

WEARABLES INDEX FACT SHEET

as of 12/31/17



A benchmark to track global companies that have a current or future business focus on wearable technology products and/or components.

The Case for Wearables

Wearable technology devices are mobile electronics that can be worn on a user's body or attached to clothing for application categories such as: Sports and Fitness, Industrial/Military, Infotainment/Lifestyle, and/or Healthcare and Medical. Examples of wearables devices include: activity trackers, smart watches, smart glass, body cameras, health monitors, virtual reality headsets, hearables, and wearable industrial computers.

1. **Growing Global Opportunity** - According to International Data Corporation (IDC), the worldwide wearable device market is expected to reach a total of 111.1 million units shipped in 2016, for an annual gain of 44.4% over 2015. By 2019, total shipments are expected to reach 214.6 million units, resulting in a five-year compound annual growth rate (CAGR) of 28%.¹
2. **Gateway to the Internet of Things** -Wearable devices seamlessly integrate computer and monitoring functionality into our daily lives. Wearables provide quick and easy access to reliable and immediate information, empowering the wearer and acting as a "gateway" to the connected world and Internet of Things.
3. **Expanded Use Case** - Whereas wearable devices such as smart watches and activity trackers lead the consumer category, the use cases for wearables continues to expand for business, healthcare, government, and military. According to Forrester Research, 76% of global tech and business leaders have wearables on their agenda as a tool to harness data and enhance customer interaction.²
4. **Untethered Potential** - As wearable devices "untether" from smart phones and can serve as stand-alone devices, their potential uses will expand, serving as "free agents" in the Internet of Things.

¹ International Data Corporation (IDC) Worldwide / Quarterly Wearable Device Tracker

² David Bolton / "Why 2016 Will Be the Year of the Wearable"



Overview

The EQM Wearables Index (WEARXT) seeks to track the combined performance of a basket of global stocks that derive revenue from the sale of wearable technology devices (electronics that can be worn on the body either as an accessory or as part of clothing) for applications such as: Sports and Fitness, Industrial/Military, Infotainment/Lifestyle, and/or Healthcare and Medical OR derives revenue from the manufacturing of components used in wearable devices such as semiconductors, sensors, and displays. The index is equally weighted among two investment pools: Core and Non-Core wearable holdings.

Ticker	WEARXT
Inception Date	2/29/2016
Index Calculation/ Publication	Solactive AG
Total # Holdings	58
# US Holdings	40
# Non-US Holdings	18
Rebalance (Dec/June)	Semi-Annually
Weighting Scheme	Modified, equal weighting

Licensing Information

EQM Indexes® LLC licenses its indexes to firms involved in the issuance of Exchange Traded Products (ETPs). If you are interested in licensing an index from EQM Indexes LLC or have an idea for a new index product, contact us at info@eqmindexes.com.

Disclosure

The Standard & Poor's 500 Stock Index ("S&P 500 Index") is an unmanaged index generally representative of the U.S. stock market, without regard to company size. Unless otherwise noted, index returns reflect the reinvestment of income dividends and capital gains, if any, but do not reflect fees, brokerage commissions or other expenses of investing. Investors may not make direct investments into any index.

Provided by EQM Indexes
Not investment advice or a recommendation to buy or sell securities. Investors may not invest directly in an index.

WEARABLES INDEX FACT SHEET

as of 12/31/17

Top 10 Constituents

For a complete list of holdings, go to eqmindexes.com.



		Index Wt %
1	AXON ENTERPRISE INC (AAXN)	2.80
2	BIOTELEMETRY INC (BEAT)	2.78
3	IRHYTHM TECHNOLOGIES INC (IRTC)	2.77
4	AMER SPORTS OYJ (AMEAS FH)	2.72
5	ABBOTT LABORATORIES (ABT)	2.70
6	GN STORE NORD A/S (GN DC)	2.66
7	KNOWLES CORP (KN)	2.60
8	MEDTRONIC PLC (MDT)	2.59
9	APPLE INC (AAPL)	2.58
10	PLANTRONICS INC (PLT)	2.57

Inclusion of a security within the Index is not a recommendation by EQM Indexes to buy, sell, or hold such security, nor is it considered to be investment advice. EQM Indexes is not an investment advisor, and makes no representation regarding the advisability of investing in any such security.

