

Nasdaq Riskalyze Index Family

Highlights

- The Nasdaq Riskalyze index family seeks to create better diversified portfolios with lower realized volatilities.
- One of the key features in the Riskalyze methodology is its sector neutrality in the U.S. and its country/sector neutrality internationally. All U.S. indexes are weighted to be sector neutral so that tracking error is minimized relative to each index's specified benchmark.
- Additionally, Riskalyze equally weights all individual stocks within their assigned sectors so that stocks' idiosyncratic risks are also minimized.
- The Nasdaq Riskalyze U.S. indexes include Large Cap, Mid Cap and Small Cap, which select all U.S. denominated dividend paying securities.
- The Nasdaq Riskalyze U.S. Large Cap Select Dividend Index functions as the high yield version of the Riskalyze U.S. Large Cap by only including dividend-paying securities with a yield higher than the U.S. Large Cap benchmark index yield.
- The Nasdaq Riskalyze Developed Markets and Emerging Markets indexes select up to 25 securities with the lowest volatilities in each country/sector assignment and employ a country/sector neutral weighting scheme to accomplish the same goal as the U.S. indexes.

Historical Performance

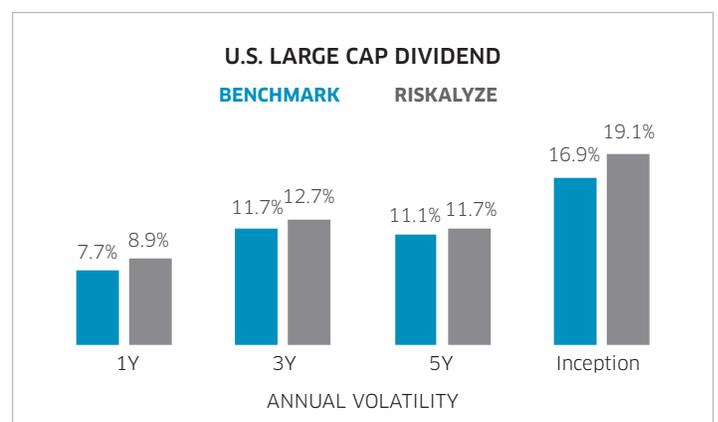
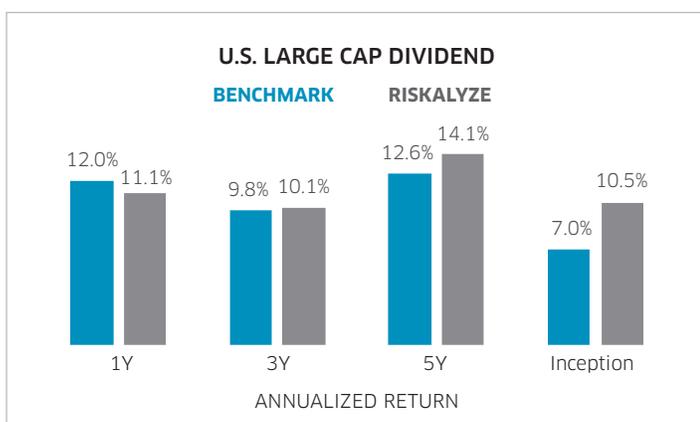
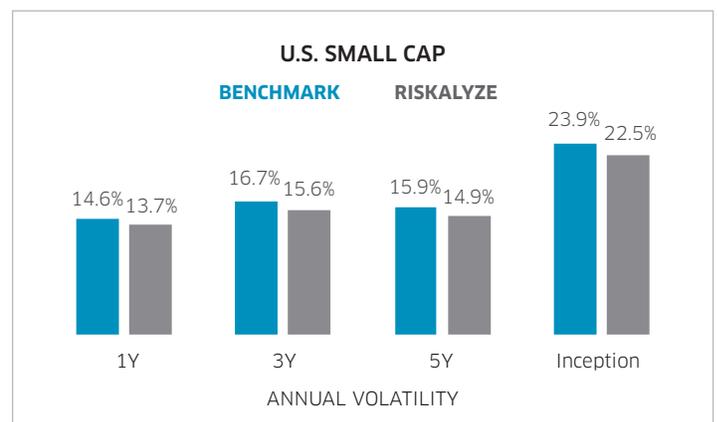
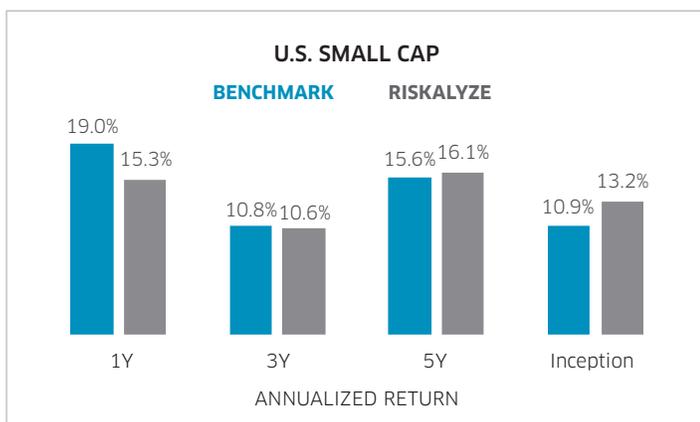
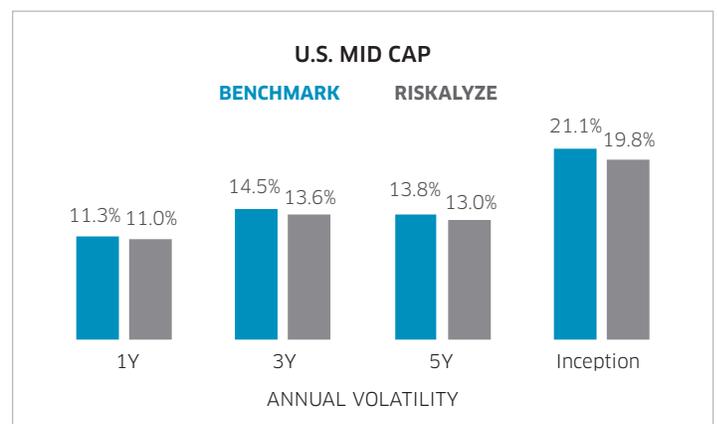
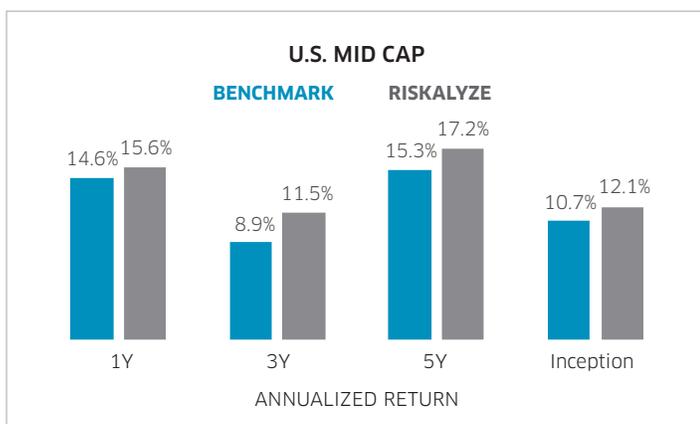
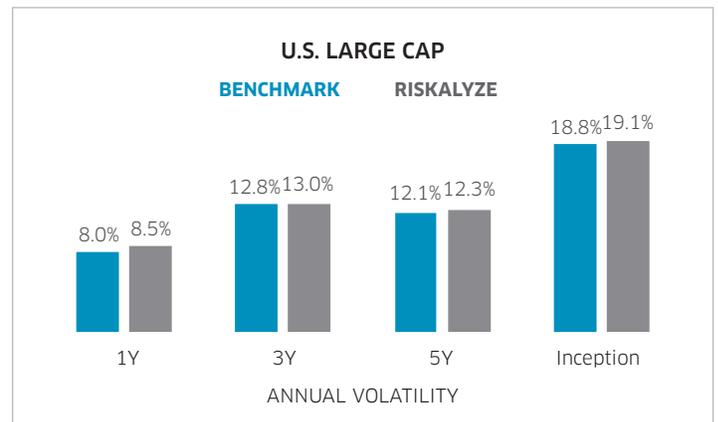
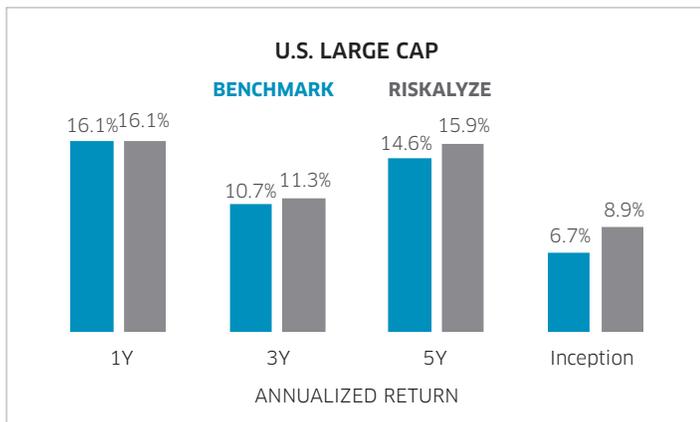
The following one-, three-, five-year and since inception total return and volatility comparisons show that the Nasdaq Riskalyze methodology accomplished its goal: Nasdaq Riskalyze indexes outperformed their benchmarks along with equivalent or lower volatilities.

