

About the Innovation α

The Conference Board Innovation α 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) are Microsoft Corporation, Boston Scientific Corporation, Lockheed Martin Corporation, QUALCOMM Incorporated, and Kimberly-Clark Corporation. In the global index, the top five ranked companies are Adidas AG, Bayer AG, Daimler AG, Thales SA, and Kering SA. Microsoft Corporation is showing the largest increase in weight going forward in Q3 2019 in both indexes.

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.

Innovation α ® US and Global Indexes Outperform their Market Benchmarks in the Long Run

	2019 Q1Return (1/2/2019 - 3/29/2019)	2019 Q2Return (3/29/2019 - 6/27/2019)	Last Year Return (6/27/2018 - 6/27/2019)
Innovation α® US Index	14.61%	2.21%	7.75%
Russell 1000 Index	13.36%	3.11%	3.65%
Innovation α® Global Index	13.44%	2.34%	2.73%*
MSCI ACWI Index	11.89%	2.43%	3.88%

* Innovation α ® Global Index launched on 1/2/2019. The last year return for this index includes part of backtest data.

TABLES

The Conference Board Innovation α ® United States Index powered by M-CAM

INAU 100 companies

Rank	Company Name	Sector*	Weight 2019Q3	Weight 2019Q2	Change in Weight in Q3 from Q2
1	Microsoft Corporation	Technology Services	5.61%	1.41%	4.20%
2	Boston Scientific Corporation	Health Technology	3.30%	0.51%	2.80%
3	Lockheed Martin Corporation	Electronic Technology	2.97%	0.51%	2.47%
4	QUALCOMM Incorporated	Electronic Technology	2.97%	0.51%	2.47%
5	Kimberly-Clark Corporation	Consumer Non-Durables	2.65%	0.51%	2.14%
6	American Express Company	Finance	1.99%	0.51%	1.48%
7	Dover Corporation	Producer Manufacturing	1.99%	2.22%	-0.23%
8	Hartford Financial Services Group, Inc.	Finance	1.99%	0.51%	1.48%
9	Honeywell International Inc.	Producer Manufacturing	1.99%	1.81%	0.17%
10	Mondelez International, Inc. Class A	Consumer Non-Durables	1.99%	1.41%	0.58%
11	TE Connectivity Ltd.	Electronic Technology	1.99%	0.51%	1.48%
12	Applied Materials, Inc.	Electronic Technology	1.66%	0.51%	1.15%
13	Advanced Micro Devices, Inc.	Electronic Technology	1.66%	1.81%	-0.16%
14	DexCom, Inc.	Health Technology	1.66%	0.51%	1.15%
15	Harris Corporation	Electronic Technology	1.66%	0.51%	1.15%
16	Mastercard Incorporated Class A	Finance	1.66%	2.22%	-0.56%
17	MetLife, Inc.	Finance	1.66%	0.51%	1.15%
18	NCR Corporation	Electronic Technology	1.66%	0.51%	1.15%
19	Novartis AG Sponsored ADR	Health Technology	1.66%	0.51%	1.15%
20	Berkshire Hathaway Inc. Class B	Finance	1.33%	0.51%	0.82%
21	CBS Corporation Class B	Consumer Services	1.33%	0.51%	0.82%
22	Johnson & Johnson	Health Technology	1.33%	0.51%	0.82%
23	Coca-Cola Company	Consumer Non-Durables	1.33%	0.51%	0.82%
24	Medtronic Plc	Health Technology	1.33%	0.51%	0.82%
25	Procter & Gamble Company	Consumer Non-Durables	1.33%	1.81%	-0.49%
26	DENTSPLY SIRONA, Inc.	Health Technology	1.33%	1.41%	-0.08%
27	Apple Inc.	Electronic Technology	0.65%	0.51%	0.14%
28	Abbott Laboratories	Health Technology	0.65%	1.81%	-1.17%
29	Amazon.com, Inc.	Retail Trade	0.65%	0.51%	0.14%
30	Agilent Technologies, Inc.	Health Technology	0.65%	0.51%	0.14%
31	Broadcom Inc.	Electronic Technology	0.65%	1.41%	-0.76%
32	Avery Dennison Corporation	Process Industries	0.65%	1.41%	-0.76%
33	Bank of America Corp	Finance	0.65%	0.51%	0.14%
34	Boeing Company	Electronic Technology	0.65%	0.51%	0.14%
35	Baxter International Inc.	Health Technology	0.65%	0.51%	0.14%
36	Becton, Dickinson and Company	Health Technology	0.65%	0.51%	0.14%
37	Baker Hughes, a GE Company Class A	Industrial Services	0.65%	1.81%	-1.17%
38	Booking Holdings Inc.	Consumer Services	0.65%	0.51%	0.14%
39	Caterpillar Inc.	Producer Manufacturing	0.65%	0.51%	0.14%

