

TECHNOLOGY DIVIDEND

Technology stocks and dividends just a few years ago were a misnomer in the investment world. As the technology sector has matured with increases in earnings, cash holdings, and stable levels of debt, returns to shareholders with dividend payments have increased substantially. In the coming months the world's largest company by market capitalization, Apple, will join the ranks of dividend payers with its re-started dividend payment and will be yielding around 1.8%. Apple joins the growing ranks of major technology names such as Microsoft, Cisco and Intel which started the technology dividend trend and over the years have become strong dividend plays.

The tech dividend story is not limited to a handful of names; the entire sector has seen significant growth in dividend payments and was the fastest growing sector of dividends paid in the past five years.

Between 2005 and 2012 the technology sector of the NASDAQ U.S. Benchmark Index has increased its dividend value paid out by 326%. The next closest sector is Consumer Services at 139%.

Looking at the recent history of dividends from the bottom of the financial crisis in March 2009 through 2012, Technology again leads the pack at a 108% gain versus declines in dividends paid from Financials and Oil & Gas industries. Technology companies came away from the financial crisis with strong balance sheets and weathered the storm that drastically impacted the cash flows and debts of other sectors.

The gains in technology sector dividend payments have also been more consistent compared to other sectors. The financial sector experienced rapid increases with a 33% increase between 2005 and 2008 but then a large 55% decline between 2008 and 2012.

Technology companies have been able to maintain and increase dividends due to the cash flows generated from their businesses. Looking at cash and marketable investments on hand, technology is the second largest sector behind financials with \$58 billion. Technology companies have significant cash holdings and minimal creditors and, as such, are in the best position compared to other sectors.

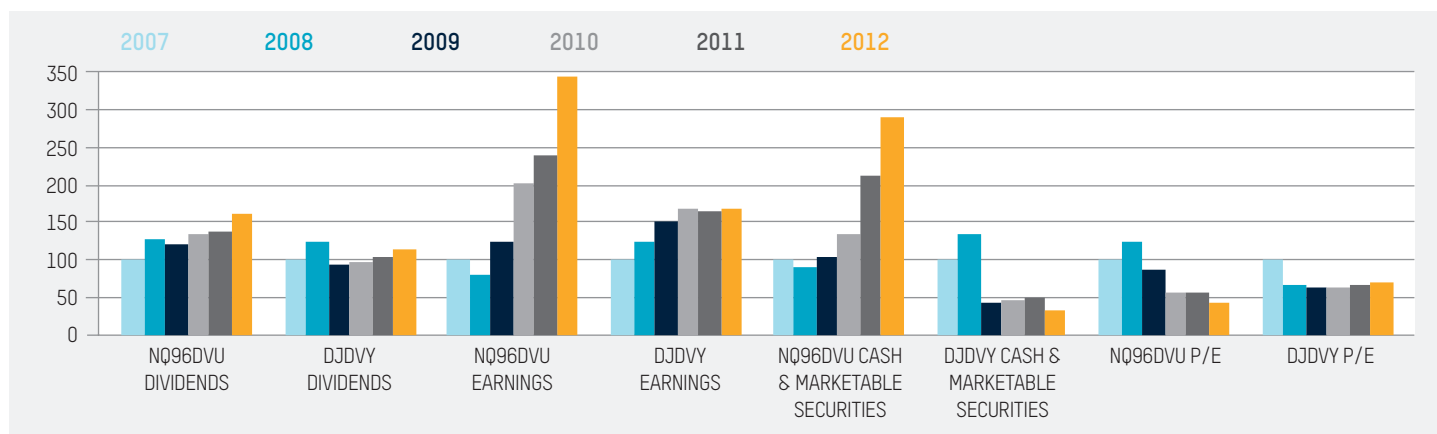
SECTOR	CUMULATIVE DIVIDEND GROWTH (3/2005 - 12/2012)
+ Technology	326.83%
+ Consumer Services	139.76%
+ Basic Materials	75.60%
+ Industrials	67.20%
+ Oil & Gas	66.01%
+ Health Care	65.13%
+ Consumer Goods	64.54%
+ Utilities	51.56%
+ Telecommunications	48.73%
+ Financials	-58.00%

