RETURNCOMP

Scope: These rules shall apply to this Contract.

Underlying: The Underlying for this Contract is the Comparison Value of <asset 1> versus <asset 2> over <time period>, calculated according to <comparison method> using Reference Prices, levels, or other measurements published by the applicable <source agency> in or before the end of <time period>, computed in each asset's primary reporting currency or unit of denomination as designated by the applicable <source agency>, and rounded to <decimal places> after each constituent input has itself been rounded to <decimal places>. By way of illustration, for the Arithmetic Return Difference method described below, if Return(<asset 1>) = 12.50% and Return(<asset 2>) = 5.00%, the Comparison Value is +7.50 percentage points (i.e., 7.50 pp), not 150%. Revisions to the Underlying made after Expiration will not be accounted for in determining the Expiration Value.

Source Agency: The Source Agency for this Contract is <source agency>.

Type: The type of Contract is an Event Contract.

Issuance: After the initial Contract, Contract iterations will be listed on either a recurring or as-needed basis at the discretion of the Exchange and corresponding to the risk management needs of Members.

<source agency>: <source agency> refers to one or more authoritative data publishers, regulated exchanges, regulated benchmark administrators, regulated reference rate administrators (including IOSCO-compliant administrators), index providers of established repute, or governmental statistical agencies specified by the Exchange, including without limitation CME Group, Intercontinental Exchange (ICE), CF Benchmarks, S&P Dow Jones Indices, MSCI, FTSE Russell, Bloomberg Index Services, Nasdaq, the London Bullion Market Association (LBMA), the London Metal Exchange (LME), the Federal Reserve Bank of New York, the European Central Bank, the WM/Refinitiv 4pm London Fix, and the primary national securities exchange or designated contract market on which the asset is listed. <source agency> may refer to a single source agency or multiple source agencies. Where <source agency> takes the form of multiple source agencies, the Exchange may specify whether they are listed in hierarchical order, with hierarchical ordering from most to least authoritative assumed by convention. A <source agency> may also be designated to provide data for a particular asset (e.g., <asset 1> and/or <asset 2>).

<asset 1> and <asset 2>: <asset 1> and <asset 2> each refer to a tradable financial asset specified by the Exchange that constitutes a "commodity" within the meaning of Section 1a(9) of the Commodity Exchange Act, e.g., cryptocurrencies referenced via a published reference rate (such as Bitcoin and Ether referenced via the CME CF Cryptocurrency Reference Rates – New York Variant), fiat currency pairs referenced via a published exchange-rate benchmark, physical commodities referenced via published spot prices or specified-maturity futures contract prices (including precious metals, base metals, energy commodities, and agricultural commodities), broad-based security indices (i.e., security indices that are not "narrow-based security indices" as defined in Section 1a(35) of the Commodity Exchange Act) referenced via published total-return or price-return variants (such as the S&P 500 Total Return Index, the Nasdaq-100 Total Return Index, and the Russell 2000 Total Return Index), and commodity indices referenced via published total-return or excess-return variants (such as the S&P GSCI Total Return Index and the Bloomberg Commodity Index Total Return). Either or both of <asset 1> or <asset 2> may refer to a singular tradable asset, multiple tradable assets, or a tradable asset referenced by distinguishing characteristics (e.g., any cryptocurrency within the top 5 cryptocurrencies). The Exchange may list iterations of the Contract corresponding to variations of <asset 1> and <asset 2>.

<comparison method>: <comparison method> refers to the methodology specified by the Exchange by which the relative performance, characteristic, or attribute of <asset 1> versus <asset 2> over <time period> is measured to produce a single signed numerical "Comparison Value." Permissible methodologies include, without limitation, the following, each computed using the daily closing Reference Price for each asset as published by the applicable <source agency> for <time period> (where, for assets without a fixed daily close, the time-of-day fixing or snapshot designated by the applicable <source agency> shall be used):

(i) **Arithmetic Return Difference:** Comparison Value = Return(<asset 1>) − Return(<asset 2>), expressed in percentage points, where Return = ((End-of-period Reference Price − Start-of-period Reference Price) / Start-of-period Reference Price) × 100.

(ii) **Geometric Return Ratio:** Comparison Value = (((1 + Return(<asset 1>)/100) / (1 + Return(<asset 2>)/100)) − 1) × 100, expressed in percentage points, where Return is defined as in (i). If the denominator is zero or non-positive, the Comparison Value is not defined and Kalshi shall determine payouts pursuant to Rule 7.1 of the Rulebook.

