

NASDAQ-100 INDEX®

FUNDAMENTALS



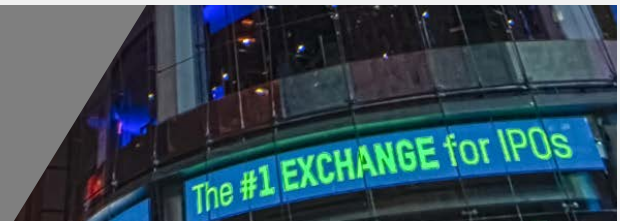
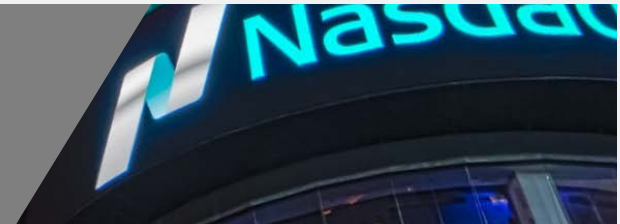
NASDAQ-100 INDEX: HISTORY

- The Nasdaq-100® (NDX) is comprised of the 100 largest, non-financial companies listed on The Nasdaq Stock Market®

- Launched on January 31, 1985

- Rebalanced to modified market cap index on December 21, 1998

- Special Rebalance effective May 2, 2011



INNOVATION AND DISRUPTION

Apple | Google | Amgen | Starbucks | Tesla

Companies come in and innovate and disrupt. Technology is not cellphones or computers. Technology is a more efficient car, life savings drugs, quicker car services, semiconductors, new airliners.

Semiconductors and hard drives have reinvented our world. Better inventory management saves money and makes us money.

Everyone recognizes the changing dynamic though it gets lumped into companies classified as “technology” in the old-school definition.

The old generation of industrials, the original Dow Jones components are no longer the daily drivers of industry. The technology industrials are the new disruptors.

NASDAQ-100 INDEX: OVERVIEW

Contains the household names leading the new economy forward.

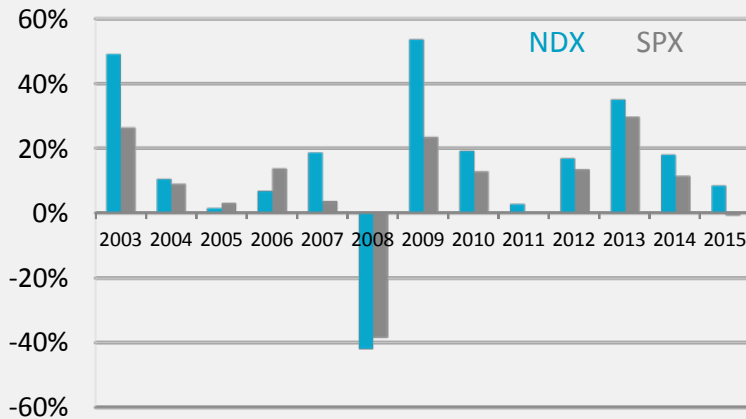
Technology stocks have evolved from creating new and niche consumer products to a group of companies upon which every industry and sector have become dependent. The companies within the Index represent the true innovators of the modern economy bringing disruption to the old economy on a global basis.

- GE, Chicago Gas Company, American Sugar Company, and the other original Dow Industrials were the bedrocks of the US economy in 1896.
- Today, Apple, Microsoft, Google, Facebook and other components have become the global leaders of business and are the new industrials.
- These are the companies that are the driving force of the global economic engine.



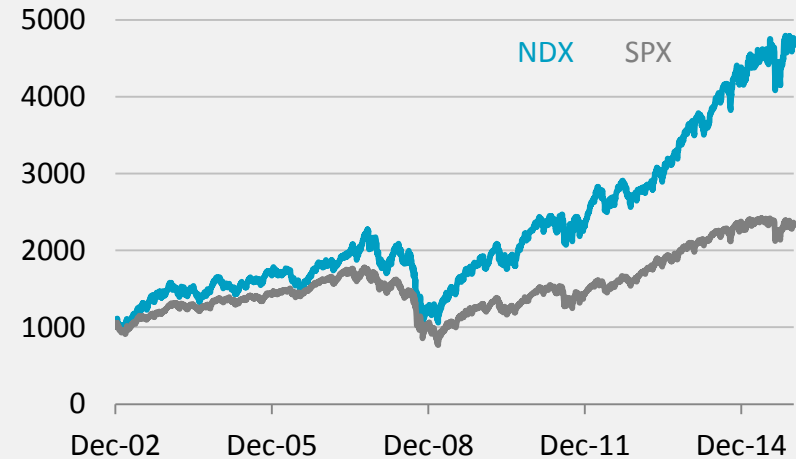
NASDAQ-100 INDEX: PERFORMANCE

INDEX ANNUAL RETURNS



- NDX has been marked by both the growth and maturation of the companies in the index over the years. Through the financial crisis, in the subsequent market rebound and the following bull market, NDX's P/E has stabilized. NDX's 2015 annual P/E of 23.26 is slightly lower than SPX's 23.43.
- There were substantial increases in market cap along with earnings in NDX from year-end 2012 to 2015 (from \$3.1T to \$5.4T in market cap and from \$137B in earnings to \$231B).

INDEX PERFORMANCE FROM 2003



- NDX realized volatilities for 2013, 2014 and 2015 were 12.5%, 14.0%, and 17.9% respectively.
- NDX yield increased most years between 2003 and 2015 culminating in a yield of 1.15%.