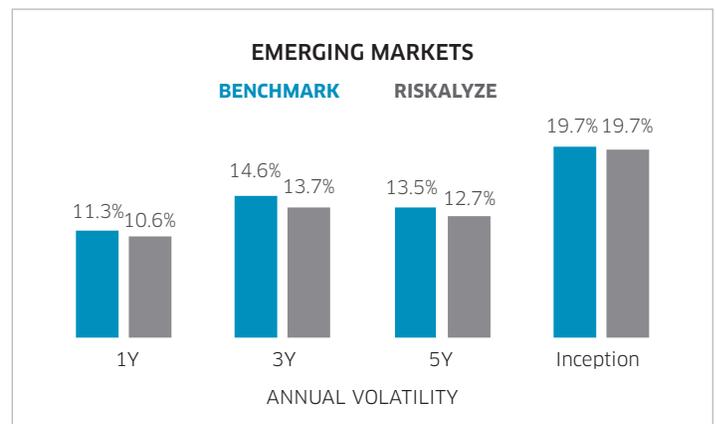
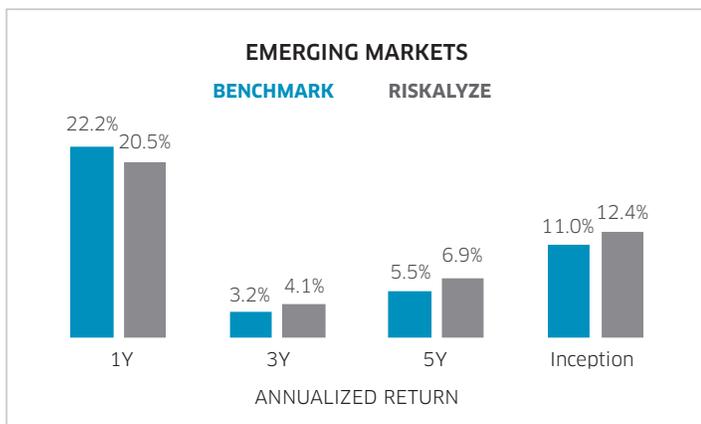
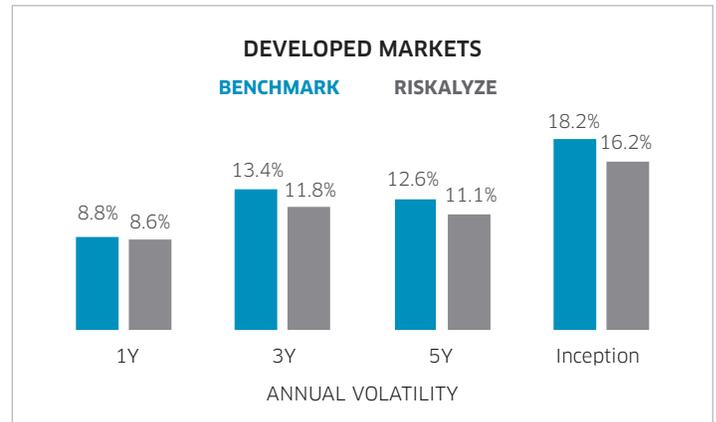
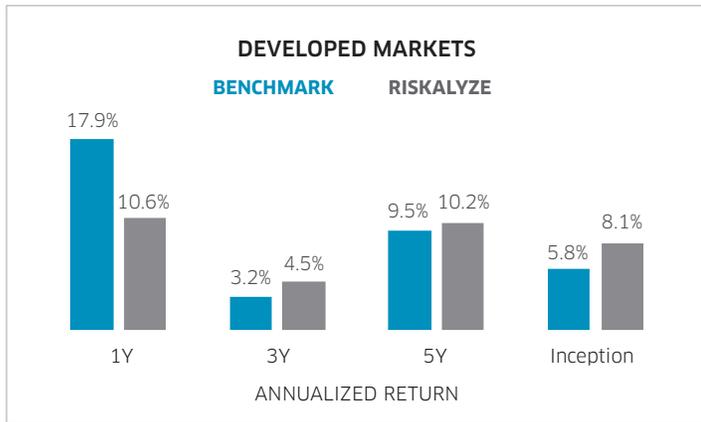
STRATEGY	MODEL	INDEX SYMBOL	ANNUALIZED RETURN				ANNUAL VOLATILITY			
			1Y	3Y	5Y	INCEPTION	1Y	3Y	5Y	INCEPTION
U.S. Large Cap	Benchmark	NQUS500LCT	16.1%	10.7%	14.6%	6.7%	8.0%	12.8%	12.1%	18.8%
	Riskalyze	NQRSKUSLT	16.1%	11.3%	15.9%	8.9%	8.5%	13.0%	12.3%	19.1%
U.S. Mid Cap	Benchmark	NQUS600MCT	14.6%	8.9%	15.3%	10.7%	11.3%	14.5%	13.8%	21.1%
	Riskalyze	NQRSKUSMT	15.6%	11.5%	17.2%	12.1%	11.0%	13.6%	13.0%	19.8%
U.S. Small Cap	Benchmark	NQUS700SCT	19.0%	10.8%	15.6%	10.9%	14.6%	16.7%	15.9%	23.9%
	Riskalyze	NQRSKUSST	15.3%	10.6%	16.1%	13.2%	13.7%	15.6%	14.9%	22.5%
U.S. Large Cap Dividend	Benchmark	DVGTR	12.0%	9.8%	12.6%	7.0%	7.7%	11.7%	11.1%	16.9%
	Riskalyze	NQRSKUSLDT	11.1%	10.1%	14.1%	10.5%	8.9%	12.7%	11.7%	19.1%
Developed Markets	Benchmark	NQDMXUSLMT	17.9%	3.2%	9.5%	5.8%	8.8%	13.4%	12.6%	18.2%
	Riskalyze	NQRSKDMT	10.6%	4.5%	10.2%	8.1%	8.6%	11.8%	11.1%	16.2%
Emerging Markets	Benchmark	NQEMLMCT	22.2%	3.2%	5.5%	11.0%	11.3%	14.6%	13.5%	19.7%
	Riskalyze	NQRSKEMT	20.5%	4.1%	6.9%	12.4%	10.6%	13.7%	12.7%	19.7%

* Nasdaq calculation as of 7/31/2017.

* Riskalyze U.S. Large Cap Select Dividend index starts from 4/19/2002; all other Riskalyze indexes start from 4/20/2001.

Appendix





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