

# iSTOXX<sup>®</sup> Europe Minimum Variance Index NR

Rebalancing Report - 24-Oct-2016

## Stock Statistics

iSTOXX<sup>®</sup> Europe Minimum Variance Index NR rebalances each third Friday of the month. The new composition is implemented at the opening of the next business day after the third Friday - usually the next Monday. The weights are computed using closing prices three days prior to the third Friday. Both the iSTOXX<sup>®</sup> Europe Minimum Variance Index NR and the benchmark Stoxx Europe 600 Index NR are computed in EUR. The calculations in the document are performed by Ossiam using Stoxx/Datastream source.

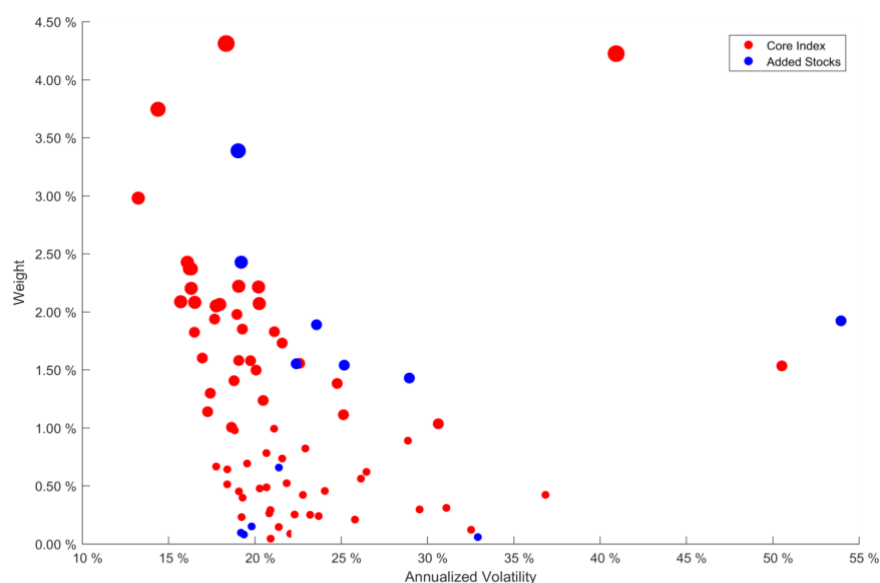
The number of constituents in the index decreased from **86** to **80**. The Turnover is **44.33%**, higher than its historical mean at **36.11%**. The weight of the Index Core Portfolio decreased from **94.04%** to **84.81%**.

Characteristics	24-Oct-2016
Number of Stocks	80
Added Stocks	12
Deleted Stocks	18
Core Number	68
Old weight of Core	94.04%
New weight of Core	84.81%
Turnover	44.33%
Historical Turnover	36.11%

Added and deleted stocks are relative to 24-Oct-2016. The Core is defined as the subset of stocks that belong to the current as well as the previous composition.

## Volatility/Weight profile

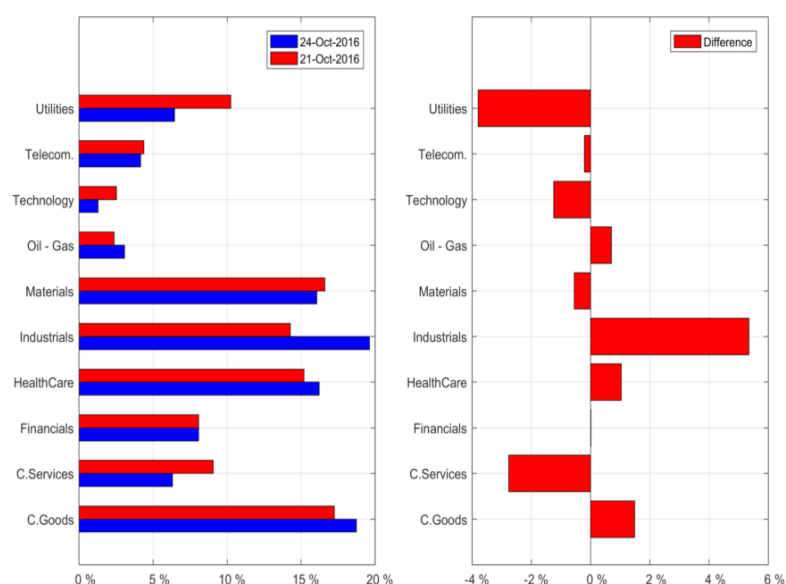
The chart on the right shows the distribution of the new iSTOXX<sup>®</sup> Europe Minimum Variance Index NR composition on 24-Oct-2016 in terms of annualized volatility (x-axis) and weight (y-axis). Volatility computed over 125 days ending on 18-Oct-2016. On the upper left corner we find low volatile stocks with big weight in the index. On the lower right corner we find high volatile stocks with low weight in the index. These stocks usually enter the index for diversification purposes. We distinguish between Core index and added stocks to appreciate how these newly added stock are positioned in terms of volatility and weight.



