

## About the Innovation $\alpha$

*The Conference Board Innovation  $\alpha$  Index powered by M•CAM* features 120 global and 100 US rankings of large public companies in two separate indexes. The constituent companies in the indexes are expected to generate higher stock market performance than those that are not in the index because they invest in intangible assets and effectively deploy their innovations. The US and global indexes enable a direct look at the financial outcomes of the companies' innovation activity that arises out of their intangible investments such as patents, trademarks and copyrights.

The indexes demonstrate that companies that focus on innovations – those protected with proprietary rights – will perform better in financial markets in the long-term. The companies in the indexes are weighted according to each firm's ability to invest in, develop, control and deploy intellectual property to achieve strategic advantage over competitors. The index is rules-based and is reweighted quarterly on the first trading day of January, April, July and October. The index is also reconstituted annually on the first trading day of January. During the reconstitution, up to ten percent of the index components may be replaced. Stock prices and market capitalization are not factors in determining index weighting.

In the US index, the top five ranked companies (based on their index weights for Q1 of 2020) are General Electric Company, Microsoft Corporation, 3M Company, Apple Inc., and Abbott Laboratories. In the global index, the top five ranked companies (based on their index weights for Q1 of 2020) are adidas AG, Bayer AG, Bayerische Motoren Werke AG, General Electric Company, and AstraZeneca PLC.

A complete ranking of the most innovative companies (US and global), their weights in the indexes, and their changes in weights is presented in the tables below. The tables below also provide more information on sectors and changes in weights. More information on the innovation index is available in a white paper ([available here](#)), which details the methodology and results.

**Table 1: Innovation  $\alpha$  US and Global Indexes Outperform their Market Benchmarks in the Long Run**

	<b>2019Q3 Return (6/27/2019 - 9/26/2019)</b>	<b>2019Q4 Return (9/26/2019 - 12/27/2019)</b>	<b>Year-To-Date Return (1/2/2019 - 12/27/2019)</b>
<b>Innovation <math>\alpha</math> US Index</b>	1.59%	6.98%	27.30%
Russell 1000 Index	1.62%	8.75%	29.16%
<b>Innovation <math>\alpha</math> Global Index</b>	0.92%	8.64%	27.28%
MSCI ACWI Index	0.18%	8.62%	24.71%

\* Innovation  $\alpha$  Global Index launched on 1/2/2019. The last year return for this index includes the former publication of the data as the CNBC IQ100 powered by M•CAM.

