Economic Index Associates

Fact Sheet
Nasdaq *IFED* US Large-Cap Index

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Objective

The Nasdaq *IFED* US Large-Cap Index (Nasdaq *IFED-L*) maximizes exposure to those large cap U.S. equities best positioned to benefit from prevailing market conditions. The index uses a combination of Federal Reserve policy developments and key firm metrics to select stocks via a transparent and rules-based active strategy.

Strategy Features

✔ Strong return and down-side risk profile over past 23 years

- Average annual alpha (vs S&P 500) of 7.78%
- Cumulative return of 2,659% vs 415% for S&P 500
- Beat S&P 500 86% of time in rolling 3-year return (5 yr = 98%)
- Captured 133% of market upside and 81% of downside

Index Approach[1]
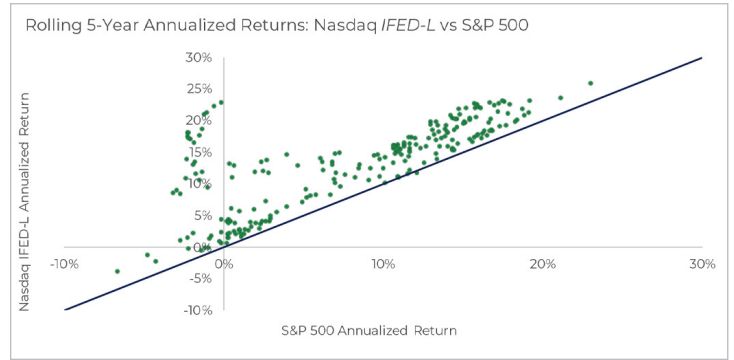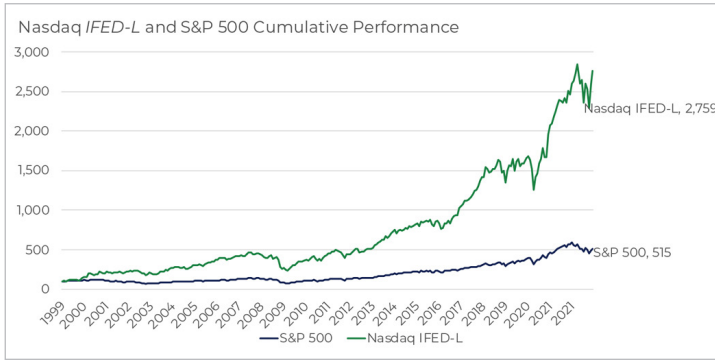
STARTING UNIVERSE AND STOCK SCORING

- Stocks listed on NYSE or Nasdaq with at least three years of data
- EIA's proprietary monetary indicator uses Fed policy signals to classify the environment as expansive, restrictive or indeterminate
- Twelve firm-specific metrics are used to *Score* each stock based on its ability to benefit from prevailing market conditions

COMPOSITION & WEIGHTING

- Each stock is ranked by its *IFED Score*
- Stocks with the highest *Scores* for prevailing conditions are selected as potential constituents
- Liquidity and stock holdings constraints are applied resulting in approximately 75 stocks in Nasdaq *IFED-L*

INDEX REBALANCE TIMING

- Nasdaq *IFED-L* is rebalanced under two conditions
  1. the market environment changes;
  2. with no environment change in the six months prior to June 1st, a rebalance occurs based on changes in firm-specific metrics

Index Performance

	S&P 500	Nasdaq *IFED-L*	Alpha
1999	21.04%	61.84%	40.81%
2000	-9.10%	38.58%	47.68%
2001	-11.89%	0.32%	12.21%
2002	-22.10%	-11.95%	10.15%
2003	28.66%	38.11%	9.44%
2004	10.88%	13.50%	2.62%
2005	4.91%	21.52%	16.61%
2006	15.78%	12.21%	-3.57%
2007	5.57%	3.16%	-2.41%
2008	-37.00%	-38.11%	-1.11%
2009	26.45%	40.16%	13.71%
2010	15.06%	18.79%	3.74%
2011	2.11%	-1.89%	-4.00%
2012	15.99%	19.47%	3.47%
2013	32.37%	41.98%	9.60%
2014	13.68%	10.88%	-2.79%
2015	1.37%	0.91%	-0.46%
2016	11.95%	25.41%	13.46%
2017	21.82%	35.30%	13.48%
2018	-4.40%	-5.45%	-1.05%
2019	31.48%	25.49%	-5.99%
2020	17.75%	22.84%	5.09%
2021	28.51%	25.34%	-3.17%
2022 YTD	-13.14%	6.20%	19.33%