The NASDAQ-100 Index's price return performance versus the S&P 500 on both an annual basis (left) and cumulative basis (above)

THE 100 THAT MAKE THE INDEX

NASDAQ-100 INDEX: COMPONENTS

2015 TOP PERFORMERS

TICKER	NAME	2015 YTD RETURN	12/31/2015 WEIGHT
NFLX	Netflix, Inc.	134.38%	0.93%
AMZN	Amazon.com, Inc.	117.78%	6.00%
CTRP	Ctrip.com International, Ltd.	103.65%	0.27%
ATVI	Activision Blizzard, Inc	92.11%	0.54%
NVDA	NVIDIA Corporation	64.39%	0.34%
INCY	Incyte Corporation	48.34%	0.38%
GOOGL	Alphabet Inc.	46.61%	4.29%
SBUX	Starbucks Corporation	46.33%	1.69%
EA	Electronic Arts Inc.	46.17%	0.40%
EXPE	Expedia, Inc.	45.62%	0.28%

Additional select, high performing components not in the top 10 include:
Tesla, Facebook, BioMarin Pharmaceutical, and Cognizant Technology Solutions.

HIGHEST 2015 YOY GROWTH IN EARNINGS

TICKER	NAME	YOY GROWTH
EBAY	eBay Inc.	1841.71%
CTRP	Ctrip.com International, Ltd.	837.90%
AVGO	Avago Technologies Limited	427.16%
NXPI	NXP Semiconductors N.V.	300.88%
MDLZ	Mondelez International, Inc.	230.72%
TMUS	T-Mobile US, Inc.	183.96%
AAL	American Airlines Group, Inc.	153.10%
ADBE	Adobe Systems Incorporated	153.09%
BIDU	Baidu, Inc.	145.85%
EXPE	Expedia, Inc.	131.63%

facebook.



AMGEN



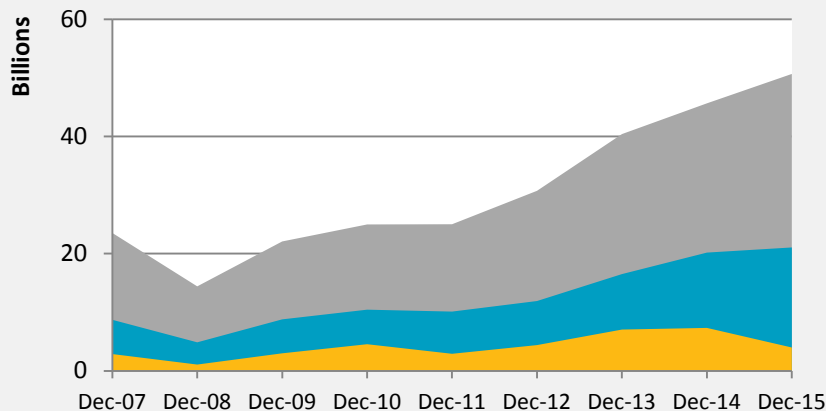
NASDAQ-100 INDEX: COMPONENTS CONTINUED

Average, median and minimum market caps of the NASDAQ-100 and the S&P 500

- All figures dropped during the financial crisis and have rebounded since.
- Six of the last seven years the average market cap has been higher in NDX than SPX including 2015 (NDX: \$50.7B, SPX: \$37.0B).
- The median market cap has been right in line with SPX (less than \$1B difference each of the last 6 years, with higher figures for NDX in the last three years — \$21.0B for NDX and \$17.3B for SPX in 2015). Despite any large companies, the market cap of NDX tends to be truer to large cap than SPX.
- The smallest company in NDX (2015: \$4.0B) has been much larger than the smallest company in SPX (2015: \$1.8B) for each of the past 9 years.