40	Clorox Company	Consumer Non-Durables	0.65%	0.51%	0.14%
41	Cree, Inc.	Electronic Technology	0.65%	0.51%	0.14%
42	Cisco Systems, Inc. Cognizant Technology Solutions	Electronic Technology	0.65%	1.81%	-1.17%
43	Corporation Class A	Technology Services	0.65%	0.51%	0.14%
44	Citigroup Inc.	Finance	0.65%	0.51%	0.14%
45	Chevron Corporation	Energy Minerals	0.65%	0.51%	0.14%
46	Deere & Company	Producer Manufacturing	0.65%	0.51%	0.14%
47	Dick's Sporting Goods, Inc.	Retail Trade	0.65%	0.51%	0.14%
48	Eastman Chemical Company Telefonaktiebolaget LM Ericsson	Process Industries	0.65%	0.51%	0.14%
49	Sponsored ADR Class B	Electronic Technology	0.65%	0.51%	0.14%
50	Eaton Corp. Plc	Producer Manufacturing	0.65%	0.51%	0.14%
51	Edwards Lifesciences Corporation	Health Technology	0.65%	2.22%	-1.57%
52	Fiserv, Inc.	Technology Services	0.65%	1.81%	-1.17%
53	General Electric Company	Electronic Technology	0.65%	6.70%	-6.06%
54	General Mills, Inc.	Consumer Non-Durables	0.65%	1.81%	-1.17%
55	General Motors Company	Consumer Durables	0.65%	0.51%	0.14%
56	Genworth Financial, Inc. Class A	Finance	0.65%	0.51%	0.14%
57	Alphabet Inc. Class A	Technology Services	0.65%	0.51%	0.14%
58	Garmin Ltd.	Electronic Technology	0.65%	1.81%	-1.17%
59	Halliburton Company	Industrial Services	0.65%	0.51%	0.14%
60	Honda Motor Co., Ltd. Sponsored ADR	Consumer Durables	0.65%	0.51%	0.14%
61	Hologic, Inc.	Health Technology	0.65%	0.51%	0.14%
62	HP Inc. International Business Machines	Electronic Technology	0.65%	0.51%	0.14%
63	Corporation	Technology Services	0.65%	7.52%	-6.87%
64	Intel Corporation	Electronic Technology	0.65%	0.51%	0.14%
65	International Paper Company	Process Industries	0.65%	1.41%	-0.76%
66	Illinois Tool Works Inc.	Producer Manufacturing	0.65%	0.51%	0.14%
67	JPMorgan Chase & Co.	Finance	0.65%	0.51%	0.14%
68	Lam Research Corporation	Electronic Technology	0.65%	0.51%	0.14%
69	Mattel, Inc.	Consumer Durables	0.65%	1.41%	-0.76%
70	3M Company	Producer Manufacturing	0.65%	1.41%	-0.76%
71	Motorola Solutions, Inc.	Electronic Technology	0.65%	0.51%	0.14%
72	NIKE, Inc. Class B	Consumer Non-Durables	0.65%	1.41%	-0.76%
73	Northrop Grumman Corporation	Electronic Technology	0.65%	0.51%	0.14%
74	Nokia Oyj Sponsored ADR	Electronic Technology	0.65%	0.51%	0.14%
75	Oracle Corporation	Technology Services	0.65%	1.41%	-0.76%
76	Pfizer Inc.	Health Technology	0.65%	0.51%	0.14%
77	Progressive Corporation	Finance	0.65%	1.81%	-1.17%
78	Prudential Financial, Inc.	Finance	0.65%	0.51%	0.14%
79	Rockwell Automation, Inc.	Producer Manufacturing	0.65%	0.51%	0.14%
80	Raytheon Company	Electronic Technology	0.65%	0.51%	0.14%
81	Sealed Air Corporation	Process Industries	0.65%	1.81%	-1.17%
82	Schlumberger NV	Industrial Services	0.65%	1.41%	-0.76%
83	Sonoco Products Company	Process Industries	0.65%	0.51%	0.14%
84	Seagate Technology PLC	Electronic Technology	0.65%	0.51%	0.14%

