alphablock

Exceptional & Rich U.S. 100™ Factsheet

AS OF JANUARY 13, 2023

Description

Exceptional & Rich U.S. 100 Index [E&R 100] has been created to improve the statistical and scientific design flaws of the market capitalization methodology used in the S&P 100, which is widely regarded as the best single gauge of large-cap U.S. equities. Unlike market capitalization methodology which is risk-increasing and return-reducing owing to its concentration, the E&R is designed to own 100 large-cap U.S. equities, and deliver higher risk-weighted excess returns while maintaining low tracking error vs. the S&P 100.

Index Attributes

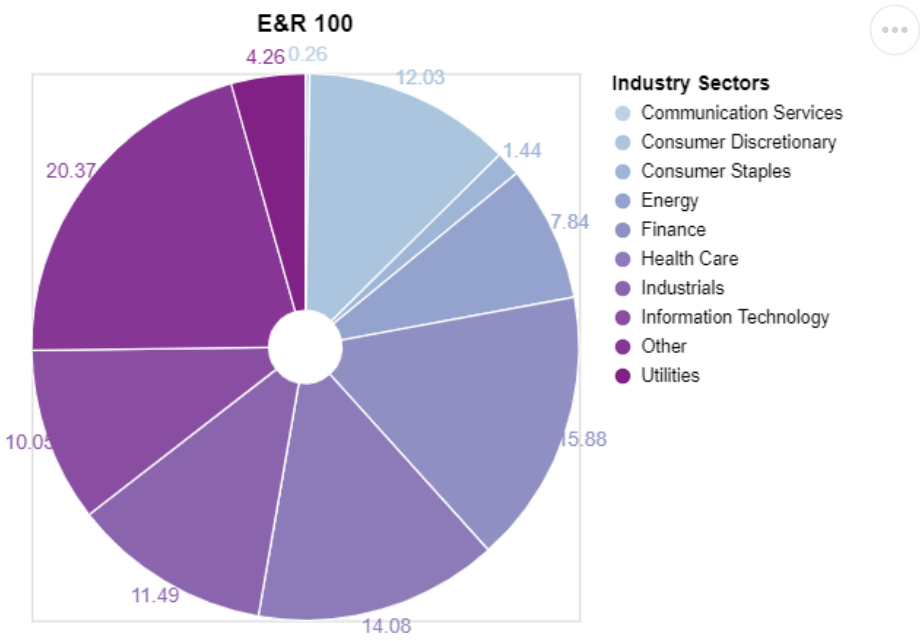
Launched on January 3, 2023, the E&R 100 leads a new generation of Smart Beta Indices that electronically delivers investable fund processes direct to Institutional and Individual investors. The lack of secondary market delivery is an essential attribute for the Index as it reduces the overall systematic risk inherent in Exchange Traded Funds today and allow the final investor to only pay-for-alpha above the S&P 100.

Methodology

E&R methodology is based on a mathematical and physics innovation, which combines the mathematical process of Preferential Detachment with Preferential attachment and explains their interaction using the [3N] methodology. The method allows a dynamic scoring of any set of components in a group, weighting and rebalancing them dynamically 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 dynamic, 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 100.

