Adjacent

Event Contract Benchmarking and Indexing

Misery Implied Index Methodology

2026-10

Misery Implied Index (MSRY) Methodology

Adjacent Markets, Inc.

Version 1.0

Adjacent uses AI and agents to assist with methodology development under Adjacent's AI Disclosure Policy. Humans remain responsible for themes, product decisions, and publication readiness.

Table of Contents

- 1. Executive Summary
- 2. Index Overview
  - 2.1 Objective
  - 2.2 Index Name and Identifier
  - 2.3 Design Principles
  - 2.4 Target Users and Use Cases
- 3. Universe Definition
  - 3.1 Eligible universe
  - 3.2 Admission tests
  - 3.3 Membership
  - 3.4 Next reference month
- 4. Data Sources
  - 4.1 Primary data source
  - 4.2 Which rate each clock uses
  - 4.3 Official resolution
  - 4.4 Published values
- 5. Weighting Methodology
  - 5.1 Sleeve aggregation

    - 5.2 Live 50% bracket
- 6. Index Calculation
    - 6.1 Inception
    - 6.2 Formula
    - 6.3 Intraday marks
    - 6.4 Resolution treatment
    - 6.5 Last valid implied
    - 6.6 Floor, upside, and rounding
    - 6.7 Performance convention
- 7. Index Maintenance
    - 7.1 Update schedule
    - 7.2 Regular roll
    - 7.3 Market disruptions and data failures
    - 7.4 Voids, amendments, and corrections
    - 7.5 Methodology review
- 8. Governance
    - 8.1 Index Sponsor and Calculation Agent
    - 8.2 Adjacent Index Committee
    - 8.3 Meeting Schedule
    - 8.4 Methodology Changes
    - 8.5 Conflicts of Interest
- 9. Risk Factors and Limitations
    - 9.1 Last-valid and listing-gap risk
    - 9.2 Live-bracket and next-print risk
    - 9.3 Reference-month mismatch
    - 9.4 Marking and liquidity risk
    - 9.5 Implementation cost and uninvestability risk
    - 9.6 Resolution and contract risk
- 10. Changelog
- 11. Approvals

- 12. Legal Notices and Disclaimers

1. Executive Summary

The Misery Implied Index (MSRY) is a market-implied reading of the Misery Index: unemployment plus inflation, in percentage points.

It ticks as event-contract markets reprice the next prints, and it rolls forward as each print lands. A venue may list a perpetual that marks to MSRY, and an ETF issuer may use it as the reference for a listed fund. Adjacent publishes the index only.

---

2. Index Overview

2.1 Objective

MSRY is built from event contracts on the two official Bureau of Labor Statistics prints that make up the Misery Index: the seasonally adjusted unemployment rate (U-3 unemployment), and the year-over-year change in the Consumer Price Index (CPI) published each month. The published number is their implied sum, in percentage points. It is the market's implied reading of the next official prints.

2.2 Index Name and Identifier

- Index name: Misery Implied Index
- Short name / ticker: MSRY
- Index type: Implied Level, as defined in Adjacent Event Contract Index Mathematics Methodology (Section 6A). A published reading in official-print units, inferred from event-contract rates. MSRY uses price interpolate.
- Calculation unit: percentage points
- Sleeves: CPI-U (Consumer Price Index for All Urban Consumers) year-over-year; U-3 unemployment. The published number is their sum, in percentage points.

2.3 Design Principles

MSRY is an Implied Level index. Each sleeve is event contracts on how high the next official print will be. Venues may list that as a threshold or as a single print bin. A threshold pays if a print is "at least X" whereas a single print bin pays only if that one listed outcome occurs. The index uses the rates-layer ladder for that claim. Each sleeve implied print is as defined in Adjacent Event Contract Index Mathematics Methodology (Implied Level, Section 6A), under price interpolate. The published

value is the sum of the two sleeve readings. Section 5.2 applies that rule to the two sleeves and gives a worked example.