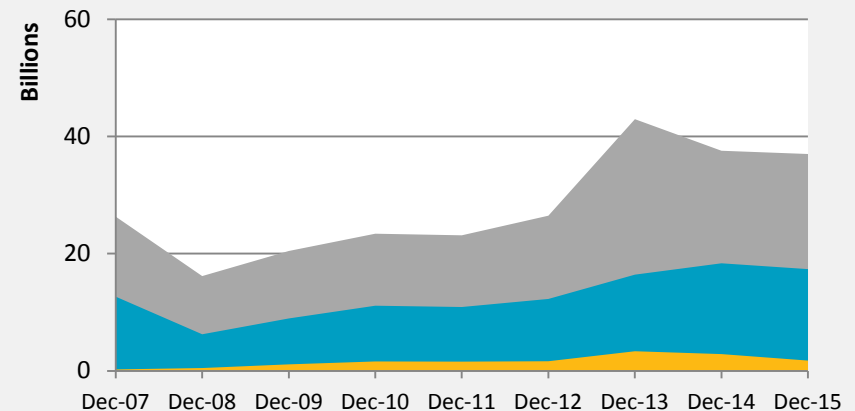
NDX: MARKET CAP

AVERAGE MEDIAN MINIMUM



SPX: MARKET CAP

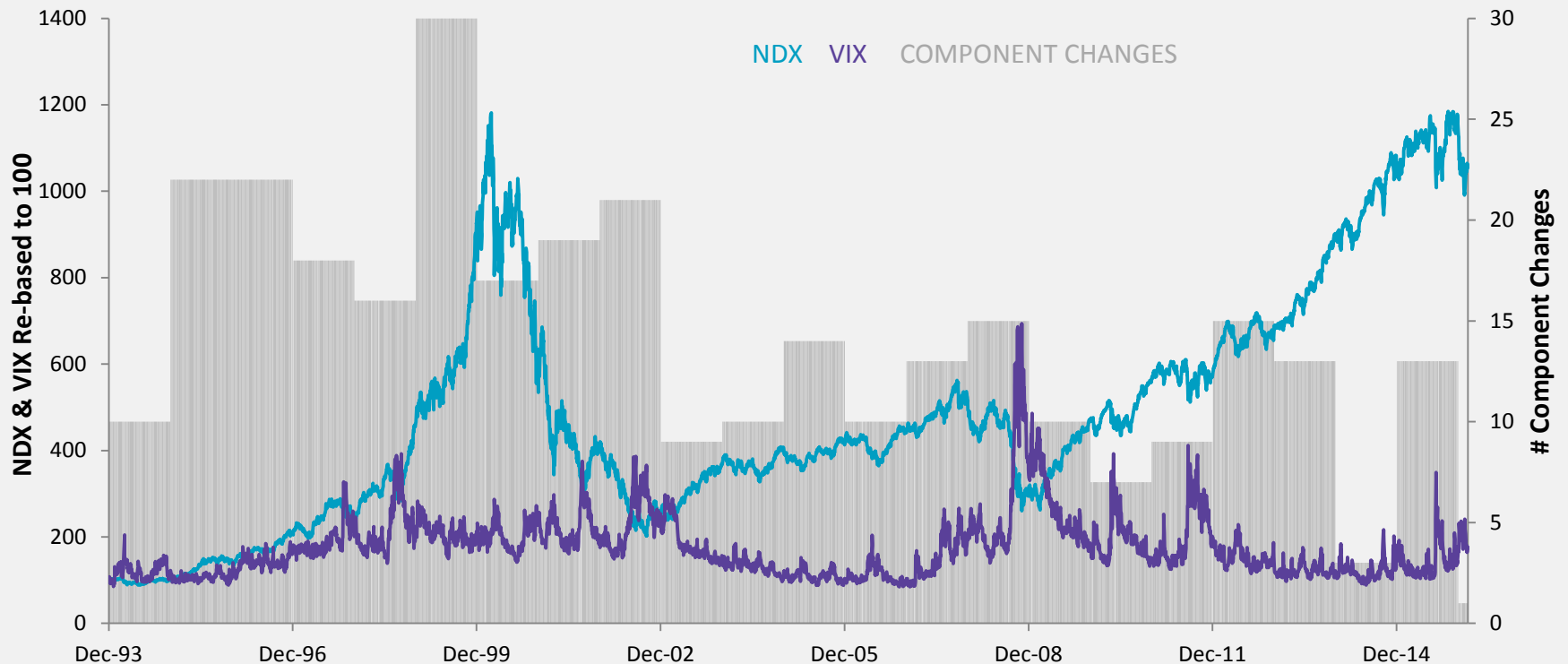
AVERAGE MEDIAN MINIMUM



NASDAQ-100 INDEX: CHANGES

Performance of the Nasdaq-100 and the CBOE Market Volatility Index (VIX) along with the number of total component changes in the NASDAQ-100 each year.

- The NASDAQ-100 index hit a new all-time high the first week of December 2015 – passing the previous all-time high set in March 2000.
- Since 2000 there have been significantly fewer component changes in the index on an annual basis.



NASDAQ-100 BY THE SECTORS

NASDAQ-100 INDEX: SECTORS

Sector Breakdown

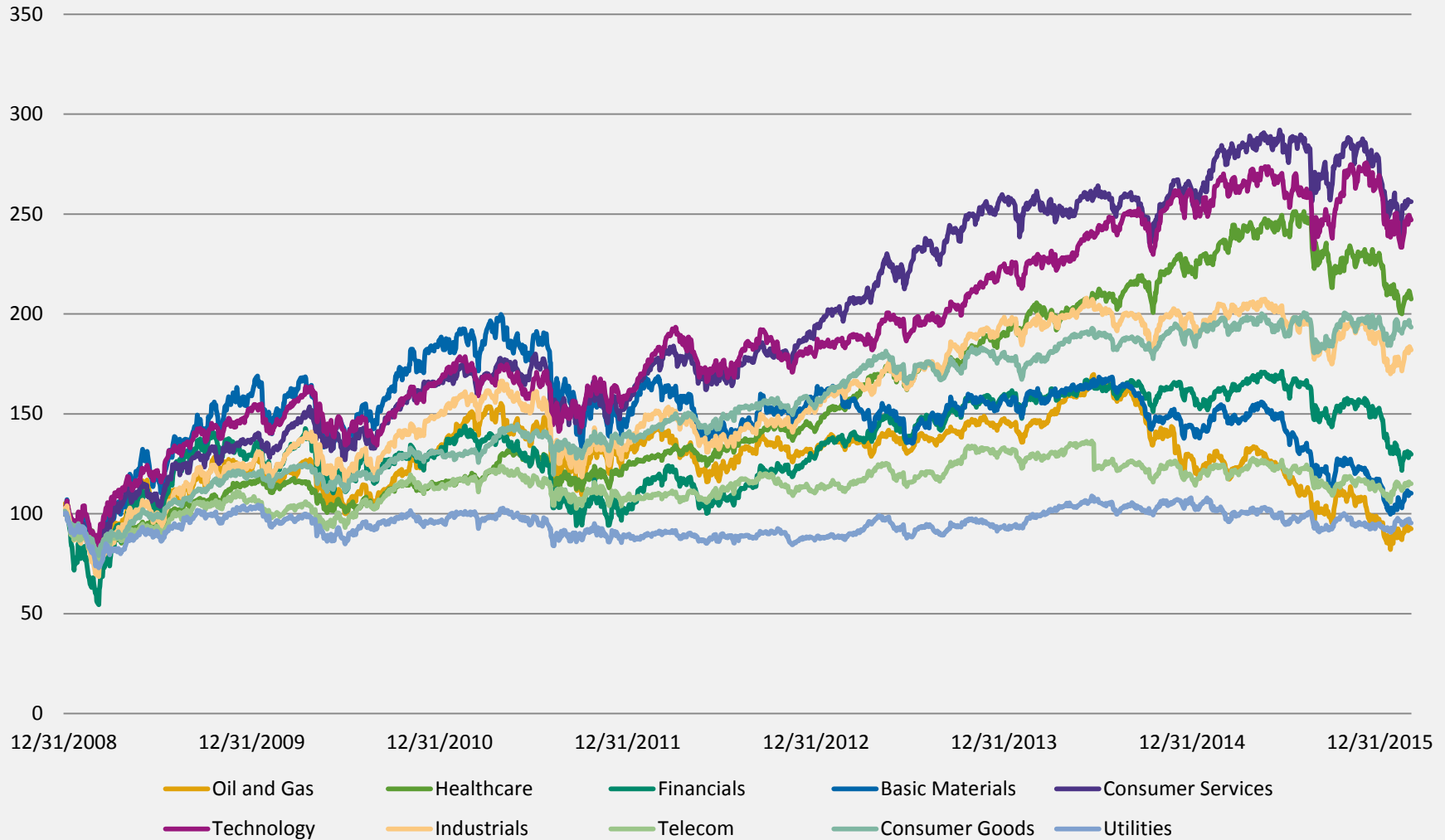
- While heavy in technology, consumer industries and healthcare make up a comparable weight
- Consumer Services contains companies like Starbucks, Netflix, Sirius, Whole Foods, and Viacom

