Nasdaq Dorsey Wright

Technical Insights, Powerful Solutions
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Our Company

Nasdaq Dorsey Wright is a registered investment advisory firm based in Richmond, Virginia. Over the last thirty years, our research platform, SMA/UMA strategies, indexes, and team of analysts has created more informed, conversations for advisors, investment managers and their clients. Now a part of Nasdaq, we continue to help market participants build and protect client wealth. As a single company, we are now one of the largest providers of smart beta indexes with nearly 456.8 billion in assets under management tracking Nasdaq smart beta Indexes.

Nasdaq Dorsey Wright’s expertise is technical analysis, focusing on the steadfast relationship between supply and demand in the markets. Our Research Platform helps clients see through the day-to-day clutter of market movements and provides a clear understanding of where market strength lies at all times.

Nasdaq Dorsey Wright’s objective, logical approach can reduce uncertainty in the market, aid in effectively allocating assets, and enable you to manage risk. Nasdaq Dorsey Wright research will provide you with a compass, helping to steer your financial
Our Mission

Our mission is to empower investors. We provide data, research, and tools that enable investors to manage portfolios based on unbiased, unemotional, objective data. As a provider of technical analysis research for over 30 years, our tools and strategies have guided clients through multiple bull and bear markets. Technology has enabled great improvements during that time, but our greatest asset is experience.

Service is a way of life at Nasdaq Dorsey Wright. We have tremendous client loyalty because our highest calling is to educate, empower, and support our clients in every way possible.

Our Clients

Our clients dare to stand out from the rest – and benefit from the differentiation that comes from having a clear and effective investment strategy based on time-tested principles. They understand that investors will ultimately demand that they add value to earn their business in the long run.

Nasdaq Dorsey Wright methodologies and research tools are very transparent. Our investment guidance, whether applied to countries, sectors, or individual securities, is objective and highly rules-based. Investors intuitively understand concepts such as Relative Strength, so advisors are well-positioned to talk to them about management of their portfolio. Nasdaq Dorsey Wright gives advisors a meaningful point of differentiation, and their clients value them for it.
Our Research Methodology: Simple Economics

Simply stated, Nasdaq Dorsey Wright focuses on the “price” of a security, because it is the ultimate determinant of supply and demand in the marketplace. When you cut through all the red tape on Wall Street, what moves equity prices is supply and demand. It is nothing more than ECONOMICS 101. We know why produce rotates in and out of the market each season; we don’t buy summer squash in the winter or winter squash in the summer. The same forces that move prices in the supermarket move the stock market. When all is said and done, if there are more buyers than sellers willing to sell, the price will move higher. If there are more sellers than buyers willing to buy, the price will move lower. Analyzing the price action of a security can yield important information as to what is winning the battle for that security – supply or demand.

The Point & Figure methodology has been around for over 100 years. One of the first proponents of the methodology was Charles Dow, the first editor of The Wall Street Journal. Charles Dow was a fundamentalist at heart, yet he understood the importance of the supply and demand relationship in any stock. The Point & Figure methodology is still valuable today because it as a logical, organized way of recording the forces of supply and demand. Nasdaq Dorsey Wright has taken this time-tested approach and given it new life by applying technology. Relative Strength – analyzing the performance of investment options against one another – is a valuable offshoot of Point & Figure. Dorsey Wright is recognized by Wall Street as an industry leader in Point & Figure charting and Relative Strength analysis.

A Road Map for Investing

If you were going to take a trip, driving from Washington, D.C., to San Francisco, California, what would be the first thing you would do? Most likely, you would pull out your GPS or road map. You wouldn’t just blindly jump on any road and hope that it was the one that takes you to San Francisco. The probability of reaching your destination would be pretty slim. Unfortunately, most investors jump into investments with no road map to guide them through their financial journey. Point & Figure and Relative Strength methodologies provide us with an unbiased road map for the investment journey in any particular stock or fund.

Nasdaq Dorsey Wright’s Presence on Wall Street

Nasdaq Dorsey Wright has a large footprint on Wall Street and around the world. From all over North America, the Asia-Pacific region and even remote locations like the West Indies and Malta, our client base includes financial professionals such as brokers, advisors, money managers and the major ETF providers. Many of our clients hail from some of the world’s largest brokerage firms and major wirehouses. These relationships have endured for years – in many cases since 1987, when Nasdaq Dorsey Wright was born.
Our Research Platform: A Complete Research Solution

Our research platform is a complete technical analysis solution – from broad market insights, to portfolio management tools and investment models, all the way to Point & Figure charts on over 40,000 stocks, funds and ETFs traded around the world. These are the same tools we use to direct our own indexes and models, which are used in products like the First Trust Focus 5 ETF and the suite of PowerShares DWA Momentum ETFs.

