**MONTHLY PERFORMANCE SUMMARY**

**S&P 500 Equal Weight vs. Cap Weighted Sectors**

- Real Estate
- Utilities*
- Health Care
- Consumer Staples
- Communication Services
- Financials
- Industrials
- Materials
- Consumer Discretionary
- Technology
- Energy

**TRAILING 12M PERFORMANCE SUMMARY**

**S&P 500 Equal Weight vs. Cap Weighted Sectors**

- Real Estate
- Communication Services
- Consumer Staples
- Health Care
- Technology
- Industrials
- Consumer Discretionary
- Financials
- Materials
- Energy

**INDEX COMPOSITION AND COMMENTARY**

**S&P 500 Equal Weight Sector Indices**

- The S&P 500 Equal Weight Index underperformed the S&P 500 by 0.5% in May, and underperformed by 2.2% over the past 12 months.

- 9 out of 11 equal weight sectors underperformed their cap weighted counterparts during May.

- Real Estate was the top performing sector in equal and cap weighted.

- Over the past 12 months, Utilities was the leader in equal weighted while Real Estate was the top performer in cap weighted.

*The S&P 500 Equal Weight Utilities Plus Index

Source: S&P Dow Jones Indices LLC and/or its affiliates. Data as of May 31, 2019.
• Consumer Discretionary and Energy were the biggest drivers of Equal Weight's underperformance, as larger stocks within the sectors outperformed smaller ones.

• Equal Weight's underweight in Info Tech as well as intra sector weighting was the next biggest detractor.
Factor Definitions

Each constituent of the S&P 500 index is provided with a factor "score" for each of Beta, Volatility, Momentum, Dividend, Size, Value and Quality.

<table>
<thead>
<tr>
<th>Factor</th>
<th>Measurement at single-stock level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volatility</td>
<td>Trailing 12-month daily return volatility</td>
</tr>
<tr>
<td>Momentum</td>
<td>Twelve-month price change as of one month ago (&quot;13 minus 1 momentum&quot;), divided by the daily volatility during the twelve-month period that ended one month ago. For more details, see the S&amp;P Momentum methodology.</td>
</tr>
<tr>
<td>Value</td>
<td>The average of (normalized) earnings to price ratio, book to price ratio and sales to price ratio. For more details, see the S&amp;P Value methodology.</td>
</tr>
<tr>
<td>Beta</td>
<td>Trailing 1 year beta of stock daily returns to the benchmark's return.</td>
</tr>
<tr>
<td>Dividend</td>
<td>Trailing 12-month dividend</td>
</tr>
<tr>
<td>Quality</td>
<td>The average of (normalized) return on equity, the accruals ratio and the financial leverage ratio. For more details, see the S&amp;P Quality methodology.</td>
</tr>
<tr>
<td>Size</td>
<td>Free-float market capitalization</td>
</tr>
</tbody>
</table>

Index Factor Ranking and Factor Diagram Scaling

Index Scores

Each index is provided a score in each factor from -100% to +100% based on how much of the total capitalization of the benchmark would be excluded in order to provide a portfolio of stocks with similar exposure to that factor. This is done by examining a ranked series of hypothetical cap-weighted portfolios, including or excluding an increasing number of the stocks with the highest or lowest scores. An illustration of the process may be found at this link.

Factor Diagram Axis

The stocks in the benchmark are ranked in order from highest to lowest factor score, and we examine portfolios including or excluding a varying number of stocks associated to high or lower factor scores. The score in each factor (and its level on the chart) reflects the active share of a hypothetical portfolios matching the factor score of that index. The weights of stocks within the hypothetical comparison portfolios are set proportional to benchmark weights, i.e. free-float market capitalization.

