

March 10, 2020

Dear clients, colleagues, and business partners,

The coronavirus (COVID-19) continues to spread around the world, impacting not only lives but also markets, so I wanted to share our perspective at AlphaSimplex. As we monitor events and the markets, we continue to operate from our core values, including being Client Focused and Valuing our Colleagues. This means continuing to provide the same level of services to our clients, ensuring effective interactions with our business partners, and keeping our employees safe.

### What have we done so far

Last week we instituted international travel restrictions consistent with guidelines from the Centers for Disease Control and Prevention (CDC) by asking all employees to refrain from traveling to countries that are deemed Level 2 (currently, Japan) or Level 3 (currently, Mainland China, South Korea, Iran, and Italy). Furthermore, we have asked any colleagues who have traveled to these countries, or have been in close personal contact with anyone who has traveled to these countries, to work remotely for 14 days, even if they are not exhibiting any symptoms. At this time none of our employees has recently traveled to any high-risk areas, is sick, or is under any sort of quarantine procedures.

Our Business Continuity Committee and our Executive Committee are meeting regularly to review contingency plans and appropriate actions to be prepared should the virus become more prevalent in the Boston area.

### How we think about business continuity

Business continuity is an essential part of our business process, and the current situation highlights the importance of continually testing and adapting our business contingency plans. While the timing is unrelated, our next regularly scheduled test of business continuity will take place this Friday, March 13<sup>th</sup>.

Key to our business continuity plan is the ability for our employees to work remotely. We test this capability regularly, but in light of the current situation we have asked all employees to re-confirm their remote connectivity and collaboration software (email, IM, videoconference) so their remote work experience is as effective as possible.

We have asked each department to practice having portions of the team work from home over the upcoming days on a rotating basis. While we don't feel it is necessary at this point to sequester portions of our workforce, we continue to monitor the situation and may consider this, particularly if there is a significant change in the activity of the virus in the Boston area.

Part of our ongoing business continuity process is to monitor our key business partners, and we have reached out to those partners for updates on their operations in light of the current situation. We have been impressed with the level of seriousness and diligence our business partners have demonstrated.

### AlphaSimplex's unique position as quantitative manager

All of our strategies are managed on a systematic basis. Our incredibly talented workforce takes a team-based approach to ensure we are not dependent on any one individual. We run our models on a daily basis; we have always rotated this daily responsibility among the members of the research team. Therefore, we are confident that any one of these individuals will be able to run the daily process of managing our portfolios, which provides significant redundancy in the core part of our investment process.

### How we are protecting our employees

In addition to the international travel restrictions described above, we are monitoring domestic travel for all employees and will consider whether it is necessary for employees to work remotely if they have traveled to an area within the U.S. that has elevated levels of risk as determined by the CDC.

We are also allowing any employee who has concerns, including because either they or a member of their family is at greater risk of infection, to work from home.

Since the outbreak, we have been emphasizing good hygiene practices and have taken steps to increase the level of cleaning in our offices.

We take very seriously our commitment to our clients, our colleagues, and our role as citizens of this world. While these times can be unsettling, they also create opportunities to enhance our processes and continue to add value to our clients. As the markets have experienced a much higher level of volatility, we remain committed to our purpose of delivering investment success and to our vision of expanding the way the world invests through the power of diversification. It is times like these that demonstrate that power.

Warmly,

*Duncan B.E. Wilkinson*

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