

M·CAM International LLC

January 3rd, 2022 Rebalance Highlights

Summary:

While the recovering trends of the U.S. and global economy continue during the last quarter of 2021, the stock market has witnessed significant fluctuations mainly due to the increasing cases of COVID variants and the instability of government economic stimulus programs which have been largely ineffective. Global supply chains still suffer from the long-lasting chip shortage, which has visibly impacted corporate performance across different industries, such as electronic technology, biotechnology, and communication. Consumer supply shortages – literally empty store shelves – have been a detractor to consumer confidence at the same time inflation for consumers and producers is soaring to record levels. Looking into 2022, The Conference Board (TCB) forecasts that the US economy will grow by 3.5%, compared to the 5.6% growth prediction for 2021. Economic concerns over the momentum of recovery, inflation, and consumer confidence are widely believed to be the key factors for the 2022 economic outlook.

The performance of the U.S. innovation index started to pick up during the last quarter of 2021. Active innovators, including Microsoft, Ford, and Applied Materials are among the top contributors for the outperformance. For the global innovation index, while most of the returns are contributed by U.S. constituents, the performances of several global innovators are remarkable. For example, Nokia Oyj shares the 5th highest index weight (1.36%) at the beginning of Q4 2021 and returned 15.90% compared to the index average 3.21%.

Moving into Q1 2022, the U.S. and global indexes still favor active innovators with strong abilities to overcome the recent supply chain shocks and global trade frictions. For example, Ford Motor Company, which has achieved tremendous performance during Q4 2021, continues to constitute a large weight for both the U.S. and global indexes. It is expected that the company's performance will maintain its momentum due to the positive outlook of its management team and its newly introduced product lines. From the sector classification level, the electronic technology sector remains the top-weighted sector among the U.S. and global indexes, making up over 20% of the total index weights for Q1 2022. Besides, it is noticeable to see that the health technology sector witnesses the highest weight increase for the U.S. index, with its weights increasing from 15.13% to 20.41% moving into the new quarter.

Innovation α [®] Global Index (INAG Index)

INAG top 5 companies by 2022Q1 weight

FactSet Symbol	Name	Sector	Industry	2022Q1 Weight
BAS-DE	BASF SE	Process Industries	Chemicals: Major Diversified	1.67%
AAL-GB	Anglo American plc	Non-Energy Minerals	Other Metals/Minerals	1.60%
JMAT-GB	Johnson Matthey Plc	Process Industries	Chemicals: Major Diversified	1.60%
ADS-DE	adidas AG	Consumer Non-Durables	Apparel/Footwear	1.51%
F-US	Ford Motor Company	Consumer Durables	Motor Vehicles	1.50%

INAG 2022Q1 constituent changes

Count	Added	Deleted
1	F-US Ford Motor Company	UMI-BE Umicore
2	RMD-US ResMed Inc.	PHIA-NL Koninklijke Philips N.V.
3	WHR-US Whirlpool Corporation	KO-US Coca-Cola Company
4	JMAT-GB Johnson Matthey Plc	CLB-US Core Laboratories NV
5	ASML-NL ASML Holding NV	7751-JP Canon Inc.
6	GM-US General Motors Company	FLEX-US Flex Ltd.
7	DCI-US Donaldson Company, Inc.	OC-US Owens Corning
8	KNEBV-FI Kone Oyj Class B	6503-JP Mitsubishi Electric Corp.
9	AXP-US American Express Company	EXPN-GB Experian PLC
10	CRM-US salesforce.com, inc.	ORCL-US Oracle Corporation
11	PHIA-NL Koninklijke Philips N.V.	6752-JP Panasonic Corporation
12	XOM-US Exxon Mobil Corporation	PKG-US Packaging Corporation of America