Source: The Conference Board Innovation  $\alpha$  Index Powered by M•CAM

## TABLES

### *The Conference Board Innovation $\alpha$ United States Index powered by M•CAM<sup>1</sup>*

#### **INAU 100 companies**

<b>Name</b>	<b>Sector</b>	<b>Industry</b>	<b>2020Q1_Weight</b>
General Electric Company	Electronic Technology	Aerospace & Defense	6.50%
Microsoft Corporation	Technology Services	Packaged Software	5.00%
3M Company	Producer Manufacturing	Industrial Conglomerates	4.00%
Apple Inc.	Electronic Technology	Telecommunications Equipment	3.00%
Abbott Laboratories	Health Technology	Medical Specialties	2.00%
Advanced Micro Devices, Inc.	Electronic Technology	Semiconductors	2.00%
American Express Company	Finance	Financial Conglomerates	2.00%
Boeing Company	Electronic Technology	Aerospace & Defense	2.00%
Baxter International Inc.	Health Technology	Medical Specialties	2.00%
Citigroup Inc.	Finance	Financial Conglomerates	2.00%
Edwards Lifesciences Corporation	Health Technology	Medical Specialties	2.00%
Fiserv, Inc.	Technology Services	Data Processing Services	2.00%
Genworth Financial, Inc. Class A	Finance	Life/Health Insurance	2.00%
Halliburton Company	Industrial Services	Oilfield Services/Equipment	2.00%
International Business Machines Corporation	Technology Services	Information Technology Services	2.00%
Johnson & Johnson	Health Technology	Pharmaceuticals: Major	2.00%
Medtronic Plc	Health Technology	Medical Specialties	2.00%
NIKE, Inc. Class B	Consumer Non-Durables	Apparel/Footwear	2.00%
Nokia Oyj Sponsored ADR	Electronic Technology	Telecommunications Equipment	2.00%
PepsiCo, Inc.	Consumer Non-Durables	Beverages: Non-Alcoholic	2.00%
Procter & Gamble Company	Consumer Non-Durables	Household/Personal Care	2.00%
QUALCOMM Incorporated	Electronic Technology	Telecommunications Equipment	2.00%
AT&T Inc.	Communications	Major Telecommunications	2.00%
UnitedHealth Group Incorporated	Health Services	Managed Health Care	2.00%
WestRock Company	Process Industries	Containers/Packaging	2.00%
Align Technology, Inc.	Health Technology	Medical Specialties	1.50%
Allstate Corporation	Finance	Property/Casualty Insurance	1.50%
Amazon.com, Inc.	Retail Trade	Internet Retail	1.50%
Astrazeneca PLC Sponsored ADR	Health Technology	Pharmaceuticals: Major	1.50%
Bristol-Myers Squibb Company	Health Technology	Pharmaceuticals: Major	1.50%
Cardinal Health, Inc.	Distribution Services	Medical Distributors	1.50%
Cisco Systems, Inc.	Electronic Technology	Computer Communications	1.50%
Emerson Electric Co.	Producer Manufacturing	Electrical Products	1.50%
Hologic, Inc.	Health Technology	Medical Specialties	1.50%
Honeywell International Inc.	Producer Manufacturing	Industrial Conglomerates	1.50%
International Paper Company	Process Industries	Containers/Packaging	1.50%

<sup>1</sup> The index constituents' weights are changing on every trading day due to stock price fluctuations. The weights shown are determined on 12/30/2019 for INAU index as indicative values of the weights on 1/2/2020.

Lockheed Martin Corporation	Electronic Technology	Aerospace & Defense	1.50%
Mondelez International, Inc. Class A	Consumer Non-Durables	Food: Major Diversified	1.50%
Oracle Corporation	Technology Services	Packaged Software	1.50%
Pfizer Inc.	Health Technology	Pharmaceuticals: Major	1.50%
Schlumberger NV	Industrial Services	Oilfield Services/Equipment	1.50%
Target Corporation	Retail Trade	Specialty Stores	1.50%
Thermo Fisher Scientific Inc.	Health Technology	Medical Specialties	1.50%
Trimble Inc.	Electronic Technology	Telecommunications Equipment	1.50%
United Technologies Corporation	Producer Manufacturing	Industrial Conglomerates	1.50%
Visa Inc. Class A	Finance	Finance/Rental/Leasing	1.50%
Applied Materials, Inc.	Producer Manufacturing	Industrial Machinery	0.15%
Broadcom Inc.	Electronic Technology	Semiconductors	0.15%
Avery Dennison Corporation	Process Industries	Containers/Packaging	0.15%
Bank of America Corp	Finance	Major Banks	0.15%
Becton, Dickinson and Company	Health Technology	Medical Specialties	0.15%
Booking Holdings Inc.	Consumer Services	Other Consumer Services	0.15%
Baker Hughes Company Class A	Industrial Services	Oilfield Services/Equipment	0.15%
Berkshire Hathaway Inc. Class B	Finance	Multi-Line Insurance	0.15%
		Trucks/Construction/Farm	
Caterpillar Inc.	Producer Manufacturing	Machinery	0.15%
Clorox Company	Consumer Non-Durables	Household/Personal Care	0.15%
Cree, Inc.	Electronic Technology	Electronic Components	0.15%
Cognizant Technology Solutions Corporation Class A	Technology Services	Information Technology Services	0.15%
Chevron Corporation	Energy Minerals	Integrated Oil	0.15%
		Trucks/Construction/Farm	
Deere & Company	Producer Manufacturing	Machinery	0.15%
Dover Corporation	Producer Manufacturing	Miscellaneous Manufacturing	0.15%
DexCom, Inc.	Health Technology	Medical Specialties	0.15%
Eastman Chemical Company	Process Industries	Chemicals: Major Diversified	0.15%
Telefonaktiebolaget LM Ericsson Sponsored ADR Class B	Electronic Technology	Telecommunications Equipment	0.15%
Eaton Corp. Plc	Producer Manufacturing	Electrical Products	0.15%
General Mills, Inc.	Consumer Non-Durables	Food: Major Diversified	0.15%
General Motors Company	Consumer Durables	Motor Vehicles	0.15%
Alphabet Inc. Class A	Technology Services	Internet Software/Services	0.15%
Hartford Financial Services Group, Inc.	Finance	Multi-Line Insurance	0.15%
Honda Motor Co., Ltd. Sponsored ADR	Consumer Durables	Motor Vehicles	0.15%
HP Inc.	Electronic Technology	Computer Processing Hardware	0.15%
Intel Corporation	Electronic Technology	Semiconductors	0.15%
Illinois Tool Works Inc.	Producer Manufacturing	Industrial Machinery	0.15%
JPMorgan Chase & Co.	Finance	Major Banks	0.15%
Kimberly-Clark Corporation	Consumer Non-Durables	Household/Personal Care	0.15%
Coca-Cola Company	Consumer Non-Durables	Beverages: Non-Alcoholic	0.15%
L3Harris Technologies Inc	Electronic Technology	Aerospace & Defense	0.15%