NQUSB INDUSTRY	COMPS	DEBT	CASH
BASIC MATERIALS	117	184,462,477,849	55,647,959,484
CONSUMER GOODS	230	402,230,675,552	160,323,341,994
CONSUMER SERVICES	350	838,166,013,946	234,461,484,334
FINANCIALS	575	5,032,321,508,708	2,132,327,704,776
HEALTH CARE	295	403,505,642,961	284,541,737,854
INDUSTRIALS	474	483,113,626,934	198,521,724,926
OIL & GAS	163	339,066,247,282	94,863,297,395
TECHNOLOGY	320	254,098,722,477	588,424,502,139
TELECOMMUNICATIONS	35	241,757,616,688	29,495,651,163
UTILITIES	76	482,065,815,000	20,185,980,000
GRAND TOTAL	2635	8,660,788,347,397	3,798,793,384,065

NQ96DIVUS INDEX FUNDAMENTALS

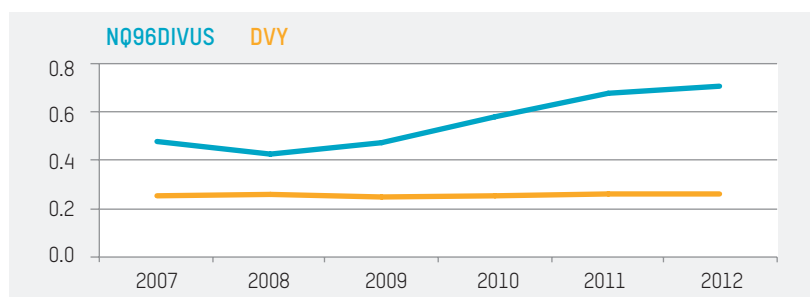
The NASDAQ Technology Dividend Index (NQ96DIVUS) was created to capitalize on the growing trend of dividend paying technology stocks. The index is comprised of companies classified as technology or telecommunications as determined by the Industry Classification Benchmark (ICB). The index caps each sector exposure at 80% for technology and 20% for telecommunications and is weighted by dividend value paid out. Looking at the 71 components, the NASDAQ Tech Div index compares extremely favorably to other dividend indexes based on index fundamentals. In comparing the Dow Jones US Select Dividend Index (DJDVY) versus the NASDAQ Technology Dividend Index, the components of NQ96DIVUS have increased paid dividends, earnings, and cash at a far greater pace than the Dow Jones' components. The valuation of the tech components have been decreasing, as well.

NQ96DIVUS VS. DJDVY



An interesting ratio to examine with focus on dividends is the cash-to-debt ratio. Strong dividend paying companies will have a higher cash-to-debt ratio and thus are financing more activities with cash versus debt. The components in NQ96DIVUS demonstrate a significantly superior ratio versus the DJDVY components. The technology components have been increasing cash reserves at a far greater rate than the debt increases.

