



# XOUT – U.S. LARGE CAP INDEX FACT SHEET

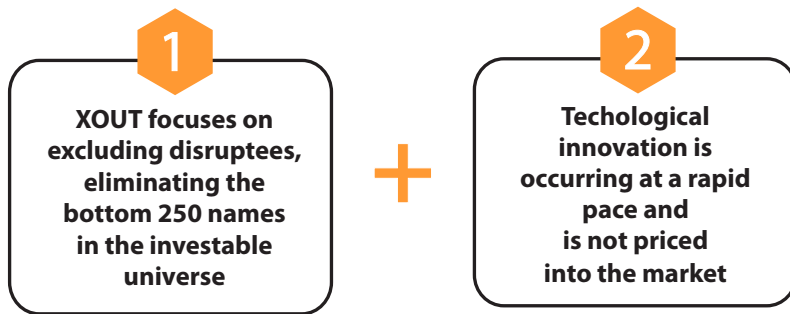
as of 3/31/22

The XOUT proprietary framework looks at multiple characteristics to identify which U.S. companies will likely be disrupted by technological innovation.

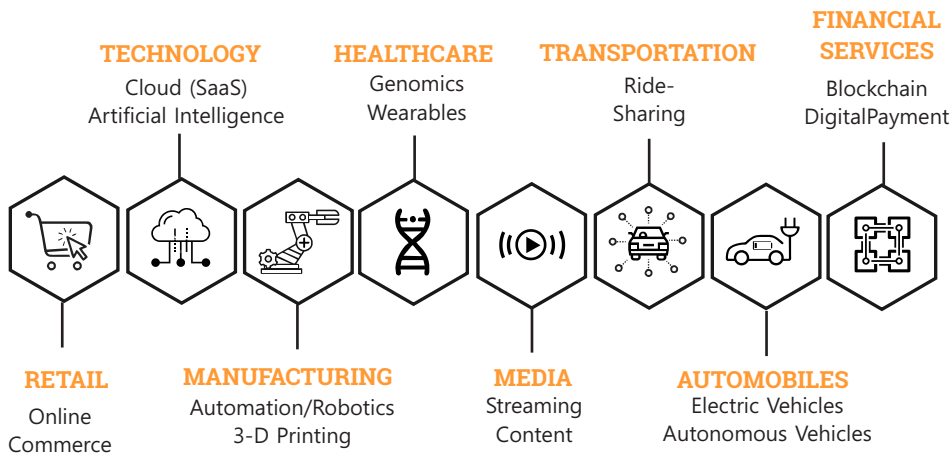
## The Investment Case for XOUT

Disruption is an unavoidable challenge for companies across all industries. Most industries are either experiencing disruption or are susceptible to it. Successful companies innovate solutions and successfully adapt to the changing economic landscape. Those that do not, are likely to be challenged.

XOUT has constructed a better U.S. Large Cap Index by quantitatively applying two key investment insights:



## Examples of Industry Disruption



### Licensing Information

For information regarding the licensing of this index, contact XOUT Capital LLC at [info@xoutcapital.com](mailto:info@xoutcapital.com).

## Overview

The XOUT U.S. Large Cap Index (XOUTTR) applies a proprietary quantitative rules-based methodology to identify which U.S. Large Cap companies among the largest 500 to exclude or "XOUT" from the Index. The Index approach benefits from what it does NOT hold, as opposed to what it owns. The methodology is driven by one of the largest forward facing risks impacting all large companies, technological disruption. Each company in the investable universe receives a model score based on quantitatively derived inputs that qualify each company as being qualified or XOUT'd. The quantitative inputs informing the XOUT proprietary model include a combination of signals designed to identify industry and secular disruption being impacted by technological innovation. Companies scoring in the aggregate below the median quintile in the investable universe are XOUT'd and the remaining names are owned in the Index and re-weighted by market capitalization.

## Index Details

<b>Ticker</b>	XOUTTR XOUTNR
<b>Inception Date</b>	7/1/2019
<b>Index Calculation/ Publication</b>	Solactive AG
<b>Total # Holdings</b>	248
<b>Rebalance (Apr, Jul, Oct, Jan)</b>	Quarterly
<b>Weighting Scheme</b>	Market Capitalization Weighted

Index Administered by EQM Indexes  
Not investment advice or a recommendation to buy or sell securities. Investors may not invest directly in an index.



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## Top 10 Constituents

For a complete list of holdings, go to [eqmindexes.com](http://eqmindexes.com).