(iii) **Realized Volatility Difference:** Comparison Value = σ(<asset 1>) − σ(<asset 2>), expressed in percentage points, where σ is the annualized realized volatility, calculated as the standard deviation of daily natural-logarithmic returns of the Reference Price during <time period> using the population formula (dividing by N), multiplied by the square root of the applicable annualization factor (252 for trading-day series and 365 for calendar-day series, as determined by the publication frequency of <source agency> for the asset), and expressed as a percentage.

(iv) **Maximum Drawdown Difference:** Comparison Value = MDD(<asset 1>) − MDD(<asset 2>), expressed in percentage points, where MDD is the maximum peak-to-trough percentage decline in the daily closing Reference Price during <time period>, expressed as a non-negative percentage (i.e., MDD = max over t of ((peak prior to or at t − Reference Price at t) / peak prior to or at t) × 100).

(v) **Return-to-Volatility Ratio Difference:** Comparison Value = (Return(<asset 1>) / σ(<asset 1>)) − (Return(<asset 2>) / σ(<asset 2>)), expressed as a unitless decimal, where Return is defined as in (i) and σ is defined as in (iii). If σ for either asset equals zero, the Comparison Value is not defined and Kalshi shall determine payouts pursuant to Rule 7.1 of the Rulebook.

The Exchange may list iterations of the Contract corresponding to variations of <comparison method>.

<comparison operator>: <comparison operator> refers to a comparison relation specified by the Exchange, applied to the Comparison Value against <count>. Permissible operators include "above" (i.e., strictly greater than <count>), "below" (i.e., strictly less than <count>), "at least" (i.e., greater than or equal to <count>), "at most" (i.e., less than or equal to <count>), "exactly" (i.e., equal to <count> after rounding the Comparison Value to <decimal places>), and "between" (i.e., greater than or equal to the lower value of <count> and less than or equal to the upper value of <count>, inclusive of both endpoints unless otherwise specified by the Exchange). The Exchange may list iterations of the Contract corresponding to variations of <comparison operator>.

<count>: <count> refers to a numerical threshold value specified by the Exchange against which the Comparison Value is evaluated, denominated in the units produced by the applicable <comparison method> (i.e., percentage points for Arithmetic Return Difference, Geometric Return Ratio, Realized Volatility Difference, and Maximum Drawdown Difference; unitless for Return-to-Volatility Ratio Difference). May be a single value (for "above," "below," "at least," "at most," and "exactly") or a pair of values expressed as a lower value and an upper value (for "between"). May be positive, zero, negative, integer, or decimal, and is taken at face value as specified by the Exchange (i.e., <count> is not itself rounded). The Exchange may list iterations of the Contract corresponding to variations of <count>.

<time period>: <time period> refers to a specific duration or range of time as specified by the Exchange. May be expressed as a calendar year (e.g., "2025"), a calendar month and year (e.g., "January 2025"), a calendar quarter (e.g., "Q1 2025"), a specific week, a season (e.g., "2024-25 NFL Season"), or other bounded time periods as appropriate to the contract subject matter. All time periods are interpreted in Eastern Time (ET) unless otherwise specified. The end of <time period> is defined as 11:59:59 PM ET on the final day of the specified period. The Exchange may list iterations of the Contract corresponding to variations of <time period>.

<decimal places>: <decimal places> refers to the precision level for numerical values, as specified by the Exchange, including rounding methodology (with a default of round-half-to-even / banker's rounding). The Exchange may list iterations of the Contract corresponding to variations of <decimal places>; if not specified for a Contract iteration, the default is two

decimal places (i.e., 0.01 percentage points / one basis point for percentage-point-denominated methods, or 0.01 for unitless methods).

Payout Criterion: The Payout Criterion for the Contract encompasses the Expiration Values for which the Comparison Value of <asset 1> versus <asset 2>, calculated as set forth in the Underlying using Reference Prices, levels, or measurements published by the applicable <source agency> in or before the end of <time period>, satisfies the relation <comparison operator> <count> after the Comparison Value has been rounded to <decimal places>.

