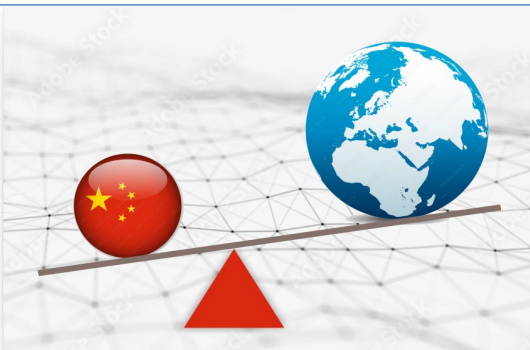


EQM EMERGING MARKETS – CHINA LITE



Investment Strategy

An index designed to give exposure to US-traded emerging market companies, similar to the Texas Pension Fund approach halving exposure to China.

What We Do

EQM Indexes provides customizable indexes that are designed to assist independent investment advisors, wealth managers, and individual investors in meeting their investment goals. Our firm utilizes a risk-managed, model-driven approach to Wealth Management, to help advisors and clients with industry-leading, managed Indexed Model Portfolio solutions.

EQM Indexes LLC is a woman-owned firm dedicated to creating and supporting innovative indexes that track growth industries and emerging investment themes. Co-founded by Jane Edmondson, a former Institutional Portfolio Manager with more than 30 years in the investment industry, our index design expertise spans a wide range of asset classes and financial instruments.



At A Glance/Index Snapshot

Index Construction

Number of Holdings	50
Number of Countries	15
Weighting Scheme	Modified EM Optimized Weights
Rebalancing Frequency	Semi-Annual
Dividend Yield	3.50%

Risk Characteristics

Sharpe Ratio	0.24
Benchmark Correlation	0.66
Annualized Standard Deviation	24.78
Beta (ex-post)	0.83

SMART FACT

The manager of the \$184 billion Teacher Retirement System of Texas (TRS), halved its target allocation to Chinese stocks given their “outsized” weight in the Emerging Markets index. They remain committed to maintaining a “prudent” 9% EM allocation.¹

Contact Us



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Contact: 858.935.6041

EQM EMERGING MARKETS – CHINA LITE

General Rules

Currency	USD
# of Constituents	50
Weighting Mechanism	Minimize active risk
Initial Index Value	100

Universe Filter

Geography	Emerging Markets
Market Capitalization	\$1 billion USD
Liquidity	\$1m ADTV last 6 months
Country	Maximum 15% country weight

Relative Risk Statistics (3Y)

Active Share	99.30
Alpha (Mean Excess Return)	7.11
Sharpe Ratio	0.24
Jensen Alpha	5.24
Tracking Error (Annualized)	18.98
Beta (ex-post)	0.83
Information Ratio	0.27
Correlation	0.66
Capture Ratio	0.58

Relative Characteristics

	# of Holdings	Std. Deviation (3Y Annualized)	Market Capitalization	Dividend Yield (%)	P/B Ratio
Index	50	24.78%	\$319.42 B USD	3.50%	1.40
Benchmark	3,284	19.76%	\$77.58 B USD	3.56%	1.57

Rebalancing & Reconstitution

Max Position Size	5%
Max Country Size	15%
Rebalancing	Semi-Annual
Reconstitution	Same as Rebalancing

BITA ESG Score

Environmental	65.82
Social	60.37
Governance	49.33
ESG Total	56.30

EQM EMERGING MARKETS – CHINA LITE

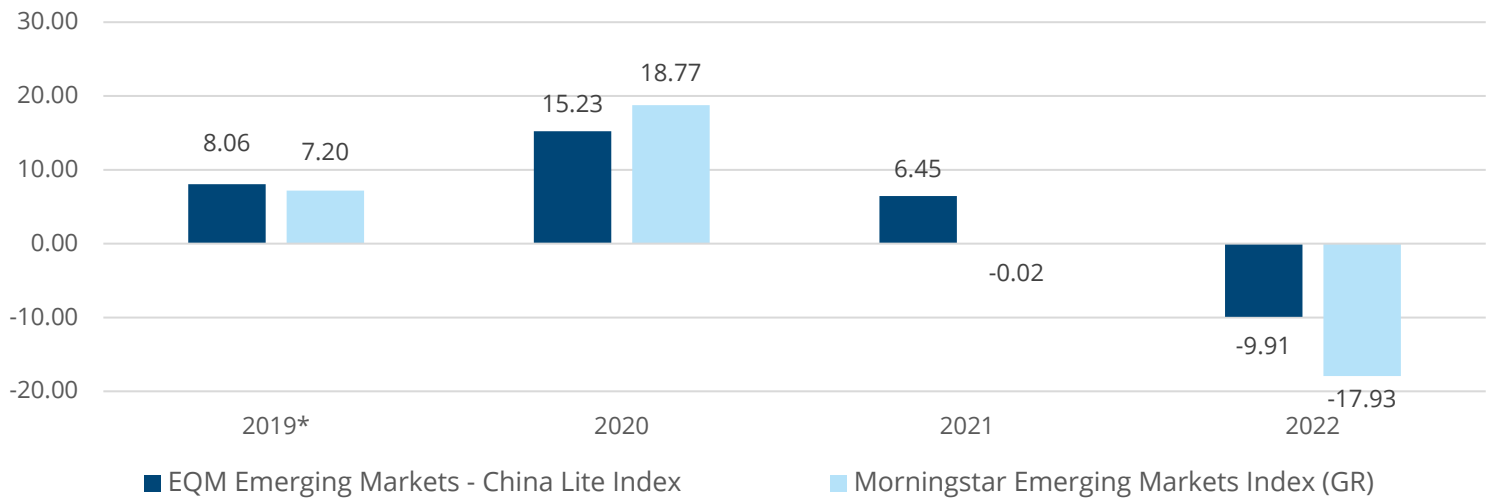
Index Return (%)

