



Economic Index Associates

Fact Sheet

Nasdaq *IFED* US Large-Cap Index

**For more information:****w:** www.economicindexassociates.com**e:** info@EIAinvestments.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 monetary 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.

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 REBALANCE TIMING**

- Nasdaq *IFED*-L is rebalanced under two conditions
 1. the monetary 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

Strategy Features

- ✓ Strong return and down-side risk profile over past 23 years
 - Average annual alpha (vs S&P 500) of 7.58%
 - Cumulative return of 2,499% vs 419% for S&P 500
 - Average annual rolling 3-year alpha of 5.52% (5 yr = 5.05%)
 - Beat S&P 500 86% of time in rolling 3-year return (5 yr = 98%)
 - Captured 133% of market upside and 82% of downside

Index Performance

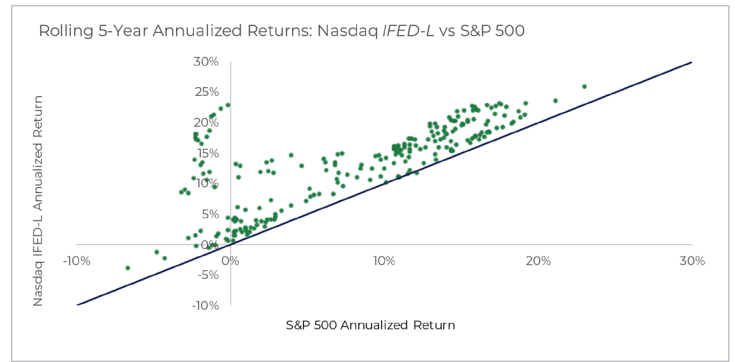
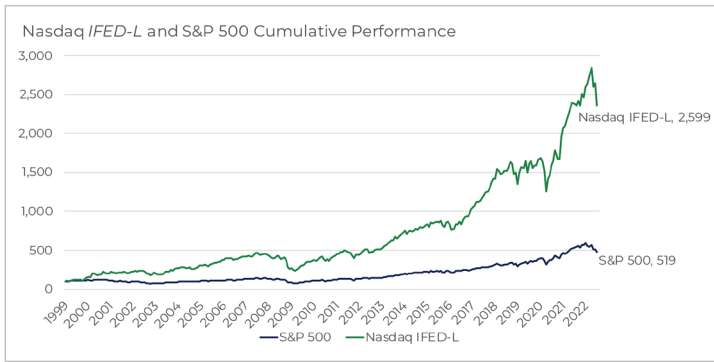
	S&P 500	Nasdaq <i>IFED</i> -L	Alpha
1999	21.04%	61.84%	40.81%
2000	-9.10%	38.58%	47.68%
2001	-11.89%	0.32%	12.21%
2002	-22.10%	-11.95%	10.15%
2003	28.66%	38.11%	9.44%
2004	10.88%	13.50%	2.62%
2005	4.91%	21.52%	16.61%
2006	15.78%	12.21%	-3.57%
2007	5.57%	3.16%	-2.41%
2008	-37.00%	-38.11%	-1.11%
2009	26.45%	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	-12.58%	0.04%	12.62%

PERFORMANCE AND SUMMARY STATISTICS (THROUGH JULY 31, 2022)