For purposes of resolution:

- All comparisons under this Payout Criterion are evaluated after the Comparison Value has been rounded to <decimal places>; <count> is taken at face value and is not itself rounded. If, after such rounding, the Comparison Value does not satisfy the relation specified by <comparison operator> against <count>, the Contract resolves to No. By way of illustration, if <comparison operator> = "above" and the rounded Comparison Value equals <count>, the Contract resolves to No (the relation is strict); if <comparison operator> = "at least" and the rounded Comparison Value equals <count>, the Contract resolves to Yes (the relation is inclusive).
- If, in or before <time period>, an asset becomes unreferenceable due to discontinuation of the applicable benchmark or reference rate, dissolution of the underlying network or system, succession to a different benchmark, or analogous event: (i) where a successor benchmark, successor reference rate, or successor asset is designated by the applicable <source agency> (or its administrator), the Contract shall use the successor as the continuing reference for the asset for the remainder of <time period>; (ii) if no successor methodology can be applied, or the asset becomes economically worthless such that the applicable <source agency> ceases publishing a comparable price, Kalshi shall determine payouts pursuant to Rule 7.1 of the Rulebook.
- If a temporary outage, technical failure, suspension of publication, source compromise, or interruption affecting <source agency> prevents the Comparison Value from being reasonably evaluated as of the Expiration time, Kalshi shall determine payouts pursuant to Rule 7.1 of the Rulebook.
- If a source within <source agency> publishes a price, level, or measurement that is subsequently corrected, restated, or retracted (including due to hacking, compromise, error, or republication) after the end of <time period> but before the Expiration time, the corrected value as published as of the Expiration time will be used. Corrections, restatements, retractions, or deletions published after the Expiration time will not be accounted for in determining the Expiration Value.
- Where <comparison method> requires daily observations and the applicable <source agency> does not publish a Reference Price on a particular calendar day during <time period> (e.g., due to a market holiday or non-trading day), the most recent prior published Reference Price shall be carried forward for that day for purposes of the calculation, except that no observation shall be carried forward across the boundary of <time period>.

Examples that would resolve the market to Yes:

- <asset 1> = Bitcoin (CME CF BRR-NY), <asset 2> = Ether (CME CF ETHUSD-NY), <comparison method> = Arithmetic Return Difference, <comparison operator> = "at least", <count> = 3, <time period> = "Q1 2025", <decimal places> = 2. BTC Return = +9.20%; ETH Return = +5.00%. Comparison Value = +4.20 pp; 4.20 ≥ 3; resolves YES.
- <asset 1> = S&P 500 TR Index, <asset 2> = Nasdaq-100 TR Index, <comparison method> = Geometric Return Ratio, <comparison operator> = "above", <count> = 0, <time period> = "2024", <decimal places> = 2. S&P TR = +25.50%; NDX TR = +25.40%. Comparison Value ≈ +0.08 pp; 0.08 > 0; resolves YES.
- <asset 1> = Bitcoin, <asset 2> = Ether, <comparison method> = Realized Volatility Difference, <comparison operator> = "between", <count> = 10 and 20, <time period> = "Q3 2025", <decimal places> = 2. BTC vol = 75.00%; ETH vol = 60.00%. Comparison Value = +15.00 pp; 10 ≤ 15 ≤ 20; resolves YES.
- <asset 1> = S&P 500 TR, <asset 2> = Russell 2000 TR, <comparison method> = Maximum Drawdown Difference, <comparison operator> = "below", <count> = 0, <time period> = "2025", <decimal places> = 2. S&P MDD = 5.00%; Russell MDD = 15.00%. Comparison Value = −10.00 pp; −10.00 < 0; resolves YES (S&P had a less severe drawdown than Russell).

- <asset 1> = WTI front-month, <asset 2> = Brent front-month, <comparison method> = Return-to-Volatility Ratio Difference, <comparison operator> = "at least", <count> = 0.05, <time period> = "Q2 2025", <decimal places> = 2. WTI ratio = 0.28; Brent ratio = 0.20. Comparison Value = +0.08; 0.08 ≥ 0.05; resolves YES.

