

Introducing the Nasdaq *IFED* US Large-Cap Index

NEW YORK – JULY 6, 2022 – Economic Index Associates (EIA) and Nasdaq are pleased to introduce the Nasdaq *IFED* US Large-Cap Index (Nasdaq *IFED*-L). Nasdaq *IFED*-L applies the *Invest with the Fed* (*IFED*) methodology, which uses signaled shifts in Federal Reserve policy to guide index composition. Nasdaq *IFED*-L represents a partnership on the existing *IFED*-L index that EIA launched on June 9, 2020.

Nasdaq *IFED*-L uses a combination of Federal Reserve policy signals and 12 key firm metrics to select approximately 75 large-cap U.S. stocks via a rules-based active strategy. To seek outperformance and avoid holding a portfolio that has become out-of-favor, the *IFED* strategy relies on Federal Reserve policy signals to assign environment-appropriate weights to the 12 firm metrics.

With over 30 years of published research, EIA's founders are the authorities on the association of Fed policy signals and security returns. The efficacy of the *IFED* approach is supported by Nasdaq *IFED*-L's 17.31% total alpha vs the S&P 500 since its launch two years ago¹. Over the past two years, Nasdaq *IFED*-L has been the best performing large-cap equity index. YTD 2022, the index has outperformed the S&P 500 by 10.93%. The index has also produced an impressive average annual alpha of 7.56% vs the S&P 500 over its 22+ year back-tested history.

With ongoing support from EIA, Nasdaq will be responsible for marketing and licensing Nasdaq *IFED*-L and additional *IFED* indexes. Of note, UBS has already listed two exchange traded notes (ETNs) that track the Nasdaq *IFED*-L index.

Robert Johnson, EIA Chairman, CEO and Co-founder, remarked, "EIA is excited to work with Nasdaq, and we look forward to future collaboration on a suite of products based upon the *IFED* methodology. With this partnership, we are pleased that our indexes will reach a broader audience to allow more investors to benefit from having their portfolios properly positioned for changing market conditions."

Sean Wasserman, Vice President, Global Head of Index & Advisor Solutions at Nasdaq, commented, "Nasdaq recognizes the value of dynamic rules-based indexes that are based on robust research and empirical evidence. There is a need to help investors appropriately position their investments for changing market conditions. We look forward to future success with this first index and additional indexes to follow."

For more information on Economic Index Associates and the research underpinning the *IFED* methodology please visit www.economicindexassociates.com.

¹ Nasdaq *IFED*-L represents a partnership on an existing index that EIA launched on June 9, 2020. All returns presented are for the period ending June 30, 2022.

About EIA

Economic Index Associates (EIA) is a developer of active index strategies that are replicable, investable, rules-based and transparent.

EIA's three founders (Robert Johnson, Gerald Jensen and Luis Garcia-Feijoo) are the authorities on the association of Fed monetary policy with security returns – combined they have published over 200 academic articles, which have over 10,000 citations. The basic premise of their original research is captured in their book - *Invest with the Fed* (McGraw-Hill, 2015).

Leveraging its founders' extensive research, the *Invest with the Fed (IFED)* methodology uses Fed policy signals and firm fundamentals to guide stock selection. The *IFED* strategy is a dynamic approach that selects portfolios that align with the market environment signaled by Federal Reserve policy shifts.

About Nasdaq

Nasdaq (Nasdaq: NDAQ) is a global technology company serving the capital markets and other industries. Our diverse offering of data, analytics, software and services enables clients to optimize and execute their business vision with confidence. To learn more about the company, technology solutions and career opportunities, visit us on LinkedIn, on Twitter @Nasdaq, or at www.nasdaq.com.

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