

SONET

SHARPE RATIO
INDEX

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Information about the index, including rule book, company descriptions and historic data, can be found at:
shrp.x.snetglobalindexes.com

TICKERS:

S-Network Large-Cap Sharpe Ratio Index (USD): SHRPX

S-Network Large-Cap Sharpe Ratio Total Return Index (USD): SHRPXTR

March 2017

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S-Network Large-Cap Sharpe Ratio Index

Index Performance. The S-Network Large-Cap Sharpe Ratio Total Return Index (TICKER: SHRPXTR) increased +1.73% from 5445.31 to 5539.28 in the quarter ended March 2017. This compares to an increase in the The S-Network 500 Total Return Index (TICKER: SN500T) of +6.25%.

The best performing stocks were NRG Energy (TICKER: NRG UN), which rose +52.53%; Arconic Inc (TICKER: ARNC UN), which rose +42.07%; and Adobe Systems Inc (TICKER: ADBE UQ), which rose +26.4%. The worst performing stocks were Transocean Ltd (TICKER: RIG UN), which declined -15.54%; Verizon Communications Inc (TICKER: VZ UN), which declined -8.67%; and Tesoro Corp (TICKER: TSO UN), which declined -7.31%.

The S-Network Large-Cap Sharpe Ratio Index rose +6.57% in the past 12 months. This compares to a +17.59% rise in the The S-Network 500 Total Return Index.

Index Description. SHRPX is a portfolio of fifty stocks derived from the S&P 500 Index. The SHRPX methodology selects the five stocks in each of the ten GICS sectors that make up the S&P 500 which have the highest Sharpe Ratios as of the last business day of the second month of each calendar quarter. The stocks selected for inclusion in the portfolio are equally weighted. SHRPX divides into the following ten GICS sectors: consumer discretionary, consumer staples, energy, financials, health care, industrials, information technology, materials, telecommunication services and utilities.

Inclusion Criteria. The selection criteria for the S&P 500 include requirements for sector inclusion, primary exchange listing, minimum market capitalization, minimum average daily trading volume, and other factors. All constituents of SHRPX must be constituents of the S&P 500.

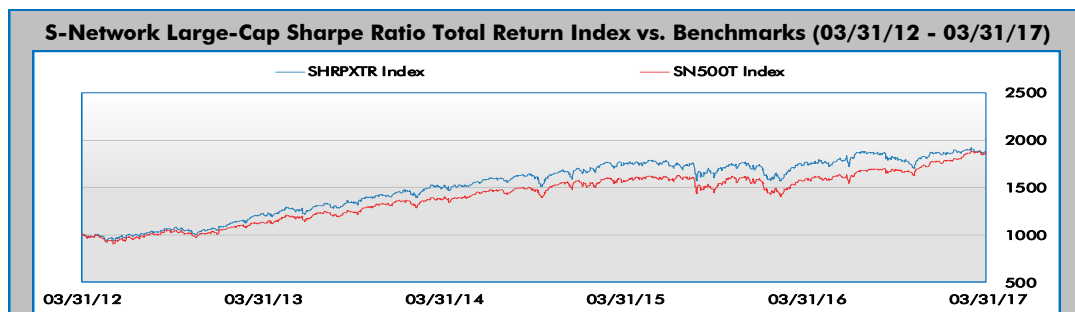
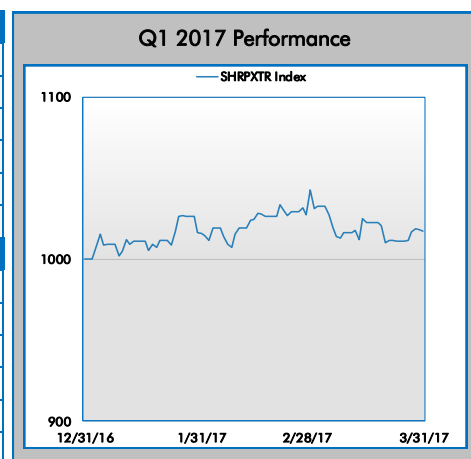
Individual securities to be included in SHRPX are selected based on a ranking system that selects the five stocks in each sector with the highest Sharpe Ratios as of the last business day of the second month of each calendar quarter. Sharpe Ratio is computed based on the 3-month average stock outperformance of the risk-free rate divided by the 3-month daily standard deviation of the stock price.