85	Stryker Corporation	Health Technology	0.65%	1.81%	-1.17%
86	Teradyne, Inc. Teva Pharmaceutical Industries Limited	Electronic Technology	0.65%	1.41%	-0.76%
87	Sponsored ADR	Health Technology	0.65%	0.51%	0.14%
88	AT&T Inc.	Communications	0.65%	0.51%	0.14%
89	Texas Instruments Incorporated	Electronic Technology	0.65%	0.51%	0.14%
90	Textron Inc.	Producer Manufacturing	0.65%	0.51%	0.14%
91	UnitedHealth Group Incorporated	Health Services	0.65%	0.51%	0.14%
92	United Technologies Corporation	Producer Manufacturing	0.65%	0.51%	0.14%
93	Visa Inc. Class A	Finance	0.65%	0.51%	0.14%
94	Verizon Communications Inc.	Communications	0.65%	0.51%	0.14%
95	Whirlpool Corporation	Consumer Durables	0.65%	1.41%	-0.76%
96	WestRock Company	Process Industries	0.65%	0.51%	0.14%
97	Weyerhaeuser Company	Finance	0.65%	1.81%	-1.17%
98	Xilinx, Inc.	Electronic Technology	0.65%	1.81%	-1.17%
99	Exxon Mobil Corporation	Energy Minerals	0.65%	0.51%	0.14%
100	Xerox Corporation	Electronic Technology	0.65%	1.41%	-0.76%

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

Sources: The Conference Board and M-CAM

The Conference Board Innovation α ® United States Index powered by M-CAM

(INAU) Change in Weights by Industry Sector

Sector*	Change in Weight in Q3
Health Technology	3.60%
Finance	2.88%
Consumer Non-Durables	1.27%
Consumer Services	0.96%
Communications	0.28%
Energy Minerals	0.28%
Retail Trade	0.28%
Producer Manufacturing	0.17%
Health Services	0.14%
Electronic Technology	-0.28%
Consumer Durables	-1.24%
Industrial Services	-1.78%
Process Industries	-2.26%
Technology Services	-4.31%

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

Sources: The Conference Board and M-CAM

The Conference Board Innovation α ® Global Index powered by M-CAM

INAG 120 companies

Rank	Company Name	Sector*	Weight 2019Q3	Weight 2019Q2	Change in Weight in Q3 from Q2
1	adidas AG	Consumer Non-Durables	2.66%	1.87%	0.79%
2	Bayer AG	Health Technology	1.83%	1.87%	-0.03%
3	Daimler AG	Consumer Durables	1.83%	2.20%	-0.36%
4	Thales SA	Electronic Technology	1.83%	1.87%	-0.03%
5	Kering SA	Consumer Non-Durables	1.83%	2.20%	-0.36%
6	Microsoft Corporation	Technology Services	1.53%	0.69%	0.84%
7	Smith & Nephew plc	Health Technology	1.47%	1.33%	0.13%
8	Anglo American plc	Non-Energy Minerals	1.31%	1.33%	-0.03%
9	AstraZeneca PLC	Health Technology	1.31%	1.33%	-0.03%
10	BP p.l.c.	Energy Minerals	1.31%	1.33%	-0.03%
11	Experian PLC	Commercial Services	1.31%	1.33%	-0.03%
12	Rolls-Royce Holdings plc	Electronic Technology	1.31%	1.33%	-0.03%
13	QUALCOMM Incorporated	Electronic Technology	1.29%	0.69%	0.60%
14	CCL Industries Inc. Class B	Commercial Services	1.24%	1.06%	0.18%
15	Sandvik AB	Producer Manufacturing	1.24%	1.06%	0.18%
16	Techtronic Industries Co., Ltd.	Consumer Durables	1.17%	1.24%	-0.07%
17	BlackBerry Limited	Technology Services	1.04%	1.24%	-0.20%
18	Fiat Chrysler Automobiles N.V.	Consumer Durables	1.04%	1.06%	-0.01%
19	Nokia Oyj	Electronic Technology	1.04%	1.06%	-0.01%
20	Novo Nordisk A/S Class B	Health Technology	1.04%	1.06%	-0.01%
21	Koninklijke Philips N.V.	Electronic Technology	1.04%	1.06%	-0.01%
22	UCB S.A.	Health Technology	1.04%	1.06%	-0.01%
23	Umicore	Non-Energy Minerals	1.04%	1.06%	-0.01%
24	Unilever NV Cert. of shs	Consumer Non-Durables	1.04%	1.06%	-0.01%
25	DexCom, Inc.	Health Technology	1.00%	0.69%	0.31%
26	Honeywell International Inc.	Producer Manufacturing	1.00%	0.69%	0.31%
27	Lockheed Martin Corporation	Electronic Technology	1.00%	0.69%	0.31%
28	Advanced Micro Devices, Inc.	Electronic Technology	0.96%	1.07%	-0.11%
29	Boston Scientific Corporation	Health Technology	0.96%	0.69%	0.27%
30	Kimberly-Clark Corporation	Consumer Non-Durables	0.86%	0.69%	0.17%
31	Pfizer Inc.	Health Technology	0.86%	0.69%	0.17%
32	Procter & Gamble Company	Consumer Non-Durables	0.86%	0.69%	0.17%
33	General Electric Company	Electronic Technology	0.81%	2.02%	-1.21%
34	Harris Corporation	Electronic Technology	0.81%	0.69%	0.12%
35	Coca-Cola Company	Consumer Non-Durables	0.81%	0.69%	0.12%
36	Xerox Corporation	Electronic Technology	0.81%	1.19%	-0.38%
37	Sony Corporation	Consumer Durables	0.78%	0.49%	0.30%
38	Abbott Laboratories	Health Technology	0.73%	0.69%	0.03%
39	Adobe Inc.	Technology Services	0.73%	0.69%	0.03%
40	Akamai Technologies, Inc.	Technology Services	0.73%	0.69%	0.03%
41	Albemarle Corporation	Process Industries	0.73%	0.69%	0.03%

