

The MarketGrader Developed Markets (ex-Australia) Health Care Index

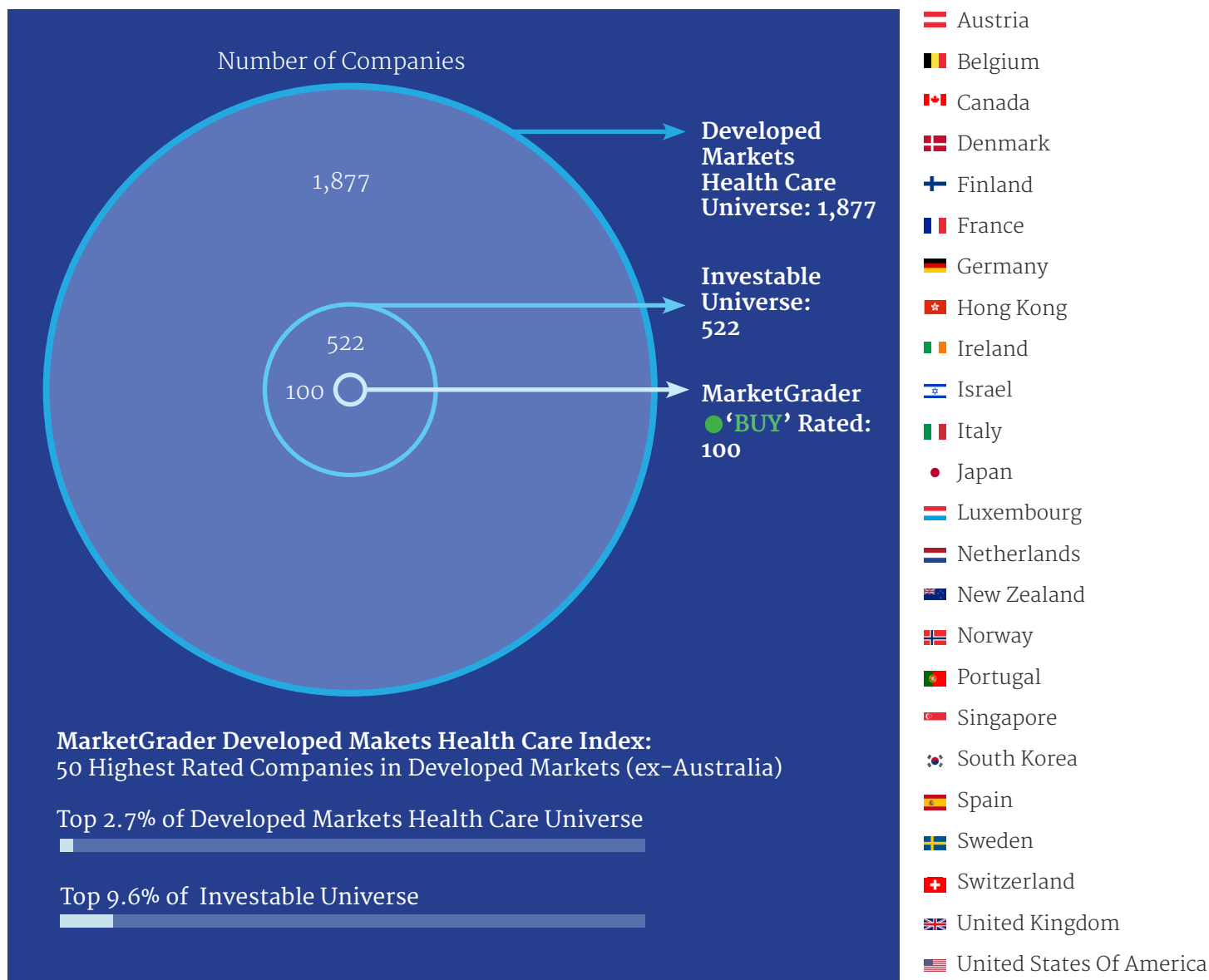


Health care expenditures are projected to remain at 10% of global GDP in the next decade; this translates into USD 14 trillion in health care spending per year by 2030.¹

By 2030 older persons will account for one in six people in the world, driving up demand for health care given that approximately 50% of a person's life-cycle health care expenditures occur between ages 75 and 90.²

China, India and Indonesia, three of the world's most populous countries, spend less than 4% of GDP on health care, compared to 12.5% for advanced economies; as they catch up, their expenditures will drive demand for health care goods and services for decades.³

MarketGrader's Approach: Invest Globally but Be Selective



1. OECD (health care expenditures to GDP)
 2. United Nations World Population Ageing 2015 Report (demographics)
 3. World Bank (EM country expenditures to GDP).