Indicative values update every 60 seconds from the real-time rate. Each sleeve uses contracts on one official reference month at a time. Call that month the current reference month. Which month that is changes only on that sleeve's published roll calendar.

Calculation is gross of fees, spread, slippage, financing, and taxes. MSRY is uninvestable. A third-party product may reference it; tracking difference is expected.

Sleeves are exchange-agnostic. The universe is the economic claim and its resolution rules, not a named venue.

2.4 Target Users and Use Cases

MSRY may be useful to derivative venues, ETF issuers, market makers, risk managers, research users, and media. A venue may list a perpetual or other derivative that marks to MSRY. An ETF issuer may use MSRY as the reference for a listed fund. Listing terms are outside this methodology.

---

3. Universe Definition

3.1 Eligible universe

MSRY has two sleeves. Each sleeve is marked at the published rates in Section 4 for that sleeve's series and reference month.

1. **Headline CPI year-over-year.** The claim is the BLS CPI-U (Consumer Price Index for All Urban Consumers), not seasonally adjusted, twelve-month percent change for the reference month. The designated Yes on the rates-layer ladder is that this print is at or above a listed numeric threshold. Resolution is the official BLS headline CPI year-over-year print for that month (or the equivalent official source the rates layer binds to the same claim).
2. **U-3 unemployment.** The claim is the BLS U-3 unemployment rate (total unemployed as a percent of the civilian labor force), seasonally adjusted, for the reference month. The designated Yes on the rates-layer ladder is that this print is at or above a listed numeric threshold. Resolution is the official BLS U-3

unemployment print for that month (or the equivalent official source the rates layer binds to the same claim).

Several venues may list contracts on the same BLS print. When the resolution rules match (same series, same month, same official outcome), Adjacent publishes one blended rate for that claim. MSRY uses that rate. A matching title is not enough.

3.2 Admission tests

A reference month is admissible for a sleeve when all of the following hold:

- Contracts on that sleeve's series and reference month are listed, or Adjacent already publishes a blended rate for that claim.
- Settlement is binary or otherwise unambiguous onto the official print for that reference month.
- The contracts for that month are still open at admission, or that month is the current reference month during a published roll.
- A **valid 50% bracket** exists under Section 5.2 (Section 6A of the mathematics methodology), or a last valid implied level is on hand under Section 6.5.

3.3 Membership

At each calculation interval the published value uses the current reference month for U-3 unemployment and the current reference month for headline CPI year-over-year, including any in-progress roll weights under Section 7.2.

The two current reference months are paired to the same calendar month when both sleeves sit on that month. After a sleeve completes its roll, that sleeve's current reference month is the next listed valid month. For about one to two weeks after the employment print and before the CPI print, the current reference months may differ by one month.

Example. The September U-3 unemployment print lands on the first Friday in October. That sleeve's current reference month becomes October. The CPI sleeve stays on September until the September CPI print, usually mid-October. For those days, MSRY is implied October unemployment plus implied September inflation.

3.4 Next reference month

The next reference month for a sleeve is the next **listed** month that passes Section 3.2. If October CPI is not listed, September rolls to November. A month that is not listed is never used.

---

4. Data Sources

4.1 Primary data source

Each constituent event contract is marked at the published rate in Section 4.2. This methodology does not recompute a midpoint, last trade, one-sided quote, equal-weight mean of venue midpoints, or a second blend.

4.2 Which rate each clock uses

- **60-second indicative values** use the real-time rate published under the Adjacent Event Contract Real-Time Rate Mathematics Methodology.
- **Official daily values and roll steps** use the reference rate published under the Event Contract Reference Rate Methodology.

4.3 Official resolution

When a reference month's print lands, the published rates settle those contracts. MSRY does **not** pin that sleeve's implied level to the official BLS figure. By design the roll in Section 7.2 finishes at 5:30 p.m. Eastern Time on the Index Calculation Day before the scheduled release, so on print morning the sleeve already uses only the next reference month. Any gap between the last blended implied level and the published print is intentional: MSRY is market-implied, not a mirror of realized prints. MSRY still publishes the sum of the two sleeve implied levels.