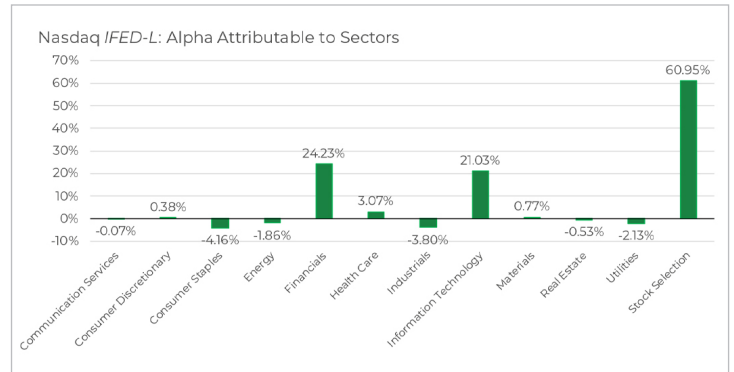## PERFORMANCE AND SUMMARY STATISTICS (THROUGH NOVEMBER 30, 2022)

	Returns				Annualized Returns					Summary Statistics			
	Since Index Launch 06.09.2020	1M	3M	YTD	1 yr	3 yrs	5 yrs	10 yrs	Full Period	Beta	Std Dev	Sharpe Ratio	Sortino Ratio
Nasdaq *IFED-L*	63.72%	7.14%	9.16%	6.20%	12.09%	18.59%	14.30%	18.40%	14.88%	1.04	19.17%	0.72	1.32
S&P 500	32.08%	5.59%	3.59%	-13.14%	-9.24%	10.63%	10.80%	13.24%	7.10%	-	15.37%	0.40	0.66

[1] A more detailed description of the Nasdaq *IFED* US Large-Cap Index methodology is available on request.

HISTORICAL PERFORMANCE (THROUGH NOVEMBER 30, 2022)

Nasdaq *IFED-L* and S&P 500 Cumulative Performance

Nasdaq IFED-L, 2,759
S&P 500, 515

Rolling 5-Year Annualized Returns: Nasdaq *IFED-L* vs S&P 500

RETURN ATTRIBUTION (THROUGH DECEMBER 31, 2021)

Nasdaq *IFED-L*: Alpha Attributable to Factors

Market	Size	Value	Momentum	Stock Selection
9.50%	21.91%	1.71%	7.75%	59.13%

Nasdaq *IFED-L*: Alpha Attributable to Sectors

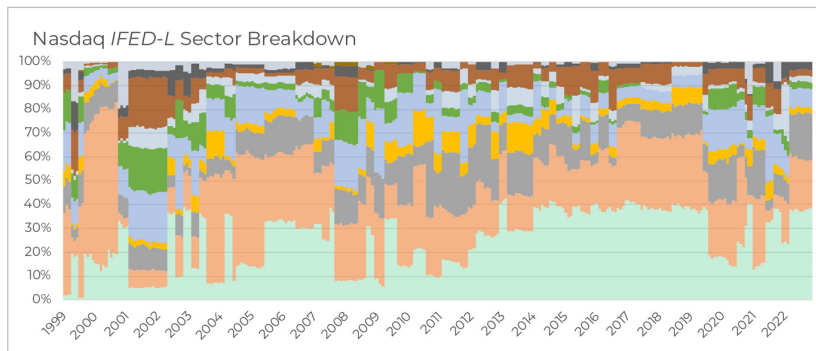| Communication Services	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Real Estate	Utilities	Stock Selection
-0.07%	0.38%	-4.16%	-1.86%	24.23%	3.07%	-3.80%	21.03%	0.77%	-0.53%	-2.13%	60.95%

✓ Twelve firm-specific metrics are used to select stocks that align with prevailing conditions; thus, factor exposures are incidental, generally small and deviate over time

- 59.13% of alpha is attributable to stock selection

✓ Nasdaq *IFED-L* produces alpha by selecting stocks that are aligned with market conditions; it does not maintain any consistent sector bias

- 60.95% of alpha is attributable to stock selection

INDEX COMPOSITION (THROUGH NOVEMBER 30, 2022)

Nasdaq *IFED-L* Sector Breakdown

Average Weight	Sector
1.62%	Utilities
0.11%	Real Estate
2.14%	Materials
7.08%	Industrials
3.65%	Energy
5.54%	Consumer Staples
11.60%	Consumer Discretionary
4.75%	Communication Services
12.88%	Health Care
25.37%	Information Technology
25.25%	Financials

Largest 10 Holdings at Market Close November 30, 2022

1	Bank of America Corporation	4.69%
2	UnitedHealth Group Incorporated	4.31%
3	JPMorgan Chase	4.15%
4	Goldman Sachs Group	3.78%
5	Citigroup Inc.	3.46%
6	Applied Materials, Inc.	3.37%
7	Morgan Stanley	3.09%
8	LAM Research	2.75%
9	Marathon Petroleum	2.62%
10	Ford Motor Company	2.41%

Sector Composition at Market Close November 30, 2022

Financials	38.60%
Information Technology	20.19%
Health Care	19.52%
Consumer Discretionary	8.15%
Materials	3.51%
Consumer Staples	2.59%
Industrials	2.73%
Energy	2.62%
Communication Services	2.10%
Real Estate	0.00%
Utilities	0.00%