How is the MarketGrader Developed Markets (ex-Australia) Index Built?

Our Process



1. Collection and Screening of Financial Statements & Company Data

We begin by collecting and screening the financial statements of all publicly traded companies with reliable and consistent reports. MarketGrader screens through millions of data records to identify reporting anomalies and inconsistencies and filters out those it deems unreliable.



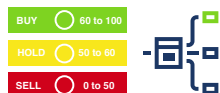
2. Calculation of Metrics Designed to Identify Growth Compounders

Next, we calculate a series of metrics that seek to find companies with characteristics that include consistent top to bottom line growth—not just explosive short term growth—with sustainable margins and high cash flow generation; a sound capital structure that doesn't impair operating growth, combined with high returns on invested capital; and reasonable valuations relative to sustainable growth rates.



3. Calculation of 24 Fundamental Indicators Focused on GARP + Quality

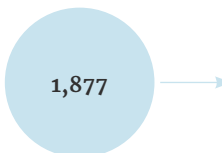
Next, we aggregate all data points into 24 individually graded indicators, which we classify into the four categories of our analysis: Growth, Value, Profitability and Cash Flow. Since business models vary greatly across industries and sectors and between companies of very different scale, our indicators also vary to account for such differences.



4. Calculation of the Final MarketGrader Score and Rating

Lastly, we aggregate all 24 fundamental indicators into a final MarketGrader Score, on a scale from zero (0) to one hundred (100); all companies rated 60 or higher are assigned a 'BUY' rating. This allows us to apply a standardized global rating methodology to companies in diverse industries and of different sizes. These scores are the building blocks of all MarketGrader Indexes.

Index Construction



1. Selection of Health Care Coverage Universe from Developed Markets

MarketGrader uses the International Monetary Fund's (IMF) classification for 'advanced' and 'developing' economies. We then select all Health Care companies in the 'advanced' economies world, excluding all companies domiciled in Australia (1,877 companies).



2. Selection of Investable Universe

Next, we apply a size filter (USD 500 million) and a liquidity filter (minimum of USD 2 million in 3-month avg. daily traded volume) to arrive at the Index's investable universe (522 companies).



3. Selection of Index Constituents

Next, we select the 100 companies in the Investable Universe with the highest MarketGrader Scores, provided that at least 60 are domiciled in the U.S.; from among those, we select the 50 largest companies and this list becomes the MarketGrader Developed (ex-Australia) Health Care Index.

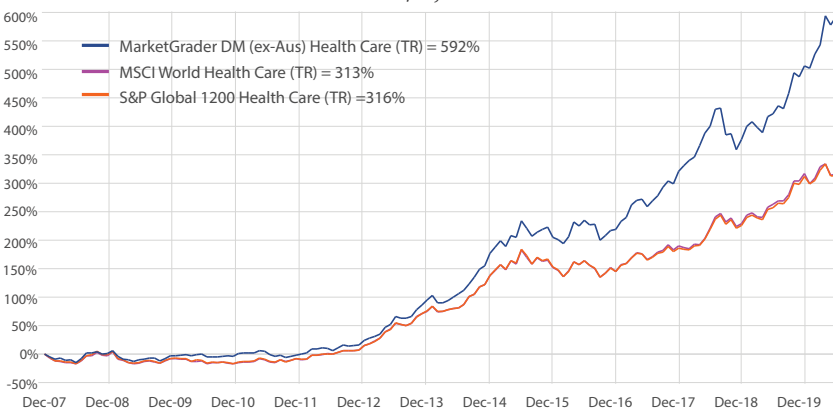


MarketGrader Developed Markets (ex-Australia) Health Care Index

Returns Dec. 31 2007 - Jul. 31 2020	MarketGrader DM (ex-Aus) Health Care Index - NTR	S&P Global 1200 Index - TR	S&P Global 1200 Health Care Index - NTR
Cumulative Return	581.4%	146.6%	285.7%
Annualized Return	16.6%	7.5%	11.4%
Annualized Standard Deviation	13.3%	11.8%	13.3%
Return / Standard Deviation	1.25	0.63	0.86

Returns for MarketGrader and S&P Health Care Indexes are Net Total Returns; returns for S&P Global 1200 are Gross Total Returns.

MarketGrader DM (ex-Aus) Health Care Index vs. Benchmarks, Cumulative Total Return
Dec. 2007 - Jul. 2020



Sources: FactSet, MarketGrader