4.4 Published values

MSRY publishes the sum of the two sleeve implied levels.

- Indicative values every 60 seconds, using the real-time rate, through the Section 6 calculation.
- An official daily value at **5:30 p.m. Eastern Time** on each Index Calculation Day, using the reference rate, through the same calculation. Roll steps in Section 7.2

occur at that print.

If a sleeve has no available rate, that sleeve keeps its last implied unemployment or CPI level. MSRY continues to publish the sum.

---

5. Weighting Methodology

5.1 Sleeve aggregation

The two sleeves enter the published level with equal additive weight in percentage points:

`MSRY_t = Û3_t + CPÎ_t`

A hat means the value is market-implied, not the official BLS print. `Û3_t` is implied U-3 unemployment. `CPÎ_t` is implied headline CPI year-over-year. Each may itself be a roll-weighted blend of the current and next reference months under Section 7.2.

5.2 Live 50% bracket

Each sleeve's implied print, for the current reference month, is as defined in Adjacent Event Contract Index Mathematics Methodology (Implied Level, Section 6A), using the published rates in Section 4. MSRY locks price interpolate. It does not restate the Section 6A formula.

Worked example. CPI K is 3.3% at 0.80 and K+1 is 3.4% at 0.46. Price interpolate is 3.39. U-3 K is 4.1% at 0.70 and K+1 is 4.2% at 0.40. Price interpolate is 4.17. MSRY is **7.56**.

---

6. Index Calculation

Each sleeve implied level is as defined in Adjacent Event Contract Index Mathematics Methodology (Implied Level, Section 6A). MSRY uses price interpolate. This section states the Misery sum, the 5:30 p.m. Eastern Time official window, the rolls, and the other product rules. It does not restate Section 6A.

6.1 Inception

MSRY is published in percentage points. The first official value is the Implied Level at the inaugural official window. Adjacent publishes the inaugural date in a notice.

6.2 Formula

Each sleeve implied level is the Section 6A price interpolate, applied in Section 5.2. During a roll, that sleeve uses the blend in Section 7.2 instead.

`MSRY_t = Û3_t + CPÎ_t`

Indicative values use the real-time rate. Official daily values and roll steps use the reference rate at 5:30 p.m. Eastern Time.

6.3 Intraday marks

Every 60 seconds, indicative values re-select each sleeve's 50% bracket under Section 6A from the real-time rate, apply price interpolate, and recompute the sum.

6.4 Resolution treatment

When a reference month's print lands, the published rates settle those contracts. MSRY does **not** replace that sleeve's implied level with the official BLS figure. Under Section 7.2 the sleeve is already 100% on the next reference month by print morning. If a release-date change leaves a sleeve mid-roll when the outgoing month's contracts settle, finish the remaining Section 7.2 steps into the next reference month. Hold the last valid implied level for the outgoing month. Do not recompute it from contracts that have already started settling. Do not pin to the official print. A landed print does not, by itself, force an immediate full move onto the next reference month outside the published roll schedule.

6.5 Last valid implied

If a sleeve has no valid bracket, no next reference month, or no available rate, MSRY holds that sleeve's last valid implied level and continues to publish. The index is not halted solely because one sleeve is thin, late to list, or missing a calendar month.

When a valid next reference month exists and passes Section 3.2, that sleeve moves fully onto that next reference month on the next roll or calculation day. There is no retroactive five-step catch-up.

6.6 Floor, upside, and rounding

No official value is published below 0.00. A print of 0.00 is a continuing official value if both implied levels are 0.00. There is no methodology ceiling. The official Misery Index peaked at 21.98 in June 1980. Index levels are expressed to two decimal places.