Industry	Weight	Contributed Return	Pure Return	Benchmark return
Technology	53.04%	3.26%	-0.80%	2.52%
Consumer Services	23.52%	3.28%	1.49%	5.00%
Health Care	14.35%	0.84%	9.62%	4.08%
Consumer Goods	5.64%	1.02%	22.37%	3.50%
Industrials	2.85%	-0.04%	-0.39%	-3.44%
Telecommunications	0.61%	-0.06%	-10.72%	-1.67%
Basic Materials	0.00%	0.00%	0.00%	-14.48%
Oil & Gas	0.00%	0.00%	0.00%	-24.44%
Financials	0.00%	0.00%	0.00%	-2.02%
Utilities	0.00%	0.00%	0.00%	-8.75%

Source: Nasdaq, Bloomberg. Data as of 12/31/15 in local currency

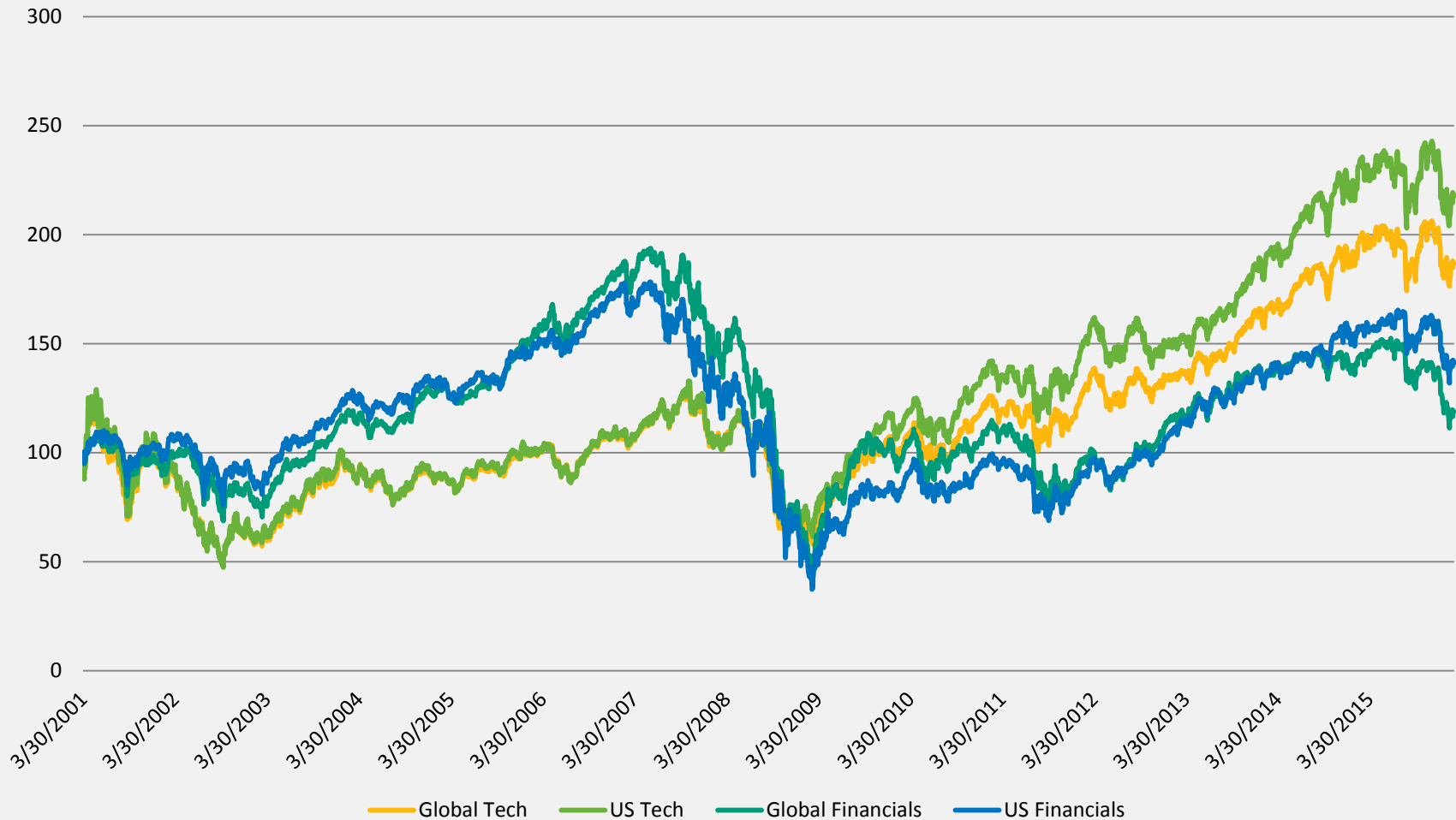
SECTOR EXPOSURE MATTERS

Global Industry Performance: 2009 to Present



TECHNOLOGY OR FINANCIALS

Financials vs Tech: 2001 to Present



SECTORS AND DIVIDENDS

- Sector exposure, when pursuing dividend growth, is extremely important
- Technology and Health Care, two sectors dominated by Nasdaq-100 companies, have had tremendous dividend growth and are poised for continued growth

