



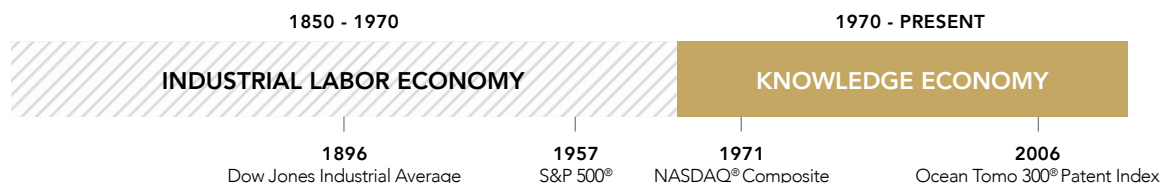
# OCEAN TOMO 300<sup>®</sup> PATENT INDEX



The Ocean Tomo 300 Patent Index (OT300) is the industry's first index based on the value of intellectual property, representing a diversified portfolio of 300 companies that own the most valuable patents relative to their book value. The Index is priced and published by the NYSE Euronext (NYSE Euronext: OTPAT). Two related Indexes, the Ocean Tomo 300<sup>®</sup> Patent Growth Index (NYSE Euronext: OTPATG) and the Ocean Tomo 300<sup>®</sup> Patent Value Index (NYSE Euronext: OTPATV), complete the suite of Indexes.

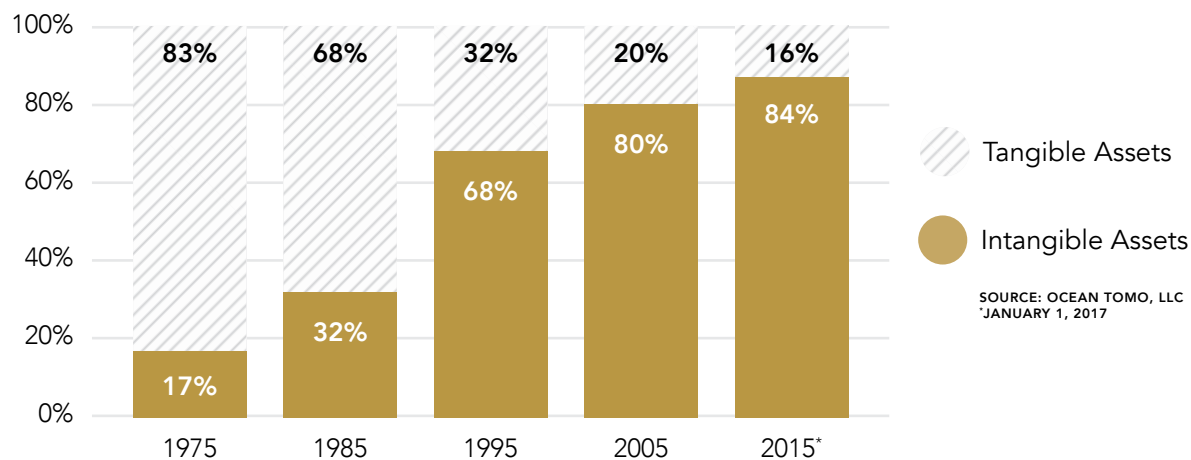
## BACKGROUND

The OT300 was recognized by the Exchange as "the first major, broad-based market equity index to be launched in 35 years, following the progression from the Dow Jones Industrial Average in 1896, to the Standard & Poor's 500 in 1957 and then to the NASDAQ Composite Index in 1971."



Despite their familiarity, historical market indices have not adapted to current market realities. In the past quarter century, a large and striking macroeconomic value inversion has occurred. As shown in the chart below, in 1975 more than eighty percent of corporate value reflected in the S&P 500 was tangible assets, while intangible assets comprised less than twenty percent of market capitalization. Today, the ratio of tangible to intangible assets has inverted – more than eighty percent of corporate value resides in intangible assets. The OT300 provides a much-needed market benchmark for the U.S. economy of the 21st century.

## COMPONENTS OF S&P 500 MARKET VALUE



# Index Construction

Potential constituents include all equities trading on major U.S. exchanges that are among the 1,000 most liquid securities. The potential constituents are then narrowed to a universe of companies that own patents. Each group contains an approximately equal number of patent-owning companies. The securities in each group are ranked using a 100% rules-based methodology that identifies those securities with the greatest patent maintenance value relative to book value, while maintaining broad-based diversification. The six highest ranking securities in each of the 50 groups are selected and then weighted by market capitalization.