Source: Bloomberg

Constituent Requirements

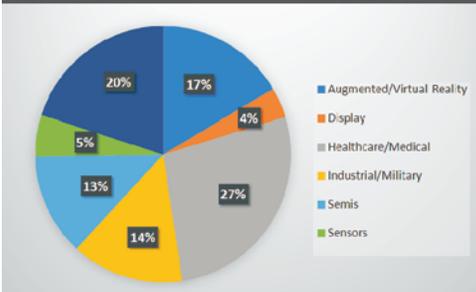
In order to be eligible for inclusion in the index, companies must meet the following conditions:

- Derives revenue from the sale of wearable technology devices for applications such as: Sports and Fitness, Industrial/Military, Infotainment/Lifestyle, and/or Healthcare and Medical OR derives revenue from the manufacturing of components used in wearable devices such as semiconductors, sensors, and displays.
- In order to be considered for inclusion in the Core Wearable investment pool, significant revenues (as defined by EQM Indexes, the Index Provider) should be derived from the sale of wearable devices.
- Companies deriving only minimal revenue (as defined by EQM Indexes, the Index Provider) from the sale of wearable devices and/or who are primarily engaged in the manufacture of wearable components such as semiconductors, sensors, or displays will be considered for inclusion in the Non-Core Wearable investment pool.
- Listing on a regulated stock exchange in the form of shares tradable for foreign investors without restrictions.
- Market capitalization of at least 300 million USD.
- Minimum price at time of purchase of \$5 per share USD.
- Average daily traded value of at least 2,000,000 USD over the last six months.
- Adequate constituent liquidity and accessibility for an exchange listed product as determined by the Index Provider, EQM Indexes.
- Non-US companies will be U.S. exchange traded ADR versions if available, assuming they meet liquidity requirements, otherwise local shares will be utilized that meet the listing requirements and meet the continuing analysis of liquidity.
- No local shares, only ADRs, will be held for companies domiciled in Emerging Market countries or those listed on small regional exchanges.

Portfolio Weightings

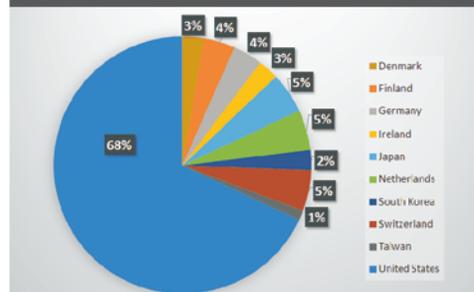
For Illustrative Purposes Only

Market Segments



Source: Bloomberg, EQM Indexes

Country Weightings



Source: Bloomberg

About EQM Indexes

EQM Indexes, LLC ("EQM Indexes") is a woman-owned firm dedicated to creating and supporting indexes that track growth industries and emerging investment themes. Co-founded by Jane Edmondson, a former Institutional Portfolio Manager with more than 25 years of investment industry experience, EQM Indexes' index designs spans a wide range of asset classes and financial instruments. EQM Indexes does not provide investment advice, nor offer the sale of securities, but does partner and receive compensation in connection with licensing its indices to third parties to serve as benchmarks for Exchange Traded Products ("ETPs"). All information provided by EQM Indexes is impersonal and not tailored to the needs of any person, entity or group of persons. It is not possible to invest directly in an index. EQM Indexes makes no assurance that investment products based on the index will accurately track index performance or provide positive investment returns. Inclusion of a security within an index is not a recommendation by EQM Indexes to buy, sell, or hold such security, nor is it considered to be investment advice. While EQM Indexes has obtained information from sources believed to be reliable, EQM Indexes does not perform an audit or undertake any duty of due diligence or independent verification of any information it receives.

Contact Information

EQM Indexes, LLC
10620 Treena Street
Suite 230
San Diego, CA 92131

Email: info@eqmindexes.com

Office: 858-935-6041

Website: eqmindexes.com

Provided by EQM Indexes
Not investment advice or a recommendation to buy or sell securities. Investors may not invest directly in an index.