## Sector Allocation

The most significant changes in sector exposures are: **5.35%** for Industrials, **-3.80%** for Utilities, **-2.77%** for C.Services. The biggest sector exposures are: **19.62%** for Industrials, **18.73%** for C.Goods, **16.22%** for HealthCare.

	Close	Open	Difference
C.Goods	17.25%	18.73%	1.48%
C.Services	9.07%	6.31%	-2.77%
Financials	8.08%	8.09%	0.01%
HealthCare	15.19%	16.22%	1.03%
Industrials	14.26%	19.62%	5.35%
Materials	16.61%	16.06%	-0.55%
Oil - Gas	2.37%	3.07%	0.70%
Technology	2.53%	1.29%	-1.25%
Telecom.	4.38%	4.17%	-0.21%
Utilities	10.25%	6.45%	-3.80%

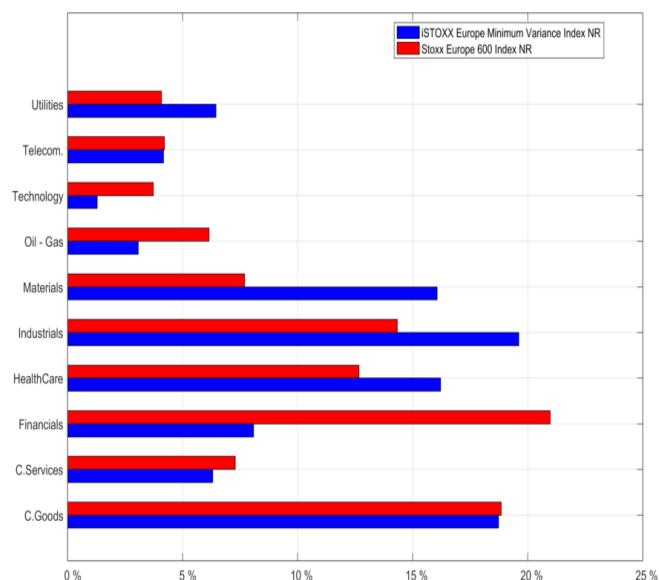


The left-hand side of the chart below shows the sector deviations at rebalancing. Differences are shown on the right-hand side. Index weights are taken as of 21-Oct-2016 (last business day before the new composition is implemented) compared to the new rebalancing weights as of 24-Oct-2016.

## Sector breakdown vs. benchmark

The iSTOXX<sup>®</sup> Europe Minimum Variance Index NR overweights Materials (**8.36%**) and Industrials (**5.28%**) compared to Stoxx Europe 600 Index NR. The iSTOXX<sup>®</sup> Europe Minimum Variance Index NR underweights Financials (**-12.89%**) and Oil - Gas (**-3.07%**) compared to Stoxx Europe 600 Index NR.

	BE	MV	Diff.	Volatility	
				BE	MV
C.Goods	18.85%	18.73%	-0.12%	16.93%	13.78%
C.Services	7.29%	6.31%	-0.99%	20.95%	15.33%
Financials	20.98%	8.09%	-12.89%	28.87%	15.16%
HealthCare	12.67%	16.22%	3.55%	15.82%	14.26%
Industrials	14.33%	19.62%	5.28%	19.55%	14.10%
Materials	7.70%	16.06%	8.36%	21.59%	18.29%
Oil - Gas	6.15%	3.07%	-3.07%	23.75%	19.73%
Technology	3.73%	1.29%	-2.45%	19.89%	26.80%
Telecom.	4.21%	4.17%	-0.04%	22.14%	14.16%
Utilities	4.09%	6.45%	2.37%	20.00%	16.25%

