



Economic Index Associates

Fact Sheet

Nasdaq *IFED* US Large-Cap Index

**For more information:****w:** www.economicindexassociates.com**e:** info@economicindexassociates.com**p:** +1 212 653 0697

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 7.68%
- Cumulative return of 2,473.22% vs 385.72% for S&P 500
- Beat S&P 500 86% of time in rolling 3-year return (5 yr = 98%)
- Captured 133.74% of market upside and 81.20% of downside

Index Approach¹



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 BALANCE 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	<i>IFED-L</i>	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	-18.11%	-0.95%	17.16%

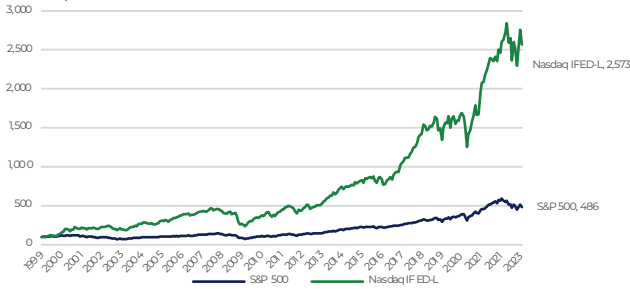
PERFORMANCE AND SUMMARY STATISTICS (THROUGH DECEMBER 30, 2022)

	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 <i>IFED-L</i>	52.70%	-6.73%	12.14%	-0.95%	-0.95%	15.10%	12.59%	18.40%	14.49%	1.04	19.20%	0.70	1.27
S&P 500	24.47%	-5.76%	7.56%	-18.11%	-18.11%	7.39%	9.26%	12.64%	6.81%	-	15.39%	0.38	0.62

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

HISTORICAL PERFORMANCE (THROUGH DECEMBER 30, 2022)

Nasdaq IFED-L and S&P 500 Cumulative Performance

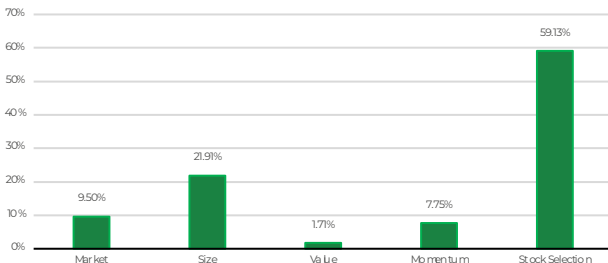


Rolling 5-Year Annualized Returns: Nasdaq IFED-L vs S&P 500

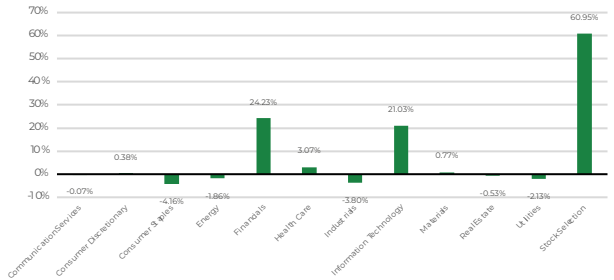


RETURN ATTRIBUTION (THROUGH DECEMBER 30, 2022)

Nasdaq IFED-L: Alpha Attributable to Factors



Nasdaq IFED-L: Alpha Attributable to Sectors



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

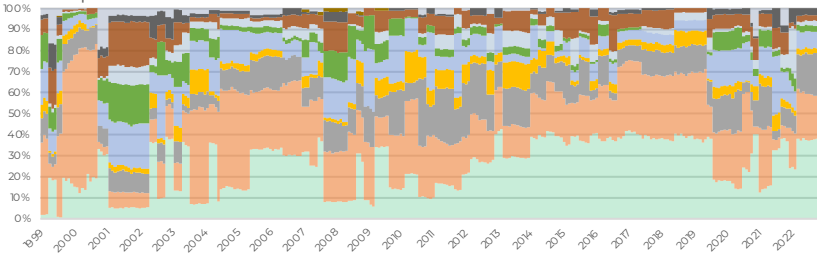


Nasdaq IFED-L produces alpha by selecting stocks that are aligned with market conditions; it does not maintain any consistent sector bias

- 60.95% of alpha is attributable to stock selection

INDEX COMPOSITION (THROUGH DECEMBER 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 December 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 Dec 30, 2022

Financials	38.43%
Information Technology	19.52%
Health Care	20.22%
Consumer Discretionary	8.26%
Materials	3.34%
Consumer Staples	2.76%
Industrials	2.67%
Energy	2.69%
Communication Services	2.11%
Real Estate	0.00%
Utilities	

Disclaimer: The launch date of IFED-L was June 9, 2020. Information presented prior to the index launch date is based on the same methodology in effect when the index was officially launched. Past performance is not an indication or guarantee of future results. Copyright © 2020 Economic Index Associates LLC (EIA). All rights reserved. Redistribution or reproduction in whole or in part is prohibited without written permission. IFED-L is a registered trademark of EIA. EIA and third-party licensors make no representation or warranty, express or implied, as to the ability of any index to accurately represent the asset class or market sector that it purports to represent and Economic Index Associates and its third-party licensors shall have no liability for any errors, omissions, or interruptions of any index or the data included therein. This document does not constitute an offer of any services. All information provided by EIA is general in nature and not tailored to the needs of any person, entity or third-party. EIA receives compensation in connection with licensing its indices to third parties and providing custom calculation services. It is not possible to invest directly in an index. Exposure to an asset class represented by an index may be available through investable instruments offered by third parties that are based on that index. EIA does not sponsor, endorse, sell, promote or manage any investment fund or other investment product or vehicle that seeks to provide an investment return based on the performance of any index. Economic Index Associates LLC is not an investment or tax advisor. EIA makes no representation regarding the advisability of investing in any such investment fund or other investment product or vehicle. A tax advisor should be consulted to evaluate the impact of any tax-exempt securities on portfolios and the tax consequences of making any particular investment decision. For more information on any of our indexes please visit www.economicindexassociates.com