INAG 2022Q1 weight alterations by Industry Sector

Sector	2022Q1 Weight	2021Q4 Weight	Change
Consumer Durables	11.88%	9.64%	2.24%
Producer Manufacturing	12.08%	10.48%	1.60%
Process Industries	7.59%	6.81%	0.79%
Retail Trade	1.62%	0.85%	0.77%
Finance	4.67%	4.04%	0.63%
Energy Minerals	2.12%	1.52%	0.60%
Health Technology	17.74%	17.67%	0.07%
Communications	1.22%	1.61%	-0.39%
Technology Services	7.35%	7.85%	-0.50%
Electronic Technology	20.51%	21.18%	-0.67%
Non-Energy Minerals	2.41%	3.19%	-0.78%
Industrial Services	2.71%	3.51%	-0.80%
Consumer Services	0.00%	0.85%	-0.85%
Consumer Non-Durables	6.69%	7.62%	-0.93%
Commercial Services	1.42%	3.19%	-1.78%

INAG 2022Q1 weight alterations by Industry Classification

Industry	2022Q1 Weight	2021Q4 Weight	Change
Semiconductors	6.43%	4.06%	2.38%
Motor Vehicles	5.47%	3.36%	2.12%
Chemicals: Major Diversified	3.88%	2.04%	1.84%
Building Products	1.07%	0.00%	1.07%
Industrial Specialties	0.81%	0.00%	0.81%
Industrial Machinery	3.53%	2.73%	0.80%
Internet Retail	1.62%	0.85%	0.77%
Finance/Rental/Leasing	2.03%	1.35%	0.68%
Integrated Oil	1.51%	0.85%	0.66%
Metal Fabrication	0.95%	0.57%	0.38%
Medical Specialties	8.85%	8.57%	0.29%

Electronics/Appliances	2.48%	2.30%	0.17%
Computer Processing Hardware	1.51%	1.35%	0.16%
Automotive Aftermarket	0.71%	0.57%	0.15%
Investment Banks/Brokers	0.81%	0.67%	0.14%
Steel	0.81%	0.67%	0.14%
Information Technology Services	2.37%	2.26%	0.11%
Electronic Production Equipment	1.32%	1.24%	0.08%
Recreational Products	1.53%	1.51%	0.02%
Trucks/Construction/Farm Machinery	1.93%	1.92%	0.02%
Engineering & Construction	1.20%	1.23%	-0.03%
Chemicals: Specialty	0.61%	0.67%	-0.06%
Commercial Printing/Forms	0.61%	0.67%	-0.06%
Data Processing Services	0.61%	0.67%	-0.06%
Life/Health Insurance	0.61%	0.67%	-0.06%
Multi-Line Insurance	0.61%	0.67%	-0.06%
Oil & Gas Production	0.61%	0.67%	-0.06%
Property/Casualty Insurance	0.61%	0.67%	-0.06%
Apparel/Footwear	3.46%	3.52%	-0.07%
Auto Parts: OEM	1.32%	1.39%	-0.07%
Pharmaceuticals: Major	7.67%	7.76%	-0.08%
Pharmaceuticals: Other	1.22%	1.35%	-0.13%
Pulp & Paper	1.07%	1.23%	-0.15%
Computer Peripherals	1.83%	2.02%	-0.19%
Internet Software/Services	1.59%	1.79%	-0.20%
Tools & Hardware	1.68%	1.90%	-0.22%
Household/Personal Care	2.42%	2.75%	-0.33%
Telecommunications Equipment	4.05%	4.39%	-0.34%
Packaged Software	2.77%	3.12%	-0.35%
Major Telecommunications	1.22%	1.61%	-0.39%
Beverages: Non-Alcoholic	0.81%	1.35%	-0.53%
Industrial Conglomerates	3.27%	3.87%	-0.60%
Electronic Components	0.00%	0.67%	-0.67%
Oilfield Services/Equipment	1.51%	2.28%	-0.78%
Other Consumer Services	0.00%	0.85%	-0.85%
Electronic Equipment/Instruments	1.43%	2.28%	-0.85%
Other Metals/Minerals	1.60%	2.52%	-0.92%
Aerospace & Defense	3.95%	5.18%	-1.23%
Containers/Packaging	1.22%	2.87%	-1.65%
Miscellaneous Commercial Services	0.81%	2.52%	-1.71%

Innovation α ® United States Index (INAU Index)

