



NANOTECHNOLOGY

Nanotechnology Index 1Q13 Review

CNID and CNIP Rebounded Strongly in 1Q, Surpassing the Performance of S&P 500, NASDAQ Composite and MSCI World

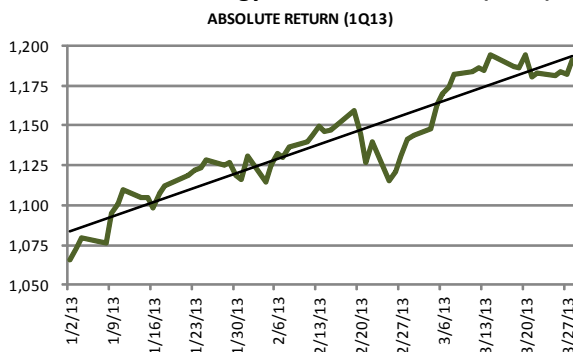
KEY POINTS:

- **CEDRUS NANOTECHNOLOGY INDICES:** Both Cedrus Nanotechnology Index – Diversified (CNID) and Cedrus Nanotechnology Index – Pure (CNIP) rebounded considerably in 1Q13 by 15.65% and 16.75% over 4Q12 respectively, outperforming many of the major global equity indices, including S&P 500 (+10.03%), NASDAQ Composite (+8.21%), and MSCI World (+7.17%).

The aversion of a U.S. fiscal cliff, coupled with improved risk appetite prompted by accommodative monetary policies adopted by many central banks around the globe that have driven interest rates to abnormally low levels and increased optimism for the global economy were attributed to the strong performance of the equity markets worldwide in general. The stellar performance of the solar and wind power plays together with the semiconductor names helped both nanotechnology indices to outshine the broader markets. It was because investors were witnessing or expecting an improvement in the fundamentals of these industries, including the decrease in inventories and the rise in demand.

- **CEDRUS NANOTECHNOLOGY INDEX – DIVERSIFIED (CNID):** The 15.65% sequential increase in 1Q followed a marginal dip of 0.29% in 4Q12, with all sub-groups posting a positive return of more than 11%. Nano-Life Sciences once again was the standout as in three of the four quarters in 2012, achieving a gain of 19.84%, as several of its component companies were up more than 40% versus 4Q12. Nano-Energy was the second best-performing sub-group in the quarter, with a return of 17.70%, because its constituent, SunPower (SPWR), was the overall top-performing stock within CNID and CNIP. It is worth noting that even though Nano-Electronics' performance fell around the middle of the pack with 14.15%, all of its constituents delivered positive return in 1Q.
- **CEDRUS NANOTECHNOLOGY INDEX – PURE (CNIP):** The 16.75% achieved was the highest since 1Q12. It outshined CNID by 1.1 percentage points in 1Q13. Comparing the sub-groups of the two indices, the performance of the Nano-Manufacturing, Nano-Electronics and Nano-Environmental in CNIP was better than that in CNID.

Cedrus Nanotechnology Index – Diversified (CNID)



Cedrus Nanotechnology Index – Diversified (CNID)