	2022	1Y	3Y
Index	-9.91	-9.91	10.50
Benchmark	-17.93	-17.93	-2.55

Annualized Return (%)

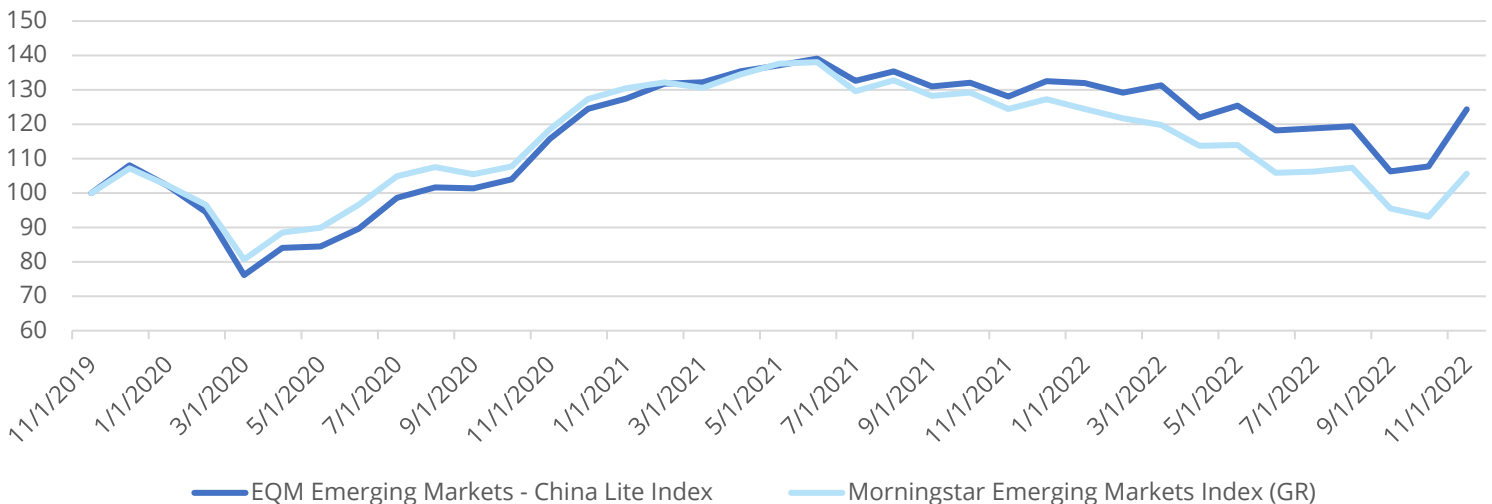
	2022	1Y	3Y
Index	-9.91	-9.91	3.39
Benchmark	-17.93	-17.93	-0.86

Annual Returns (%)



Historical Performance (%)

