

Exceptional & Rich U.S. 500™ Factsheet

AS OF JANUARY 13, 2023

Description

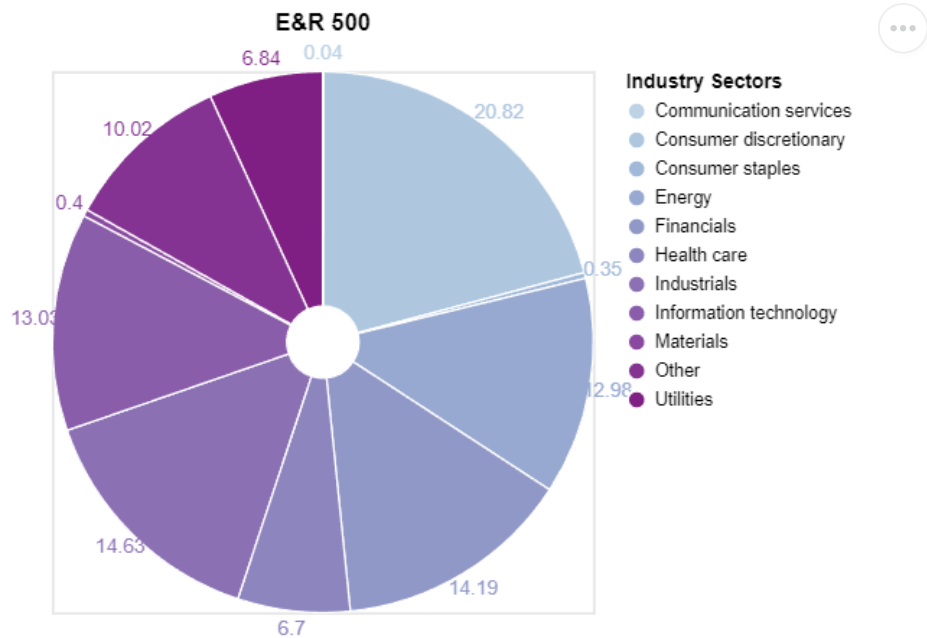
Exceptional & Rich U.S. 500 Index [E&R 500] has been created to improve the statistical and scientific design flaws of the market capitalization methodology used in the S&P 500, which is widely regarded as the best single gauge of large-cap U.S. equities. An estimated USD 15.6 trillion are indexed or benchmarked to the S&P 500, with Indexed assets comprising approximately USD 7.1 trillion (as of Dec. 31, 2021). Unlike market capitalization methodology which is risk-increasing and return-reducing owing to its concentration, the E&R is designed to own 500 large-cap U.S. equities, and deliver higher risk-weighted excess returns while maintaining low tracking error vs. the S&P 500.

Methodology

The methodology is based on a modern science innovation, which uses Reversion-Divergence framework to dynamically score, weight and rebalance components in a group to deliver higher risk-weighted excess returns. The method removes the conflict between Efficient and Inefficient market thinking, statistically normal and non-normal behavior, or in simple terms the conflict between Value and Growth investing. The methodology is not Size biased, and obviates the need for concentration and running after winners but rather adopts a slower weight readjustment compared to the S&P 500.