1. Exceptional & Rich U.S. 100 - Inception date January 2007

1.1. Sector Breakdown

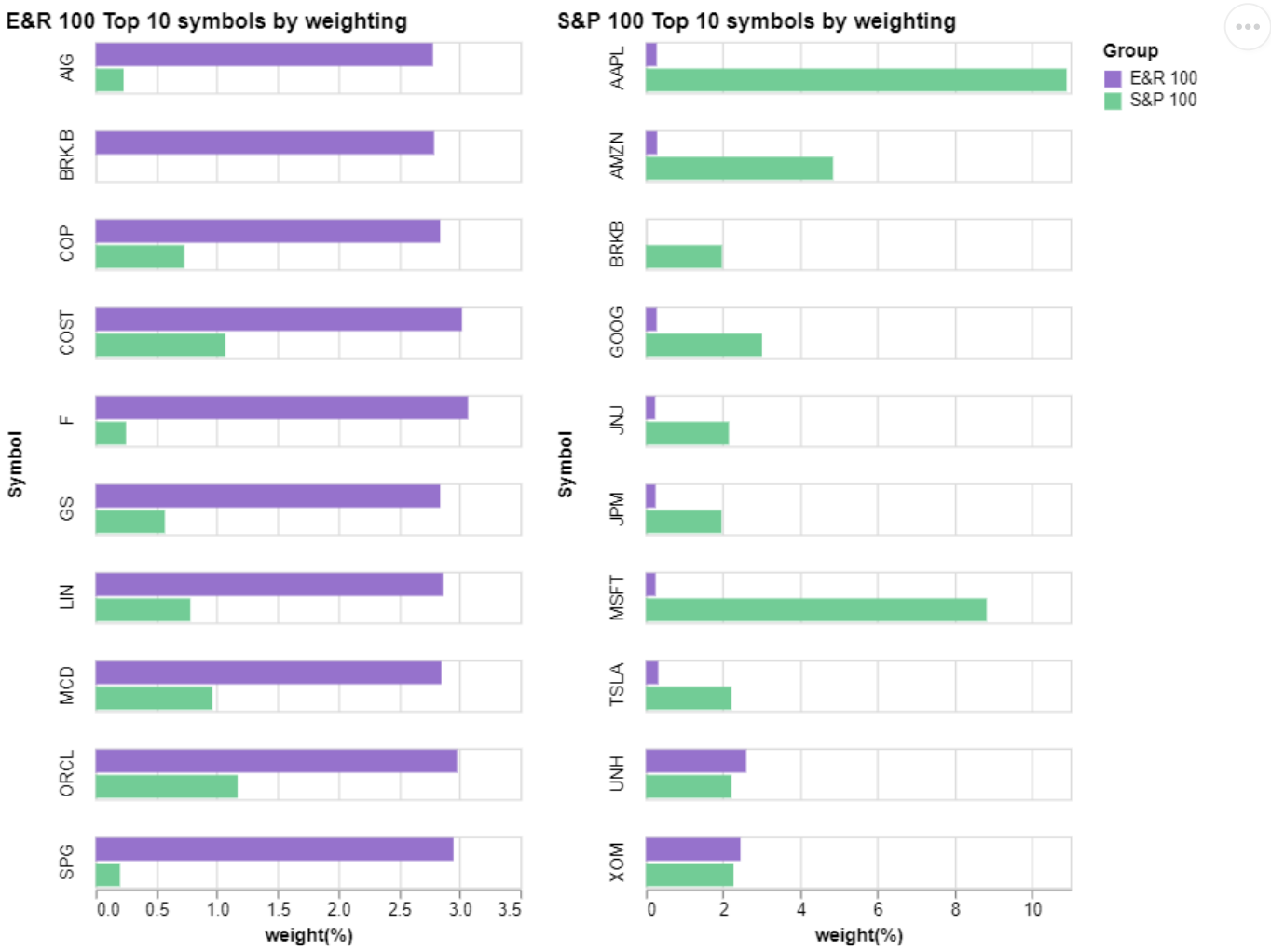


1.2. Top 10 Components

Out[60]:

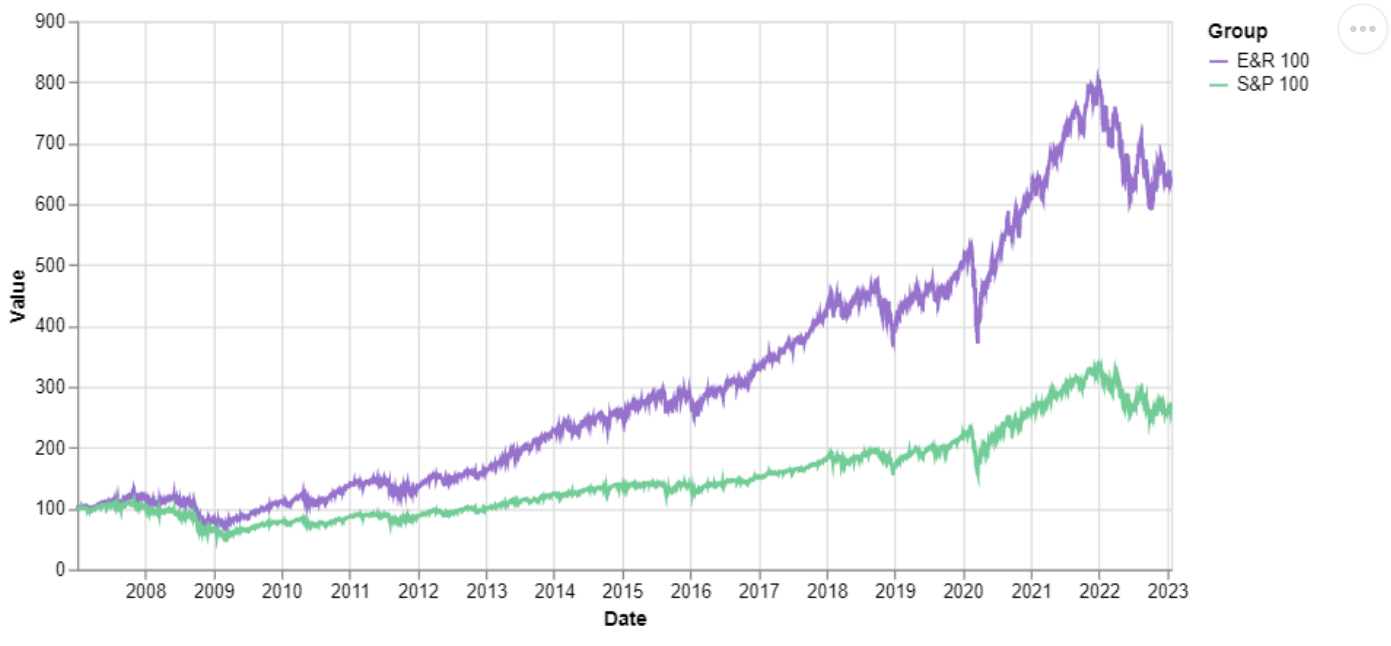
	Nr./Symbol	Name	Current Price	P&L(%)	E&R 100 Proportion(%)
1	F	Ford Motor Co	12.80	10.06	3.07
2	COST	COSTCO WHOLESALE CORP	492.61	8.19	3.02
3	ORCL	Oracle Corp	88.97	6.99	2.98
4	SPG	Simon Property Group Inc	124.97	5.70	2.95
5	LIN	Linde Plc	326.49	2.46	2.86
6	MCD	MCDONALD'S CORP	269.29	2.33	2.85
7	GS	Goldman Sachs Group Inc/The	349.14	1.68	2.84
8	COP	CONOCOPHILLIPS	120.13	1.81	2.84
9	BRK.B	Berkshire Hathaway Inc Del [Brk.B]	310.42	0.09	2.79
10	AIG	American International Group Inc	63.10	-0.39	2.78