42	Allstate Corporation	Finance	0.73%	0.69%	0.03%
43	Applied Materials, Inc.	Electronic Technology	0.73%	0.81%	-0.09%
44	Amazon.com, Inc.	Retail Trade	0.73%	0.81%	-0.09%
45	Agilent Technologies, Inc.	Health Technology	0.73%	0.69%	0.03%
46	Broadcom Inc.	Electronic Technology	0.73%	0.69%	0.03%
47	Avery Dennison Corporation	Process Industries	0.73%	0.81%	-0.09%
48	Boeing Company	Electronic Technology	0.73%	0.69%	0.03%
49	Baxter International Inc.	Health Technology	0.73%	0.69%	0.03%
50	Bausch Health Companies Inc.	Health Technology	0.73%	0.81%	-0.09%
51	Baker Hughes, a GE Company Class A	Industrial Services	0.73%	0.88%	-0.15%
52	Bristol-Myers Squibb Company	Health Technology	0.73%	0.69%	0.03%
53	Caterpillar Inc.	Producer Manufacturing	0.73%	0.69%	0.03%
54	ConocoPhillips	Energy Minerals	0.73%	0.69%	0.03%
55	Cisco Systems, Inc.	Electronic Technology	0.73%	1.26%	-0.53%
56	Chevron Corporation	Energy Minerals	0.73%	0.69%	0.03%
57	Dana Incorporated	Producer Manufacturing	0.73%	0.81%	-0.09%
58	DuPont de Nemours, Inc.	Process Industries	0.73%	0.69%	0.03%
59	Deere & Company	Producer Manufacturing	0.73%	0.69%	0.03%
60	Dover Corporation	Producer Manufacturing	0.73%	0.94%	-0.21%
61	eBay Inc.	Consumer Services	0.73%	0.88%	-0.15%
62	Edwards Lifesciences Corporation	Health Technology	0.73%	1.07%	-0.34%
63	Fiserv, Inc.	Technology Services	0.73%	0.69%	0.03%
64	General Motors Company	Consumer Durables	0.73%	0.69%	0.03%
65	Genworth Financial, Inc. Class A	Finance	0.73%	0.69%	0.03%
66	Alphabet Inc. Class A	Technology Services	0.73%	0.69%	0.03%
67	HP Inc.	Electronic Technology	0.73%	0.69%	0.03%
68	International Business Machines Corporation	Technology Services	0.73%	1.13%	-0.41%
69	Intel Corporation	Electronic Technology	0.73%	0.69%	0.03%
70	International Paper Company	Process Industries	0.73%	0.69%	0.03%
71	Intuitive Surgical, Inc.	Health Technology	0.73%	0.69%	0.03%
72	Illinois Tool Works Inc.	Producer Manufacturing	0.73%	0.69%	0.03%
73	Johnson & Johnson	Health Technology	0.73%	0.69%	0.03%
74	JPMorgan Chase & Co.	Finance	0.73%	0.69%	0.03%
75	Eli Lilly and Company	Health Technology	0.73%	0.81%	-0.09%
76	Lincoln National Corporation	Finance	0.73%	0.69%	0.03%
77	Lam Research Corporation	Electronic Technology	0.73%	0.81%	-0.09%
78	Mastercard Incorporated Class A	Finance	0.73%	0.81%	-0.09%
79	Medtronic Plc	Health Technology	0.73%	0.69%	0.03%
80	3M Company	Producer Manufacturing	0.73%	0.69%	0.03%
81	Merck & Co., Inc.	Health Technology	0.73%	0.69%	0.03%
82	Marathon Oil Corporation	Energy Minerals	0.73%	0.69%	0.03%
83	Micron Technology, Inc.	Electronic Technology	0.73%	1.07%	-0.34%
84	Mylan N.V.	Health Technology	0.73%	0.69%	0.03%
85	Northrop Grumman Corporation	Electronic Technology	0.73%	0.69%	0.03%
86	Owens Corning	Non-Energy Minerals	0.73%	0.69%	0.03%
87	Oracle Corporation	Technology Services	0.73%	0.69%	0.03%
88	PepsiCo, Inc.	Consumer Non-Durables	0.73%	0.69%	0.03%