INAU top 5 companies by 2022Q1 weight

FactSet Symbol	Name	Sector	Industry	2022Q1 Weight
AAPL-US	Apple Inc.	Electronic Technology	Telecommunications Equipment	3.62%
AMAT-US	Applied Materials, Inc.	Producer Manufacturing	Industrial Machinery	2.50%
F-US	Ford Motor Company	Consumer Durables	Motor Vehicles	2.50%
HON-US	Honeywell International Inc.	Producer Manufacturing	Industrial Conglomerates	2.50%
AMP-US	Ameriprise Financial, Inc.	Finance	Investment Banks/Brokers	2.12%

INAU 2022Q1 constituent changes

Count	Added		Deleted	
1	MGI-US	MoneyGram International, Inc.	JPM-US	JPMorgan Chase & Co.
2	CRM-US	salesforce.com, inc.	ORCL-US	Oracle Corporation
3	ILMN-US	Illumina, Inc.	TMO-US	Thermo Fisher Scientific Inc.
4	PKI-US	PerkinElmer, Inc.	BDX-US	Becton, Dickinson and Company
5	PHG-US	Koninklijke Philips N.V. Sponsored ADR	WOLF-US	Wolfspeed Inc
6	SAP-US	SAP SE Sponsored ADR	BKNG-US	Booking Holdings Inc.
7	EFX-US	Equifax Inc.	AXP-US	American Express Company
8	ALLE-US	Allegion PLC	SWK-US	Stanley Black & Decker, Inc.
9	ICUI-US	ICU Medical, Inc.	CAH-US	Cardinal Health, Inc.
10	WU-US	Western Union Company	C-US	Citigroup Inc.

INAU 2022Q1 weight alterations by Industry Sector

Sector	2022Q1 Weight	2021Q4 Weight	Change
Health Technology	20.41%	15.13%	5.27%
Commercial Services	2.75%	0.00%	2.75%
Consumer Durables	6.62%	4.07%	2.56%
Finance	8.25%	6.40%	1.85%
Process Industries	6.50%	4.73%	1.76%
Electronic Technology	24.70%	24.27%	0.43%
Retail Trade	2.08%	1.87%	0.22%
Energy Minerals	0.67%	0.67%	0.00%
Health Services	0.00%	0.00%	0.00%
Non-Energy Minerals	0.33%	0.33%	0.00%
Consumer Services	0.00%	0.33%	-0.33%
Distribution Services	0.00%	0.33%	-0.33%
Industrial Services	2.79%	3.80%	-1.01%
Consumer Non-Durables	4.46%	6.00%	-1.54%
Communications	0.67%	2.40%	-1.73%
Producer Manufacturing	11.12%	13.00%	-1.88%
Technology Services	8.66%	16.67%	-8.00%

INAU 2022Q1 weight alterations by Industry Classification

Industry	2022Q1 Weight	2021Q4 Weight	Change
Medical Specialties	14.12%	10.20%	3.92%
Semiconductors	4.50%	1.67%	2.83%
Miscellaneous Commercial Services	2.75%	0.00%	2.75%
Chemicals: Major Diversified	2.75%	0.67%	2.08%
Motor Vehicles	3.87%	1.87%	2.01%
Investment Banks/Brokers	2.12%	0.33%	1.79%
Biotechnology	1.75%	0.00%	1.75%
Food: Major Diversified	2.08%	0.67%	1.42%
Internet Retail	1.75%	0.33%	1.42%
Building Products	1.37%	0.00%	1.37%
Electronic Components	1.75%	0.67%	1.08%
Recreational Products	1.37%	0.33%	1.04%
Finance/Rental/Leasing	3.08%	2.20%	0.88%
Telecommunications Equipment	8.20%	7.60%	0.60%
Computer Processing Hardware	2.08%	1.87%	0.22%
Life/Health Insurance	2.04%	1.87%	0.17%
Industrial Machinery	4.21%	4.13%	0.07%
Apparel/Footwear	0.33%	0.33%	0.00%
Beverages: Non-Alcoholic	0.33%	0.33%	0.00%
Data Processing Services	0.33%	0.33%	0.00%
Electronic Production Equipment	0.67%	0.67%	0.00%
Integrated Oil	0.67%	0.67%	0.00%
Property/Casualty Insurance	0.33%	0.33%	0.00%
Real Estate Investment Trusts	0.33%	0.33%	0.00%
Steel	0.33%	0.33%	0.00%
Electronic Equipment/Instruments	1.37%	1.53%	-0.16%
Electronics/Appliances	1.37%	1.53%	-0.16%
Computer Peripherals	1.71%	1.87%	-0.16%
Containers/Packaging	3.75%	4.07%	-0.32%
Major Banks	0.33%	0.67%	-0.33%
Medical Distributors	0.00%	0.33%	-0.33%
Other Consumer Services	0.00%	0.33%	-0.33%
Tools & Hardware	0.00%	0.33%	-0.33%
Pharmaceuticals: Major	4.54%	4.93%	-0.39%
Financial Conglomerates	0.00%	0.67%	-0.67%
Industrial Conglomerates	2.83%	3.60%	-0.77%
Oilfield Services/Equipment	2.79%	3.80%	-1.01%
Specialty Stores	0.33%	1.53%	-1.20%
Trucks/Construction/Farm Machinery	0.67%	1.87%	-1.20%
Electrical Products	2.04%	3.40%	-1.36%
Major Telecommunications	0.67%	2.40%	-1.73%
Information Technology Services	1.00%	3.40%	-2.40%
Internet Software/Services	2.12%	4.73%	-2.61%