Notes On Additional Index Statistics

<table>
<thead>
<tr>
<th>Statistic</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price/Earnings (P/E)</td>
<td>Price per share as of observation date divided by earnings per share, calculated by adding the last twelve calendar months' quarterly reported earnings per share.</td>
</tr>
<tr>
<td>Price/Book (P/B)</td>
<td>Price per share as of observation date divided by latest annual reported book value per share.</td>
</tr>
<tr>
<td>Price/Sales (P/S)</td>
<td>Price per share as of observation date divided by sales per share, calculated by adding twelve calendar months' quarterly reported sales per share.</td>
</tr>
<tr>
<td>Return on Equity (ROE%)</td>
<td>Earnings per share divided by latest annual reported book value per share.</td>
</tr>
<tr>
<td>Financial Leverage Ratio</td>
<td>A company's total debt divided by its latest annual reported book value, calculated as book value per share multiplied by common outstanding shares. Debt, book value per share, and common outstanding shares are latest annual reported values.</td>
</tr>
<tr>
<td>RSI - 30 Day</td>
<td>RSI is an indicator of the speed and change of price movements and oscillates between zero and 100. RSI is considered overbought when above 70 and oversold when below 30. RS is the average gain divided by average loss over the past 30 days. Then RSI is equal to 100 minus 100 divided by +RS.</td>
</tr>
</tbody>
</table>

Source: S&P Dow Jones Indices LLC and/or its affiliates. Data as of May 31, 2019.
The diagrams below illustrate factor exposures relative to the S&P 500 across sectors.

For example, S&P 500 Equal Weight Real Estate has a higher dividend tilt compared to the S&P 500, unlike S&P 500 Equal Weight Industrials.
COMMENTARY

• Dispersion increased across most sectors, except for equal weighted Energy and Communication Services

• Correlations increased across most sectors, particularly in equal weighted Energy.

EQUAL WEIGHT SECTOR DISPERSION AND CORRELATION

S&P 500 Equal Weight Sector Average Correlation and Dispersion (Trailing 12-Month Volatility)

- Dispersion increased across most sectors, except for equal weighted Energy and Communication Services
- Correlations increased across most sectors, particularly in equal weighted Energy.

EQUAL WEIGHT VS. CAP WEIGHT CORRELATION

S&P 500 Equal Weight vs. S&P 500 Correlation - Rolling 12M average

NOTES

• The charts above decomposed volatility into its two main components: dispersion and correlation. The dispersion and correlation data points are each sector’s average monthly value over the trailing 12 months. Trailing annualized volatility is included in parentheses. Index dispersions shown based on calendar month stock-level index-weighted dispersion. Index correlation based on single stock daily returns during each calendar month. See "Implications of Sector Dispersion" for more information.

• See "At the Intersection of Diversification, Volatility and Correlation" for details on the relationship between correlation and dispersion.

• See "Dispersion: Measuring Market Opportunity" for the definition of index dispersion and more information on the uses of dispersion.

Source: S&P Dow Jones Indices LLC and/or its affiliates. Data as of May 31, 2019. Index performance based on total return (USD). Charts and graphs are provided for illustrative purposes. Past performance is no guarantee of future results.
### SELECTED KEY METRICS - EQUAL WEIGHT SECTOR INDICES