Lam Research Corporation	Electronic Technology	Electronic Production Equipment	0.15%
Mastercard Incorporated Class A	Finance	Finance/Rental/Leasing	0.15%
MetLife, Inc.	Finance	Life/Health Insurance	0.15%
Motorola Solutions, Inc.	Electronic Technology	Aerospace & Defense	0.15%
NCR Corporation	Electronic Technology	Computer Processing Hardware	0.15%
Northrop Grumman Corporation	Electronic Technology	Aerospace & Defense	0.15%
Prudential Financial, Inc.	Finance	Financial Conglomerates	0.15%
Rockwell Automation, Inc.	Producer Manufacturing	Industrial Machinery	0.15%
Raytheon Company	Electronic Technology	Aerospace & Defense	0.15%
Sealed Air Corporation	Process Industries	Containers/Packaging	0.15%
Sonoco Products Company	Process Industries	Containers/Packaging	0.15%
Seagate Technology PLC	Electronic Technology	Computer Peripherals	0.15%
Stryker Corporation	Health Technology	Medical Specialties	0.15%
TE Connectivity Ltd.	Electronic Technology	Electronic Components	0.15%
		Electronic Production Equipment	
Teradyne, Inc.	Electronic Technology	Equipment	0.15%
Texas Instruments Incorporated	Electronic Technology	Semiconductors	0.15%
Textron Inc.	Electronic Technology	Aerospace & Defense	0.15%
Verizon Communications Inc.	Communications	Major Telecommunications	0.15%
Whirlpool Corporation	Consumer Durables	Electronics/Appliances	0.15%
Weyerhaeuser Company	Finance	Real Estate Investment Trusts	0.15%
Xilinx, Inc.	Electronic Technology	Semiconductors	0.15%
Exxon Mobil Corporation	Energy Minerals	Integrated Oil	0.15%
Xerox Holdings Corporation	Electronic Technology	Computer Peripherals	0.15%

\*The classification system is FactSet Revere Business Industry Classification System (RBICS).

