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Information about the index, including rule book, company description and historic data, can be found at:  
[www.poliwoggindexes.com](http://www.poliwoggindexes.com)

TICKERS:

Poliwogg Healthcare Innovation Index: PHIX

Poliwogg Healthcare Innovation Total Return Index: PHIXTR

March 2017

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Q1 2017 Review: Poliwogg Healthcare Innovation Total Return Index

**Index Performance.** The Poliwogg Healthcare Innovation Total Return Index (TICKER: PHIXTR) increased +25.18% from 1291.93 to 1617.27 in the quarter ended March 2017. This compares to an increase in The S-Network 500 Total Return Index (TICKER: SN500T) of +6.25% and an increase in the Dynamic Biotech & Genome Intellidex Total Return Index (TICKER: DZOTR) of +8.99%.

The Poliwogg Healthcare Innovation Total Return Index is up +29.25% in the past 12 months. This compares to a +17.59% rise in The S-Network 500 Total Return Index and +10.71% increase in the Dynamic Biotech & Genome Intellidex Total Return Index .

**Index Description.** The Poliwogg Healthcare Innovation Index (TICKER: PHIX) is designed to capture merger and acquisition opportunities in the pharmaceutical industry. PHIX consists of companies included in the Poliwogg Biopharma Merger & Acquisition Index (PBMA) that pass additional screens .

**Inclusion Criteria.** PHIX consists of companies listed on a US stock exchange and principally engaged in one of the following healthcare sectors: a) biotechnology and b) pharmaceuticals. Constituents must have a market capitalization of no less than \$1 billion and no more than \$50 billion. Constituents must sustain an average daily trading volume in excess of \$1 million for the 90-day period preceding a reconstitution. Constituents must have one or more drugs in either Phase II or Phase III US Food and Drug Administration (FDA) clinical trials which are not in a partnership. Constituents must also have drugs which meet one of the following criteria:

- I. Breakthrough, Fast Track or Orphan drug status
- II. Expected Catalyst within the next 24 months

The number of stocks contained in the PHIX is fixed at 30. If more than 30 companies exhibit the above criteria the index selects the 30 companies with the highest ratio of peak forecasted sales for the drugs in clinical trials to full market capitalization. If fewer than 30 companies exhibit the above criteria the index selects the 30 companies with the highest ratio of peak forecasted sales for the drugs in clinical trials to full market capitalization.

**Weighting Methodology.** The constituents of PHIX are equal weighted .

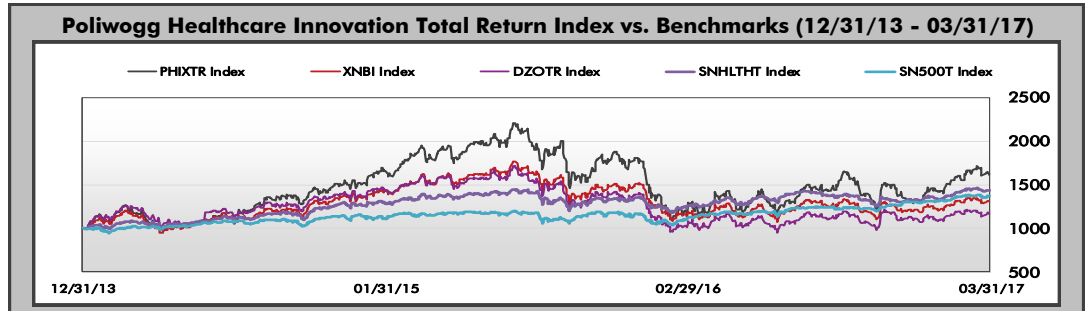
**Rebalancing.** PHIX is reconstituted semi-annually on the third Friday of June and December of each year. In addition, PHIX is rebalanced quarterly on the third Friday of the last month of each calendar quarter .

**Index Data.** PHIX is calculated daily by S-Network Global Indexes. Daily values from December 31, 2013 are available on the Poliwogg website and through various data vendors. End-of-day index values are distributed daily via the NYSE Global Index Feed .

Leading Movers				
Company Name	Ticker	Opening	Closing	Change
KITE PHARMA INC	KITE US	44.84	78.49	75.04%
VERTEX PHARMACEUTICALS INC	VRTX US	73.67	109.35	48.43%
BLUEBIRD BIO INC	BLUE US	61.7	90.9	47.33%
THE MEDICINES COMPANY	MDCO US	33.94	48.9	44.08%
CLOVIS ONCOLOGY INC	CLVS US	44.42	63.67	43.34%

Lagging Movers				
Company Name	Ticker	Opening	Closing	Change
OPHTHOTECH CORP	OPHT US	4.83	3.66	-24.22%
VALEANT PHARMACEUTICALS INTL	VRX US	14.52	11.03	-24.04%
HORIZON PHARMA PLC	HZNP US	16.18	14.78	-8.65%
ULTRAGENYX PHARMACEUTICAL INC	RARE US	70.31	67.78	-3.60%
ALEXION PHARMACEUTICALS INC	ALXN US	122.35	121.24	-0.91%



\*Note: This chart is a normalized historical graph  
Data Source: Bloomberg Data as of March 31, 2017

This chart is for illustrative purposes only. Historical information is not indicative of future results; current data may differ from data quoted. Investors cannot invest directly in index. Index returns do not reflect any management fees or brokerage expenses.

