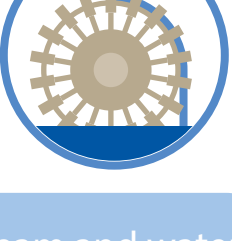


Industry 4.0

Bringing the fourth industrial revolution to your portfolio

Each industrial revolution has had a lasting impact on European society. We are currently at the outset of the **fourth industrial revolution**.

The first industrial revolution:
End of 18th c.



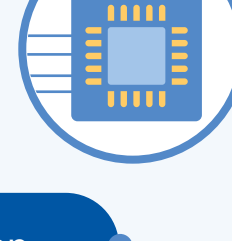
- Powered by steam and water
- Wage labour
- Simplification of goods transport

The second industrial revolution:
Beginning of 20th c.



- Electrification
- Assembly line production
- Mass production

The third industrial revolution:
Beginning of the 1970s

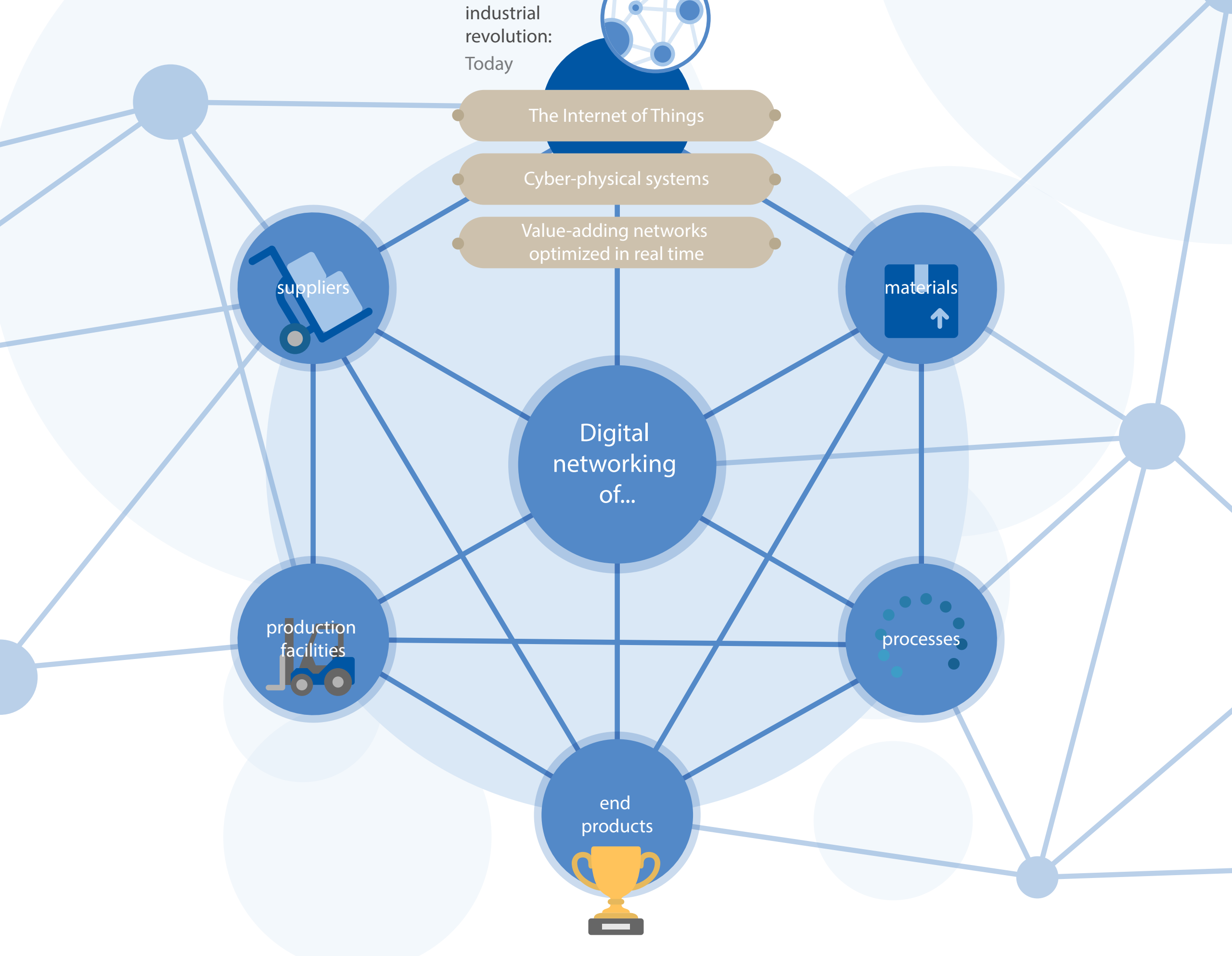


- Computerization
- Information technology
- Automation of production

The fourth industrial revolution:
Today



- The Internet of Things
- Cyber-physical systems
- Value-adding networks optimized in real time