Cumulative Dividend Growth Since 2006		
	INDUSTRY	RETURN
1	Technology	315.9%
2	Health Care	72.7%
3	Oil & Gas	65.6%
4	Consumer Goods	48.7%
5	Utilities	36.0%
6	Industrials	5.2%
7	Financials	0.0%
8	Basic Materials	-11.5%
9	Telecommunications	-26.8%
10	Consumer Services	-47.6%

NASDAQ-100 INDEX: DIVIDENDS PAID BY INDUSTRY

NDX: DIVIDENDS PAID (\$B): TECH VS. EX-TECH

YEAR	TECHNOLOGY	EX-TECH
2003	1.64	0.56
2004	3.15	0.95
2005	7.89	1.75
2006	8.37	2.95
2007	8.26	3.05
2008	9.52	3.39
2009	10.64	5.72
2010	12.33	6.05
2011	15.01	8.37
2012	24.21	12.62
2013	32.96	15.26
2014	36.70	14.09
2015	38.89	23.06

- Since 2009, Technology dividends have shown tremendous growth — with dividends increasing from \$10.6B to \$24.2B in 2012 and \$38.8B in 2015.
- Ex-Tech dividends have increased every year since 2003 from less than \$1B to over \$23B in 2015.

NDX: DIVIDENDS PAID (\$B): EX-TECH BY INDUSTRY

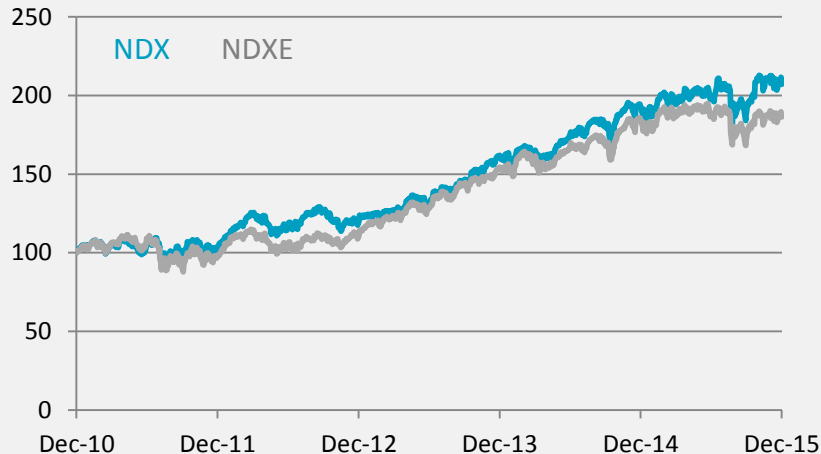
YEAR	CONSUMER GOODS	CONSUMER SERVICES	HEALTH CARE	INDUSTRIALS	OTHER
2003	0.05	0.02	0.09	0.39	0.02
2004	0.10	0.20	0.14	0.48	0.03
2005	0.11	0.54	0.25	0.78	0.08
2006	0.16	1.17	0.32	1.18	0.11
2007	0.16	1.23	0.26	0.90	0.50
2008	0.15	1.02	0.39	1.70	0.13
2009	0.42	1.91	0.45	1.75	1.19
2010	0.59	2.11	0.52	1.66	1.17
2011	0.52	3.31	1.09	2.13	1.32
2012	2.40	4.58	1.17	2.33	2.15
2013	2.79	4.90	1.42	2.15	4.00
2014	2.88	5.73	1.86	2.35	1.28
2015	4.45	7.75	4.24	2.10	4.52

Other represents the Basic Materials, Oil & Gas, and Telecommunications industries.

- Consumer Services was the largest dividend payer outside of Technology in 2015. The largest dividend payers from the industry were Comcast, Starbucks and Walgreens.
- The largest five dividend payers in 2015 outside of Technology and Consumer Services were Amgen, Kraft, Vodafone, Mondelez and Gilead Sciences.

NASDAQ-100 INDEX: ALTERNATIVE METHOD TO OBTAINING EXPOSURE – EQUAL WEIGHT

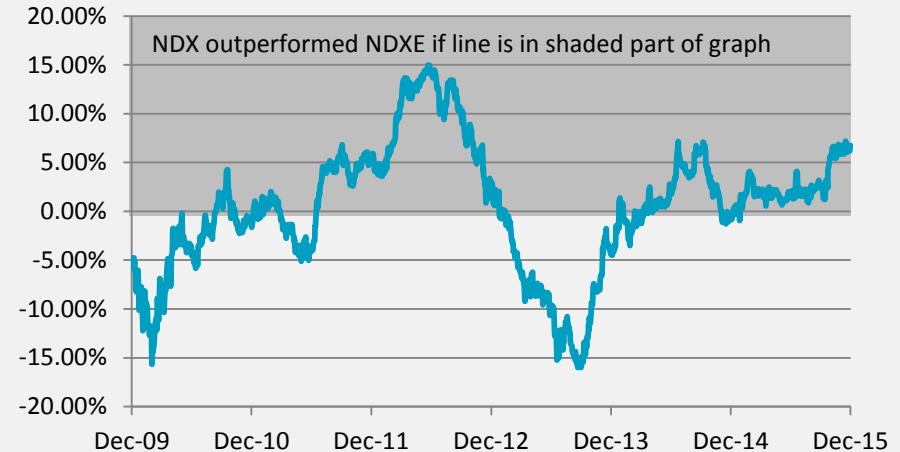
INDEX PERFORMANCE



In the 5 years ending December 31, 2015:

- There is a 0.99 correlation between NDX and NDXE.
- NDX had 15.67% and 17.16% annualized return and volatility.
- NDXE had 13.25% and 17.55% annualized return and volatility.
- NDX had a 0.91, while NDXE had a 0.76 Sharpe Ratio.

