

# ROBO GLOBAL<sup>®</sup> ARTIFICIAL INTELLIGENCE INDEX (THNQ)

JUNE 24, 2019

## THE AI OPPORTUNITY

Artificial Intelligence (AI) is disrupting global business in industries including healthcare, financial services, technology, transportation, technology, manufacturing, and retail. THNQ offers unique exposure to the AI ecosystem.

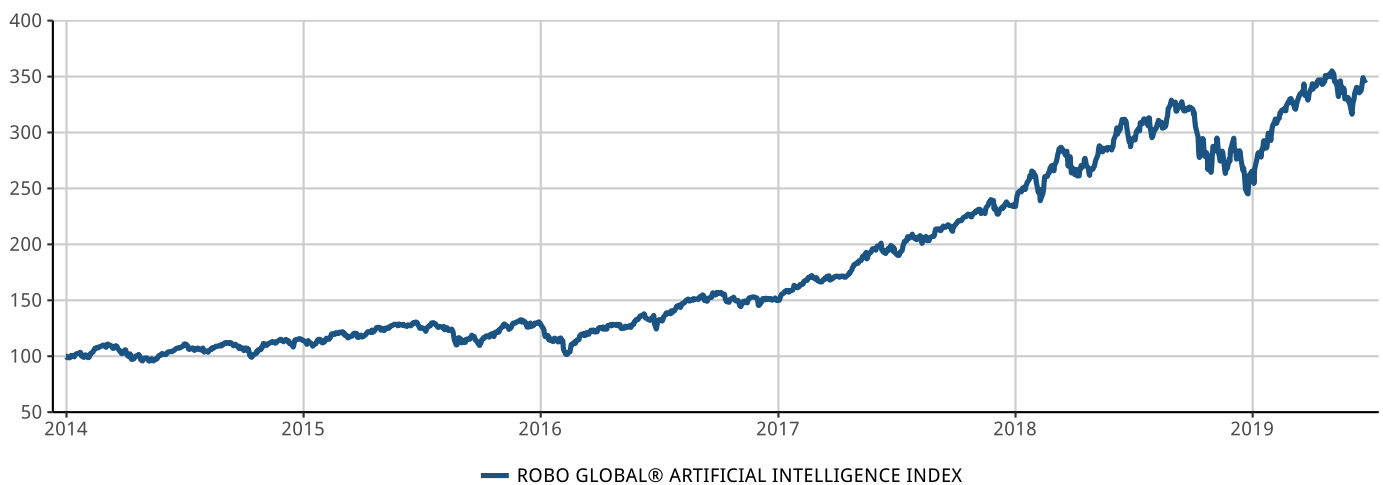
- **GLOBAL REVENUES** from AI for enterprise applications are projected to grow from \$16.2B in 2018 to \$31.2B in 2025, attaining a 53% CAGR.
- **MULTI-CAP EXPOSURE** that offers diversified access to many of the most promising mid-, large-, and small-cap companies with minimal overlap with broad market indices.
- **EXPERT RESEARCH** by an experienced team of financial professionals and highly respected robotic and AI visionaries focused on identifying opportunities for growth.

## THE ROBO GLOBAL<sup>®</sup> ARTIFICIAL INTELLIGENCE INDEX

The ROBO Global<sup>®</sup> Artificial Intelligence Index was launched in August 2018 with the objective of providing investors with a comprehensive, transparent, and diversified benchmark that represents the global value chain of artificial intelligence technologies.

### Performance Chart<sup>1</sup>

The ROBO Global<sup>®</sup> Artificial Intelligence Index Performance - Rebased 100 = January 2014



<sup>1</sup>The data shown is derived from the published index values. Prior to 21 August 2018, the data is based on simulated back-casted data.

## Monthly Performance<sup>2</sup>

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2019	14.50%	8.18%	1.97%	5.22%	-8.01%	6.06%							29.66%
2018	11.93%	2.42%	0.05%	-0.43%	7.49%	2.07%	1.12%	10.16%	-1.32%	-12.93%	2.97%	-8.08%	13.50%
2017	7.69%	4.33%	1.90%	5.81%	7.29%	-1.23%	6.40%	4.35%	1.50%	5.77%	2.01%	-0.02%	56.05%
2016	-10.11%	-0.78%	9.17%	1.50%	5.48%	-1.44%	9.60%	4.02%	3.88%	-4.32%	0.30%	-0.28%	16.46%
2015	-1.80%	8.10%	-2.42%	4.43%	3.81%	-1.73%	0.64%	-8.79%	-2.99%	10.78%	6.12%	-2.22%	12.97%
2014	1.05%	8.20%	-4.96%	-6.13%	4.49%	7.07%	-4.05%	5.85%	-3.89%	4.62%	3.14%	-0.88%	13.92%

## Key Statistics<sup>2</sup>

	6 Mos.	1 Year	Since 2013
Performance (eff.)	40.20%	17.98%	244.16%
Performance (p.a.)			25.29%
Volatility	21.38%	25.16%	19.06%
Sharpe Ratio		0.58	1.21

<sup>2</sup>including back-casted data prior to 21 August 2018

## Fundamentals<sup>3</sup>

P/E	33.05
P/E NTM	33.82
P/B	9.46
EV/Sales	7.63
P/Cash Flow	30.38

<sup>3</sup> Fundamentals are updated on a daily basis. The calculation is based on the median.

## METHODOLOGY

The index methodology follows a modified AI-factor weighting scheme and rebalances on a quarterly basis to more effectively respond to and capture changes in the technological and competitive landscapes while maintaining critical diversification. Including more than 60 stocks across 11 subsectors in 16 countries, the index is built to minimize risk by limiting reliance on the largest-cap players, and to capture the growth of rapidly developing artificial intelligence companies around the globe.