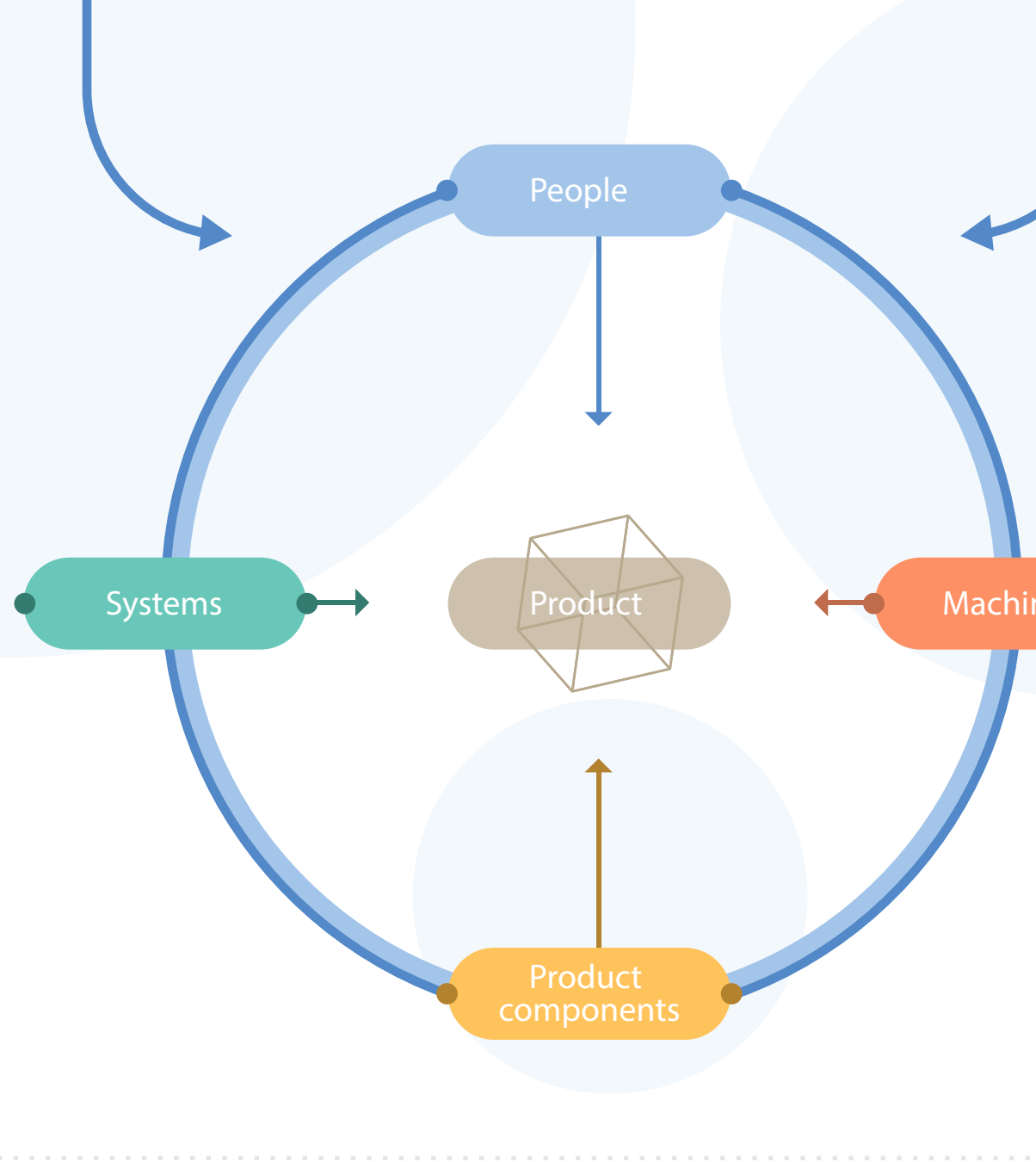


Industry 4.0 balances the conflicting requirements of **bespoke production and efficiency gains**. **Smart factories** merge the virtual world with physical production, allowing them to respond to market fluctuations and client needs in real time.