89	Progressive Corporation	Finance	0.73%	0.81%	-0.09%
90	Packaging Corporation of America	Process Industries	0.73%	0.69%	0.03%
91	Sealed Air Corporation	Process Industries	0.73%	0.81%	-0.09%
92	Seagate Technology PLC	Electronic Technology	0.73%	0.69%	0.03%
93	Stanley Black & Decker, Inc.	Consumer Durables	0.73%	0.69%	0.03%
94	Target Corporation	Retail Trade	0.73%	0.81%	-0.09%
95	AT&T Inc.	Communications	0.73%	0.69%	0.03%
96	Texas Instruments Incorporated	Electronic Technology	0.73%	0.69%	0.03%
97	Textron Inc.	Producer Manufacturing	0.73%	0.69%	0.03%
98	Varian Medical Systems, Inc.	Health Technology	0.73%	0.69%	0.03%
99	Visa Inc. Class A	Finance	0.73%	0.69%	0.03%
100	Verizon Communications Inc.	Communications	0.73%	0.69%	0.03%
101	Western Digital Corporation	Electronic Technology	0.73%	0.81%	-0.09%
102	Hitachi, Ltd.	Producer Manufacturing	0.57%	0.57%	-0.01%
103	Nintendo Co., Ltd.	Consumer Durables	0.57%	0.49%	0.08%
104	Kao Corp.	Consumer Non-Durables	0.48%	0.49%	-0.01%
105	Sumitomo Dainippon Pharma Co. Ltd.	Health Technology	0.48%	0.49%	-0.01%
106	Trend Micro Incorporated	Technology Services	0.48%	0.49%	-0.01%
107	Bridgestone Corporation	Consumer Durables	0.48%	0.49%	-0.01%
108	Mitsubishi Materials Corp.	Producer Manufacturing	0.48%	0.49%	-0.01%
109	Komatsu Ltd.	Producer Manufacturing	0.48%	0.49%	-0.01%
110	Toshiba Corporation	Consumer Durables	0.48%	0.49%	-0.01%
111	Mitsubishi Electric Corp.	Electronic Technology	0.48%	0.49%	-0.01%
112	OMRON Corporation	Electronic Technology	0.48%	0.57%	-0.10%
113	NEC Corp.	Electronic Technology	0.48%	0.49%	-0.01%
114	Seiko Epson Corp.	Electronic Technology	0.48%	0.49%	-0.01%
115	Panasonic Corporation	Consumer Durables	0.48%	0.49%	-0.01%
116	DENSO CORPORATION	Producer Manufacturing	0.48%	0.49%	-0.01%
117	Canon Inc.	Electronic Technology	0.48%	0.49%	-0.01%
118	Yamaha Corporation	Consumer Durables	0.48%	0.57%	-0.10%
119	Tokyo Electron Ltd.	Electronic Technology	0.48%	0.49%	-0.01%
120	KONAMI HOLDINGS CORP	Consumer Durables	0.48%	0.49%	-0.01%

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

Sources: The Conference Board and M-CAM

The Conference Board Innovation α ® Global Index powered by M•CAM

(INAG) Change in Weights by Industry Sector

Sector*	Change in Weight in Q3
Consumer Non-Durables	0.90%
Health Technology	0.60%
Technology Services	0.39%
Producer Manufacturing	0.32%
Commercial Services	0.16%
Energy Minerals	0.07%
Communications	0.07%
Non-Energy Minerals	-0.01%
Finance	-0.01%
Process Industries	-0.04%
Consumer Durables	-0.15%
Consumer Services	-0.15%
Industrial Services	-0.15%
Retail Trade	-0.18%
Electronic Technology	-1.81%

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

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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 α 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 α ® Series of ETFs (INAU, INAG, and TWAR) listed on the New York Stock Exchange.

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