Household/Personal Care	1.71%	4.67%	-2.96%
Packaged Software	5.21%	8.20%	-2.99%
Aerospace & Defense	4.42%	8.40%	-3.98%

Martin Global Innovative Equity (MGIE) Trade War Index (TWAR Index)

TWAR top 5 companies by 2022Q1 weight

FactSet Symbol	Name	Sector	Industry	2022Q1 Weight
F-US	Ford Motor Company	Consumer Durables	Motor Vehicles	1.69%
AMAT-US	Applied Materials, Inc.	Producer Manufacturing	Industrial Machinery	1.59%
AAPL-US	Apple Inc.	Electronic Technology	Telecommunications Equipment	1.46%
MSFT-US	Microsoft Corporation	Technology Services	Packaged Software	1.30%
PFE-US	Pfizer Inc.	Health Technology	Pharmaceuticals: Major	1.30%

TWAR 2022Q1 Constituent changes

Count	Added	Deleted
1	F-US Ford Motor Company	UMI-BE Umicore
2	RMD-US ResMed Inc.	PHIA-NL Koninklijke Philips N.V.
3	WHR-US Whirlpool Corporation	KO-US Coca-Cola Company
4	JMAT-GB Johnson Matthey Plc	CLB-US Core Laboratories NV
5	ASML-NL ASML Holding NV	7751-JP Canon Inc.
6	GM-US General Motors Company	FLEX-US Flex Ltd.
7	DCI-US Donaldson Company, Inc.	OC-US Owens Corning
8	KNEBV-FI Kone Oyj Class B	6503-JP Mitsubishi Electric Corp.
9	AXP-US American Express Company	EXPN-GB Experian PLC
10	CRM-US salesforce.com, inc.	ORCL-US Oracle Corporation
11	PHIA-NL Koninklijke Philips N.V.	6752-JP Panasonic Corporation
12	XOM-US Exxon Mobil Corporation	PKG-US Packaging Corporation of America

TWAR 2022Q1 Weight alterations by Industry Sector

Sector	2022Q1 Weight	2021Q4 Weight	Change
Producer Manufacturing	12.88%	10.48%	2.41%
Consumer Durables	11.43%	9.64%	1.79%
Finance	5.25%	4.04%	1.22%
Retail Trade	1.83%	0.85%	0.98%
Energy Minerals	2.38%	1.52%	0.86%
Health Technology	17.97%	17.67%	0.30%
Electronic Technology	21.27%	21.18%	0.09%
Technology Services	7.89%	7.85%	0.04%
Process Industries	6.58%	6.81%	-0.23%
Communications	1.37%	1.61%	-0.24%

Consumer Services	0.00%	0.85%	-0.85%
Industrial Services	2.47%	3.51%	-1.04%
Non-Energy Minerals	1.83%	3.19%	-1.37%
Commercial Services	1.37%	3.19%	-1.82%
Consumer Non-Durables	5.48%	7.62%	-2.14%