Advantages of these new production logistics:

- High value added
- Transparency
- Flexibility
- Speed
- Cost efficiency
- Individualization of products

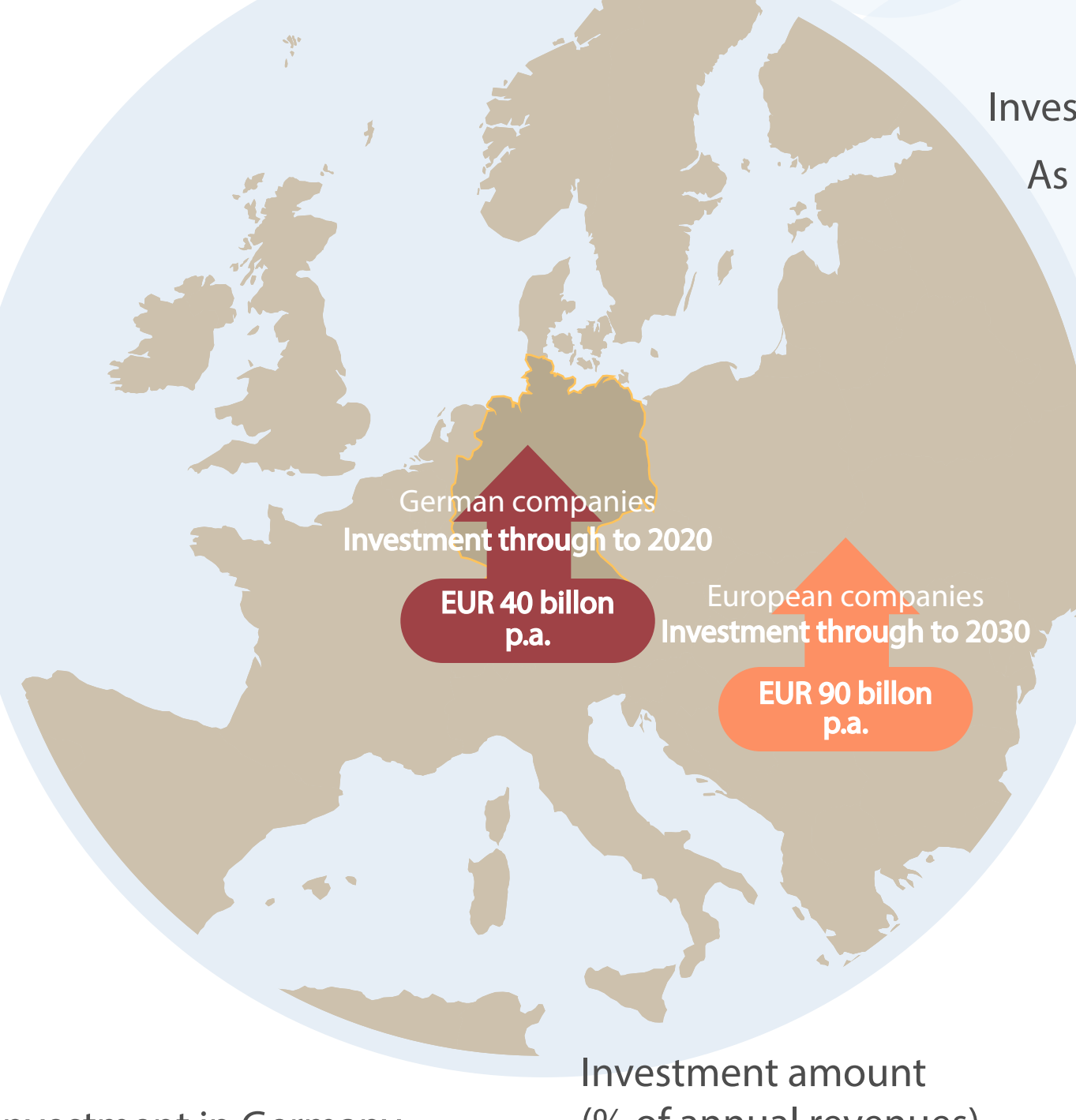
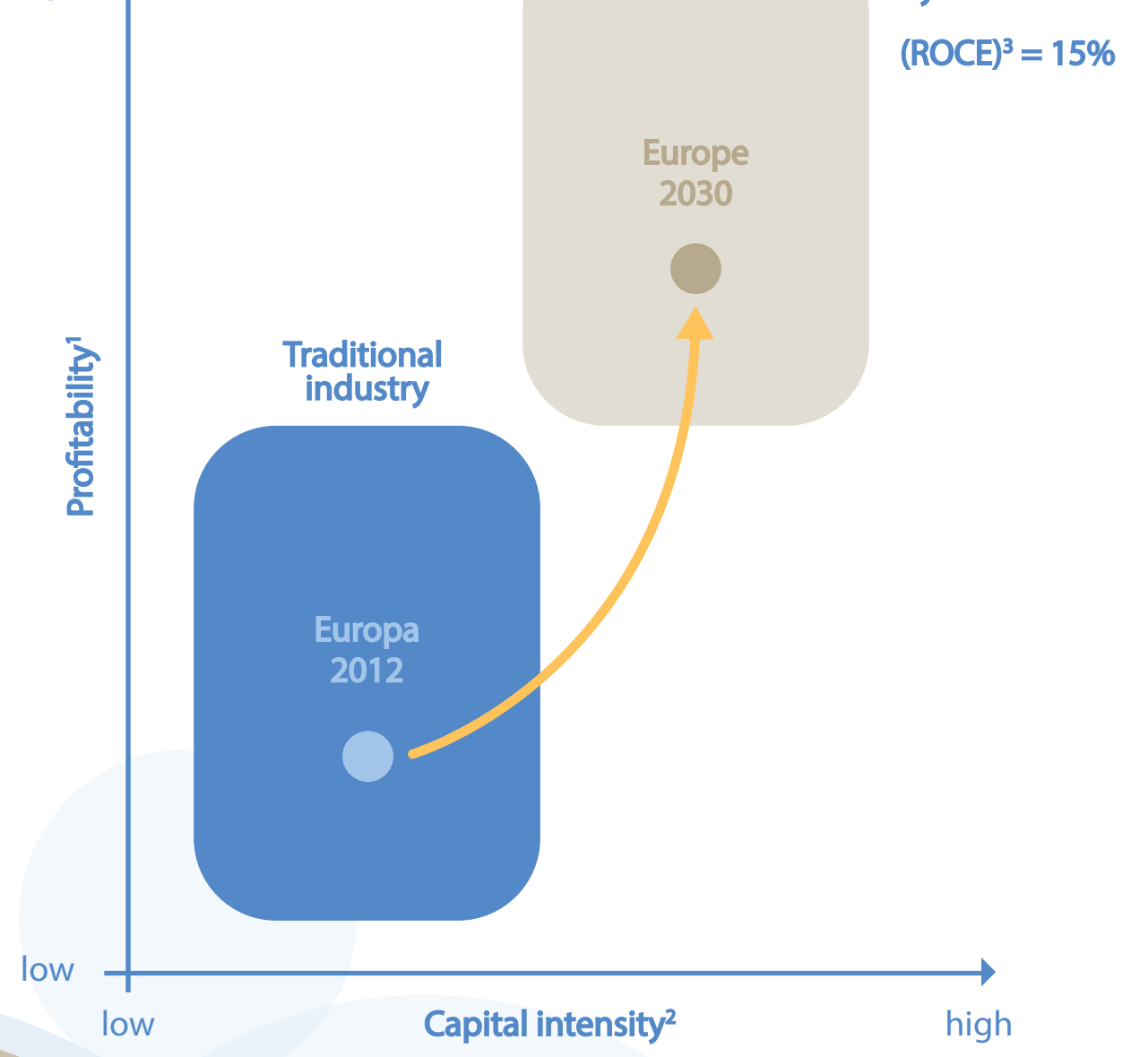
The production processes are changing from