CASH/DEBT RATIO

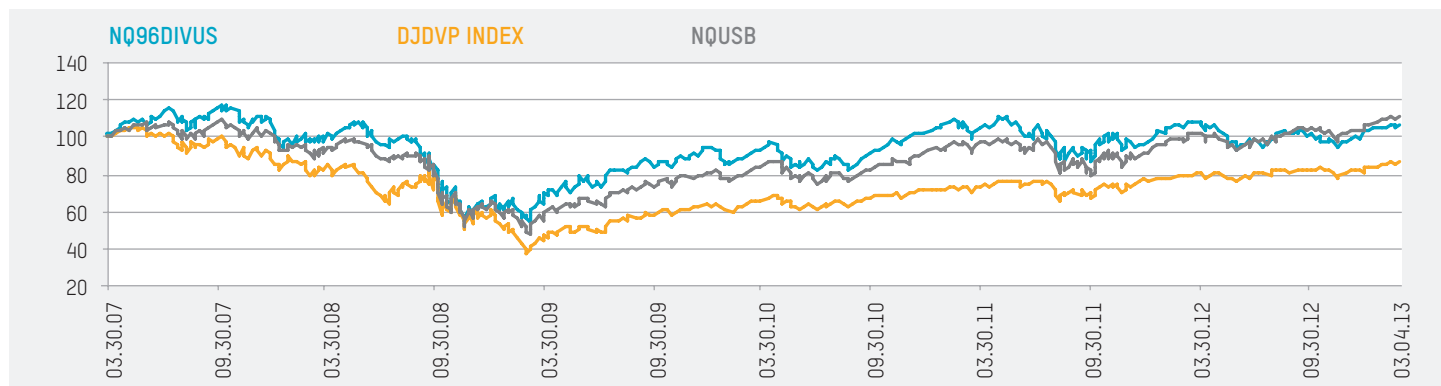


INDEX PERFORMANCE TABLE

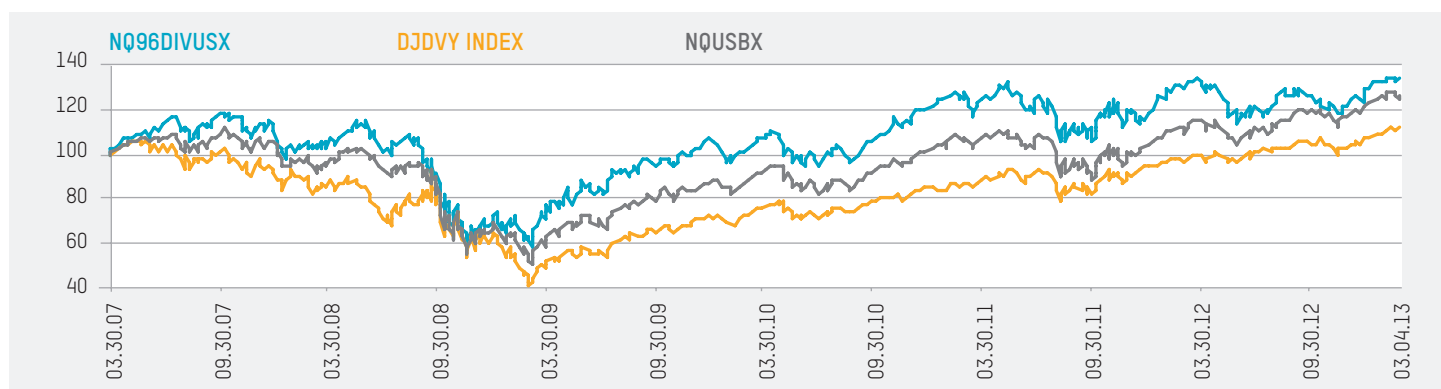
RETURNS	NQ96DIVUS	NQ96DIVUSX	DJDVP INDEX	DJDVY INDEX	NQUSB	NQUSBX
2007	10.24%	12.96%	-9.79%	-7.29%	2.75%	5.03%
2008	-40.99%	-37.81%	-34.23%	-30.97%	-38.24%	-36.32%
2009	43.81%	50.31%	5.87%	11.13%	25.77%	29.26%
2010	9.64%	13.55%	13.56%	18.32%	15.06%	17.55%
2011	-6.38%	-2.84%	7.91%	12.42%	-0.93%	0.31%
2012	3.05%	4.28%	4.39%	6.54%	8.34%	9.44%
VOLATILITY						
2007	18.01%	18.15%	19.08%	19.11%	16.66%	16.77%
2008	38.74%	38.73%	47.35%	47.34%	40.44%	40.53%
2009	28.79%	29.02%	29.42%	29.44%	27.76%	27.87%
2010	18.52%	18.60%	16.34%	16.36%	18.56%	18.61%
2011	24.15%	24.17%	19.79%	19.86%	24.20%	24.24%
2012	15.38%	15.41%	10.25%	10.24%	13.86%	13.86%
CORRELATION TO NQUSB						
FULL PERIOD	94.12%	93.90%	93.49%	93.52%		
2012	92.13%	91.93%	91.44%	91.61%		

INDEX PERFORMANCE CHARTS

PRICE RETURN HISTORICAL PERFORMANCE



TOTAL RETURN HISTORICAL PERFORMANCE



The NASDAQ Technology Dividend Index demonstrates a higher price and total return over the historical period beginning March 30, 2007, compared to other dividend indexes and the broad market as a whole.