6.7 Performance convention

A change in MSRY is a change in implied misery, in percentage points. A perpetual that marks to MSRY sets in its listing terms how a point move translates into P&L.

---

7. Index Maintenance

7.1 Update schedule

- Indicative values: every 60 seconds using the real-time rate.
- Official daily value and roll steps: 5:30 p.m. Eastern Time on each Index Calculation Day using the reference rate.
- An Index Calculation Day is a weekday, New York. If the scheduled BLS release date for a sleeve moves, that sleeve's roll window moves with it.

7.2 Regular roll

Each sleeve rolls on its own schedule, keyed to that sleeve's scheduled official release (employment usually the first Friday following the reference month; CPI usually mid-month). The last step is 5:30 p.m. Eastern Time on the **business day before** that scheduled release. By print morning the sleeve uses only the next reference month.

Each roll has five Index Calculation Day steps at 5:30 p.m. Eastern Time, current reference month to next: **80/20, 60/40, 40/60, 20/80, 0/100**. **Start is four Index Calculation Days before the last step** (so the five steps are the last step and the four Index Calculation Days preceding it—not six sessions). Example: if the last step is Wednesday, the steps are Thursday→Wednesday of the prior week through Wednesday: 80/20, 60/40, 40/60, 20/80, then 0/100 on the business day before release.

The blend is of implied levels:

`x̂_t(sleeve) = w_t × x̂_M + (1 - w_t) × x̂_(M+1)`

`M` is the current reference month. `M+1` is the next reference month. `w_t` is the current-month weight for that step (0.80, 0.60, 0.40, 0.20, then 0).

Example. U-3 unemployment is on the first roll step, 80% September and 20% October. September implied U-3 unemployment is 4.17. October implied U-3 unemployment is 4.27. That sleeve is `0.80 × 4.17 + 0.20 × 4.27 = 4.19`. CPI is still 100% September at 3.39. MSRY is **7.58**.

If the current reference month settles mid-blend and a valid next reference month is already listed, finish the remaining steps into next. Hold the last valid implied level for the outgoing month. Do not recompute it from contracts that have already started settling. Do not pin to the official print. Path stays continuous. The sleeve holds its last valid implied level only when no valid next reference month exists, or when contracts for the outgoing month have already started settling.

7.3 Market disruptions and data failures

When a rate is unavailable, MSRY holds the last valid rate and the last valid implied level. If a disruption makes routine rates or rules unsuitable, Adjacent with guidance from the Adjacent Index Committee (AIC) may publish indicative values, delay or temporarily suspend publication, or introduce a documented non-routine decision under Adjacent's governance policies. A halted contract uses the last valid rate. It does not, by itself, halt the index.

7.4 Voids, amendments, and corrections

MSRY does not apply venue voids, amendments, or corrected outcomes itself. Those enter only if and when the rate publishes them. The AIC determines whether a restatement is required under the Corrections and Restatements Policy only if an MSRY print was calculated incorrectly from the published rates, or if a rate is later restated.

7.5 Methodology review

The AIC reviews this methodology at least annually and may review it after material changes to BLS release calendars, ladder listing, or the rates layer.

---

8. Governance

8.1 Index Sponsor and Calculation Agent

Adjacent Markets, Inc. takes on Index Sponsor and Calculation Agent roles and responsibilities for MSRY. Outcomes and decisions around calculations, screening, maintenance, and operations are performed by Adjacent.

8.2 Adjacent Index Committee

The AIC is responsible for overseeing this methodology, how it is interpreted, how it is maintained, necessary corrections, and other governance considerations. The AIC is governed by the AIC Charter.

Routine implementation of this methodology does not require separate methodology change approvals.

