hedge.

INVESTMENT UNIVERSE **SPY**

INVESTMENT OBJECTIVE Outperform the benchmark and generate stable returns while maintaining a substantially lower volatility

INVESTMENT STRATEGY Market timing module that determines when to increase or decrease exposures to the underlying product

OBSERVATION FREQUENCY Daily

OBSERVATION SCHEDULE Daily

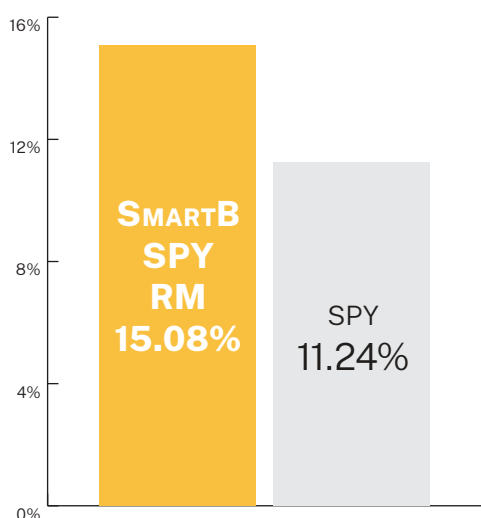
10 YEAR - PERFORMANCE CHART



ANNUAL PERFORMANCE

YEAR	REBALANCING FREQ	SMARTB SPY RM	SPY	
2012	35	29.88%	5.96%	
2013	26	31.44%	26.63%	
2014	31	-0.19%	11.33%	
2015	41	8.23%	0.39%	
2016	48	6.25%	10.07%	
2017	47	12.85%	17.95%	
2018	39	11.66%	-5.10%	
2019	40	2.66%	26.10%	
2020	34	46.00%	20.66%	
2021	42	5.38%	24.80%	
2022 (YEAR TO DATE)	38	-3.32%	-26.34%	
TOTAL RETURN IN %		421	150.84%	112.45%
AVERAGE ANNUAL RETURN IN %			15.08%	11.24%
TOTAL RETURN			\$4,053.95	\$2,642.06
ANNUALIZED VOLATILITY			14.30%	16.92%
MAX DAILY DRAWDOWN			-4.87%	-10.94%

AVERAGE ANNUAL RETURN



Individual components are rebalanced using our proprietary algorithms and artificial intelligence technology.

METHODOLOGY

Azzilon added a layer of SmartB Risk Management to the SPY, greatly enhancing its performance, by reducing the market correction's negative impact. Simply put, the SmartB algorithm detects the disequilibrium in the market behavior and liquidates the SPY investment when such instability is measured, preventing potentially severe pull back in the portfolio component's value.

PORTFOLIO EXPOSURE

The exposure is adjusted at each rebalancing point. It is defined using an internal risk management component and a volatility target control based upon 20-days standard deviation of the portfolio's returns and maximum leverage of 150%.

TRADING LAG

In order to ensure there is sufficient time for execution, all calculations will be applied on the next trading day.

AZZILON SYSTEMS CANADA INC.

401 - 257 Sherbrooke East
 Montréal, Québec, Canada, H2X 1E3
 www.azzilon.com • products@azzilon.com

