

Russell 1000 Index Replication Strategy

Q3 2021



September 30, 2021

Annualized Returns (%)

	QTD	YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception ¹
Gross of fees	0.21	-	-	-	-	-	-	0.21
Net of fees	0.20	-	-	-	-	-	-	0.20
Benchmark ²	0.21	-	-	-	-	-	-	0.21

¹ Inception Date: June 29, 2021 ² Benchmark: Russell 1000

Characteristics

	Portfolio Weight	Benchmark Weight
Excess return (gross since inception)	-	-
Excess return (net since inception)	-	-
Holdings	1,026	1,026
P/E using FY1 est	21.1	21.1
P/E using FY2 est	19.8	19.8
Dividend yield	1.3%	1.3%
Historical 3 year EPS growth	23.5%	23.5%
Weighted average market cap	\$501,752mm	\$502,544mm

Sector Weights (%)

	Portfolio Weight	Benchmark Weight
Communication Services	10.60	10.59
Consumer Discretionary	12.26	12.25
Consumer Staples	5.41	5.42
Energy	2.63	2.62
Financials	11.59	11.60
Health Care	13.12	13.13
Industrials	8.66	8.65
Information Technology	27.99	27.98
Materials	2.25	2.25
Real Estate	3.13	3.13
Utilities	2.36	2.36

Top Ten Holdings (%)

	Portfolio Weight
Apple Inc.	5.39
Microsoft Corporation	5.15
Amazon.com, Inc.	3.46
Facebook, Inc. Class A	1.97
Alphabet Inc. Class A	1.96
Alphabet Inc. Class C	1.81
Tesla Inc	1.50
Berkshire Hathaway Inc. Class B	1.23
NVIDIA Corporation	1.20
JPMorgan Chase & Co.	1.18

Portfolio Facts

Inception Date	6/29/2021
Assets in Strategy	\$383mm
Benchmark	Russell 1000
Predicted tracking error	0-0.25% vs. b/m
No. of stocks	B/m
Sectors	B/m
Annual turnover	10-20%
Min. investment	\$10mm
Vehicle(s) available	Separately managed

Distinguishing Attributes

- Structured and disciplined investment process
- Capabilities to customize index mandates
- Experienced investment team
- Corporate culture built on client service and diversity

Portfolio Management



Sumali Sanyal, CFA

Managing Director, Senior
Portfolio Manager, Systematic
Global Equities



Cameron F. McLennan, CFA

Director, Portfolio Manager,
Systematic Global Equities

About Xponance®

Xponance® is a multi-strategy investment firm offering strategies across equity and fixed income. We are independent and employee owned by women and diverse professionals, whose common passion is to do the right thing for our clients and each other. Xponance® is the successor firm representing the integration of two great legacy firms, FIS Group, Inc. and Piedmont Investment Advisors, LLC.

Investment Philosophy & Process

Founded on a risk-aware philosophy and quantitative investment process, the goal of index strategies at Xponance is to replicate the returns of the client specified benchmark as closely as possible in a cost efficient way and with minimal tracking error. The Russell 1000 Index Strategy is managed on a fully replicated basis where the weight of each stock in the portfolio is in line with its weight in the benchmark. This portfolio holds cash at 0.25% or less. Portfolio managers have the ability to use ETFs to minimize non-equity exposure in the portfolio. The portfolio for this index strategy is constructed using full replication so that the tracking error of the portfolio is minimal, and the portfolio is self-rebalancing, allowing turnover to be in line with the benchmark and transaction costs to remain low. The portfolio is compared and tracked versus the benchmark throughout each trading day to ensure that it reflects the index as closely as possible. Transactions resulting from benchmark changes or changes in cash levels are planned ahead of time and executed in a cost efficient manner. We use data from the index providers to construct and monitor our portfolios.