Examples that would NOT resolve the market to Yes:

- <asset 1> = Bitcoin, <asset 2> = Ether, <comparison method> = Arithmetic Return Difference, <comparison operator> = "above", <count> = 0, <time period> = "Q1 2025", <decimal places> = 2. Both Returns = +6.00%. Comparison Value = 0.00 pp; 0.00 is not strictly greater than 0; resolves NO.
- <asset 1> = S&P 500 TR, <asset 2> = Russell 2000 TR, <comparison method> = Geometric Return Ratio, <comparison operator> = "at least", <count> = 0, <time period> = "2025", <decimal places> = 2. S&P TR = +12.00%; R2K TR = +12.05%. Comparison Value ≈ −0.04 pp; −0.04 is not ≥ 0; resolves NO.
- <asset 1> = LBMA Gold (PM Fixing), <asset 2> = LBMA Silver, <comparison method> = Arithmetic Return Difference, <comparison operator> = "at least", <count> = 5, <time period> = "Q4 2025", <decimal places> = 2. Gold Return = +2.00%; Silver Return = +9.00%. Comparison Value = −7.00 pp; −7.00 is not ≥ 5; resolves NO.
- <asset 1> = Bitcoin, <asset 2> = Ether, <comparison method> = Realized Volatility Difference, <comparison operator> = "between", <count> = 10 and 20, <time period> = "Q3 2025", <decimal places> = 2. BTC vol = 55.00%; ETH vol = 70.00%. Comparison Value = −15.00 pp; −15.00 is not within [10, 20]; resolves NO.
- <asset 1> = S&P GSCI TR, <asset 2> = Bloomberg Commodity Index TR, <comparison method> = Maximum Drawdown Difference, <comparison operator> = "exactly", <count> = 0, <time period> = "2025", <decimal places> = 2. GSCI MDD = 6.00%; BCOM MDD = 6.10%. Comparison Value = −0.10 pp; −0.10 ≠ 0.00 after rounding; resolves NO.

Minimum Tick: The Minimum Tick size for the Contract shall be $0.01.

Position Accountability Level: The Position Accountability Level for the Contract shall be $25,000 per strike, per Member.

Last Trading Date: The Last Trading Date of the Contract will be the last day of <time period>. The Last Trading Time will be 11:59 PM ET.

Settlement Date: The Settlement Date of the Contract shall be no later than the day after the Expiration Date, unless the Market Outcome is under review pursuant to Rule 7.1.

Expiration Date: The latest Expiration Date of the Contract shall be one week after the end of <time period>. If an event described in the Payout Criterion occurs, expiration will be moved to an earlier date and time in accordance with Rule 7.2.

Expiration time: The Expiration time of the Contract shall be 10:00 AM ET.

Settlement Value: The Settlement Value for this Contract is $1.00.

Expiration Value: The Expiration Value is the value of the Underlying as documented by the Source Agency on the Expiration Date at the Expiration time.

Contingencies: Before Settlement, Kalshi may, at its sole discretion, initiate the Market Outcome Review Process pursuant to Rule 7.1 of the Rulebook. If an Expiration Value cannot be determined on the Expiration Date, Kalshi has the right to determine payouts pursuant to Rule 7.1 in the Rulebook.

APPENDIX B – TRADING PROHIBITIONS

In addition to the general prohibition against trading on material nonpublic information, the Exchange will institute additional prohibitions for trading the contract. Persons under 18 years of age are not permitted to create Kalshi accounts. The following individuals will be prohibited from trading:

- Employees, officers, directors, contractors, consultants, and immediate family members of any administrator, calculation agent, or publisher within <source agency>
- Members of the index oversight, governance, advisory, or methodology committees for any benchmark or index referenced by <asset 1> or <asset 2>, and any persons with non-public access to pending methodology changes, reconstitution lists, rebalancing schedules, or successor-benchmark designations.
- Constituent-level decision-makers at issuers whose securities have a weight in <asset 1> or <asset 2> that is material to the Comparison Value, where such persons have material non-public information bearing on the constituent's price during <time period>.
- Employees, officers, directors, and immediate family members of regulated exchanges, designated contract markets, alternative trading systems, multilateral trading facilities, and crypto trading venues that are constituent inputs to a Reference Price for <asset 1> or <asset 2>, where such persons have non-public access to order book, settlement, halt, or fee-tier data that materially affects the Reference Price.
- Operators, miners with material hash-rate share, validators with material stake, custodians with material on-chain holdings, and protocol developers of any cryptocurrency or blockchain network underlying <asset 1> or <asset 2>, where such persons have material non-public information regarding planned hard forks, network outages, supply-affecting events, or large pending transfers.
- Employees and officers of central banks and governmental statistical agencies referenced as <source agency> with non-public access to fixings, rate decisions, or interventions that would materially affect <asset 1> or <asset 2>.
- Auditors, regulators, and compliance personnel with non-public access to suspension, halting, manipulation, enforcement, or delisting actions pending against <asset 1>, <asset 2>, or any constituent input venue during <time period>.