Thousands of financial professionals rely on Dorsey Wright to manage their investments daily. Some of the most valuable tools we provide include:

- **Daily Equity & Market Report**: a comprehensive daily report that provides timely market insights.
- **Dynamic Asset Level Investing (DALI) Tool**: our Tactical Asset Allocation guide
- **Guided Model Portfolios**: ETF and stock models based on Relative Strength
- **Point & Figure Charts**: a comprehensive database of over 25,000 global stocks, 1,400 ETFs, and 16,000 mutual funds
- **Portfolio Management and Evaluation**: custom portfolio tools and alerts that make portfolio management easy
- **Dorsey Wright Mobile App**: a streamlined version of the DWA Research Platform for the iPad/iPhone that integrates directly with customized settings.

Visit our website to learn more and set up a trial subscription to the DWA Research Platform.
Nasdaq Dorsey Wright Managed Solutions

Our managed products and investment services give you turn-key access to Relative Strength strategies, driven by Nasdaq Dorsey Wright’s global technical research.

EXCHANGE TRADED PRODUCTS (ETFS AND ETNS) /

Nasdaq Dorsey Wright has helped power the trend toward intelligent indexing within ETFs since 2007. The current roster of DWA-branded ETFs collectively provide disciplined investment solutions for every major asset class.

**US Equity Rotation**
- Invesco DWA Momentum Portfolio (PDP)
- Invesco DWA SmallCap Momentum Portfolio (DWAS)
- Invesco DWA NASDAQ Momentum Portfolio (DWAQ)

**Sector Rotation**
- First Trust Dorsey Wright Focus 5 ETF (FV)
- First Trust Dorsey Wright Dynamic Focus 5 ETF (FVC)
- Invesco DWA Tactical Sector Rotation Portfolio (DWTR)
- Alps Dorsey Wright Sector Momentum ETF (SWIN)

**Sector/Industry Specific**
- Invesco DWA Basic Materials Momentum Portfolio (PYZ)
- Invesco DWA Consumer Cyclicals Momentum Portfolio (PEZ)
- Invesco DWA Consumer Staples Momentum Portfolio (PSL)
- Invesco DWA Energy Momentum Portfolio (PXI)
- Invesco DWA Financial Momentum Portfolio (PFI)
- Invesco DWA Healthcare Momentum Portfolio (PTH)
- Invesco DWA Industrials Momentum Portfolio (PRN)
- Invesco DWA Technology Momentum Portfolio (PTF)
- Invesco DWA Utilities Momentum Portfolio (PUI)

**International**
- Invesco DWA Developed Markets Momentum Portfolio (PIZ)
- Invesco DWA Emerging Markets Momentum Portfolio (PIE)
- First Trust Dorsey Wright International Focus 5 ETF (IFV)
- AdvisorShares Dorsey Wright ADR ETF (AADR)
- Arrow DWA Country Rotation ETF (DWCR)

**Multi-Asset/Dynamic**
- Arrow DWA Tactical ETF (DWAT)
- Invesco DWA Momentum & Low Volatility Rotation Portfolio (DWLV)
- First Trust Dorsey Wright DALI 1 ETF (DALI)

**Alternative Assets**
- BMO Elkhorn DWA MLP Select Index ETN (BMLP)

**Canadian Listed**
- Invesco DWA Global Momentum Index ETF (DWG)
- First Trust Dorsey Wright U.S. Sector Rotation Index ETF (FSR)
DORSEY WRIGHT

MUTUAL FUNDS /
Nasdaq Dorsey Wright’s unique applications of relative strength as a tactical investing engine can be accessed through various Mutual Fund providers. These investment methodologies focus upon active risk management and multi-asset class solutions.