SECTOR BIAS IN EXISTING DIVIDEND INDEXES

One benefit an index exclusively tracking the technology and telecom industries provides is industry diversification for existing dividend-focused indexes. Looking at the NASDAQ US Dividend Achievers Select Index, technology only has a 4.89% weight versus the broader markets' 15.87%

technology weight. Including the NASDAQ Technology Dividend Index as part of a broader dividend strategy increases sector diversification while still allowing for higher than market yields as NQ96DIVUS maintains a higher than market yield. The sector diversification also aids in the price return of the dividend strategy as noted above with tech div's strong outperformance over other broad dividend strategies.

NASDAQ U.S. DIVIDEND ACHIEVERS SELECT INDEX	COUNT	WEIGHT
BASIC MATERIALS	11	5.02%
CONSUMER GOODS	21	23.80%
CONSUMER SERVICES	17	17.02%
FINANCIALS	24	7.08%
HEALTH CARE	7	7.75%
INDUSTRIALS	43	20.79%
OIL & GAS	8	12.48%
TECHNOLOGY	4	4.89%
TELECOMMUNICATIONS	2	0.10%
UTILITIES	10	1.07%

NASDAQ U.S. LARGE CAP INDEX	COUNT	WEIGHT
BASIC MATERIALS	18	2.66%
CONSUMER GOODS	46	10.96%
CONSUMER SERVICES	65	13.45%
FINANCIALS	69	17.05%
HEALTH CARE	42	11.89%
INDUSTRIALS	52	11.15%
OIL & GAS	35	10.76%
TECHNOLOGY	43	15.87%
TELECOMMUNICATIONS	6	2.98%
UTILITIES	23	3.23%

NASDAQ TECHNOLOGY DIVIDEND INDEX	COUNT	WEIGHT
TECHNOLOGY	60	80.14%
TELECOMMUNICATIONS	19	19.86%

TOP COMPONENTS BY WEIGHT

SYMBOL	COMPANY NAME	CLOSING PRICE	INDEX MARKET VALUE	INDEX WEIGHT	YIELD
MSFT	MICROSOFT CORP	29.91	3,998,916,811.00	8.2%	2.67%
INTC	INTEL CORP	25.83	3,901,143,722.00	8.0%	3.48%
IBM	INTL BUSINESS MACH	191.4	3,872,306,803.00	7.9%	1.78%
QCOM	QUALCOMM INC	54.3	3,640,707,268.00	7.4%	1.84%
CSCO	CISCO SYSTEMS INC	16.48	3,520,213,976.00	7.2%	1.94%
ORCL	ORACLE CORPORATION	28.17	2,076,648,342.00	4.2%	0.85%
TXN	TEXAS INSTRUMENTS	26.87	1,841,016,751.00	3.8%	2.53%
HPQ	HEWLETT PACKARD CO	19.36	1,665,683,018.00	3.4%	2.73%
TSM	TAIWAN SEMICONDUCTORS	13.44	1,536,816,744.00	3.1%	3.70%
AMAT	APPLIED MATERIALS	11.09	1,257,094,795.00	2.6%	3.25%

NQ96DIVUS is not weighted by yield, rather by the dollar amount of dividends paid. This weighting methodology focuses on the absolute amount of dividends distributed versus the yield which takes into account the market driven fluctuations of stock price.

SUMMARY

The NASDAQ Technology Dividend Index (NQ96DIVUS) was created to provide a diversifying force in dividend portfolios. As technology is the fastest growing sector by dividends paid and is currently underweighted in broad market dividend indexes, the Tech Dividend index allows for instant diversification. NQ96DIVUS can be coupled with other dividend strategies to provide new sources of income paying stocks or used on its own as an index which combines earnings growth with dividend growth.

NOTES

Performance data as of 3.4.2013

Fundamental data based on year end 2007 through 2012

Sector information based on NASDAQ US Benchmark index

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