

# NYSE® PURE SECTOR ROTATION INDEX

## A NEXT GENERATION SECTOR ROTATION SOLUTION

The **NYSE Pure Sector Rotation Index** seeks to utilize unique return streams to generate steady growth in a risk-controlled framework.

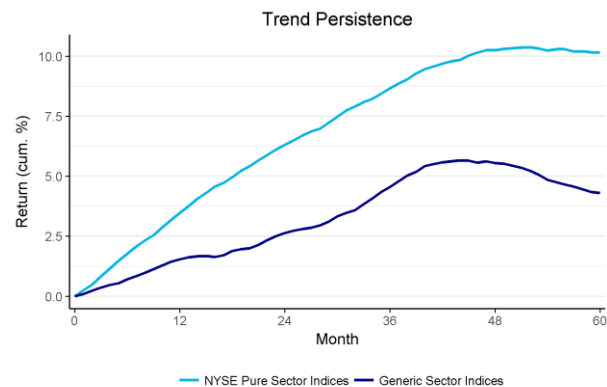
The NYSE Pure Sector Rotation Index takes advantage of the economic cycle, a natural fluctuation of the economy between periods of expansion (growth) and contraction (recession). During each phase of a cycle, certain sectors typically outperform. This sector outperformance is commonly explained by behavioral biases and structural lags in the economy.

- The NYSE Pure Sector Rotation Index aims to generate high returns by investing in equity sectors that will outperform in the future. It is a trend-based strategy that attempts to participate in the cycles by favoring those sectors that, after removing market influence and isolating their pure performance, have performed well recently.
- Sector rotation rests on the foundation of academic research that demonstrates varying industry performance across business, market, and industry-specific cycles.
- Trend-following enhances sector rotation because trends are pervasive across asset classes and sectors.

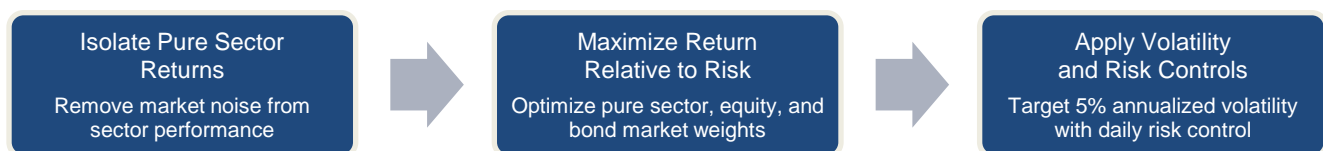
### NYSE PURE SECTOR INDICES

The NYSE Pure Sector Rotation Index uses new and powerful techniques designed to purify sector performance and identify industry cycles, bringing sector rotation to a new level.

The strategy relies on the **NYSE Pure Sector Indices**, which are constructed to remove market noise from sector returns and enable more accurate detection of industry trends. The result is a differentiated strategy aimed to generate higher returns and more persistent performance across market cycles.



### INDEX CONSTRUCTION

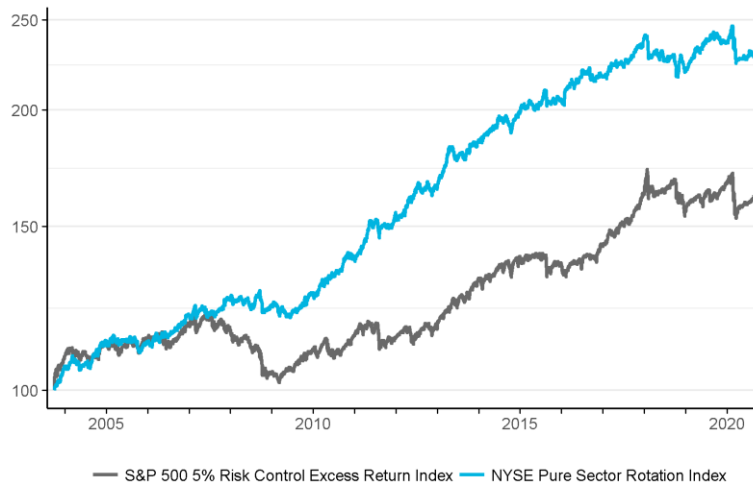


### INDEX METHODOLOGY

The NYSE Pure Sector Rotation Index seeks exposure to the nine NYSE Pure Sector Indices, along with the Equity and Bond Markets. The index rebalances at the close on the first trading day of each week.

- Pure Sector, Equity, and Bond Market weights in the NYSE Pure Sector Rotation Index are determined using an optimizer which seeks to maximize portfolio relative strength while minimizing volatility.
- Weekly optimization and daily risk control combine with the intention of producing a persistent return stream with low volatility, reduced drawdowns, and the potential to improve the risk/return of any portfolio.

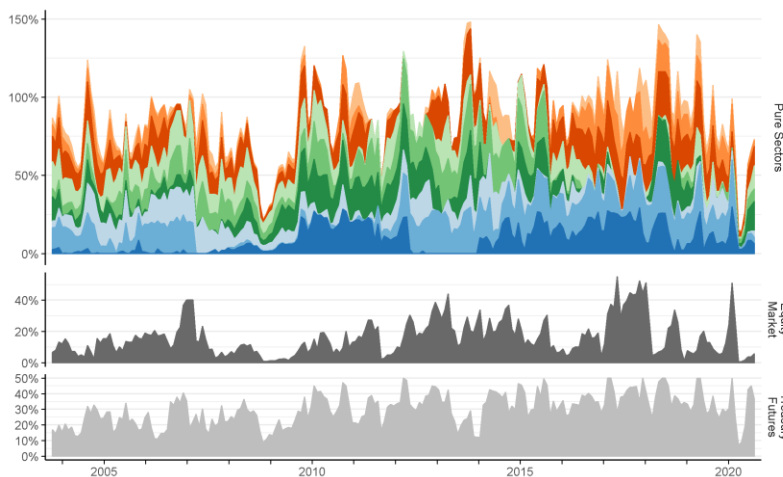
## HYPOTHETICAL HISTORICAL PERFORMANCE



## KEY STATISTICS

NYSE Pure Sector Rotation Index	
Annualized Return	5.01%
Annualized Volatility	4.81%
Return to Risk	1.04
1 Year Return	-5.29%
3 Year Return	0.84%
5 Year Return	11.48%

## HYPOTHETICAL HISTORICAL ALLOCATION



## ASSET WEIGHTS

	Average	Latest
Energy	4.42%	1.06%
Basic Materials	6.91%	5.49%
Industrials	13.77%	13.03%
Consumer Goods	10.19%	16.13%
Healthcare	10.19%	8.48%
Consumer Services	10.18%	21.77%
Utilities & Telecoms	8.84%	5.76%
Financials	13.25%	5.33%
Technology	9.32%	7.23%
Equity Market	15.70%	6.54%
Treasury Futures	29.82%	36.28%

Range for all charts in this document: September 30, 2003 to August 28, 2020. Source: ICE Data Indices, LLC & S&P Dow Jones Indices. NYSE Pure Sector Rotation Index returns after December 8, 2015 are based on live NYSE Pure Sector Index returns. The NYSE Pure Sector Rotation Index includes a deduction from the aggregate values of its constituents (an adjustment factor) equal to 0.50% per annum. The Trend Persistence chart represents the average return over the index history for the subsequent 1 to 60 months for a sector that had positive returns in the prior 12 months.

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