8.3 Meeting Schedule

The AIC meets at least quarterly and on an as-needed basis. Reviews may be initiated for:

- Material methodology changes
- Market classification issues or questions
- Data quality issues
- Corrections or restatements
- Market disruptions
- Complaints
- Identity binds for headline CPI year-over-year or U-3 unemployment
- Changes to the Section 6A scheme (price interpolate) in the mathematics methodology, sleeve roll calendar, or publication clocks
- Other circumstances that may affect index integrity

8.4 Methodology Changes

Material changes require the process set out in Adjacent's Methodology Change Policy, including impact analysis, AIC approval, and notice as applicable.

8.5 Conflicts of Interest

The AIC is responsible for ensuring that methodology decisions are made on the grounds of index integrity. Decisions should never be based on the economic interests of Adjacent Markets or products that reference MSRY.

---

9. Risk Factors and Limitations

9.1 Last-valid and listing-gap risk

If a sleeve has no valid 50% bracket or no next reference month, MSRY holds the last valid implied level and continues to publish. The published number may then be stale on that sleeve until a valid next reference month exists. A skip-month listing (for example, no October CPI book) rolls into the next listed month and is not a matched-month Okun print on those days.

9.2 Live-bracket and next-print risk

The two strikes around 50 cents are re-selected whenever prices move enough to change that pair. The published print is price interpolate on that pair. Thin books, or neighboring strikes whose prices are out of order, can move the implied print by a tenth when a single strike crosses 50 cents. MSRY is the market's implied reading of the next prints. It can differ from the latest official Okun value between BLS releases. On release morning the rolled-off sleeve is already on the next reference month. MSRY does not jump to the official print.

9.3 Reference-month mismatch

Separate sleeve rolls mean U-3 unemployment and CPI may refer to different calendar months for about one to two weeks after the employment print. The sum remains well-defined. It is not a same-month official Okun reading on those days.

9.4 Marking and liquidity risk

Constituent marks are the published rates in Section 4. Those rates may be unreliable or unavailable in thin, illiquid, stale, halted, or disrupted markets. If no rate is available, the index holds the last valid rate and the last valid implied level.

9.5 Implementation cost and uninvestability risk

The index is uninvestable and gross of costs. A product that holds event contracts, swaps, or futures, or that lists a perpetual marking to MSRY, may face dealer availability, position limits, tracking difference, and other implementation constraints.

9.6 Resolution and contract risk

Resolution timing, contract voids, amendments, disputes, and rule interpretation can change the implied level and the timing of a roll.

---

10. Changelog

Version	Date	Changes
1.0	September 24, 2026	Initial draft methodology.

---

11. Approvals

Role	Name	Signature	Date
Chief Executive Officer			
Chief Operating Officer			

---

12. Legal Notices and Disclaimers

This methodology document and all related index levels, data, calculations, analytics, research, files, and other materials are provided by Adjacent Markets, Inc. and its affiliates (“Adjacent”) for informational and benchmark purposes only. They do not constitute investment, trading, legal, tax, accounting, regulatory, or other professional advice and do not constitute an offer, solicitation, recommendation, invitation, or inducement to buy, sell, hold, subscribe for, enter into, or otherwise transact in any security, commodity interest, event contract, derivative, swap, fund, note, structured product, digital asset, financial instrument, or other product. Adjacent does not act as an investment adviser, commodity trading advisor, broker-

dealer, fiduciary, sponsor, promoter, issuer, underwriter, or placement agent by publishing this methodology or any related index data.

Important: Adjacent indices are not predictions. Adjacent index levels reflect market-implied prices, trading activity, source data, and methodology outputs. They are not Adjacent's forecasts, predictions, polling data, political opinions, endorsements, investment views, or statements regarding the likelihood, desirability, or merit of any candidate, party, policy, company, event, or outcome. Index levels may diverge materially from actual outcomes and from other measures of probability, sentiment, or expectations.