ARROW FUNDS /
The Arrow DWA Balanced Fund seeks to achieve an appropriate balance between long-term capital appreciation and capital preservation by investing in foreign and domestic equities, alternative assets, and fixed income. The Arrow DWA Tactical Fund provides similar advantages to the Arrow DWA Balanced Fund, but with fewer constraints in terms of exposure to various asset classes. Dorsey Wright is the model provider for both funds.
- Arrow DWA Balanced Fund (DWAFX)
- Arrow DWA Tactical Fund (DWTFX)

VIRTUS INVESTMENT PARTNERS FUNDS /
The Virtus Trend Suite implements Nasdaq Dorsey, Wright & Associates’ technical analysis in rigorously constructed, risk-managed portfolios with the objective of delivering attractive long-term returns while limiting losses during periods of major market declines.
- Virtus Equity Trend Fund (VAPAX)
- Virtus Global Equity Trend Fund (VGPAX)
- Virtus Multi-Asset Trend Fund (VAAAX)
- Virtus Sector Trend Fund (PWBAX)

STRUCTURED PRODUCTS
THE DWA LARGE CAP SECTOR ROTATION TARGET VOLATILITY 7 STRATEGY CD /
Nasdaq Dorsey Wright has partnered with Elkhorn Investments and BNP Paribas to bring a market-linked certificate of deposit, the DWA Large Cap Sector Rotation Target Volatility 7 Strategy CD. The index underlying the CD is constructed using Nasdaq Dorsey Wright’s Relative Strength methodology and a volatility control that targets 7% annual volatility. The strategy uses the SPDR ® sector line-up to provide equal exposure to the five strongest sectors in this underlying index. The volatility control feature provides varying exposure to this underlying sector rotation index over time, decreasing exposure as overall market volatility rises.

THE ELKHORN DWA TACTICAL TILT 5% VOLATILITY TARGET STRATEGY CD /
Nasdaq Dorsey Wright has also partnered with Elkhorn and Barclays to bring a market linked certificate of deposit, linked to the Elkhorn DWA Tactical Tilt 5% Volatility Target Index. The Index’s objective is to provide notional exposure, on an excess-return basis, to the Elkhorn Tactical Tilt Index, while targeting a volatility of 5%. The Elkhorn Tactical Tilt Index tracks a dynamic portfolio selected from a universe of 25 components including exchange-traded funds, indexes, currency exchange rates, and cash. The components represent six asset classes: U.S. Equities, International Equities, Fixed Income, Currencies, Commodities, and Cash. The Index Components selected for inclusion represent the asset classes that have demonstrated the greatest Relative Strength. The volatility control feature provides varying exposure to this underlying asset class rotation index over time, decreasing exposure as overall market volatility rises.
SEPARATELY MANAGED & UNIFIED MANAGED ACCOUNT SOLUTIONS /

Many of our Relative Strength-based strategies are available as separately managed accounts (SMAs) and/or unified managed accounts (UMAs). All of our managed solutions employ disciplined, rules-based methodologies that seek to capitalize upon long-term leadership trends. Although all of these strategies are managed using Relative Strength, the investment universe and model constraints differ from strategy to strategy, resulting in different risk and return profiles. The following strategies are offered on multiple platforms (customized solutions are available upon request):

**Equity-Focused**
- Systematic RS Agressive
- Systematic RS Core
- Systematic RS International
- Systematic RS Growth

**Multi-Asset Class**
- Tactical Tilt ETF Portfolios
- Systematic RS Balanced
- Global Macro

**Fixed Income (ETF)**
- Tactical Fixed Income

GROWTH UNIT INVESTMENT TRUSTS

**FIRST TRUST - THE DORSEY WRIGHT RELATIVE STRENGTH TOP 50 /**

The Relative Strength Top 50 is a First Trust Unit Investment Trust that invests in stocks Dorsey Wright selects using our proprietary investment process and is designed to be held over the fixed 15-month term of the trust. The trust is constructed as an equally-weighted portfolio of high Relative Strength securities, which seeks above-average capital appreciation. The overall sector weighting is designed to be close to that of the current market weights.

**FIRST TRUST - THE DORSEY WRIGHT RELATIVE STRENGTH DIVIDEND /**

Like the Relative Strength Top 50, this is a First Trust Unit Investment Trust that invests in stocks we select and is designed to be held over the fixed 15-month term of the trust. The trust seeks above-average total return through a combination of capital appreciation and dividend income by investing in a portfolio of companies selected by DWA using a comprehensive evaluation process.