TWAR 2022Q1 Weight alterations by Industry Classification

Industry	2022Q1 Weight	2021Q4 Weight	Change
Semiconductors	6.50%	4.06%	2.44%
Motor Vehicles	4.84%	3.36%	1.48%
Industrial Machinery	4.10%	2.73%	1.37%
Internet Retail	1.83%	0.85%	0.98%
Finance/Rental/Leasing	2.28%	1.35%	0.94%
Building Products	0.91%	0.00%	0.91%
Industrial Specialties	0.91%	0.00%	0.91%
Integrated Oil	1.70%	0.85%	0.85%
Medical Specialties	9.18%	8.57%	0.61%
Chemicals: Major Diversified	2.61%	2.04%	0.57%
Metal Fabrication	1.03%	0.57%	0.46%
Computer Processing Hardware	1.70%	1.35%	0.35%
Information Technology Services	2.51%	2.26%	0.25%
Investment Banks/Brokers	0.91%	0.67%	0.24%
Steel	0.91%	0.67%	0.24%
Trucks/Construction/Farm Machinery	2.14%	1.92%	0.23%
Electronics/Appliances	2.51%	2.30%	0.21%
Automotive Aftermarket	0.77%	0.57%	0.20%
Electronic Production Equipment	1.37%	1.24%	0.13%
Chemicals: Specialty	0.77%	0.67%	0.10%
Recreational Products	1.60%	1.51%	0.09%
Auto Parts: OEM	1.46%	1.39%	0.07%
Computer Peripherals	2.06%	2.02%	0.04%
Pharmaceuticals: Other	1.37%	1.35%	0.03%
Commercial Printing/Forms	0.69%	0.67%	0.01%
Data Processing Services	0.69%	0.67%	0.01%
Life/Health Insurance	0.69%	0.67%	0.01%
Multi-Line Insurance	0.69%	0.67%	0.01%
Oil & Gas Production	0.69%	0.67%	0.01%
Property/Casualty Insurance	0.69%	0.67%	0.01%
Internet Software/Services	1.79%	1.79%	0.00%
Telecommunications Equipment	4.29%	4.39%	-0.10%
Tools & Hardware	1.71%	1.90%	-0.19%
Packaged Software	2.90%	3.12%	-0.22%
Major Telecommunications	1.37%	1.61%	-0.24%
Pulp & Paper	0.91%	1.23%	-0.32%
Pharmaceuticals: Major	7.42%	7.76%	-0.34%
Beverages: Non-Alcoholic	0.91%	1.35%	-0.43%
Engineering & Construction	0.77%	1.23%	-0.46%

Oilfield Services/Equipment	1.70%	2.28%	-0.59%
Industrial Conglomerates	3.25%	3.87%	-0.62%
Electronic Components	0.00%	0.67%	-0.67%
Household/Personal Care	2.06%	2.75%	-0.69%
Other Consumer Services	0.00%	0.85%	-0.85%
Electronic Equipment/Instruments	1.37%	2.28%	-0.91%
Apparel/Footwear	2.51%	3.52%	-1.01%
Aerospace & Defense	3.99%	5.18%	-1.19%
Containers/Packaging	1.37%	2.87%	-1.49%
Other Metals/Minerals	0.91%	2.52%	-1.61%
Miscellaneous Commercial Services	0.69%	2.52%	-1.84%

Index Performance

	2020Q4 Return (9/25/2020 - 12/28/2020)	2021Q1 Return (12/28/2020 - 3/26/2021)	2021Q2 Return (3/26/2021 - 6/25/2021)	2021Q3 Return (6/25/2021 - 9/24/2021)	2021Q4 Return (9/24/2021 - 12/29/2021)	Last Year Return (12/29/2020 - 12/29/2021)	Year-to-Date Return (1/4/2021 - 12/29/2021)
Innovation α[®] US Index	18.24%	8.82%	5.08%	1.14%	6.41%	23.53%	24.75%
Russell 1000 Index	14.99%	6.02%	7.86%	3.62%	6.30%	26.31%	27.27%
Innovation α[®] Global Index	19.84%	9.29%	7.36%	0.02%	3.12%	20.89%	20.93%
MGIE Trade War Index	19.60%	9.87%	6.79%	0.48%	3.21%	21.53%	21.73%
MSCI ACWI Index	15.44%	5.06%	7.21%	1.18%	3.55%	17.64%	17.64%