

An Index Positioned to Capture Evolving Innovation in the US



Drew Maresca February 11, 2025

Harness the Power of Cutting-Edge Technologies and Transformative Trends

For years, investors have looked to benefit from innovation writ large, investing in companies they believe will make a contribution that is financially beneficial to shareholders. As we know, innovation comes in many forms, running the gamut from societal to economic innovation. But identifying which companies truly deliver real innovation has always been a difficult process. The answer: an industry agnostic, innovation-focused index that broadly captures the performance of a range of truly innovative companies.

The Fast Company Most Innovative Companies US-Listed Index (FCMICU) is a premier index that identifies and tracks the most trailblazing organizations that redefine industries and disrupt the status quo through innovative activities.

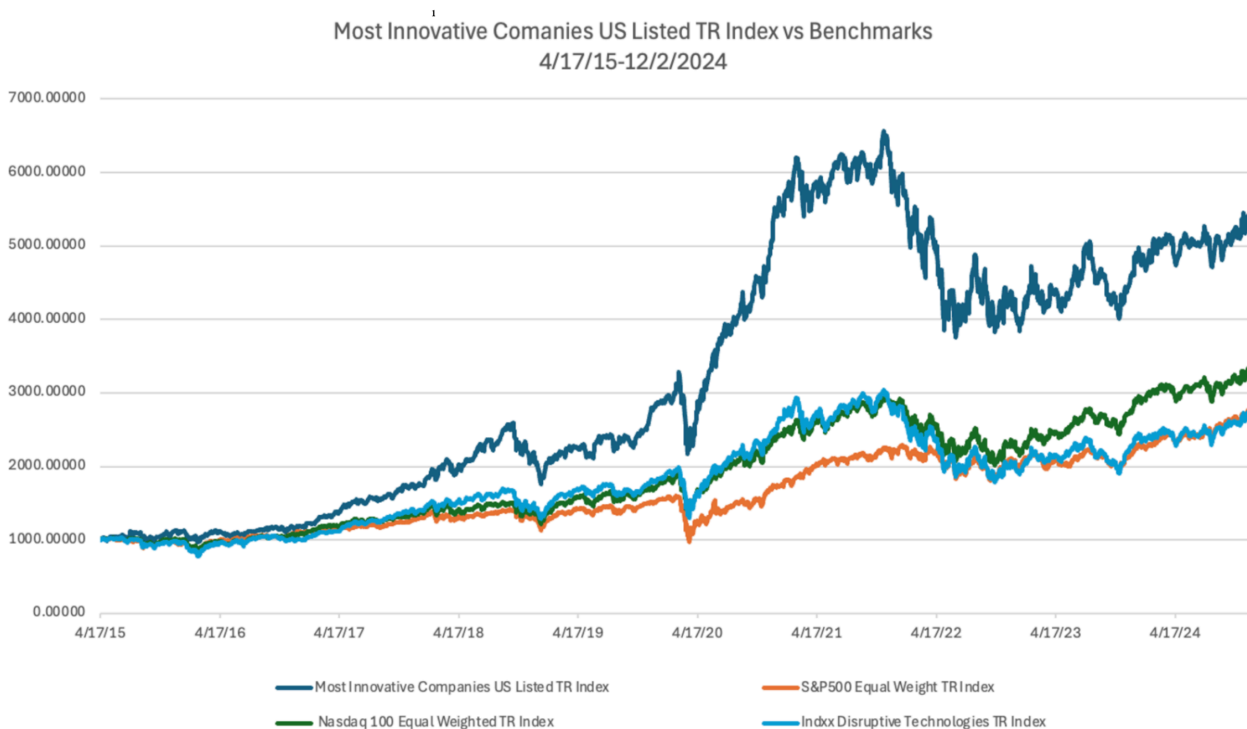
Re-compiled annually and re-balanced quarterly, the equal weighted FCMICU recognizes and tracks companies across 58 industries, highlighting breakthroughs in technology, healthcare, consumer goods, and more. The Index's methodology emphasizes originality, relevance, and measurable impact, as it identifies innovation that drives tangible progress while aligning with broader cultural or economic trends.

First introduced in 2008, the annual Most Innovative Companies (MIC) List is curated by Fast Company's editorial staff, which selects each year's 10 (or in a few cases 15) most transformative companies within 58 distinct industries by assessing and reviewing the novel significance of the business initiatives of thousands of companies and considering the impact of those efforts on each company's business, industry, and

society at large.

The FCMICU selects from this MIC list only companies that are listed in the US and meet certain size and liquidity criteria. Applying this methodology to the historical MIC list creates an Index history¹ that captures the performance of the innovative companies over time. Over the last decade, FCMICU has considerably outperformed equal-weighted versions of the Nasdaq 100 and S&P 500, as well as the Indxx Disruptive Technologies Index, as illustrated below (Exhibit 1).

Exhibit 1: Relative Performance: Fast Company Most Innovative Companies Index vs. Established Benchmarks



FCMICU also provides interesting insight into market performance during the only global pandemic in the past 100 years. Specifically, the Index returned nearly 150% from the onset of the COVID-19 pandemic through the end of 2020, significantly outperforming the S&P 500². It isn't surprising that in times of volatile paradigm shifts, investors prefer companies with a strong ability to innovate, as measured by FCMICU.

Looking at the companies for 2024 gives an idea of why the methodology is so effective. The Index features a number of sector-agnostic leaders, like MDA Space Ltd. United Airlines Inc., Shopify, and IBM, all of which have returned considerably more than the broader S&P 500 from 2024 rebalance through the end of the year. That demonstrates

an ability to anticipate and capture price appreciation and growth opportunities.

Having an index that tracks the performance of a diverse set of innovative companies is a significant achievement, offering valuable insight into how innovation drives results on a granular level relative to the broader market. However, now there is even more value for investors, since FCMICU is available as a model portfolio on the SmartX platform, enabling investors to directly access and benefit from the Index's unique methodology.

The FCMICU provides unique access to companies involved in ground-breaking innovation and its subsequent performance. To learn more about the full list of index constituents and its underlying methodology, see the description on Fast Company's website. To learn more about the index and its performance, see the index webpage page on the Syntax Data website.

1. Fast Company Most Innovative Companies Index methodology applied to the historical MIC beginning April 17, 2015

2. Performance from March 20, 2020 through December 31 2020: FCMICU TR returned 148% compared to 65% for the S&P 500 TR

Important Disclaimers

Past performance is no guarantee of future results. All performance presented prior to the index inception date is backtested performance. Backtested performance is not actual performance but is hypothetical. The inception date of the Fast Company Most Innovative Companies US-Listed Index ("FCMICU Index") is February 29, 2024. The backtest calculations are based on the same methodology that was in effect when the index was officially launched. However, backtested data may reflect the application of the index methodology with the benefit of hindsight, and the historic calculations of an index may change from month to month based on revisions to the underlying economic data used in the calculation of the index. Charts, graphs, and graphics are provided for illustrative purposes only.

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Index performance does not represent actual fund or portfolio performance and such performance does not reflect the actual investment experience of any investor. An investor cannot invest directly in an index. In addition, the results actual investors

might have achieved would have differed from those shown because of differences in the timing, amounts of their investments, and fees and expenses associated with an investment in a portfolio invested in accordance with an index. Neither the FCMICU Index nor the benchmark indices portrayed herein charge management fees or incur brokerage expenses, and no such fees or expenses were deducted from the performance shown; provided, however, that the returns of any investment portfolio invested in accordance with such indices would be net of such fees and expenses. Additionally, none of such indices lend securities, and no revenues from securities lending were added to the performance shown.

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