



Asia Wealth Index

Horizon Kinetics ISE Asia ex-Japan Wealth Index (WEALTHAX)

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

DESCRIPTION

The **Horizon Kinetics ISE Asia ex-Japan Wealth™ Index** provides a benchmark for investors interested in tracking the performance of exchange-listed, publicly-held companies that are managed by some of the wealthiest individuals in Asia.

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, the creation of shareholder value tends to be prioritized over shorter-term considerations of typical corporate managements. The use of wealth as a predictive index variable—rather than traditional index classifications—has been demonstrated to provide meaningful excess returns over time versus the MSCI All Country (AC) Asia ex Japan Index.

METHODOLOGY

The 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 WEALTHAX (as of 6/30/15)



STATS	
Number of Components	437
Wgt. Avg Market Cap (USD, billions)	\$8.0
Dividend Yield (T12M)	2.0%
Estimated P/E (Trailing 12 mo.)	14.2
Price to Sales	1.0
Price to Book Value	1.4
PEG Ratio (Using P/E TTM)	1.9

PERFORMANCE HISTORY (as of 6/30/15)

Annualized Total Return	1 Year	3 Years	5 Years	7 Years
ex-Japan Global Wealth Index	3.49%	12.44%	9.42%	8.24%
MSCI AC Asia ex Japan	3.84%	9.57%	7.44%	5.28%
Excess Return	-0.35%	2.87%	1.98%	2.95%

Note: Calculated Using Total Returns

SAMPLE COMPONENTS (as of 6/30/15)

Ticker	Name	Individual	Citizenship
002790 KS	AMOREPACIFIC Group	Suh Kyung-Bae	South Korea
036570 KS	NCSOFT Corp	Kim Taek-Jin	South Korea
005380 KS	Hyundai Motor Co	Chung Mong-Koo	South Korea
1 HK	CK Hutchison Holdings LTD	Li Ka-shing	Hong Kong
2 HK	CLP Holdings Ltd	Michael Kadoorie	Hong Kong
12 HK	Henderson Land Development Co Ltd	Lee Shau Kee	Hong Kong
27 HK	Galaxy Entertainment Group Ltd	Lui Che Woo	Hong Kong
142 HK	First Pacific Co Ltd	Anthoni Salim	Indonesia
151 HK	Want Want China Holdings Ltd	Tsai Eng-Meng	Taiwan
175 HK	Geely Automobile Holdings Ltd	Li Shufu	China
1044 HK	Hengan International Group Co Ltd	Shi Wenbo	China
1177 HK	Sino Biopharmaceutical	Tse Ping	China
2881 TT	Fubon Financial Holding Co Ltd	Tsai Wan-Tsai & Family	Taiwan
AC PM	Ayala Corp	Jaime Zobel de Ayala	Philippines
AGI PM	Alliance Global Group Inc	Andrew Tan	Philippines
AKRA IJ	AKR Corporindo Tbk PT	Soegiarto Adikoesoemo	Indonesia
BIDU US	Baidu Inc	Robin Yanhong Li	China
GCPL IN	Godrej Consumer Products Ltd	Adi Burjorji Godrej	India
GENT MK	Genting Bhd	Lim Kok Thay	Malaysia
GGRM IJ	Gudang Garam Tbk PT	Susilo Wonowidjojo	Indonesia
MINT TB	Minor International PCL	William E. Heinecke	Thailand
PBK MK	Public Bank BHD	Teh Hong Piow	Malaysia
RIL IN	Reliance Industries Ltd	Mukesh Ambani	India
SM PM	SM Investments Corp	Henry Sy	Philippines
TTMT IN	Tata Motors Ltd	Ratan Tata	India
UOL SP	UOL Group Ltd	Wee Cho Yaw	Singapore
WIL SP	Wilmar International Ltd	Kuok Khoon Hong	Singapore

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COMPONENT SELECTION

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

The component security must have a wealthy individual in a control position, defined as a senior management position that allows for substantial decision making authority (e.g., Chief Executive Officer, Chairman of the Board, President, Director). A wealthy individual is defined as a person whose level of personal assets generally exceeds \$500 million for developed market components or \$250 million for emerging market components, 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).

- 1 The component security must be listed on an exchange.
- 2 In the case of initial public offerings the component security must have been publicly-listed for at least two years.
- 3 The component security must be an operating company and not a closed-end fund or an exchange-traded fund (ETF).
- 4 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.



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