



## NANOTECHNOLOGY

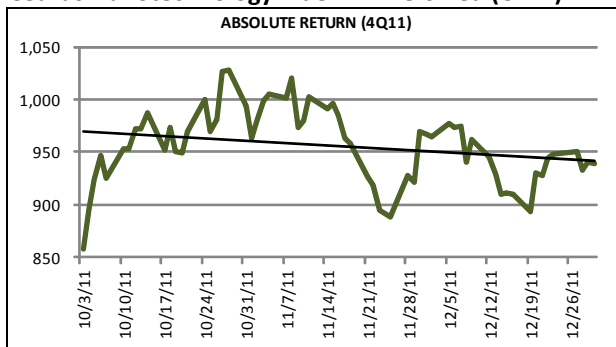
# Nanotechnology Index 4Q11 and 2011 Review

## CNID Outperforms CNIP in 4Q11 and in 2011

### KEY POINTS:

- **CEDRUS NANOTECHNOLOGY INDICES.** Volatility was the name of the game in 4Q, continuing on from a punishing 3Q, but both the CNID and CNIP bounced up to report quarterly gains of 3.84% and 3.01% respectively. By the end of the year, CNID and CNIP had fallen 22.78% and 23.40% respectively, while the S&P 500 managed to end the year flat. Within the indices, Nano-Energy fell precipitously. This sub-group in CNID fell 42.6% in 3Q and 10.3% in 4Q, ending the year with a decline of 65.1%. The decline in Nano-Energy stocks was mainly the result of concerns about the impact of austerity measures affecting expenditures and subsidies on alternative energy projects such as solar. CNID finally outperformed CNIP this quarter and for the year, returning -22.78% compared to CNIP's -23.40%. This compares to other broader market returns in 2011 such as that for the China Shanghai SE Composite (-21.7%), S&P/IFC BRIC 40 (-17.4%) and MSCI World Index (-7.6%);
- **CEDRUS NANOTECHNOLOGY INDEX – DIVERSIFIED (CNID).** CNID outperformed CNIP in 4Q by ~80 basis points (3.84% versus 3.01%), compared to the marginally worse 3Q (-22.6% versus -22.5%). Performance between the sub-groups within CNID was fairly bunched together and all generated positive returns in 4Q, with one exception: Nano-Energy. With two exceptions, all same sub-groups did better in CNID than CNIP. For example, Nano-Energy fell 10.3% in CNID, but it declined 16.3% in CNIP. The top-performing sub-group in CNID was Nano-Environment, returning 10% compared to CNIP's Nano-Environment's return of 10.8%. While all sub-groups in CNID were positive in the quarter, apart from Nano-Energy, the Nano-Environment's return was almost twice that of the other sub-groups with positive returns. Largest delta in returns between the best and worst stocks within the sub-groups in CNID was found in Nano-Energy, with a spread of 91.6%. Taking the best and worst performers from any sub-group, yielded a spread of 123%, almost equally divided (+61.1% versus -61.9%);
- **CEDRUS NANOTECHNOLOGY INDEX – PURE (CNIP).** CNIP's 4Q return of 3.01% lagged CNID's 3.84%. For the year, CNIP fell 23.40% compared to CNID's 22.78% decline. Best-performing sub-group was Nano-Environment, +10.8%; worst was Nano-Energy, -16.3%. Biggest spread of returns in a sub-group came from Nano-Manufacturing's 88.1%.

Cedrus Nanotechnology Index – Diversified (CNID)



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