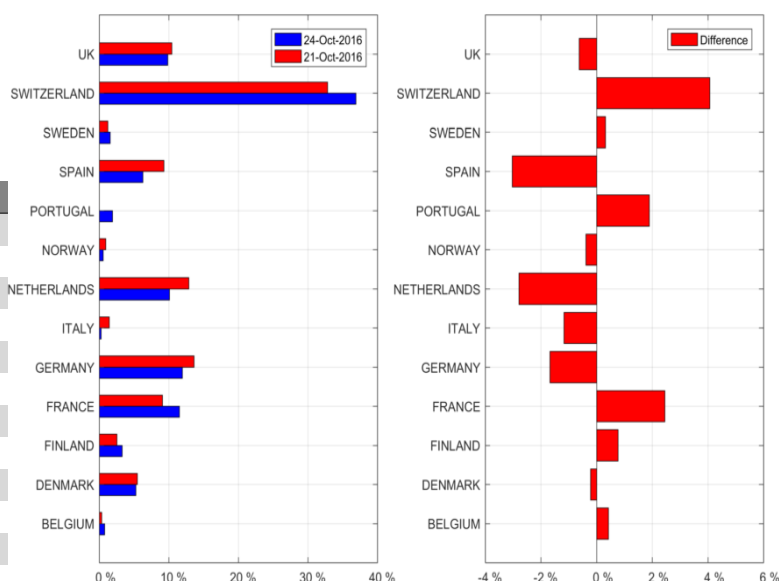


The table below shows, for each sector, the weight in the iSTOXX<sup>®</sup> Europe Minimum Variance Index NR (MV), in the benchmark Stoxx Europe 600 Index NR (BE) and their difference. We also show the annualized volatility of each sector in the iSTOXX<sup>®</sup> Europe Minimum Variance Index NR and in the benchmark. Annualized volatilities are computed using 125 business days ending on 18-Oct-2016

## Country Allocation

The most significant changes in country exposures are: **4.07%** for SWITZERLAND, **-3.04%** for SPAIN, **-2.80%** for NETHERLANDS. The biggest country exposures are: **36.89%** for SWITZERLAND, **11.95%** for GERMANY, **11.51%** for FRANCE.

	Close	Open	Difference
BELGIUM	0.35%	0.77%	0.42%
DENMARK	5.46%	5.24%	-0.22%
FINLAND	2.51%	3.28%	0.76%
FRANCE	9.06%	11.51%	2.45%
GERMANY	13.62%	11.95%	-1.67%
ITALY	1.43%	0.25%	-1.17%
NETHERLANDS	12.86%	10.06%	-2.80%
NORWAY	0.94%	0.56%	-0.38%
PORTUGAL	0.00%	1.89%	1.89%
SPAIN	9.28%	6.25%	-3.04%
SWEDEN	1.22%	1.53%	0.31%
SWITZERLAND	32.82%	36.89%	4.07%
UK	10.43%	9.81%	-0.62%

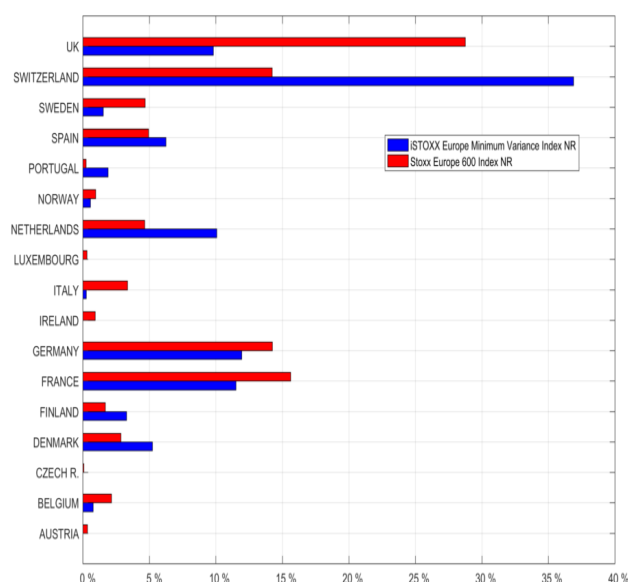


The left-hand side of the chart below shows the country deviations at rebalancing. Differences are shown on the right-hand side. Index weights are taken as of 21-Oct-2016 (last business day before the new composition is implemented) compared to the new rebalancing weights as of 24-Oct-2016.

## Country breakdown vs. benchmark

The iSTOXX<sup>®</sup> Europe Minimum Variance Index NR overweights SWITZERLAND (**22.67%**) and NETHERLANDS (**5.42%**) compared to Stoxx Europe 600 Index NR. The iSTOXX<sup>®</sup> Europe Minimum Variance Index NR underweights UK (**-18.94%**) and FRANCE (**-4.10%**) compared to Stoxx Europe 600 Index NR.