1. Exceptional & Rich U.S. 500 - Inception date January 2007

1.1. Sector Breakdown

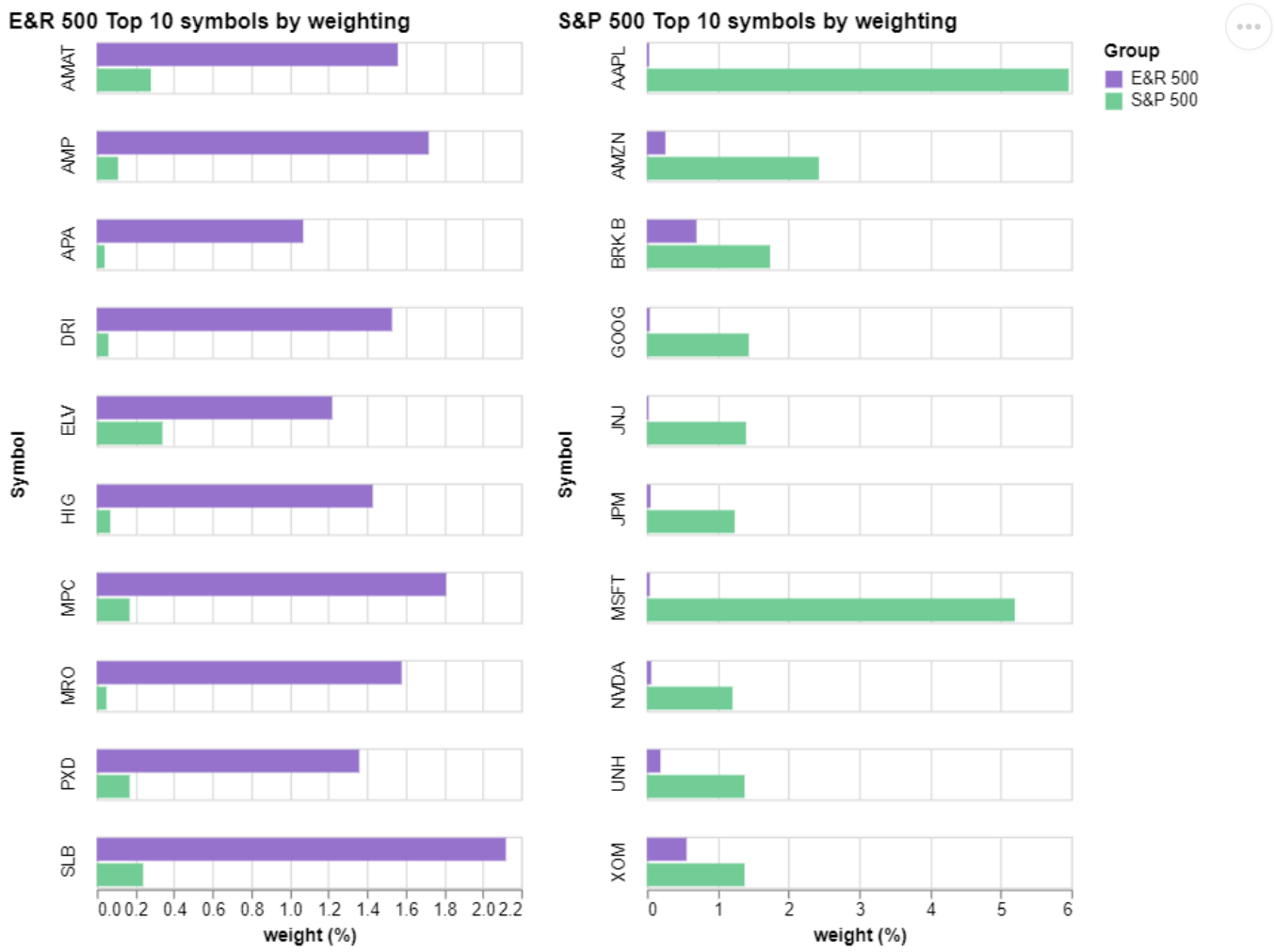


1.2. Top 10 Components

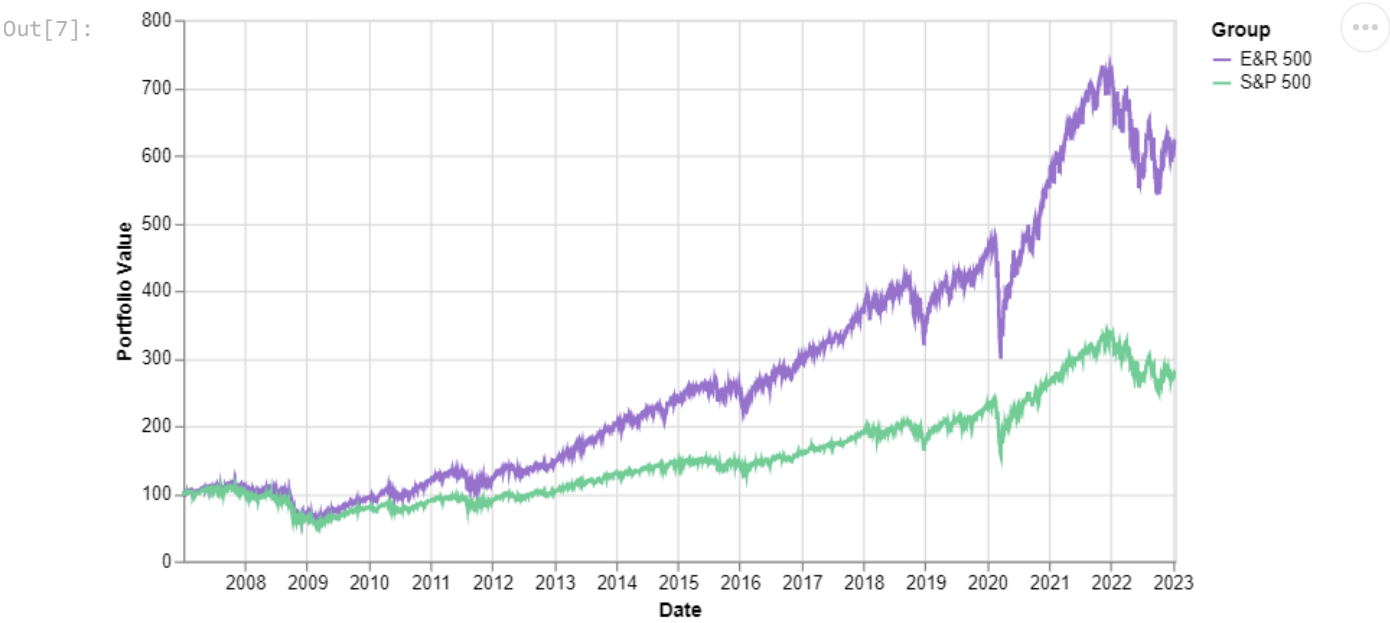
Out[5]:

	Nr./Symbol	Name	Entry Price	Current Price	P&L(%)	E&R 500 Proportion(%)
1	SLB	SCHLUMBERGER LTD	33.33	58.00	74.02	2.12
2	MPC	MARATHON PETROLEUM CORP	81.74	121.01	48.04	1.81
3	AMP	Ameriprise Financial Inc	235.31	331.17	40.74	1.72
4	MRO	Marathon Oil Corp	21.13	27.38	29.58	1.58
5	AMAT	Applied Materials Inc	86.00	110.20	28.14	1.56
6	DRI	DARDEN RESTAURANTS INC	118.51	148.70	25.47	1.53
7	HIG	Hartford Financial Services Group Inc/The	65.02	76.25	17.27	1.43
8	PXD	PIONEER NATURAL RESOURCES CO	215.14	239.18	11.17	1.36
9	ELV	Elevance Health Inc	476.94	477.08	0.03	1.22
10	APA	Apa Corp	9.82	45.35	361.81	1.07