	Index Wt %	
1	APPLE INC	10.48
2	MICROSOFT CORP	8.37
3	ALPHABET INC-CL A	6.81
4	AMAZON.COM INC	6.47
5	TESLA INC	4.14
6	NVIDIA CORP	2.71
7	META PLATFORMS INC-CLASS A	2.33
8	UNITEDHEALTH GROUP INC	1.69
9	JOHNSON & JOHNSON	1.65
10	WALMART INC	1.48

Source: Bloomberg

Inclusion of a security within the Index is not a recommendation by EQM Indexes to buy, sell, or hold such security, nor is it considered to be investment advice. EQM Indexes is not an investment advisor, and makes no representation regarding the advisability of investing in any such security.

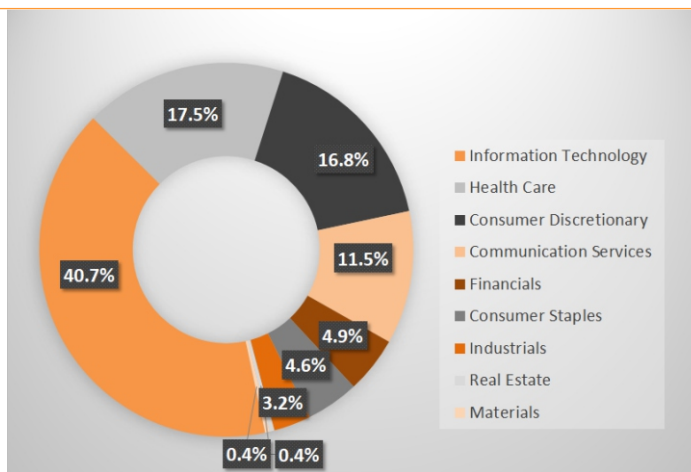
## Constituent Requirements

The bottom 250 securities are eliminated based on the following criteria:

- The selection pool consists of the largest 500 by market capitalization of publicly traded companies listed on either the NYSE or NASDAQ exchanges, with a country of domicile designation of the United States, as determined by the index provider, with:
  - a free-float percentage equal to or exceeding 50% of total shares outstanding,
  - a share price less than \$10,000 per share (USD),
  - positive earnings per share for each quarter over the last trailing 12-month period for companies below median in market capitalization.
- Each company in the investable universe receives a model score based on quantitatively derived inputs that attempt to qualify each company as being eligible for index inclusion or eliminated.
- The quantitative inputs informing the XOUT proprietary growth model include a combination of the following proprietary fundamental growth signals designed to identify industry and/or secular disruption:
  - Revenue growth
  - Hiring growth
  - Capital deployment
  - Share repurchases
  - Profitability and deposit growth
  - Earnings sentiment
  - Management performance
- Each quantitative screen in the model receives a quintile score from 1 to 5, 5 being best, based on quantitative fundamental inputs.
- The quintile scores are weighted based on a proprietary weighting methodology to achieve an aggregate model quintile score for each company.
- Companies scoring in aggregate below the median quintile in the investable universe are eliminated or X'd OUT, and the remaining names are re-weighted by market capitalization.
- Minimum market capitalization of \$5 billion at time of index reconstitution and minimum liquidity of a quarter million shares average volume traded in each of the last six months leading up to evaluation
- Initial public offerings become eligible for inclusion six months after trading.

## Market Sectors

Well diversified mix of market sectors that reflect disruption.



Source: Bloomberg, EQM Indexes  
For Illustrative Purposes Only

## About EQM Indexes

EQM Indexes, LLC ("EQM Indexes") is a woman-owned firm dedicated to creating and supporting indexes that track growth industries and emerging investment themes. Co-founded by Jane Edmondson, a former Institutional Portfolio Manager with more than 25 years of investment industry experience, EQM Indexes' index designs spans a wide range of asset classes and financial instruments. EQM Indexes does not provide investment advice, nor offer the sale of securities, but does partner and receive compensation in connection with licensing its indices to third parties to serve as benchmarks for Exchange Traded Products ("ETPs"). All information provided by EQM Indexes is impersonal and not tailored to the needs of any person, entity or group of persons. It is not possible to invest directly in an index. EQM Indexes makes no assurance that investment products based on the index will accurately track index performance or provide positive investment returns. Inclusion of a security within an index is not a recommendation by EQM Indexes to buy, sell, or hold such security, nor is it considered to be investment advice. While EQM Indexes has obtained information from sources believed to be reliable, EQM Indexes does not perform an audit or undertake any duty of due diligence or independent verification of any information it receives.

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