Sources: The Conference Board and M•CAM

**The Conference Board Innovation  $\alpha$  Global Index powered by M•CAM <sup>2</sup>**

**INAG 120 companies**

<b>Name</b>	<b>Sector</b>	<b>Industry</b>	<b>2020Q1_Weight</b>
adidas AG	Consumer Non-Durables	Apparel/Footwear	1.98%
Bayer AG	Health Technology	Pharmaceuticals: Other	1.98%
Bayerische Motoren Werke AG	Consumer Durables	Motor Vehicles	1.98%
General Electric Company	Electronic Technology	Aerospace & Defense	1.84%
AstraZeneca PLC	Health Technology	Pharmaceuticals: Major	1.56%
Microsoft Corporation	Technology Services	Packaged Software	1.38%
Nokia Oyj	Electronic Technology	Telecommunications Equipment	1.36%
Daimler AG	Consumer Durables	Motor Vehicles	1.35%
Thales SA	Electronic Technology	Aerospace & Defense	1.35%
Kering SA	Consumer Non-Durables	Apparel/Footwear	1.35%
IMI plc	Producer Manufacturing	Miscellaneous Manufacturing	1.28%
Rolls-Royce Holdings plc	Electronic Technology	Aerospace & Defense	1.28%
Svenska Cellulosa Aktiebolaget Class B	Non-Energy Minerals	Forest Products	1.24%
Teva Pharmaceutical Industries Limited	Health Technology	Pharmaceuticals: Generic	1.24%
Fiat Chrysler Automobiles N.V.	Consumer Durables	Motor Vehicles	1.12%
Umicore	Non-Energy Minerals	Other Metals/Minerals	1.12%
Apple Inc.	Electronic Technology	Telecommunications Equipment	1.11%
Advanced Micro Devices, Inc.	Electronic Technology	Semiconductors	1.02%
Bristol-Myers Squibb Company	Health Technology	Pharmaceuticals: Major	1.02%
Honeywell International Inc.	Producer Manufacturing	Industrial Conglomerates	1.02%
Johnson & Johnson	Health Technology	Pharmaceuticals: Major	1.02%
QUALCOMM Incorporated	Electronic Technology	Telecommunications Equipment	1.02%
Anglo American plc	Non-Energy Minerals	Other Metals/Minerals	0.97%
BP p.l.c.	Energy Minerals	Integrated Oil	0.97%
Experian PLC	Commercial Services	Miscellaneous Commercial Services	0.97%
Smith & Nephew plc	Health Technology	Medical Specialties	0.97%
Edwards Lifesciences Corporation	Health Technology	Medical Specialties	0.93%
International Business Machines Corporation	Technology Services	Information Technology Services	0.93%
Intel Corporation	Electronic Technology	Semiconductors	0.93%
Medtronic Plc	Health Technology	Medical Specialties	0.93%
Micron Technology, Inc.	Electronic Technology	Semiconductors	0.93%
Panasonic Corporation	Consumer Durables	Electronics/Appliances	0.85%
Techtronic Industries Co., Ltd.	Consumer Durables	Tools & Hardware	0.85%
BlackBerry Limited	Technology Services	Packaged Software	0.85%
CCL Industries Inc. Class B	Commercial Services	Miscellaneous Commercial Services	0.85%
Novo Nordisk A/S Class B	Health Technology	Pharmaceuticals: Major	0.85%
Koninklijke Philips N.V.	Electronic Technology	Electronic Production Equipment	0.85%
UCB S.A.	Health Technology	Pharmaceuticals: Major	0.85%
Unilever NV	Consumer Non-Durables	Household/Personal Care	0.85%
Akamai Technologies, Inc.	Technology Services	Internet Software/Services	0.84%

<sup>2</sup> The index constituents' weights are changing on every trading day due to stock price fluctuations. The weights shown are determined on 12/30/2019 4:30 pm ET for INAG index as indicative values of the weights on 1/2/2020.