## Member Company Composition

The Ocean Tomo 300 is constructed to be evenly balanced across market capitalization and style boxes. It has an average and median market capitalization of \$20.6 million and \$6.3 million respectively. While large cap, mid cap, and small cap securities account for 39%, 35%, and 25% of the number of securities in the index, they account for 90%, 8.8%, and 1.1% of the weight of the index by market cap respectively. The sectors with the greatest percentage of stocks in the index are Information Technology, Healthcare, and Industrials with 37%, 22% and 12% respectively. The sectors with the greatest weight in the index is Information Technology, Energy, and Healthcare with 31%, 14%, and 13% respectively.

## Performance

From its inception in January 2007 through October 28, 2013, the OT300 outperformed the S&P® 500 by 1,573 basis points. This performance record is auspicious and confirms the relevance of the OT300 as the natural benchmark for the U.S. economy. The OT300's performance in its first three years also speaks to the importance of objectively valuing patents owned by publicly traded companies to provide a fuller, more accurate picture of corporate health.



### TICKER SYMBOLS

AMEX	BLOOMBERG	REUTERS	YAHOO! FINANCE	STOCKWATCH.COM	BRIEFING.COM
OTPAT	^OTPAT	OTPA.A	^OTPAT	\$OTPAT	\$OTPAT



### CONTACT

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Ryan Zurek is a Managing Director in Ocean Tomo Investment Group and in Ocean Tomo's Investments practice. He holds the FINRA Series 7 license.

Mr. Zurek plays an integral role in all aspects of the firm's investment banking and asset management initiatives, including facilitating IP-driven transactions, mergers and acquisitions, IP monetization strategies, financing and IP-based special situations investments. Mr. Zurek has significant experience in IP valuation, licensing strategy, market research and cash flow analysis. Prior to joining the Investments practice, Mr. Zurek spent 5 years with Ocean Tomo's Expert Testimony practice where he spearheaded engagements involving the valuation of intangible assets across a broad spectrum of technologies.



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## About Ocean Tomo

Ocean Tomo LLC provides Expert Opinion, Management Consulting, and Advisory services focused on matters involving intellectual property (IP) and other intangible assets. Practice offerings address economic damage calculations and testimony; business licensing strategy and contract interpretation; trade secret reasonable measures; asset and business valuation; strategy and risk management consulting; merger and acquisition advisory; debt and equity private placement; and IP brokerage.

Ocean Tomo experts are routinely qualified in U.S. District Courts, U.S. Bankruptcy Courts, U.S. Tax Court, U.S. Court of Federal Claims, state courts, the U.S. Patent and Trademark Office Patent Trial and Appeal Board, international courts, and arbitration tribunals on questions relating to intellectual property economics. The firm's professionals have provided expert opinions on IP valuation, reasonable royalty, lost profits, price erosion, commercial success, corrective advertising, creditor allocations, Hatch-Waxman Act market exclusivity, business licensing terms including RAND obligations, venture financing, and equities of a potential injunction. The firm's experience extends to general business valuation and commercial disputes, domestic and foreign, as well as policy issues affecting international technology transfer and economic matters before the International Trade Commission.

Intangible assets comprise 90 percent of business value but are also subject to significant impairment due to enterprise and regulatory compliance risk. Our services are built upon more than three decades of experience assessing intellectual property in the most rigorous of venues. Our financial, market, scientific, and technical experts have deep experience with tangible and intangible assets protected by intellectual property. We bring a unique understanding of the contributory value of proprietary innovation to every engagement. This is the cornerstone of our business.

Subsidiaries of the firm include Ocean Tomo Investments Group, LLC, a registered broker-dealer. As a part of J.S. Held, Ocean Tomo works alongside more than 1500 professionals globally and assists clients – corporations, insurers, law firms, governments, and institutional investors – on complex technical, scientific, and financial matters across all assets and value at risk.

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## About J.S. Held

J.S. Held is a global consultancy providing technical, scientific, and financial expertise across all assets and value at risk. Our professionals serve as trusted advisors to organizations facing high-stakes events demanding urgent attention, staunch integrity, clear-cut analysis, and an understanding of both tangible and intangible assets. The firm provides a comprehensive suite of products, data, and services that enable clients across industries to navigate complex, contentious, and often catastrophic situations.

In 2022, Ocean Tomo joined J.S. Held, continuing the strategic growth of the firm. Leveraging the J.S. Held team of more than 1,500 professionals around the world, our clients will now have access to J.S. Held's suite of specialized services, including:

- Construction Advisory Services
- Corporate Finance
- Economic Damages and Valuation Services
- Environmental, Health, and Safety Services
- Equipment Consulting
- Forensic Accounting
- Forensic Architecture and Engineering
- Global Investigations
- Property and Infrastructure Damage Consulting
- Surety Services

Headquartered in New York, J.S. Held has offices across the United States, Canada, Latin America, Europe, Asia Pacific, and the Middle East.

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