

Fact Sheet Nasdaq IFED US Large-Cap Low Volatility Index



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Objective

The Nasdaq *IFED* US Large-Cap Low Volatility Index (Nasdaq *IFED-LVTM*) selects its 75 components from the 150 large-cap stocks with the lowest volatility. Stocks are selected and weighted by *IFED Score*, which indicates a stock's alignment with market conditions. Market conditions are identified by gauging Federal Reserve policy signals, and stock *IFED Scores* are based on 12 firm-specific metrics.

Index Approach¹



STARTING UNIVERSE AND STOCK SCORING

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



COMPOSITION & WEIGHTING

- From the 500 largest US stocks, the 150 with the lowest volatility at each rebalance are selected as potential constituents
- From the 150 potential constituents, the 75 stocks with the highest IFED Scores are selected
- The 75 stocks in Nasdaq IFED-LV are weighted by IFED Score



INDEX REBALANCE TIMING

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

Strategy Features



- Average annual alpha (vs S&P Low Vol) of 3.86%
- Cumulative return of 1728% vs 691% for the S&P Low Vol
- Beat S&P Low Vol 81% of time in rolling 3-yr return (5-yr = 84%)
- Captured 91% of market upside & 37% of downside

Index Performance

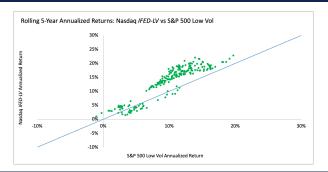
	S&P 500 Low Vol	Nasdaq IFED-LV	Alpha
1999	-7.76%	-2.10%	5.66%
2000	25.03%	32.52%	7.49%
2001	4.37%	6.00%	1.63%
2002	-7.16%	-4.91%	2.25%
2003	22.75%	24.04%	1.29%
2004	17.69%	26.05%	8.36%
2005	2.20%	11.46%	9.26%
2006	19.69%	18.52%	-1.17%
2007	0.58%	1.70%	1.12%
2008	-21.41%	-25.56%	-4.15%
2009	19.22%	24.60%	5.38%
2010	13.36%	9.76%	-3.60%
2011	14.78%	8.22%	-6.56%
2012	10.30%	14.98%	4.68%
2013	23.59%	39.09%	15.51%
2014	17.49%	20.38%	2.89%
2015	4.34%	8.07%	3.73%
2016	10.37%	14.24%	3.87%
2017	17.41%	28.76%	11.35%
2018	0.27%	1.69%	1.42%
2019	28.26%	31.26%	3.00%
2020	-2.09%	9.94%	12.02%
2021	25.46%	27.76%	2.30%
2022	-4.59%	3.26%	7.85%
2023 YTD	0.03%	1.96%	1.93%

NASDAQ IFED-LV PERFORMANCE AND SUMMARY STATISTICS

	Nasdaq IFED-LV				Annualized Returns				Summary Statistics				
	1M	3M	YTD		1 yr	3 yrs	5 yrs	10 yrs	Full Period	Beta	Std Dev	Sharpe Ratio	Sortino Ratio
Nasdaq IFED-LV	1.96%	4.88%	1.96%		7.26%	13.77%	13.16%	17.52%	12.82%	0.69	13.13%	0.90	1.59
S&P 500 Low Vol	0.03%	4.04%	0.03%	-	-0.02%	4.39%	7.99%	10.92%	8.96%	0.58	11.94%	0.67	1.12

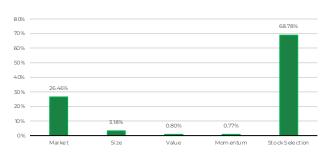
HISTORICAL PERFORMANCE (THROUGH JANUARY 31, 2023)

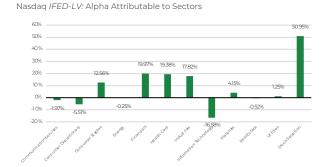




RETURN ATTRIBUTION (THROUGH DECEMBER 31, 2022)

Nasdaq IFED-LV: Alpha Attributable to Factors





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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

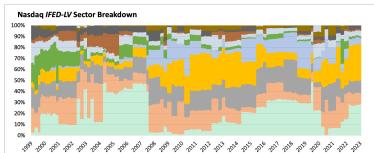
68.78% of alpha is attributable to stock selection

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

• 50.95% of alpha is attributable to stock selection

INDEX COMPOSITION (THROUGH January 31, 2023)





Largest 10 Holdings at Market Close January 31, 2023

1	McKesson Corporation	3.92%
2	MetLife, Inc.	3.03%
3	AmerisourceBergen Corporation	3.01%
4	Elevance Health Inc.	3.01%
5	PACCAR Inc	2.97%
6	Cardinal Health, Inc.	2.92%
7	Willis Towers Watson Public Limited Company	2.92%
8	Expeditors International of Washington, Inc.	2.89%
9	Travelers Companies, Inc.	2.83%
10	Aflac Incorporated	2.58%

Sector Composition at Market Close January 31, 2023

Health Care	32.67%
Financials	28.27%
Industrials	11.32%
Consumer Staples	10.20%
Information Technology	5.81%
Consumer Discretionary	5.16%
Materials	3.51%
Utilities	1.68%
Energy	1.39%
Communication Services	0.00%
Real Estate	0.00%

Disclaimer. The launch date of IFED-LVTM was July 19, 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 quarantee of future results. Copyright & 2022 Scoommic Index Associates LC (EIA), All rights reserved. Redistribution or reproduction in whole or in part are prohibited without written permission. IFED-LTM is a registered trademark. EIA makes 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. EIA shall have no liability for any errors, omissions, or interruptions of any index or the data included herein. 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. EA 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, pronders, esel, provides or manage any investment frout or or which that seeks to provide an investment return based on the performance of any Index. Economic Index Associates LC is not an investment or tax advisor. EIA makes no representation regarding the advisability of investing in any such investment fund or other investment found.

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