Amazon.com, Inc.	Retail Trade	Internet Retail	0.84%
Allegheny Technologies Incorporated	Non-Energy Minerals	Steel	0.84%
Broadcom Inc.	Electronic Technology	Semiconductors	0.84%
Baxter International Inc.	Health Technology	Medical Specialties	0.84%
Berkshire Hathaway Inc. Class B	Finance	Multi-Line Insurance	0.84%
Callaway Golf Company	Consumer Durables	Recreational Products	0.84%
Fortinet, Inc.	Electronic Technology	Computer Communications	0.84%
Eli Lilly and Company	Health Technology	Pharmaceuticals: Major	0.84%
Lockheed Martin Corporation	Electronic Technology	Aerospace & Defense	0.84%
Mastercard Incorporated Class A	Finance	Finance/Rental/Leasing	0.84%
NIKE, Inc. Class B	Consumer Non-Durables	Apparel/Footwear	0.84%
Northrop Grumman Corporation	Electronic Technology	Aerospace & Defense	0.84%
Procter & Gamble Company	Consumer Non-Durables	Household/Personal Care	0.84%
R.R. Donnelley & Sons Company	Commercial Services	Commercial Printing/Forms	0.84%
Sealed Air Corporation	Process Industries	Containers/Packaging	0.84%
Thermo Fisher Scientific Inc.	Health Technology	Medical Specialties	0.84%
AT&T Inc.	Communications	Major Telecommunications	0.84%
Texas Instruments Incorporated	Electronic Technology	Semiconductors	0.84%
Hitachi,Ltd.	Producer Manufacturing	Industrial Conglomerates	0.77%
NEC Corp.	Electronic Technology	Electronic Equipment/Instruments	0.77%
Abbott Laboratories	Health Technology	Medical Specialties	0.64%
Albemarle Corporation	Process Industries	Chemicals: Specialty	0.64%
Allstate Corporation	Finance	Property/Casualty Insurance	0.64%
Applied Materials, Inc.	Producer Manufacturing	Industrial Machinery	0.64%
Boeing Company	Electronic Technology	Aerospace & Defense	0.64%
Bausch Health Companies Inc.	Health Technology	Pharmaceuticals: Other	0.64%
Baker Hughes Company Class A	Industrial Services	Oilfield Services/Equipment	0.64%
Boston Scientific Corporation	Health Technology	Medical Specialties	0.64%
		Trucks/Construction/Farm	
Caterpillar Inc.	Producer Manufacturing	Machinery	0.64%
ConocoPhillips	Energy Minerals	Oil & Gas Production	0.64%
Cisco Systems, Inc.	Electronic Technology	Computer Communications	0.64%
Chevron Corporation	Energy Minerals	Integrated Oil	0.64%
Dana Incorporated	Producer Manufacturing	Auto Parts: OEM	0.64%
DuPont de Nemours, Inc.	Process Industries	Chemicals: Major Diversified	0.64%
		Trucks/Construction/Farm	
Deere & Company	Producer Manufacturing	Machinery	0.64%
Dover Corporation	Producer Manufacturing	Miscellaneous Manufacturing	0.64%
DexCom, Inc.	Health Technology	Medical Specialties	0.64%
eBay Inc.	Consumer Services	Other Consumer Services	0.64%
Fiserv, Inc.	Technology Services	Data Processing Services	0.64%
Genworth Financial, Inc. Class A	Finance	Life/Health Insurance	0.64%
Alphabet Inc. Class A	Technology Services	Internet Software/Services	0.64%
HP Inc.	Electronic Technology	Computer Processing Hardware	0.64%
International Paper Company	Process Industries	Containers/Packaging	0.64%
Intuitive Surgical, Inc.	Health Technology	Medical Specialties	0.64%
Illinois Tool Works Inc.	Producer Manufacturing	Industrial Machinery	0.64%
JPMorgan Chase & Co.	Finance	Major Banks	0.64%