<table>
<thead>
<tr>
<th>Metric</th>
<th>DIV Yield</th>
<th>P/E</th>
<th>P/B</th>
<th>P/S</th>
<th>ROE (%)</th>
<th>Financial Leverage</th>
<th>Beta</th>
<th>Constituent Volatility</th>
<th>Domestic % of Sales</th>
<th>RSI - 30 Day</th>
<th>Value Score</th>
<th>Growth Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>S&amp;P 500 EQUAL WEIGHTED Consumer Discretionary</td>
<td>2.1%</td>
<td>22.4</td>
<td>3.4</td>
<td>1.0</td>
<td>15.2%</td>
<td>1.4</td>
<td>0.94</td>
<td>30.3%</td>
<td>74.3%</td>
<td>27.6</td>
<td>-0.03</td>
<td>-0.04</td>
</tr>
<tr>
<td>S&amp;P 500 EQUAL WEIGHTED Consumer Staples</td>
<td>2.8%</td>
<td>27.0</td>
<td>3.5</td>
<td>1.2</td>
<td>12.8%</td>
<td>1.1</td>
<td>0.51</td>
<td>24.7%</td>
<td>69.9%</td>
<td>41.3</td>
<td>-0.07</td>
<td>0.08</td>
</tr>
<tr>
<td>S&amp;P 500 EQUAL WEIGHTED Energy</td>
<td>2.9%</td>
<td>24.3</td>
<td>1.4</td>
<td>1.1</td>
<td>5.7%</td>
<td>0.5</td>
<td>1.18</td>
<td>33.1%</td>
<td>59.2%</td>
<td>25.8</td>
<td>0.22</td>
<td>0.15</td>
</tr>
<tr>
<td>S&amp;P 500 EQUAL WEIGHTED Financials</td>
<td>2.4%</td>
<td>13.4</td>
<td>1.5</td>
<td>1.8</td>
<td>10.9%</td>
<td>1.0</td>
<td>0.91</td>
<td>22.7%</td>
<td>77.2%</td>
<td>41.2</td>
<td>0.24</td>
<td>-0.01</td>
</tr>
<tr>
<td>S&amp;P 500 EQUAL WEIGHTED Health Care</td>
<td>1.0%</td>
<td>30.6</td>
<td>3.5</td>
<td>1.0</td>
<td>11.5%</td>
<td>0.9</td>
<td>1.02</td>
<td>28.7%</td>
<td>78.3%</td>
<td>52.3</td>
<td>-0.22</td>
<td>0.07</td>
</tr>
<tr>
<td>S&amp;P 500 EQUAL WEIGHTED Industrials</td>
<td>1.8%</td>
<td>20.1</td>
<td>3.8</td>
<td>1.3</td>
<td>19.0%</td>
<td>1.2</td>
<td>1.04</td>
<td>26.2%</td>
<td>60.6%</td>
<td>35.0</td>
<td>-0.13</td>
<td>-0.02</td>
</tr>
<tr>
<td>S&amp;P 500 EQUAL WEIGHTED Information Technology</td>
<td>1.5%</td>
<td>20.9</td>
<td>4.9</td>
<td>2.8</td>
<td>23.5%</td>
<td>1.0</td>
<td>1.27</td>
<td>30.9%</td>
<td>39.1%</td>
<td>30.8</td>
<td>-0.33</td>
<td>0.09</td>
</tr>
<tr>
<td>S&amp;P 500 EQUAL WEIGHTED Materials</td>
<td>2.5%</td>
<td>15.5</td>
<td>2.3</td>
<td>1.3</td>
<td>15.1%</td>
<td>2.0</td>
<td>0.98</td>
<td>26.7%</td>
<td>56.9%</td>
<td>31.4</td>
<td>-0.05</td>
<td>-0.03</td>
</tr>
<tr>
<td>S&amp;P 500 EQUAL WEIGHTED Real Estate</td>
<td>3.7%</td>
<td>32.0</td>
<td>2.9</td>
<td>5.7</td>
<td>9.1%</td>
<td>1.2</td>
<td>0.49</td>
<td>19.6%</td>
<td>80.7%</td>
<td>55.1</td>
<td>-0.26</td>
<td>-0.05</td>
</tr>
<tr>
<td>S&amp;P 500 EQUAL WEIGHTED Utilities Plus</td>
<td>3.2%</td>
<td>25.0</td>
<td>2.3</td>
<td>2.2</td>
<td>9.1%</td>
<td>1.6</td>
<td>0.17</td>
<td>18.1%</td>
<td>96.0%</td>
<td>53.2</td>
<td>-0.02</td>
<td>0.01</td>
</tr>
<tr>
<td>S&amp;P 500 EQUAL WEIGHTED Comm Services</td>
<td>2.2%</td>
<td>38.6</td>
<td>2.6</td>
<td>1.8</td>
<td>6.7%</td>
<td>1.1</td>
<td>1.07</td>
<td>32.8%</td>
<td>71.9%</td>
<td>42.6</td>
<td>-0.07</td>
<td>0.10</td>
</tr>
</tbody>
</table>

### CONCENTRATION WITHIN CAP WEIGHTED SECTORS AND EQUAL WEIGHT SECTORS VALUE VS. GROWTH SCORES

- Real Estate held the highest technical position.
- Constituent volatility in Energy is the highest among equal weighted sectors, outpacing Communication Services.
- Consumer Discretionary continues to be the third most concentrated sector.

Source: S&P Dow Jones Indices LLC and/or its affiliates and FactSet. Data as of May 31, 2019.
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