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Index Statistical Profile

Capitalization Profile		
Number of Constituents	30	
TOTAL MARKET CAPITALIZATION	151.21	Billion USD
LARGEST MARKET CAPITALIZATION	27.30	Billion USD
SMALLEST MARKET CAPITALIZATION	131.06	Million USD
AVERAGE MARKET CAPITALIZATION	5.04	Billion USD
MEDIAN MARKET CAPITALIZATION	2.49	Billion USD

Total Return Appreciation					
	PHIXTR	XNBI	DZOTR	SNHLTHT	SN500T
Since Inception	61.73%	30.95%	16.25%	43.09%	36.74%
3 Year	50.71%	25.62%	3.12%	35.17%	34.40%
1 Year	29.25%	13.04%	10.71%	12.47%	17.59%

Compound Annual Growth Rate (CAGR)					
	PHIXTR	XNBI	DZOTR	SNHLTHT	SN500T
Since Inception	15.94%	8.65%	4.74%	11.66%	10.11%
3 Year	14.65%	7.90%	1.03%	10.57%	10.36%
1 Year	29.25%	13.04%	10.71%	12.47%	17.59%

Annualized Standard Deviation (Monthly)					
	PHIXTR	XNBI	DZOTR	SNHLTHT	SN500T
Since Inception	35.38%	24.81%	27.13%	12.94%	10.58%
3 Year	35.41%	24.23%	26.51%	13.07%	10.49%
1 Year	37.22%	23.39%	24.30%	12.52%	6.18%

Sharpe Ratio					
	PHIXTR	XNBI	DZOTR	SNHLTHT	SN500T
Since Inception	0.5996	0.4547	0.3027	0.9064	0.9479
3 Year	0.5675	0.4304	0.1676	0.8217	0.9757
1 Year	0.8595	0.6173	0.5159	0.9686	2.6043

\*All data as of March 31, 2017

\*\*Dependent variable shown in Column Headers, Independent shown in Row Headers

Top Ten Constituents				
Company	Ticker	Country	Weight	
VERTEX PHARMACEUTICALS INC	VRTX US	UNITED STATES	4.04%	
AGIOS PHARMACEUTICALS INC	AGIO US	UNITED STATES	3.88%	
GALAPAGOS NV	GLPG US	BELGIUM	3.85%	
AXOVANT SCIENCES LTD	AXON US	UNITED STATES	3.83%	
JAZZ PHARMACEUTICALS PLC	JAZZ US	UNITED STATES	3.74%	
BLUEBIRD BIO INC	BLUE US	UNITED STATES	3.56%	
CLOVIS ONCOLOGY INC	CLVS US	UNITED STATES	3.54%	
ALNYLAM PHARMACEUTICALS INC	ALNY US	UNITED STATES	3.51%	
IRONWOOD PHARMACEUTICALS INC	IRWD US	UNITED STATES	3.41%	
PACIRA PHARMACEUTICALS INC	PCRX US	UNITED STATES	3.39%	

Beta Matrix** (3 Year/Monthly)					
	PHIXTR	XNBI	DZOTR	SNHLTHT	SN500T
PHIXTR	1.0000	0.6504	0.7051	0.3078	0.1858
XNBI	1.3888	1.0000	1.0714	0.4870	0.2952
DZOTR	1.2579	0.8952	1.0000	0.4273	0.2690
SNHLTHT	2.2579	1.6729	1.7570	1.0000	0.6371
SN500T	2.1163	1.5742	1.7172	0.9891	1.0000

Correlation Matrix** (5 Year/Monthly)					
	PHIXTR	XNBI	DZOTR	SNHLTHT	SN500T
PHIXTR	1.0000				
XNBI	0.9504	1.0000			
DZOTR	0.9418	0.9793	1.0000		
SNHLTHT	0.8337	0.9026	0.8665	1.0000	
SN500T	0.6271	0.6816	0.6797	0.7939	1.0000

R-Square Matrix** (3 Year/Monthly)					
	PHIXTR	XNBI	DZOTR	SNHLTHT	SN500T
PHIXTR	1.0000				
XNBI	0.9033	1.0000			
DZOTR	0.8869	0.9590	1.0000		
SNHLTHT	0.6950	0.8146	0.7508	1.0000	
SN500T	0.3933	0.4646	0.4619	0.6302	1.0000

Index Composition

