

SGI Vol Premium US

CALCULATED BY
S&P
CUSTOM
INDICES

Index description

SGI Vol Premium US is an investable index, capturing the spread between the implied volatility and the realized volatility. This spread is empirically positive.

The index is calculated and published by Standard & Poor's, a division of the McGraw-Hill Companies, Inc.

The index is rebalanced on a weekly basis.

SGI Vol Premium US has been backtested since 10 January 1990 and has been calculated since 1st August 2007. See [back-testing disclaimer](#) below.

Investment policy

The index is based on a systematic investment strategy consisting in selling variance swaps while holding a long position on the cash market.

The short position in variance swap gives a positive exposure to the spread between the implied variance and the realized variance. The strike of each variance swap is deducted from the VIX level as of the relevant roll date.

The volatility spread exposure is automatically reduced on the following roll date depending on risk indicators including the VAR.

Cumulative return (%)

	1m	1y	3y	Btest st.
SGI Vol Premium US	1.3%	6.1%	30.9%	1074.3%
S&P 500 Total Return	1.3%	-6.7%	24.5%	494.6%

Risk Ratios (3y)

	Volatility	Sharpe	Max Draw.
SGI Vol Premium US	3.9%	1.26	-3.2%
S&P 500 Total Return	14.1%	0.22	-17.9%

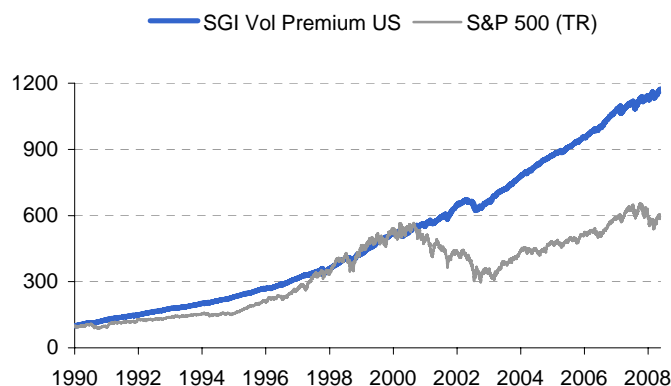
Main features

Type of Index	α-research (aims to outperform a reference index)		
Assets	Equity		
Inception date	1st August 2007		
Currency	USD		
Vol Premium indices (BBG)	Returns	Total Return	Excess Return
	USD	SGIXVPU	SGIXVPUX
Website	www.sgindex.com		

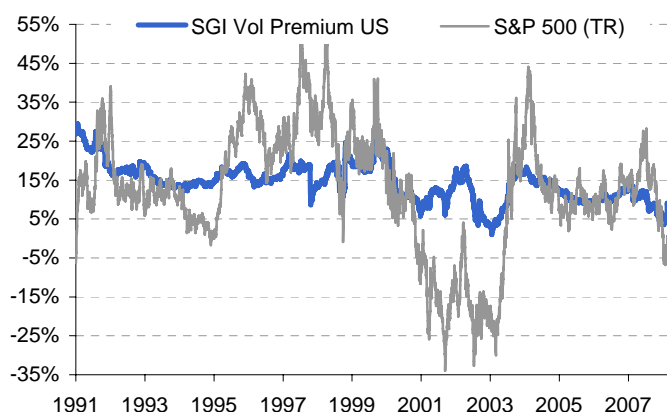
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the Index

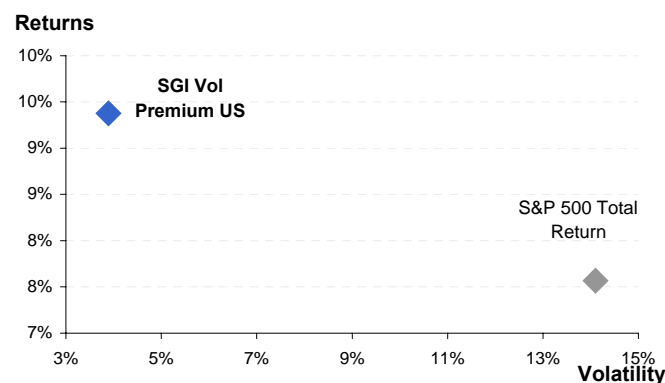
Cumulative return



1y rolling return (%)



Risk return profile comparison (3y)



Annualised performance

	Since launch	3y	5y	10y
SGI Vol Premium US	7.9%	9.4%	10.5%	11.5%
S&P 500 Total Return	-3.3%	7.6%	9.8%	4.2%

*The SGI Vol Premium US index was launched on 1st August 2007. This document contains index performance data based on backtesting, i.e., calculations of how the index might have performed prior to launch if it had existed using the same index methodology employed by SG today and based on the initial constituents of the Index. Backtested performance information is purely hypothetical and is provided in this document solely for informational purposes. Backtested performance does not represent actual performance and should not be interpreted as an indication of actual performance. SG prepared the backtested index performance history with respect to the time period 10th January 1990 through 31st July 2007. Index performance is for illustrative purposes only and does not represent actual investment performance. Index performance returns do not reflect management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index.

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