Weighting Methodology. All stocks selected for inclusion in SHRPX are equally weighted. Share weights are based on prices as of the close of trading on the second Friday of the rebalancing month. All constituents are equally weighted as of the record date.

Rebalancings. SHRPX is rebalanced quarterly, at the close of trading on the third Friday of the last month of each calendar quarter.

Index Data. Values for the price only index (SHRPX) and total return index (SHRPXTR) are distributed once daily via Bloomberg and the S-Network FTP. Daily values are available from December 31, 1999.

Leading Movers				
Company Name	Ticker	Opening	Closing	Change
NRG ENERGY	NRG UN	12.26	18.7	52.53%
ARCONIC INC	ARNC UN	18.54	26.34	42.07%
ADOBE SYSTEMS INC	ADBE UQ	102.95	130.13	26.40%
APPLE INC	AAPL UQ	115.82	143.66	24.04%
BROADCOM LIMITED	AVGO	176.77	218.96	23.87%
Lagging Movers				
Company Name	Ticker	Opening	Closing	Change
TRANSOCEAN LTD	RIG UN	14.74	12.45	-15.54%
VERIZON COMMUNICATIONS INC	VZ UN	53.38	48.75	-8.67%
TESORO CORP	TSO UN	87.45	81.06	-7.31%
VALERO ENERGY CORP	VLO UN	68.32	66.29	-2.97%
AT&T INC	T UN	42.53	41.55	-2.30%



*Note: This chart is a normalized historical graph
Data Source: Bloomberg Data as of March 31, 2017

This chart is for illustrative purposes only. Historical information is not indicative of future results; current data may differ from data quoted. Investors cannot invest directly in index. Index returns do not reflect any management fees or brokerage expenses.

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Index Statistical Profile

Capitalization Profile		
Number of Constituents	49	
TOTAL MARKET CAPITALIZATION	3.51	Trillion USD
LARGEST MARKET CAPITALIZATION	753.72	Billion USD
SMALLEST MARKET CAPITALIZATION	4.87	Billion USD
AVERAGE MARKET CAPITALIZATION	71.65	Billion USD
MEDIAN MARKET CAPITALIZATION	29.75	Billion USD

Total Return Appreciation		
	SHRPXTR	SN500T
5 Year	87.87%	86.53%
3 Year	24.11%	34.40%
1 Year	6.57%	17.59%

Compound Annual Growth Rate (CAGR)		
	SHRPXTR	SN500T
5 Year	13.44%	13.28%
3 Year	7.47%	10.36%
1 Year	6.57%	17.59%

Annualized Standard Deviation (Monthly)		
	SHRPXTR	SN500T
5 Year	9.33%	10.30%
3 Year	9.37%	10.49%
1 Year	8.11%	6.18%

Sharpe Ratio		
	SHRPXTR	SN500T
5 Year	1.3893	1.2541
3 Year	0.7961	0.9757
1 Year	0.7741	2.6043

Upside Capture Ratio	
	SHRPXTR Index vs SN500T Index
5 Year	88.01%
3 Year	74.69%
1 Year	56.42%

Downside Capture Ratio	
	SHRPXTR Index vs SN500T Index
5 Year	69.57%
3 Year	76.65%
1 Year	223.44%

Beta Matrix** (5 Year/Monthly)		
	SHRPXTR	SN500T
SHRPXTR	1.0000	
SN500T	0.8253	1.0000

Correlation Matrix** (5 Year/Monthly)		
	SHRPXTR	SN500T
SHRPXTR	1.0000	
SN500T	0.9108	1.0000

R-Square Matrix** (5 Year/Monthly)		
	SHRPXTR	SN500T
SHRPXTR	1.0000	
SN500T	0.8296	1.0000

*All data as of March 31, 2017

**Dependent variable shown in Column Headers, Independent shown in Row Headers

Index Composition