NDX MINUS NDXE ROLLING 1-YEAR RETURNS



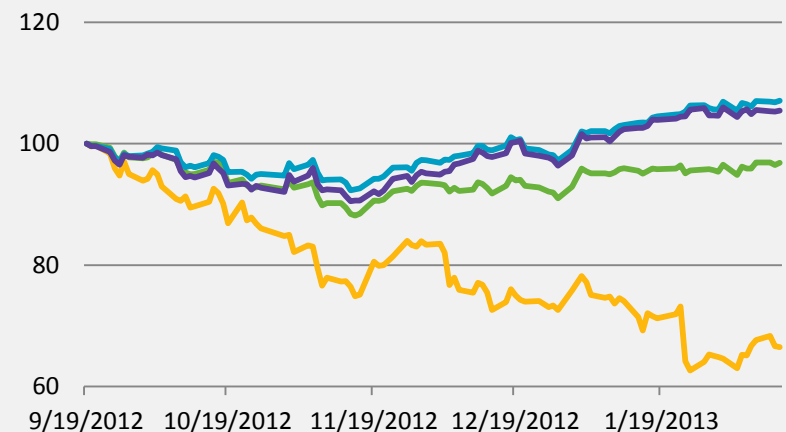
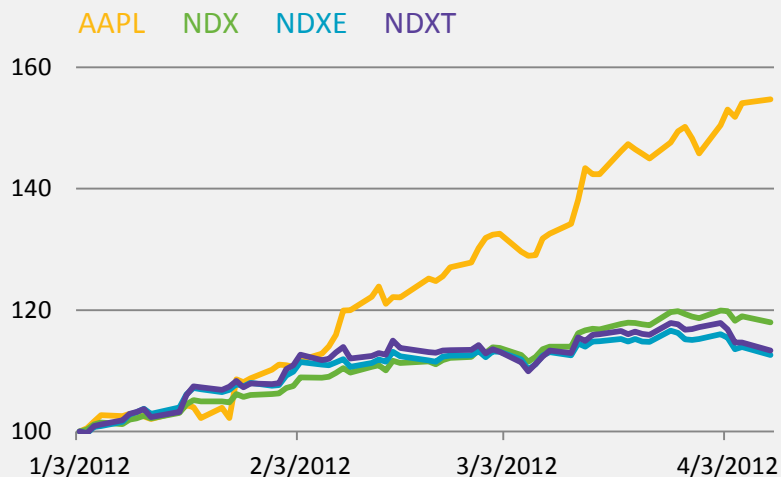
Why equal weight?

1. Increases exposure to smaller components within an Index.
2. Maintains a similar risk/return profile as its benchmark.

NASDAQ-100 INDEX: ALTERNATIVE METHOD TO OBTAINING EXPOSURE – EQUAL WEIGHT CONTINUED

COMPARISON OF APPLE IN NDX AND NDXE IN DIFFERENT MARKET SCENARIOS.

From September 2012 through February 2013, Apple had a significant loss of market value while other NDX components were up and thus two equal weight strategies (NDXE and NDXT), which mitigate Apple's weight, outperformed NDX during this period. NDXE mutes the exposure and thus risk of any single company having an outsized impact on index returns. Given NDXE can mute on the downside, it is important to note if the trend was in reverse and a large component had a run up, NDX will outperform NDXE as we saw in the first half of 2012. During the Apple run-up, the company posted positive returns of 55%, resulting in NDX outperforming NDXE by 5.5%. During the Apple run-down, the company posted negative returns of -33%, resulting in NDXE outperforming NDX by 10.2%.



NASDAQ-100 INDEX: TECH VS EX-TECH EXPOSURE

METHODOLOGY OVERVIEW

- The NASDAQ-100 Ex-Tech Sector Index (NDXX) is an equal weighted index based on the securities of the NASDAQ-100 Index that are not classified as Technology according to the Industry Classification Benchmark (ICB) classification system.
- The NASDAQ-100 Technology Sector Index (NDXT) is an equal weighted index based on the securities of the NASDAQ-100 Index that are classified as Technology according to the Industry Classification Benchmark (ICB) classification system.

NO. SECURITIES		
YEAR-END	NDXT	NDXX
2007	39	61
2008	39	61
2009	38	62
2010	40	60
2011	43	57
2012	44	56
2013	40	60
2014	40	67
2015	37	69

INDEX DIVIDEND YIELD		
YEAR-END	NDXT	NDXX
2007	0.20%	0.28%
2008	0.63%	0.46%
2009	0.85%	0.63%
2010	0.85%	0.97%
2011	0.91%	0.85%
2012	1.33%	0.90%
2013	1.45%	0.81%
2014	1.38%	0.82%
2015	1.57%	0.89%