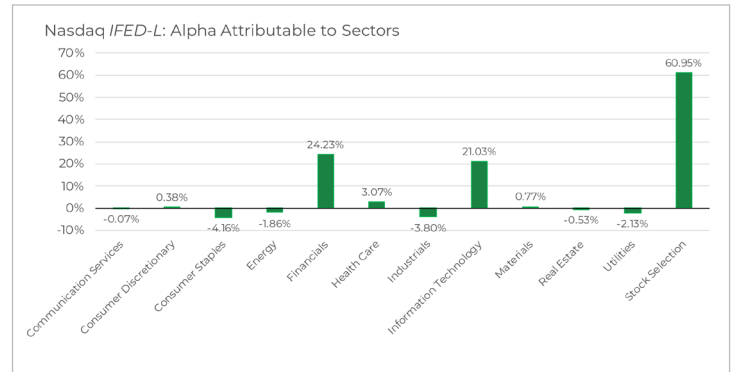
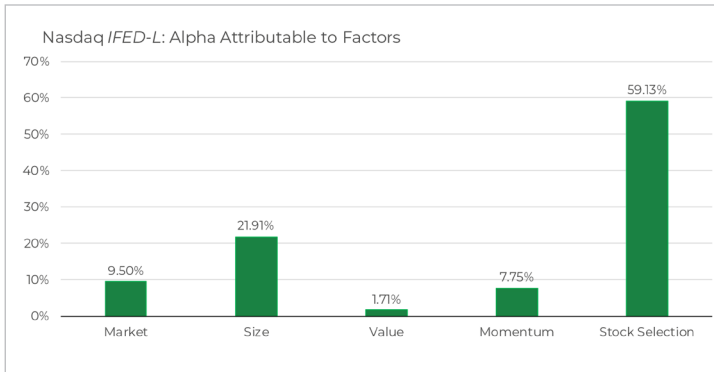
	Returns				Annualized Returns					Summary Statistics			
	Since Index Launch 06.09.2020	1M	3M	YTD	1 yr	3 yrs	5 yrs	10 yrs	Full Period	Beta	Std Dev	Sharpe Ratio	Sortino Ratio
Nasdaq <i>IFED</i> -L	54.23%	9.97%	0.15%	0.04%	10.44%	16.41%	15.84%	18.38%	14.81%	1.04	18.99%	0.73	1.32
S&P 500	32.93%	9.22%	0.39%	-12.58%	-4.64%	13.09%	12.66%	13.71%	7.23%	-	15.20%	0.41	0.68

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

HISTORICAL PERFORMANCE (THROUGH JULY 31, 2022)



RETURN ATTRIBUTION (THROUGH DECEMBER 31, 2021)



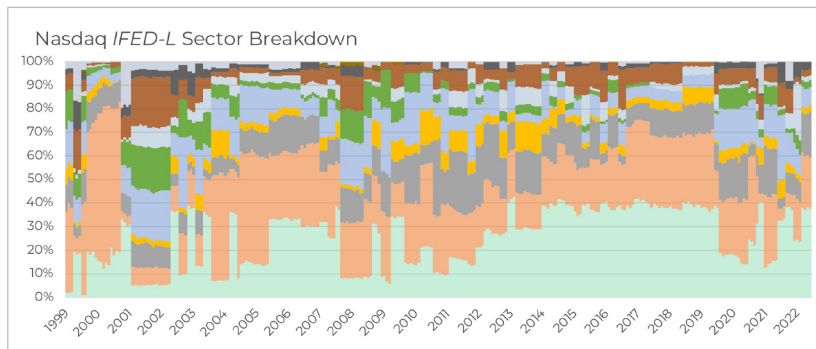
✓ Twelve firm-specific metrics are used to select stocks that align with prevailing conditions; thus, factor exposures are incidental, generally small and deviate over time

- 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 JULY 31, 2022)



Average Weight	Sector
1.65%	Utilities
0.11%	Real Estate
2.12%	Materials
7.14%	Industrials
3.66%	Energy
5.58%	Consumer Staples
11.65%	Consumer Discretionary
4.879%	Communication Services
12.79%	Health Care
25.44%	Information Technology
25.07%	Financials

Largest 10 Holdings at Market Close July 31, 2022

1	UnitedHealth Group Incorporated	4.70%
2	Bank of America Corporation	4.48%
3	Citigroup Inc.	3.88%
4	JPMorgan Chase & Co.	3.76%
5	Applied Materials, Inc.	3.34%
6	The Goldman Sachs Group, Inc.	3.25%
7	Lam Research Corporation	2.89%
8	Morgan Stanley	2.88%
9	Apple Inc.	2.53%
10	Ford Motor Company	2.20%

Sector Composition at Market Close July 31, 2022

Financials	37.10%
Information Technology	22.24%
Health Care	18.99%
Communication Services	2.49%
Consumer Discretionary	8.22%
Consumer Staples	2.99%
Energy	2.07%
Industrials	2.72%
Materials	3.18%
Real Estate	0.00%
Utilities	0.00%