



Wealth Index

Horizon Kinetics ISE Wealth Index (RCH)

The Wealth Index—
Providing a
benchmark
to invest
alongside the
most successful
business leaders
in the US.

DESCRIPTION

The **Horizon Kinetics ISE Wealth™ Index** provides a benchmark for investors interested in tracking the performance of U.S.-listed companies managed by executives whose strong track records of skill and specific industry knowledge have made them some of the wealthiest individuals in the United States.

In many cases, these individuals have used their respective companies as the primary means of accumulating substantial personal wealth. By virtue of this vested interest factor, these executives often prioritize the creation of long-term shareholder value and, as a result, outperform the markets. This unique predictive index variable—rather than traditional index classifications—has been demonstrated to provide meaningful excess returns over time versus the S&P 500.

METHODOLOGY

The **Horizon Kinetics ISE Wealth Index** uses an equal weighted allocation methodology for all components in the index. Index components are reviewed quarterly for eligibility, and the weights are reset accordingly.

HISTORICAL INDEX LEVELS FOR RCH (as of 6/30/14)



STATS	
Number of Components	167
Wgt. Avg Market Cap (USD, billions)	\$19.8
Dividend Yield (T12M)	1.07%
Estimated P/E (Trailing 12 mo.)	22.7
Price to Sales	1.4
Price to Book Value	2.8

PERFORMANCE HISTORY (as of 6/30/14)

Annualized Total Return	1 Year	3 Years	5 Years	10 Years	15 Years	20 Years
Wealth Index	28.84%	17.02%	32.02%	12.47%	9.54%	12.74%
S&P 500	21.86%	14.66%	21.16%	7.42%	4.46%	9.53%
Excess Return	6.98%	2.37%	10.86%	5.05%	5.07%	3.21%

Note: Calculated Using Total Returns

SAMPLE COMPONENTS (as of 6/30/14)

Ticker	Name	Individual
AL	Air Lease Corp	Steven Udvar-Hazy
BOKF	BOK Financial Corp	George B. Kaiser
BRK/B	Berkshire Hathaway Inc	Warren E. Buffett
CFX	Colfax Corp	Mitchell P. Rales
CLR	Continental Resources Inc	Harold G. Hamm
CVC	Cablevision Systems Corp	Charles F. Dolan
CVI	CVR Energy Inc	Carl C. Icahn
DISH	DISH Network Corp	Charles W. Ergen
ELS	Equity Lifestyle Properties Inc	Samuel Zell
FDML	Federal-Mogul Corp	Carl C. Icahn
FDX	FedEx Corp	Frederick W. Smith
GLRE	Greenlight Capital RE, Ltd	David M. Einhorn
GOOG	Google Inc	Lawrence E. Page
HHC	The Howard Hughes Corp	William A. Ackman
IACI	IAC/InterActiveCorp	Barry Diller
L	Loews Corp	Andrew H. Tisch
LMCA	Liberty Media Corp	John C. Malone
LUK	Leucadia National Corp	Joseph S. Steinberg
LVS	Las Vegas Sands Corp	Sheldon G. Adelson
NWSA	News Corp	Keith Rupert Murdoch
ORCL	Oracle Corp	Lawrence J. Ellison
PAG	Penske Automotive Group Inc	Roger S. Penske
SHLD	Sears Holdings Corp	Edward S. Lampert
TEVA	Teva Pharmaceutical Industries Ltd	Phillip Frost
VIAB	Viacom Inc	Sumner M. Redstone
VNO	Vornado Realty Trust	Steven Roth
WEN	The Wendy's Company	Nelson Peltz

COMPONENT SELECTION

All of the following requirements must be met in order for a company to be eligible for inclusion:

- 1 The component security must have a wealthy individual in a control position, defined as a position that allows for substantial decision making authority (e.g., Chief Executive Officer, Chairman of the Board). A wealthy individual is defined as a person whose level of personal assets generally exceeds \$500 million, as measured by public data, although this minimum threshold is subject to change based on market conditions, which can greatly impact the value of personal assets (e.g., public stock holdings).
- 2 The wealthy individual must own at least \$100 million of the common equity.
- 3 The component security must be listed on a U.S. exchange.
- 4 In the case of initial public offerings the component security must have been publicly listed for at least two years.
- 5 The component security must be an operating company and not a closed-end fund or an exchange-traded fund (ETF).
- 6 The component security cannot be a limited partnership.

The following market capitalization and weighting concentration requirements must also be satisfied:

- 1 Each component security must have a market capitalization of at least \$200 million.
- 2 No single component stock may represent more than 24% of the weight of the index, and the cumulative weight of all components with an individual weight of 5% or greater may not, in the aggregate, account for more than 50% of the weight of the index. This particular requirement will be satisfied at the conclusion of each of the quarterly rebalance periods.
- 3 The trailing 3-month average daily value traded must be greater than \$2,000,000.

For index methodology guide, visit www.ise.com/RCHguide.

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