1.3. Top 10 Comparisons



1.4. Performance Plot Since January 2007



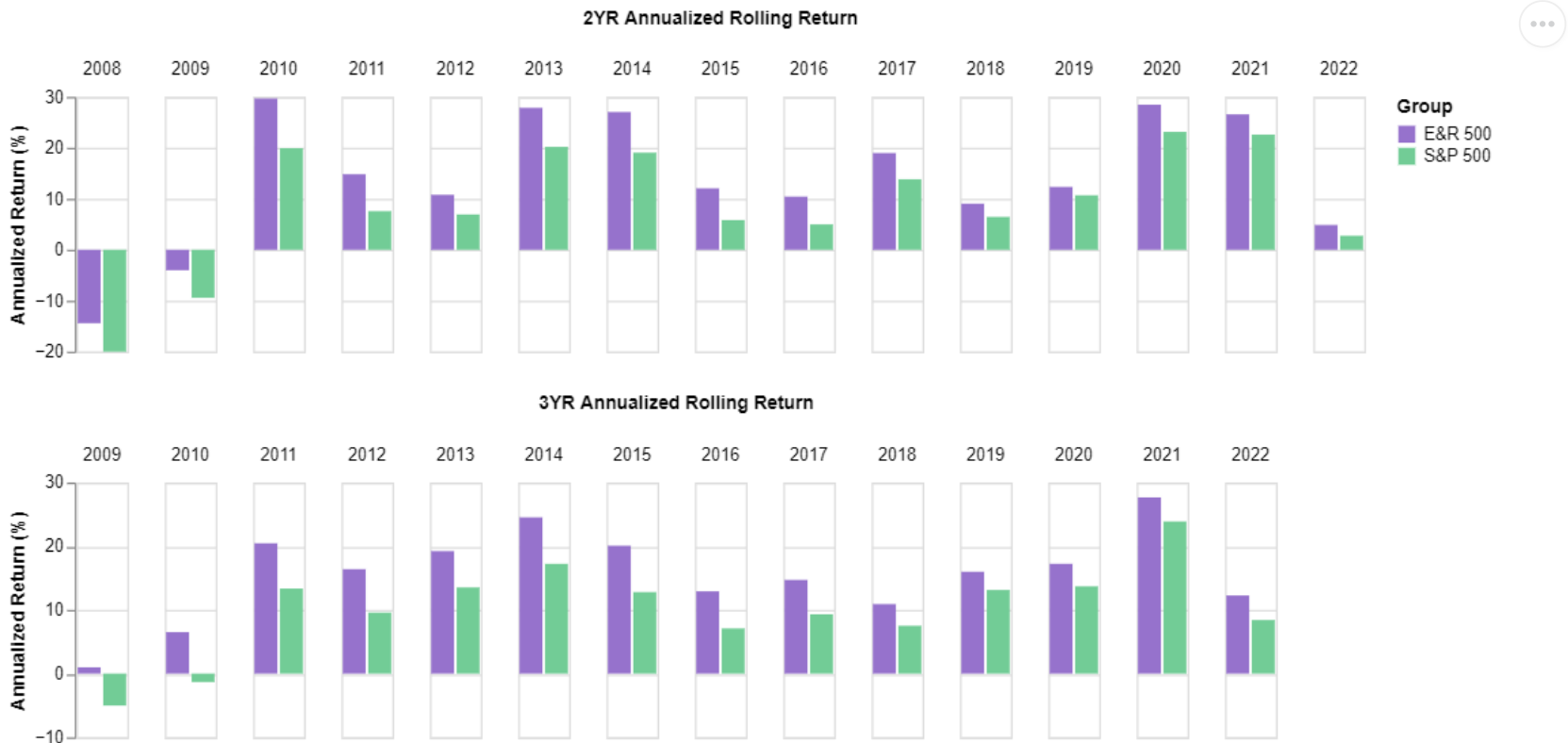
1.5. Performance Metrics

The table illustrates the performance across various parameters. The Performance (%) of Portfolio from different starting points, Current portfolio value of the funds invested at inception, Annualized (%) Returns, Annualized Standard Deviation (%), Average Tracking Error (%) and Average Information Ratio (%).

Out[8]:

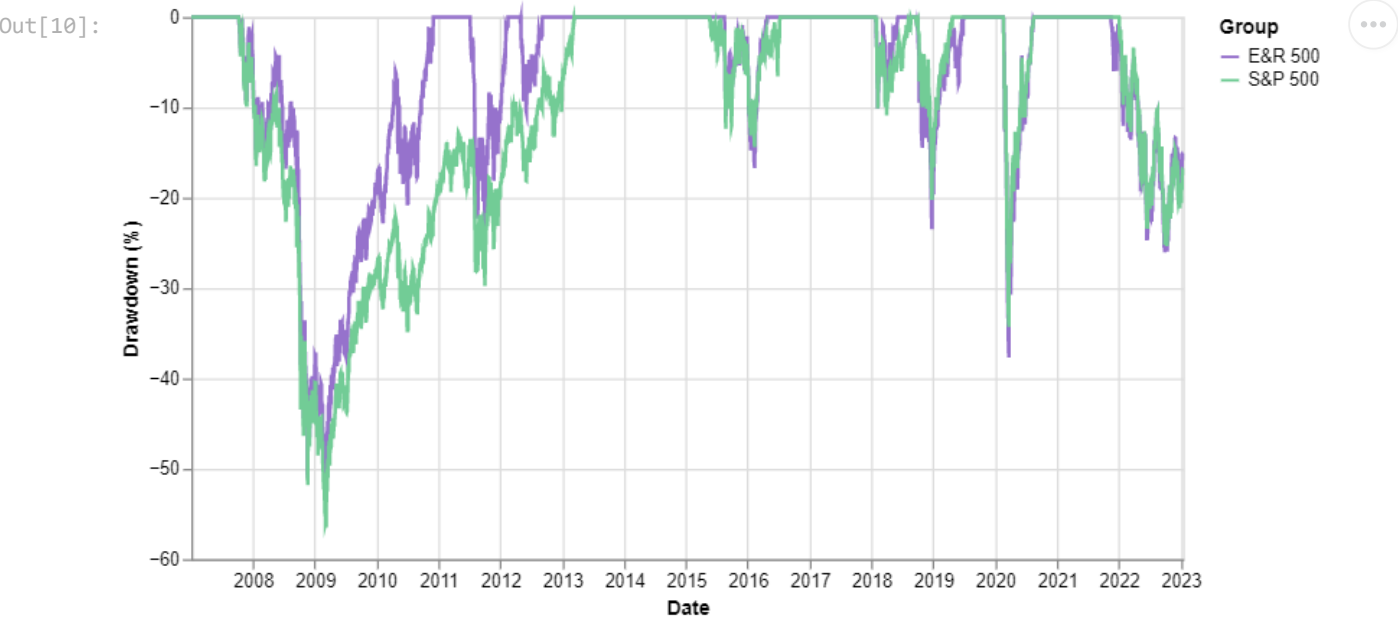
	Nr./Name	E&R 500	S&P 500
1	Performance (%) since January 2008	460.48	171.88
2	Performance (%) since January 2013	333.17	179.13
3	Performance (%) since January 2018	69.09	48.96
4	Performance (%) since January 2023	3.97	3.94
5	Current Portfolio Value (Invested in January 2007)	622.31	281.18
6	Annualized (%) Return (Since January 2007)	12.07	6.65
7	Annualized Std. Deviation (%)	21.45	20.03
8	Average Tracking Error (%)	4.28	-
9	Average Information Ratio (%)	1.41	-

1.6. Annualized Rolling Return



1.7. Drawdown Analysis

A daily time series plot illustrating drawdowns of more than 10% from peak equity.



Out[11]:

	Nr./Portfolio Drawdowns (%)	Start date	End date	Maximum (%)	Days
1	-	10-Oct-07	2-Dec-10	-52.33	1149
2	-	7-Jul-11	16-Feb-12	-24.64	224
3	-	27-Apr-12	7-Sep-12	-10.54	133
4	-	17-Aug-15	26-Apr-16	-16.74	253
5	-	26-Jan-18	6-Jun-18	-10.13	131
6	-	20-Sep-18	1-Jul-19	-23.28	284
7	-	19-Feb-20	17-Aug-20	-37.67	180
8	-	16-Nov-21	28-Feb-23	-26.03	469

Out[12]:

	Nr./Benchmark Drawdowns (%)	Start date	End date	Maximum (%)	Days
1	-	9-Oct-07	14-Mar-13	-56.47	1983
2	-	21-May-15	12-Jul-16	-14.40	418
3	-	26-Jan-18	24-Aug-18	-10.87	210
4	-	20-Sep-18	26-Apr-19	-20.02	218
5	-	19-Feb-20	18-Aug-20	-34.29	181
6	-	3-Jan-22	28-Feb-23	-25.36	421

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