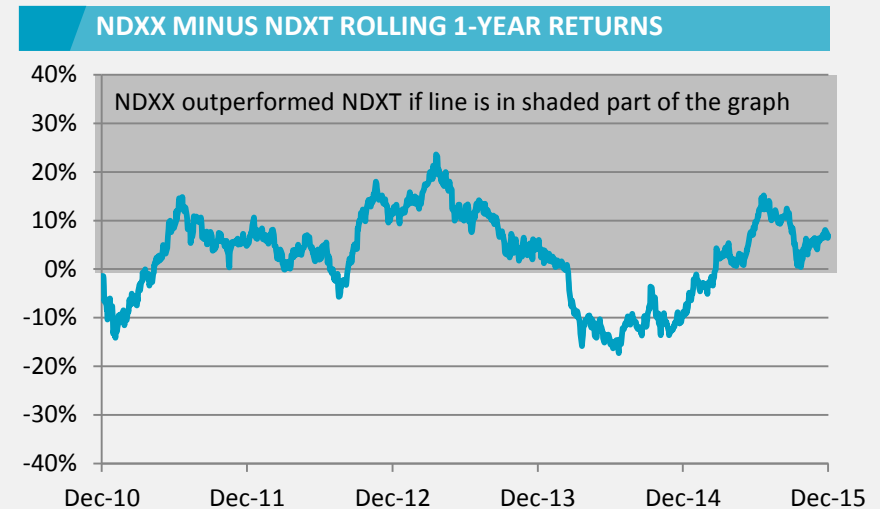
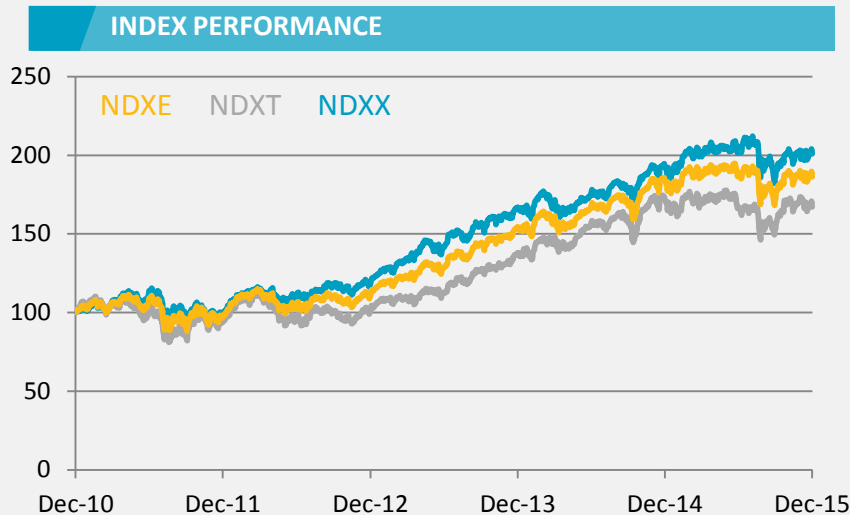
DIVIDEND HIGHLIGHTS

- Since 2007, both Technology and Ex-Tech companies in the Nasdaq-100 have increased dividend payments at a very high rate.
- Despite the equal-weighted nature of the indexes, the Technology securities have increased their dividends at a much higher rate than the non-Tech names as a collective group.

NASDAQ-100 INDEX: TECH VS EX-TECH EXPOSURE

CONTINUED

- Below is a comparison of the full Nasdaq-100 Index with equal weights assigned to each component (NDXE), along with NDXX and NDXT Indexes.
- Naturally, the full equal-weighted basket has returns in between the Technology and Ex-Tech indexes.
- Despite particular Technology components' strong performance in the last few years, the Ex-Tech index has outperformed the Technology index overall in the last 5 years. The tide has shifted more recently with higher performance in the Technology index in the past year.