Kimberly-Clark Corporation	Consumer Non-Durables	Household/Personal Care	0.64%
Coca-Cola Company	Consumer Non-Durables	Beverages: Non-Alcoholic	0.64%
L3Harris Technologies Inc	Electronic Technology	Aerospace & Defense	0.64%
Lincoln National Corporation	Finance	Life/Health Insurance	0.64%
Lam Research Corporation	Electronic Technology	Electronic Production Equipment	0.64%
3M Company	Producer Manufacturing	Industrial Conglomerates	0.64%
Merck & Co., Inc.	Health Technology	Pharmaceuticals: Major	0.64%
Marathon Oil Corporation	Energy Minerals	Oil & Gas Production	0.64%
Owens Corning	Non-Energy Minerals	Construction Materials	0.64%
Oracle Corporation	Technology Services	Packaged Software	0.64%
PepsiCo, Inc.	Consumer Non-Durables	Beverages: Non-Alcoholic	0.64%
Pfizer Inc.	Health Technology	Pharmaceuticals: Major	0.64%
Progressive Corporation	Finance	Property/Casualty Insurance	0.64%
Packaging Corporation of America	Process Industries	Containers/Packaging	0.64%
Seagate Technology PLC	Electronic Technology	Computer Peripherals	0.64%
Stanley Black & Decker, Inc.	Consumer Durables	Tools & Hardware	0.64%
Varian Medical Systems, Inc.	Health Technology	Medical Specialties	0.64%
Visa Inc. Class A	Finance	Finance/Rental/Leasing	0.64%
Verizon Communications Inc.	Communications	Major Telecommunications	0.64%
Western Digital Corporation	Electronic Technology	Computer Peripherals	0.64%
Xerox Holdings Corporation	Electronic Technology	Computer Peripherals	0.64%
Sumitomo Dainippon Pharma Co. Ltd.	Health Technology	Pharmaceuticals: Major	0.58%
Bridgestone Corporation	Consumer Durables	Automotive Aftermarket	0.58%
Mitsubishi Materials Corp.	Producer Manufacturing	Metal Fabrication Trucks/Construction/Farm	0.58%
Komatsu Ltd.	Producer Manufacturing	Machinery	0.58%
Toshiba Corporation	Consumer Durables	Electronics/Appliances	0.58%
Mitsubishi Electric Corp.	Electronic Technology	Electronic Equipment/Instruments	0.58%
OMRON Corporation	Electronic Technology	Electronic Equipment/Instruments	0.58%
Seiko Epson Corp.	Electronic Technology	Electronic Equipment/Instruments	0.58%
Sony Corporation	Consumer Durables	Electronics/Appliances	0.58%
DENSO CORPORATION	Producer Manufacturing	Auto Parts: OEM	0.58%
Canon Inc.	Electronic Technology	Electronic Equipment/Instruments	0.58%
Nintendo Co., Ltd.	Consumer Durables	Recreational Products	0.58%
Tokyo Electron Ltd.	Electronic Technology	Electronic Production Equipment	0.58%

\*The classification system is FactSet Revere Business Industry Classification System (RBICS).

Sources: The Conference Board and M•CAM

#### **About The Conference Board Innovation $\alpha$ United States Index powered by M•CAM**

The US index uses a quantitative, rule-based methodology to measure the performance of top 100 U.S. companies in innovation ability. The universe of the index are equities of companies similar to those in the Russell 1000, including the 1000 U.S. companies with the largest market capitalization.

#### **About The Conference Board Innovation $\alpha$ Global Index powered by M•CAM**

The global Index uses a quantitative, rule-based methodology to measure the performance of the top 120 global companies in innovation ability. The universe of the index is similar to the MSCI World Index, including companies from the U.S. Europe, Japan, and etc.

M•CAM, the index owner, measures the innovation ability of companies by analyzing their powers in the control and deployment of intellectual property (IP), including patents, trademarks, and copyrights, etc. Since 1998, M•CAM has aggregated and maintained the world's largest organized repository of state-granted IP from over 160 countries. This analysis provides an absolute qualitative and quantitative measure of each individual company's innovation and management thereof. It also provides a relative score of how one company's performance is likely to compare with others with whom it cooperates or competes. M•CAM is the Advisor for the Innovation  $\alpha$ ® Series of ETFs (INAU, INAG, and TWAR) listed on the New York Stock Exchange.

### **About The Conference Board**

The Conference Board is the member-driven think tank that delivers trusted insights for what's ahead. Founded in 1916, we are a non-partisan, not-for-profit entity holding 501 (c) (3) tax-exempt status in the United States. [www.conference-board.org](http://www.conference-board.org).