



International Wealth Index

Horizon Kinetics ISE International Wealth Index (INW)

The International Wealth Index – Providing a benchmark to invest alongside the most successful business leaders in developed markets globally.

DESCRIPTION

The **Horizon Kinetics ISE International 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 the world.

These individuals generally have a high degree of management skill and specific industry knowledge, which is manifested through the superior share price performance of their companies. 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. 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 EAFE Index.

METHODOLOGY

The Index defines country weightings proportional to total national market capitalization and employs an equally weighted allocation methodology for all components within each country. Index components are reviewed quarterly for eligibility and the weights are reset accordingly.

HISTORICAL INDEX LEVELS FOR INW (as of 6/30/15)



STATS	
Number of Components	276
Wgt Avg Market Cap (USD, billions)	\$15.4
Dividend Yield (Trailing 12 mo.)	2.3%
Estimated P/E (Trailing 12 mo.)	19.0
Price to Book Value	1.8
Price to Sales	0.9
PEG Ratio (Using P/E TTM)	1.2

PERFORMANCE HISTORY (as of 6/30/15)

Annualized Total Return	1 Year	3 Years	5 Years	7 Years
International Wealth Index	-5.28%	15.33%	13.61%	8.56%
MSCI EAFE	-4.22%	11.97%	9.54%	1.97%
Excess Return vs. MSCI EAFE	-1.06%	3.36%	4.07%	6.59%

Note: Calculated Using Total Returns

SAMPLE COMPONENTS (as of 6/30/15)

Ticker	Name	Individual	Citizenship
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
1113 HK	Cheung Kong Property Holdings Ltd	Li Ka-shing	Hong Kong
4755 JP	Rakuten Inc	Hiroshi Mikitani	Japan
8113 JP	Unicharm Corp	Keiichiro Takahara	Japan
9984 JP	SoftBank Corp	Masayoshi Son	Japan
ANDR AV	Andritz AG	Wolfgang Leitner	Austria
BOL FP	Bolloré SA	Vincent Bolloré	France
CPR IM	Davide Campari-Milano SpA	Luca Garavoglia	Italy
EN FP	Bouygues SA	Martin Bouygues	France
FMG AU	Fortescue Metals Group Ltd	Andrew Forrest	Australia
GBLB BB	Groupe Bruxelles Lambert SA	Albert Frere	Belgium
GLEN LN	Glencore Xstrata PLC	Ivan Glasenberg	Australia
HMB SS	Hennes & Mauritz AB	Stefan Persson	Sweden
ITX SM	Inditex SA	Amancio Ortega	Spain
KER FP	Kering	Francois-Henri Pinault	France
KNEBV FH	Kone OYJ	Antti Herlin	Finland
MC FP	LVMH Moët Hennessy Louis Vuitton SA	Bernard Arnault	France
NOBL SP	Noble Group Ltd	Richard Elman	United Kingdom
TALK LN	TalkTalk Telecom Group PLC	Charles Dunstone	United Kingdom
UOL SP	UOL Group Ltd	Wee Cho Yaw	Singapore
VIV FP	Vivendi SA	Vincent Bolloré	France
VOS GR	Vossloh AG	Heinz Thiele	Germany
WFD AU	Westfield Group	Frank Lowy	Australia
WIL SP	Wilmar International Ltd	Kuok Khoon Hong	Singapore

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 senior management position that allows for substantial decision-making authority (e.g., Chief Executive Officer, Chairman of the Board, President). A wealthy individual is defined as a person whose level of personal assets generally exceeds \$1 billion, 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 an 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.

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