

# 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.snetglobalindexes.com](http://shrp.snetglobalindexes.com)

TICKERS:

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

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

June 2018

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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 +1.80% from 6531.10 to 6648.71 in the quarter ended June 2018. This compares to an increase in the The S-Network 500 Total Return Index (TICKER: SPXT) of +3.43%.

The best performing stocks were Abiomed Inc (TICKER: ABMD UQ), which rose +40.57%; Under Armour Inc A (TICKER: UAA UN), which rose +37.49%; and Align Technology Inc (TICKER: ALGN UQ), which rose +36.24%. The worst performing stocks were AT&T Inc (TICKER: T UN), which declined -9.93%; Estee Lauder Cos. A (TICKER: EL UN), which declined -4.7%; and NRG Energy (TICKER: NRG UN), which declined 0.56%.

The S-Network Large-Cap Sharpe Ratio Index rose +16.37% in the past 12 months. This compares to a +14.37% 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.

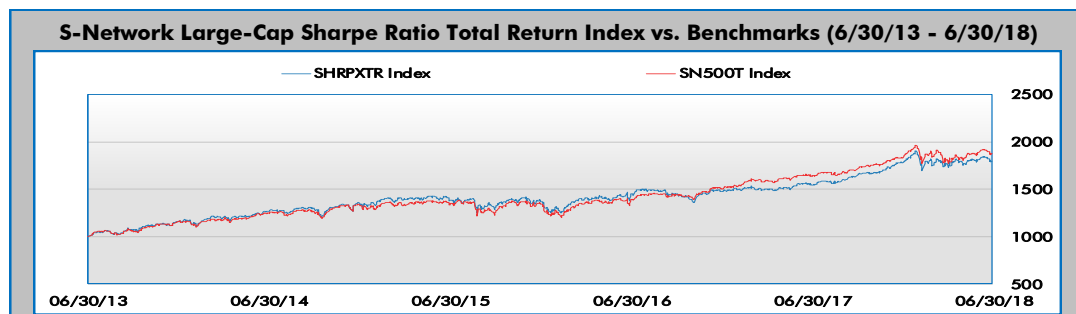
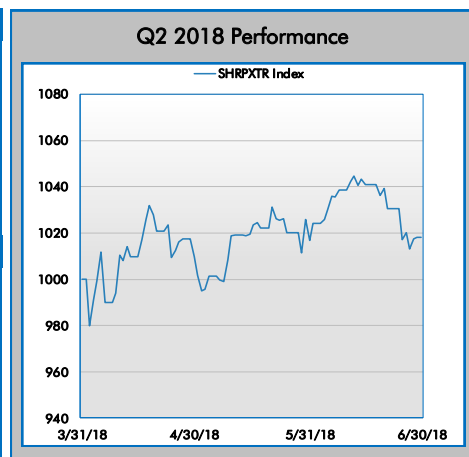
Individual securities to be included in SHRPX are selected based on a ranking system that selects the five stocks in each sector with the highest Sharpe Ratios as of the last business day of the second month of each calendar quarter. Sharpe Ratio is computed based on the 3-month average stock outperformance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

**Rebalancing.** 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
ABIOMED INC	ABMD	290.99	409.05	40.57%
UNDER ARMOUR INC A	UAA UN	16.35	22.48	37.49%
ALIGN TECHNOLOGY INC	ALGN	251.13	342.14	36.24%
TIFFANY & CO	TIF UN	97.66	131.60	34.75%
CHIPOTLE MEXICAN GRILL INC.	CMG UN	323.11	431.37	33.51%
Lagging Movers				
Company Name	Ticker	Opening	Closing	Change
AT&T INC	T UN	35.65	32.11	-9.93%
ESTEE LAUDER COS. A	EL UN	149.72	142.69	-4.70%
NRG ENERGY	NRG UN	30.53	30.70	0.56%
XL GROUP LTD	XL UN	55.26	55.95	1.25%
UNITED PARCEL SERVICE INC B	UPS UN	104.66	106.23	1.50%



\*Note: This chart is a normalized historical graph  
Data Source: Bloomberg Data as of June 30, 2018

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	48
TOTAL MARKET CAPITALIZATION	1.81 Trillion USD
LARGEST MARKET CAPITALIZATION	235.24 Billion USD
SMALLEST MARKET CAPITALIZATION	8.87 Billion USD
AVERAGE MARKET CAPITALIZATION	37.71 Billion USD
MEDIAN MARKET CAPITALIZATION	19.00 Billion USD

Total Return Appreciation		
	SHRPXTR	SPXT
Since Inception	564.87%	164.71%
10 Year	178.64%	163.40%
5 Year	79.93%	87.70%
3 Year	30.02%	40.23%
1 Year	16.37%	14.37%

Compound Annual Growth Rate (CAGR)		
	SHRPXTR	SPXT
Since Inception	10.78%	5.40%
10 Year	10.79%	10.17%
5 Year	12.47%	13.42%
3 Year	9.15%	11.93%
1 Year	16.37%	14.37%

Annualized Standard Deviation (Monthly)		
	SHRPXTR	SPXT
Since Inception	14.37%	14.43%
10 Year	14.56%	14.71%
5 Year	8.95%	9.81%
3 Year	9.33%	10.16%
1 Year	8.43%	8.60%

Sharpe Ratio		
	SHRPXTR	SPXT
Since Inception	0.6736	0.3245
10 Year	0.7574	0.7132
5 Year	1.3117	1.2925
3 Year	0.9079	1.0915
1 Year	1.6789	1.4418

Upside Capture Ratio	
	SHRPXTR Index vs SPXT Index
Since Inception	106.55%
10 Year	96.45%
5 Year	86.40%
3 Year	80.51%
1 Year	103.38%

Downside Capture Ratio	
	SHRPXTR Index vs SPXT Index
Since Inception	78.67%
10 Year	90.35%
5 Year	75.64%
3 Year	84.78%
1 Year	83.29%

Beta Matrix** (5 Year/Monthly)		
	SHRPXTR	SPXT
SHRPXTR	1.0000	0.9952
SPXT	0.8295	1.0000

Correlation Matrix** (5 Year/Monthly)		
	SHRPXTR	SPXT
SHRPXTR	1.0000	0.9952
SPXT	0.9086	1.0000

R-Square Matrix** (5 Year/Monthly)		
	SHRPXTR	SPXT
SHRPXTR	1.0000	0.9904
SPXT	0.8255	1.0000

\*All data as of June 30, 2018

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

Index Composition