THE FUNDAMENTALS

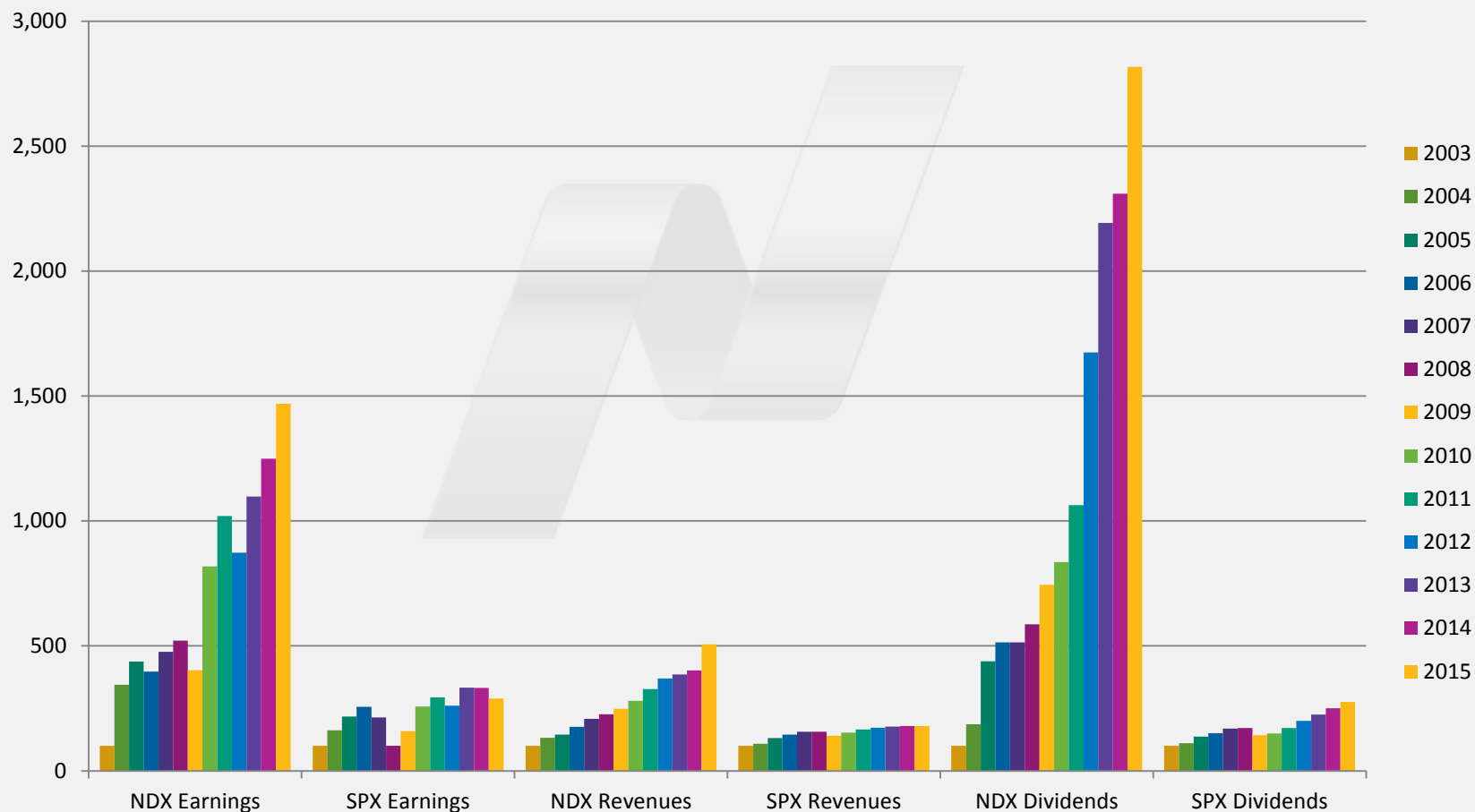
NASDAQ-100 INDEX: FUNDAMENTAL DATA

- The fundamental data behind the NASDAQ-100 has drastically improved over the past few years despite a volatile economy and the greatest financial market collapse since the Great Depression.
- Earnings, the most basic number to value a company, have skyrocketed, showing maturation of the companies as they increase revenues but reduce costs. Costs have been controlled, shares were bought back, dividends have increased and P/E has contracted.
- Since 2003, NDX has had a Compound Annual Growth Rate (CAGR) of:
 - + 25% in earning
 - + 14% in revenue
 - + 32% in dividend value
 - - 14% in P/E
- The shift in fundamentals of the NASDAQ-100 has resulted in significant outperformance over other US large cap indexes.



NASDAQ-100 INDEX: FUNDAMENTALS OVER TIME

NDX VS SPX FUNDAMENTALS



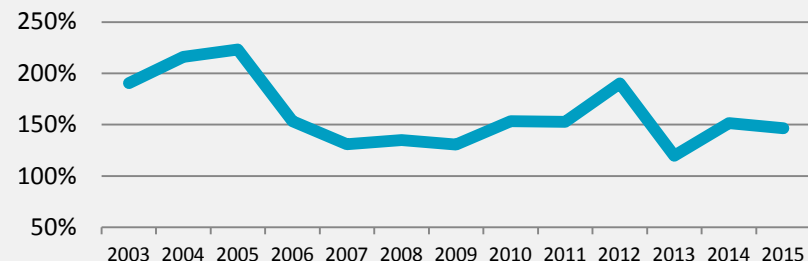
NASDAQ-100 INDEX: DIVIDENDS

NDX: DIVIDENDS

YEAR	DIVIDENDS PAID (\$B)	DIVIDEND YIELD
2003	2.20	0.10%
2004	4.10	0.18%
2005	9.65	0.43%
2006	11.32	0.55%
2007	11.31	0.48%
2008	12.90	0.89%
2009	16.37	0.74%
2010	18.38	0.74%
2011	23.38	0.93%
2012	36.83	1.20%
2013	48.22	1.19%
2014	50.79	1.11%
2015	61.95	1.15%

Apple, Cisco, Amgen, Comcast and others have increased dividends in the last couple of years, and the trend looks to continue with more names.

NDX: CASH / DEBT RATIO



YEAR	CASH (\$B)	DEBT (\$B)
2003	180.08	94.47
2004	225.38	104.24
2005	212.32	95.06
2006	231.92	151.13
2007	248.20	189.28
2008	248.83	184.34
2009	331.33	253.63
2010	423.93	276.18
2011	522.79	342.45
2012	589.33	309.62
2013	663.08	553.96
2014	683.30	450.56
2015	927.75	898.74

NASDAQ-100 INDEX: EARNINGS GROWTH

- In 2003, the Nasdaq-100 had total earnings of \$15.7B. S&P 500, on the other hand, had \$275B.
- Along with dividend growth, earnings exploded in the Nasdaq-100 in the last 12 years.
- In 2015, the earnings of the Nasdaq-100 pushed up past \$230B while the S&P 500 ended up below \$800B.
- Nasdaq's proportionally growth is 4 fold of S&P 500
 - Growth in earnings of the S&P 500 is quite high at 189% over that time, but the Nasdaq-100 growth in earnings was a staggering 1,368%, cumulatively.

EARNINGS (Billions USD)

Year	Nasdaq-100	S&P 500
2003	15.7	275.4
2004	54.2	446.6
2005	68.7	598.0
2006	62.5	706.7
2007	75.0	589.0
2008	82.0	275.8
2009	63.5	437.4
2010	128.6	709.7
2011	160.3	808.5
2012	137.3	718.9
2013	172.7	918.2
2014	196.5	915.1
2015	231.0	796.0

NASDAQ-100 INDEX: REVENUES

- A similar story to earnings and dividends, NDX has far outpaced S&P on top line growth
- Every year since 2003, the components of the Nasdaq-100 have posted higher annual growth numbers

REVENUES (Billions USD)

Year	Nasdaq-100	S&P 500
2003	400.07	5,950.22
2004	528.08	6,478.16
2005	578.07	7,781.78
2006	705.34	8,605.05
2007	832.62	9,280.21
2008	906.65	9,298.35
2009	994.85	8,353.35
2010	1,119.42	9,085.20
2011	1,309.27	9,868.67
2012	1,481.38	10,236.52
2013	1,542.42	10,532.81
2014	1,606.81	10,699.04
2015	2,023.32	10,648.13

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