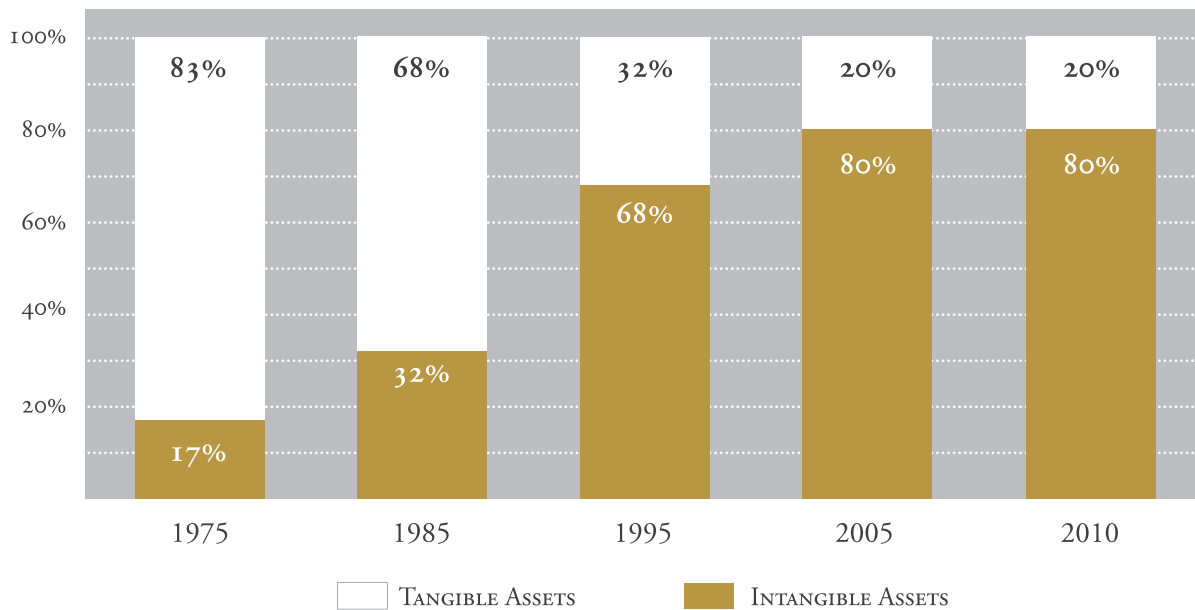




COMPONENTS OF S&P 500 MARKET VALUE



Source: Ocean Tomo

INTANGIBLE BOOK VALUE METHODOLOGY

Intangible book value is calculated by subtracting the tangible book value from the market capitalization of a given company or index. In practice, companies report tangible book value per share, number of shares outstanding, and market capitalization. Therefore, intangible book value can be calculated by subtracting the market capitalization from the tangible book value per share multiplied by the number of shares outstanding. It is expedient to do the calculation on a per share basis, as we have done here, and simply subtract the tangible book value per share from the market price. There are modest discrepancies between the two numbers due to differences in setting shares outstanding on a company by company basis. However, the discrepancy is rarely a few percentage points which are within the error needed for most purposes.