It is not possible to invest directly in an index. Any third-party product, strategy, instrument, or service that references, tracks, uses, or is benchmarked to an Adjacent index is the sole responsibility of the applicable issuer, sponsor, manager, exchange, trading venue, broker, adviser, or other third party. Unless expressly stated in a written agreement signed by Adjacent, Adjacent does not sponsor, endorse, sell, promote, manage, advise, issue, underwrite, guarantee, or assume responsibility for any such third-party product or strategy, and Adjacent makes no representation that any such product or strategy will accurately track index performance, achieve any stated objective, provide positive returns, maintain liquidity, avoid loss, or be suitable for any investor or user.

Adjacent indices may reference data from prediction markets, event-contract markets, exchanges, trading venues, data vendors, public sources, and other third parties. Such data and markets may be volatile, thinly traded, fragmented, delayed, revised, interrupted, subject to contract-resolution rules, affected by regulatory changes, or otherwise outside Adjacent's control. Adjacent may use information it believes to be reliable, but does not guarantee and may not independently audit, verify, or validate the accuracy, completeness, timeliness, availability, representativeness, or continued suitability of any source data.

Adjacent seeks to calculate and publish its indices in accordance with their applicable methodologies, policies, and procedures, but errors, omissions, delays, interruptions, stale data, calculation issues, source-data issues, and other defects may occur. Adjacent may correct, restate, revise, suspend, delay, discontinue, or republish any index level, file, dataset, methodology, or other material at any time, with or without notice, in accordance with applicable policies or as Adjacent determines appropriate. Adjacent may also interpret, amend, supplement, rebalance, reconstitute, discontinue, or otherwise modify any methodology, calculation process,

constituent universe, data source, weighting scheme, eligibility rule, pricing convention, publication schedule, or related policy, including through the exercise of expert judgment or discretion where permitted.

Adjacent is not currently registered with the U.S. Securities and Exchange Commission, Commodity Futures Trading Commission, National Futures Association, or any other regulator as an investment adviser, commodity trading advisor, commodity pool operator, broker-dealer, futures commission merchant, swap dealer, designated contract market, swap execution facility, exchange, or clearing organization. Adjacent is not currently registered, authorized, recognized, or endorsed as a benchmark administrator under the EU Benchmarks Regulation or the UK Benchmarks Regulation, and Adjacent indices may not be eligible for use by EU or UK supervised entities in in-scope financial instruments unless applicable requirements are satisfied. Any references to benchmark governance or IOSCO principles, if made, should be understood as Adjacent seeking to align with relevant principles, not as a certification, registration, authorization, or regulatory endorsement.

All Adjacent materials are provided “as is” and “as available.” To the maximum extent permitted by applicable law, Adjacent disclaims all express, implied, statutory, and other warranties, including warranties of accuracy, completeness, timeliness, availability, merchantability, fitness for a particular purpose, non-infringement, uninterrupted operation, and error-free operation. To the maximum extent permitted by applicable law, Adjacent will not be liable for any direct, indirect, incidental, special, consequential, exemplary, punitive, or similar damages; lost profits; lost opportunity; trading losses; investment losses; business interruption; loss of data; legal fees; expenses; or other losses arising from or relating to this methodology, any Adjacent index, any index level, any source-data issue, any correction or restatement, any methodology change, any third-party product, or any use of or inability to use Adjacent materials, even if Adjacent has been advised of the possibility of such damages. Nothing in this disclaimer is intended to limit or exclude liability, rights, obligations, or remedies that cannot lawfully be limited or excluded under applicable law.

© 2026 Adjacent Markets, Inc. All rights reserved. Adjacent, Adjacent Markets, Adjacent index names, Adjacent product names, Adjacent service names, and related names and logos are trademarks or service marks claimed by Adjacent Markets, Inc. These materials and all Adjacent indices, data, methodologies, and

related content are owned by or licensed to Adjacent and may not be copied, modified, reverse engineered, redistributed, reproduced, republished, sold, licensed, used to create derivative works, used as the basis for a financial product, used as a benchmark for a product or strategy, or stored in a database or retrieval system for commercial purposes except as expressly permitted by Adjacent in writing.