**SMARTTRUST - DORSEY WRIGHT INTERNATIONAL MOMENTUM TRUST /**

This 15-month SmartTrust Unit Investment Trust seeks to provide investors with the possibility of capital appreciation through investment in equity securities of foreign companies. Dorsey Wright selects the securities using our proprietary investment process using Relative Strength (momentum) and then equally weights the 50 strongest companies based on their respective Relative Strength rankings.
Nasdaq Dorsey Wright History & Accomplishments

1987  Tom Dorsey and Watson Wright founded Dorsey, Wright & Associates
1994  Dorsey Wright Money Management was created, offering an AUM solution leveraging Dorsey Wright’s research methodologies
1999  Tom Dorsey and Watson Wright were runners-up for Ernst & Young's Entrepreneur of the Year Award
2002  DWA offered its first Guided ETF Model for Sector Rotation, commissioned by iShares
2006  DWA joined with Arrow Funds to launch its first mutual fund, the Arrow DWA Balanced Fund (DWAFX)
2006  DWA and PowerShares launched the first Technical Leaders ETF (PDP) on March 1. 2007 - Lipper named the Arrow DWA Balanced Fund the best in its class for 2007
2007  DWA and Invesco/PowerShares launched two international ETFs (PIZ and PIE) in December
2008  DWA, together with Arrow Funds, brought a second mutual fund to market: the Arrow DWA Tactical Fund (DWTFX)
2011  The Arrow DWA Balanced Fund achieved remarkable status, as its five-year performance placed it in the top 11% of all mutual funds in its category (Asset Allocation Global)
2012  DWA and PowerShares launched a U.S. Small Cap ETF (DWAS) in August
2012  The PowerShares DWA Technical Leaders ETFs crossed $1 billion in AUM
2013  The PowerShares DWA Technical Leaders ETFs crossed $2 billion in AUM
2014  The DWA Technical Leaders lineup of ETFs grew to include 9 broad sector ETFs and the NASDAQ Technical Leaders ETF (DWAQ)
2014  DWA and First Trust launched the First Trust Focus 5 ETF (FV)
2014  DWA partnered with Elkhorn Investments and BNP Paribas to bring its first structured product, the DWA Large Cap Sector Rotation Target Volatility 7 Strategy CD
2015  Nasdaq acquired DWA as part of its Global Information Services division
2015  DWA partnered with Virtus Investment Advisers to provide the research and models for the Virtus Equity Trend Suite, which includes four mutual funds
2016  Seven ETFs launched, including the first Fixed Income ETF tracking a DWA strategy
2017  DWA celebrated its 30th anniversary year in business
Published Books by Nasdaq Dorsey Wright

Tom Dorsey, along with Nasdaq Dorsey Wright analysts, has published numerous books, which are excellent reference sources for learning about the Point & Figure methodology and how to implement it into your investment process. They also provide inspirational lessons about life and finances.

Educational Resources

Understanding the methodology is a crucial first step to truly learning the craft of investing and will enable you to get the most value possible from Nasdaq Dorsey Wright’s research.

To learn more about Nasdaq Dorsey Wright, and Point & Figure and Relative Strength methodologies, visit our website at www.business.nasdaq.com/dorsey-wright. The Support & Education tab contains links to many valuable resources, including various Point & Figure methodology webinars that introduce key concepts of our approach.

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Dorsey Wright & Associates, LLC, a Nasdaq Company, is a registered investment advisory firm.

The relative strength strategy is NOT a guarantee. There may be times where all investments and strategies are unfavorable and depreciate in value. Each investor should carefully consider the investment objectives, risks and expenses of any Exchange-Traded Fund (“ETF”) prior to investing. Before investing in an ETF investors should obtain and carefully read the relevant prospectus and documents the issuer has filed with the SEC. ETFs may result in the layering of fees as ETFs impose their own advisory and other fees.

There are risks inherent in international investments, which may make such investments unsuitable for certain clients. These include, for example, economic, political, currency exchange, rate fluctuations, and limited availability of information on international securities.

Back-tested performance is hypothetical and is provided for informational purposes to illustrate the effects of the strategy during a specific period. The hypothetical returns have been developed and tested by DWA, but have not been verified by any third party and are unaudited. Back-testing performance differs from actual performance because it is achieved through retroactive application of a model investment methodology designed with the benefit of hindsight. Model performance data (both back tested and live) does not represent the impact of material economic and market factors might have on an investment advisor’s decision making process if the advisor were actually managing client money.

Past performance does not guarantee future results. In all securities trading, there is a potential for loss as well as profit. It should not be assumed that recommendations made in the future will be profitable or will equal the performance as shown. Investors should have long-term financial objectives when working with Dorsey, Wright & Associates. Investors cannot invest directly in an Index. ADVICE FROM A SECURITIES PROFESSIONAL IS STRONGLY ADVISED.

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