



## NANOTECHNOLOGY

### Nanotechnology Index 3Q15 Review

CNID and CNIP fell 15.32% and 16.39% Q/Q alongside the Broader Market and in line with the Performance of SGI Global Nanotechnology Index

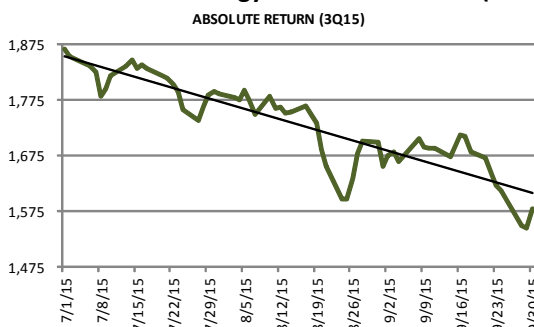
#### KEY POINTS:

- **CEDRUS NANOTECHNOLOGY INDICES:** Both the Cedrus Nanotechnology Index – Diversified (CNID) and Cedrus Nanotechnology Index – Pure (CNIP) registered a negative sequential return in 3Q15, consistent with the performance of quite a few major equity indices like the S&P 500, MSCI World and German DAX, which decreased in the 7-12% range Q/Q. The 15.32% and 16.39% decline in the quarter recorded for CNID and CNIP respectively was more or less comparable to that of Nikkei 225, which dropped 14.07% Q/Q, but outperformed Hang Seng and Shanghai Composite that slid a respective 20.59% and 28.63% sequentially. Meanwhile, CNID and CNIP 3Q15 performance was essentially on par with their peer, the SGI Global Nanotechnology Index, which fell 14.81% Q/Q.

Due mainly to concerns over the growth prospects of the world’s economy in general and the persistent slowing down in the economic expansion of China in particular, as well as raised expectations of the Fed hiking interest rates for the first time in nearly a decade, investors became increasingly cautious in taking new positions and even took some chips off the table in 3Q15. As a result, global equity markets took a toll in the quarter. Looking ahead, we believe vigorous volatility will continue to be a commonplace in the financial market worldwide. Although, in our view, nanotechnology is still the game-changer in innovations, it is very likely that shares of companies involved in this promising, nascent field will flow with the tide. Instead of shying away from them, it is our belief that they represent potential buying opportunities, as nanotechnology has permeated many parts of the globe and been taken seriously. For instance, the recent Second Gulf Forum on Nanotechnology Awareness held in Oman concluded with a number of recommendations, such as the importance of including science and nanotechnology in the curriculum and working with the Arab Bureau of Education for the Gulf States in the adoption of programs and initiatives that support nanotechnology in the educational framework, the Oman News Agency has reported.

- **CEDRUS NANOTECHNOLOGY INDEX – DIVERSIFIED (CNID):** Every sub-group posted a negative return for the quarter. The Nano Life-Sciences sub-group, which delivered a gain of 12.47% in 1H15, was down 15.53% Q/Q in 3Q15, as nine of the 15 constituents incurred double-digit losses Q/Q. Nano-Environment, which down 21.14%, was the laggard as in 1H15 because all 13 components fell on a sequential basis roughly between -1% and -48%.
- **CEDRUS NANOTECHNOLOGY INDEX – PURE (CNIP):** Like CNID, every sub-group in CNIP underperformed sequentially in 3Q15 versus 2Q15. Performance of Nano-Energy and Nano-Electronics was virtually the same, down about 14.3% Q/Q. Nano-Environment was the worst-performing sub-group, recording a 21.85% Q/Q decline.

**Cedrus Nanotechnology Index – Diversified (CNID)**



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