11/30/2019 - 12/31/2022

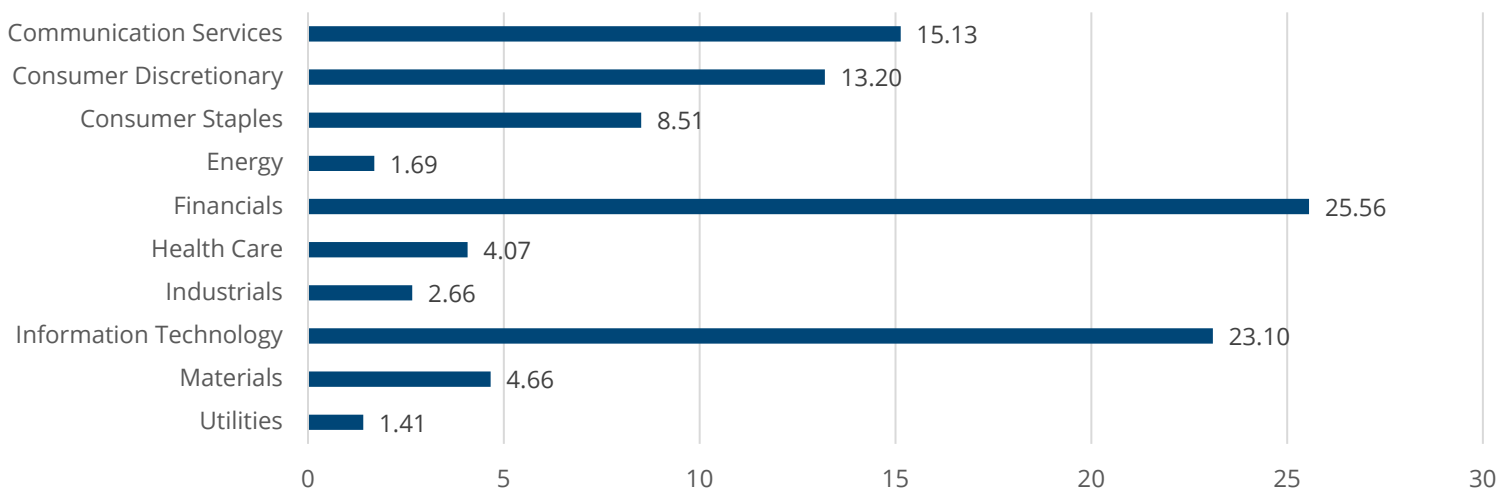


EQM EMERGING MARKETS – CHINA LITE

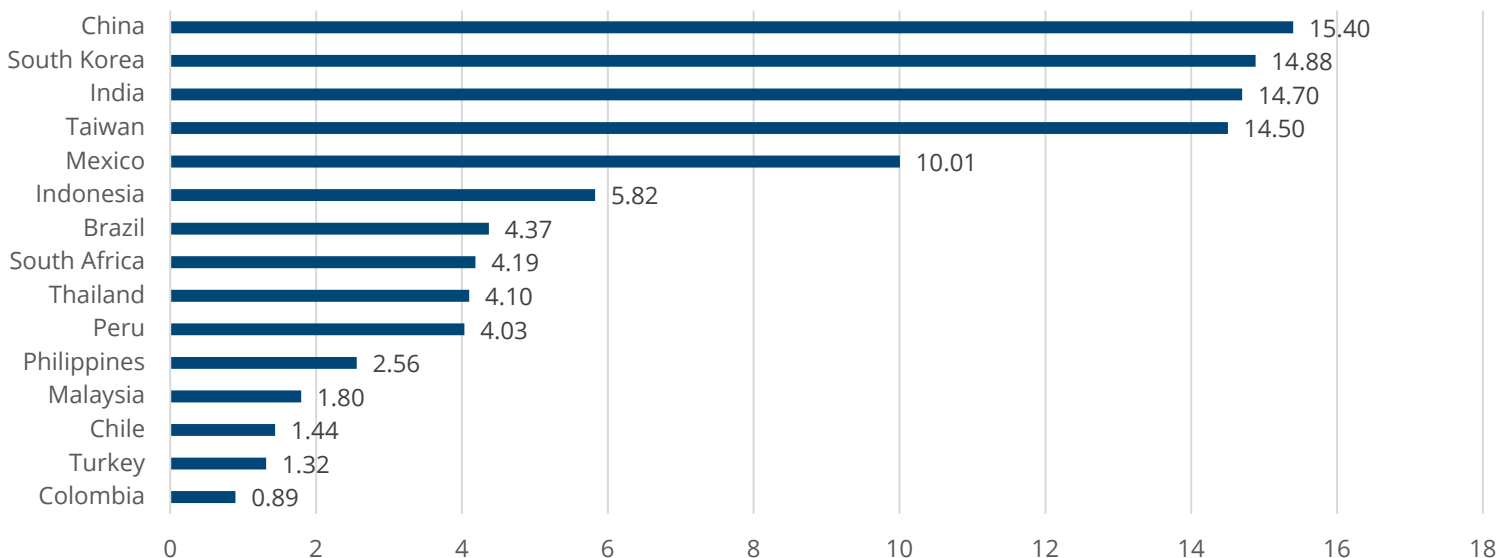
Top Ten Holdings (%)

TAIWAN SEMICONDUCTOR-SP ADR	4.78	WIPRO LTD-ADR	3.23
TENCENT HOLDINGS LTD-UNS ADR	4.27	KB FINANCIAL GROUP INC-ADR	3.07
KASIKORNBANK PCL-UNSPON ADR	4.10	AMBEV SA-ADR	2.93
HON HAI PRECISION-GDR REG S	3.39	WOORI FINANCIAL-SPON ADR	2.88
INFOSYS LTD-SP ADR	3.31	NASPERS LTD-N SHS SPON ADR	2.83

Sector Weightings (GICS) (%)



Country Weightings (%)



EQM EMERGING MARKETS – CHINA LITE

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 30 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”).

Disclaimer

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The Morningstar Emerging Markets Index is a total return, multi-factor weighted index reconstituted semi-annually and rebalanced quarterly. The index measures the performance of emerging markets targeting the top 97% of stocks by market capitalization.

Footnotes

¹ *Bloomberg, Texas Pension With \$184 Billion to Halve China Stock Allocation, October 13, 2022, <https://www.bloomberg.com/news/articles/2022-10-14/texas-pension-with-184-billion-to-halve-china-stock-allocation?sref=on4LSPp2>*