Rising profitability & capital intensity

Thanks to **Industry 4.0**, exceptionally complex processes can also be controlled digitally. All productive units work together and so deliver a pronounced **boost to productivity**.

¹ EBIT as % of value added
² Capital employed/value added
³ ROCE = profitability x capital intensity



Investment in Europe
As regards Industry 4.0, Switzerland and Germany are already at the head of the field.

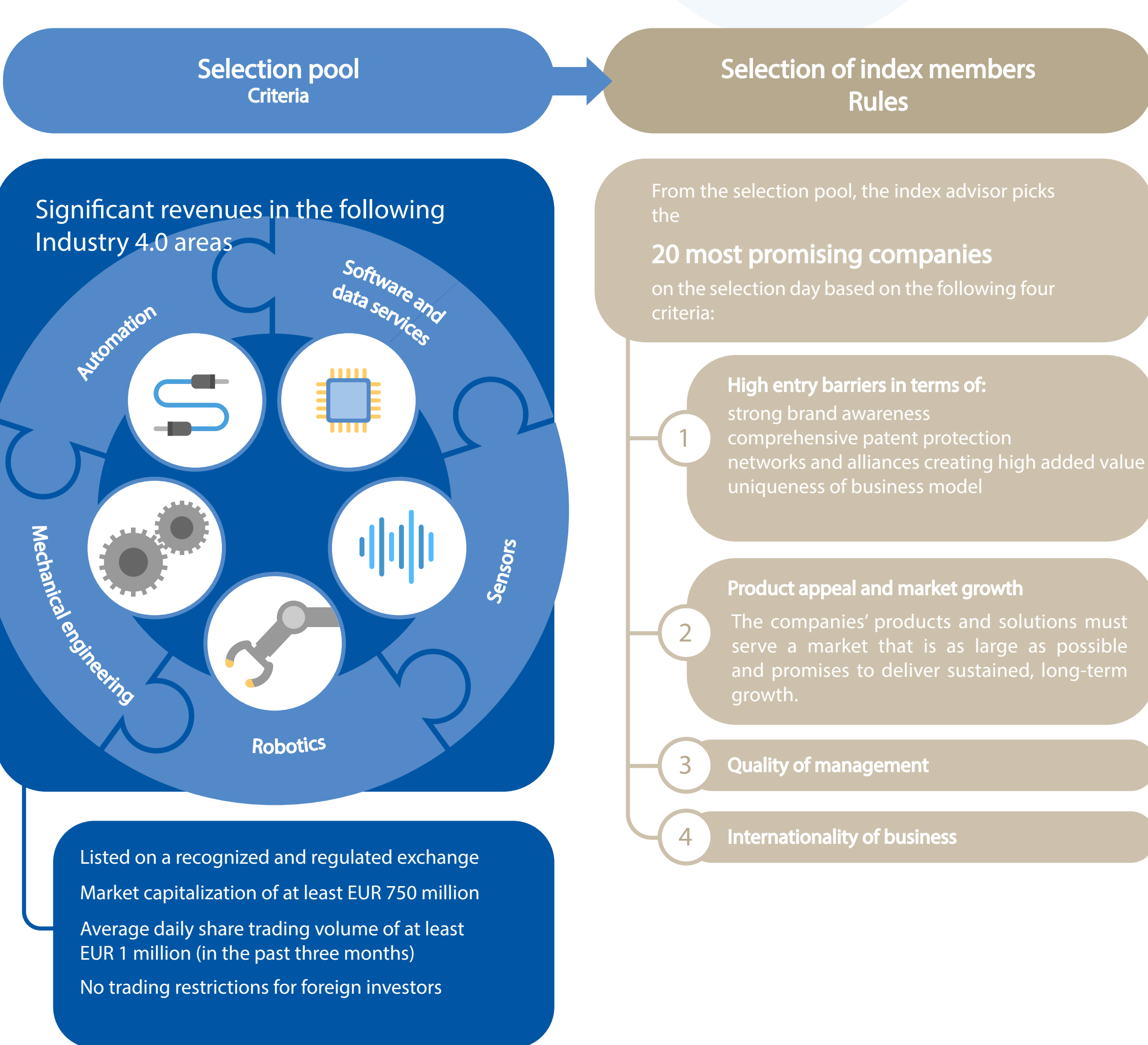
Investment in Germany	Investment amount (% of annual revenues)	Investment volume** (in EUR billions p.a.)
Mechanical engineering	3,5%	8,5
Automotive industry*	2,9%	11,2
Process industry	2,7%	10,1
Electronics and electrical systems	3,3%	6,0
Information and communications	3,9%	4,3
Total	3,3%	40,1

*Projection for the entire automotive industry (economic sector 29: production of motor vehicles and motor vehicle parts).
**Projection on the basis of survey results relating to the total revenues per sector in Germany in 2012 according to the Federal Statistical Office.

The **Industry 4.0 Performance Index** tracks the share price performance of up to 20 firms that generate their primary revenues in the Industry 4.0 segment. The index composition is determined afresh on a semi-annual basis using set quantitative and qualitative selection criteria.

The **Industry 4.0 Performance Index** has been launched to enable investors to participate in the potential uptrend stemming from this promising theme.

Concept of the Industry 4.0 Performance Index



via a **tracker certificate** can investors invest in the index and participate in the trend

