



INVESTORS

# NEW YORK STOCK EXCHANGE LAUNCHES NYSE U.S. PURE EXPOSURE INDEX FAMILY

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NEW YORK--(BUSINESS WIRE)-- The New York Stock Exchange, a subsidiary of Intercontinental Exchange (NYSE: ICE), today announced the launch of the NYSE U.S. Pure Exposure Index Family, a new series of nine sector indices that aims to isolate pure sector returns by hedging market risk.

The NYSE U.S. Pure Exposure index strategies are based on Verus Analytics' quantitative testing and validation engine for index composition and on AlphaBetaWorks' proprietary statistical equity risk model, which estimates market beta for each index member individually and then aggregates these into the index market beta. The pure exposure sector indices hedge out market exposure via short positions in the SPDR® S&P 500® ETF Trust (SPY) ETF. Real-time levels for the indices are published to the NYSE Global Index Feed (GIF) and referential data about the indices are provided via the NYSE Proprietary Market Data site at [www.nyxdata.com](http://www.nyxdata.com).

"The NYSE is pleased to announce this innovative new index family, which was developed in collaboration with Verus Analytics and AlphaBetaWorks," said Steve Crutchfield, NYSE Head of ETPs, Options and Bonds. "This unique bottom-up approach to hedging market risk employs a robust regression-based methodology for beta calculation and responds dynamically to changes in the index composition, in contrast to more traditional top-down approaches. The resulting pure exposure indices offer investors a novel approach to sector investing."

The pure sector indices offer investors the ability to act on persistent trends in pure sector performance, whether positive or negative. In addition, while the returns of conventional sector indices are highly correlated, the returns of pure sector indices are largely uncorrelated, creating new hedging and portfolio allocation tools.

"We believe these indices will be the foundation for new and innovative ways to gain and adjust sector exposures within equity portfolios," said Tom Barrett, Chief Investment Strategist at Verus Analytics. "There are multiple compelling applications including sector rotation, tactical strategies, risk management, and performance attribution, which will appeal to all types of equity investors."

"We are pleased to provide this pioneering solution to index users' needs. By eliminating problematic collinearity among factors, capturing true inter-sector relationships, and revealing persistent trends in pure sector performance, these indices offer an edge in hedging, statistical analysis and systematic strategies," said Grigori Kapoustin, Principal at AlphaBetaWorks.

Information on the index, including its methodology document, can be found at [www.nyse.com/indices](http://www.nyse.com/indices). The NYSE maintains 350 proprietary indices benchmarked to ETPs with over \$22 billion in assets under management.

## About NYSE Group

NYSE Group is a subsidiary of Intercontinental Exchange (NYSE:ICE), a leading operator of global exchanges and clearing houses, and a provider of data and listings services. NYSE Group operates U.S. exchanges, related data products and technology services. The equity exchanges -- the New York Stock Exchange, NYSE MKT and NYSE Arca -- trade more U.S. equity volume than any other exchange group. NYSE is the premiere global venue for capital raising, leading worldwide in IPOs since 2012, including technology IPOs. NYSE Arca Options and NYSE Amex Options are leading equity options exchanges.

## About Verus Analytics

Verus Analytics has a 20-year track record of delivering innovative, data-intensive and alpha-generating products on many platforms for global financial market partners and clients. Verus branded global factors and ratings for institutional investment managers include category-creating uncorrelated factors such as Global Earnings Quality models, U.S. and European Insider Trading models, and expert stock scoring systems such as the Verus Opinion and StockScouter delivered to financial services partners.

## About AlphaBetaWorks

AlphaBetaWorks provides risk management, skill evaluation, and predictive performance analytics. Developed by finance and technology veterans confronted by the limitations of existing solutions, the company's Analytics Platform combines the latest advances in financial risk modeling, data processing, and statistical analysis.

## About Intercontinental Exchange

Intercontinental Exchange (NYSE:ICE) operates the leading network of exchanges and clearing houses, serving global commodity and financial futures, and equity markets. The New York Stock Exchange is the world leader in capital raising and equities trading. ICE is also a leading provider of data services across global markets.

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