## Index Facts

Go Live Date	21st August 2018
Index Components	70
Eligible Universe	ROBO Global® AI Industry Classification
Weighting	AI Factor measuring revenue and investments in AI related activities
Rebalance Frequency	Quarterly

Calculation Frequency	Every 15 seconds 9am to 11.30pm GMT
Dividend Treatment	Price and total return versions are available. The total return index is calculated with net dividends reinvested.
History Availability	Daily back to 31 December 2013
Base Value / Base Date	1000 / 21 August 2018
Bloomberg / Reuters Ticker	THNQ Index / .THNQ

Each company in the ROBO Global® Industry Classification System is assigned a "THNQ Score" based on the company's level of revenues and investments in artificial intelligence activities, as well as market leadership in the field of AI. These scores range from 1-100 with 100 representing significant levels of AI revenues and investment. A company must have a minimum AI Score of 50 to be considered for inclusion in the index. Companies are weighted by dividing each individual company's THNQ Score by the sum of the total THNQ Scores among index constituents. To respond to new entrants and maintain the desired diversification, the index rebalances on a quarterly basis.

## Top 10 Holdings<sup>4</sup>

ALTERYX INC	1.96%	MICROSOFT CORP	1.84%
SPLUNK INC	1.94%	INTERNATIONAL BUSINESS MACHINES CORP	1.84%
TENCENT HOLDINGS LTD	1.90%	ALPHABET INC	1.84%
BAIDU INC	1.87%	IROBOT CORP	1.74%
AMAZON.COM INC	1.87%	HUBSPOT INC	1.74%

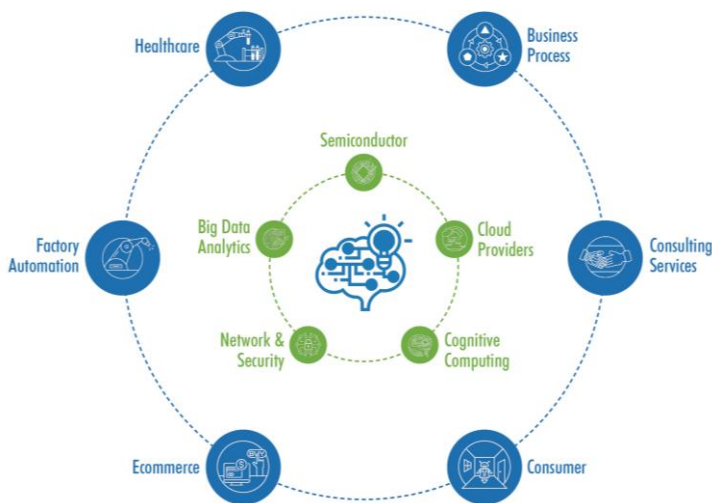
<sup>4</sup>Top 10 Holdings are updated on a daily basis.

## COVERAGE TEAM

The coverage team incorporates full-time financial and research professionals supported by industry entrepreneurs and academic leaders who specialize in global developments across the robotics, automation, and artificial intelligence supply chain. The team, including more than 7 PhDs and some of the most highly respected visionaries in robotics and AI, works closely with our management team to identify early key industry trends and associated companies.

## INDUSTRY CLASSIFICATION

In the absence of a benchmark industry classification system specific to this emerging industry, in 2013 we created the ROBO Global® Industry Classification for the investment and research community. To date, we have identified 11 subsectors of suitable product and technology maturity to the AI theme that carry high growth and earnings potential. On a regular basis, we screen our proprietary database of over 1,000 companies to identify those that are publicly traded, fit into these 11 sub-sectors, meet a minimum AI revenue threshold, are positioned as technology and growth leaders, and satisfy our ESG Policy.

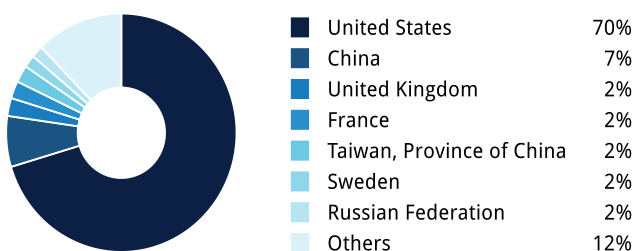


<b>Applications &amp; Services</b>	<b>47%</b>
Business Process	19%
Ecommerce	10%
Consumer	9%
Healthcare	4%
Consulting Services	3%
Factory Automation	1%
<b>Infrastructure</b>	<b>53%</b>
Big Data/Analytics	15%
Semiconductor	12%
Network & Security	11%
Cognitive Computing	8%
Cloud Providers	7%

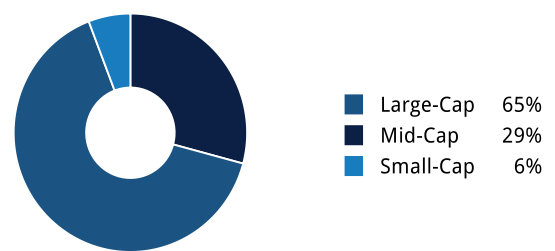
## INDEX MEMBERS

Index members are identified from the ROBO Global® Industry Classification in accordance with predetermined rules and objective criteria, including minimum market capitalization and average daily value traded. The result is a unique mix of infrastructure companies and applications and services companies.

### Geographic Breakdown<sup>5</sup>



### Market Capitalization Breakdown<sup>5</sup>



<sup>5</sup>Charts are presented based on each company's daily weightings in the index.

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