1.3. Top 10 Comparisons



1.4. Performance Plot Since January 2007

Out[62]:



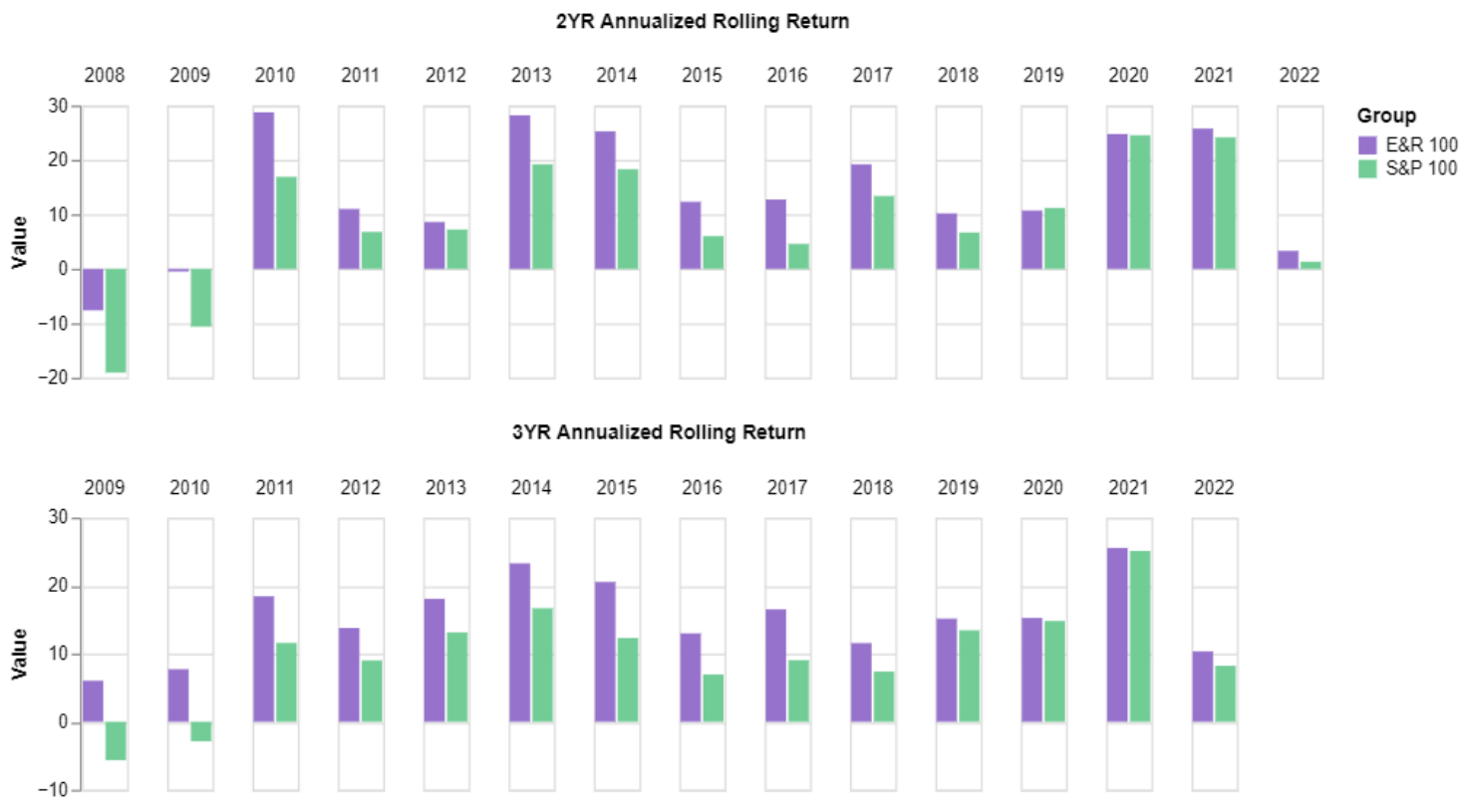
1.5. Performance Metrics

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

Out[63]:

	NAME	E&R 100	S&P 100
0	Performance (%) since January 2008	435.19	160.99
1	Performance (%) since January 2013	303.42	176.74
2	Performance (%) since January 2018	54.51	51.24
3	Performance (%) since January 2023	0.88	4.7
4	Current Portfolio Value (Invested in January 2007)	643.46	271.01
5	Annualized (%) Return (Since January 2007)	12.29	6.4
6	Annualized Std. Deviation (%)	19.99	19.95
7	Average Tracking Error (%)	4.13	-
8	Average Information Ratio (%)	1.39	-

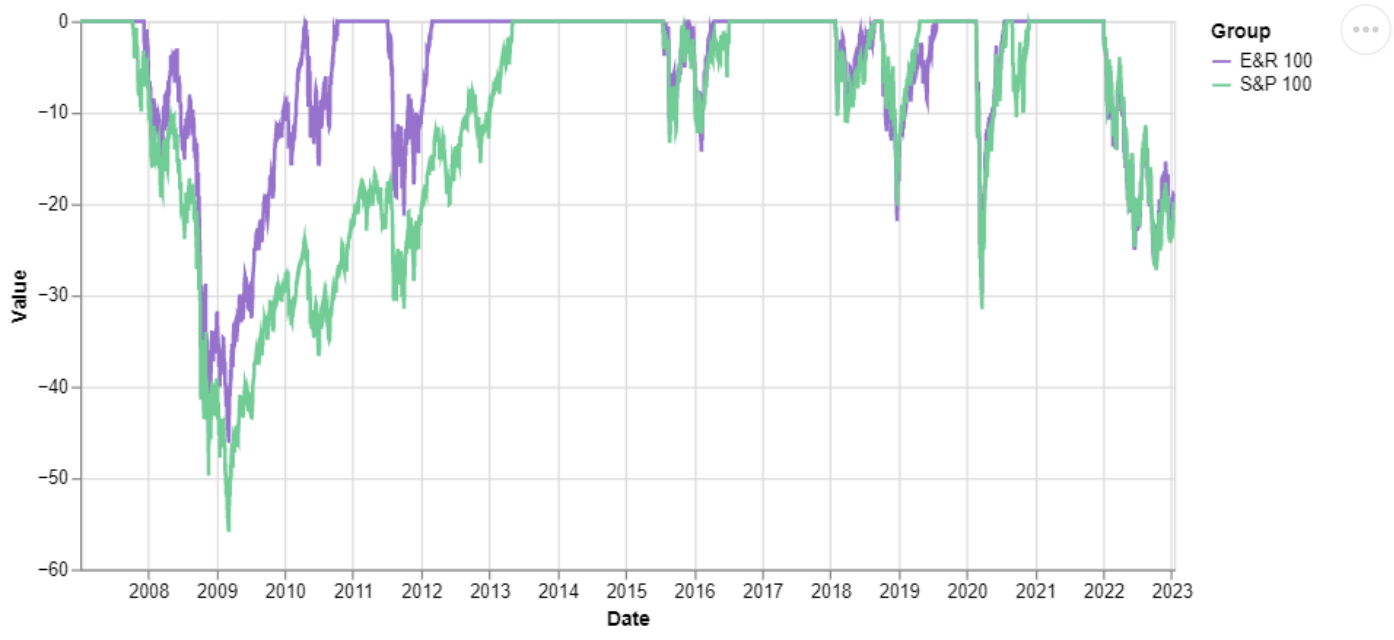
1.6. Annualized Rolling Return



1.7. Drawdown Analysis

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

Out[65]:



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