	BE	MV	Diff.	Volatility	
				BE	MV
AUSTRIA	0.34%	0.00%	-0.34%	25.15%	0.00%
BELGIUM	2.15%	0.77%	-1.38%	17.95%	23.26%
CZECH R.	0.07%	0.00%	-0.07%	20.97%	0.00%
DENMARK	2.85%	5.24%	2.39%	18.36%	17.24%
FINLAND	1.68%	3.28%	1.60%	19.28%	18.27%
FRANCE	15.61%	11.51%	-4.10%	20.27%	14.87%
GERMANY	14.25%	11.95%	-2.30%	19.75%	14.90%
IRELAND	0.94%	0.00%	-0.94%	23.89%	0.00%
ITALY	3.36%	0.25%	-3.11%	30.19%	22.31%
LUXEMBOURG	0.30%	0.00%	-0.30%	33.50%	0.00%
NETHERLANDS	4.65%	10.06%	5.42%	18.67%	14.68%
NORWAY	0.96%	0.56%	-0.40%	22.81%	26.15%
PORTUGAL	0.24%	1.89%	1.65%	20.12%	23.58%
SPAIN	4.94%	6.25%	1.31%	26.78%	16.37%
SWEDEN	4.67%	1.53%	-3.14%	21.30%	50.53%
SWITZERLAND	14.23%	36.89%	22.67%	14.53%	12.12%
UK	28.75%	9.81%	-18.94%	23.76%	27.05%



The table below shows, for each country, the weight in the iSTOXX<sup>®</sup> Europe Minimum Variance Index NR (MV), in the benchmark Stoxx Europe 600 Index NR (BE) and their difference. We also show the annualized volatility of each country in the iSTOXX<sup>®</sup> Europe Minimum Variance Index NR and in the benchmark. Annualized volatilities are computed using 125 business days ending on 18-Oct-2016

## Added Stocks

The rebalancing has added 12 new stocks. In the table below, T is the current rebalancing date (24-Oct-2016), while T-1 is the previous rebalancing date (19-Sep-2016). Vol(T-1) and Vol(T) are the annualized volatilities computed over 125 business days ending, respectively, on 13-Sep-2016 and 18-Oct-2016. The average daily volumes ADV(T-1) and ADV(T), expressed in mln EUR, are computed over 50 business days ending on the same dates as before, with the relative ranking over the benchmark Stoxx Europe 600 Index NR. Finally, WW(T) is the stock weight at the current rebalancing date.

	Sector	Country	Vol(T-1)	Vol(T)	WW(T)	ADV(T-1)	ADV(T)	B	LF	EU
ALSTOM SA	Industrials	FRANCE	27.63%	25.18%	1.54%	16.25 (311)	17.63 (295)	Y	N	N
ANHEUSER-BUSCH INBEV SA	C.Goods	BELGIUM	20.23%	19.82%	0.15%	124.24 (34)	147.19 (23)	Y	Y	Y
BOUYGUES SA	Industrials	FRANCE	30.00%	22.40%	1.55%	20.95 (255)	24.10 (230)	Y	Y	Y
CENTAMIN	Materials	UK	54.88%	53.96%	1.92%	13.96 (346)	18.51 (285)	Y	N	N
DANONE	C.Goods	FRANCE	20.11%	19.37%	0.08%	106.60 (48)	97.60 (56)	Y	Y	Y
ESSILOR INTERNATIONAL	HealthCare	FRANCE	20.48%	19.20%	0.10%	44.22 (129)	44.42 (131)	Y	Y	Y
GALP ENERGIA SGPS	Oil - Gas	PORTUGAL	24.79%	23.58%	1.89%	16.25 (310)	19.77 (270)	Y	N	N
KONE OYJ	Industrials	FINLAND	24.51%	21.40%	0.66%	27.57 (209)	24.09 (231)	Y	Y	Y
MEDICLINIC INTL	HealthCare	UK	30.12%	28.95%	1.43%	16.63 (301)	17.53 (296)	Y	N	N
OSRAM LICHT AG	C.Goods	GERMANY	29.36%	32.92%	0.06%	14.96 (329)	18.39 (290)	Y	N	N
PARTNERS GROUP HOLDING	Financials	SWITZERLAND	22.00%	19.21%	2.43%	15.33 (323)	19.52 (273)	Y	N	N
SIKA AG	Industrials	SWITZERLAND	19.40%	19.04%	3.39%	13.60 (350)	17.46 (300)	Y	N	N

The Column B shows whenever the added stock was in the Stoxx Europe 600 Index NR selection as of 19-Sep-2016. The columns LF/EU show whenever the stock was selected by the liquidity filter/eligible universe as of 19-Sep-2016.

## Deleted Stocks

The rebalancing has deleted 18 new stocks. In the table below, T is the current rebalancing date (24-Oct-2016), while T-1 is the previous rebalancing date (19-Sep-2016). Vol(T-1) and Vol(T) are the annualized volatilities computed over 125 business days ending, respectively, on 13-Sep-2016 and 18-Oct-2016. The average daily volumes ADV(T-1) and ADV(T), expressed in mln EUR, are computed over 50 business days ending on the same dates as before, with the relative ranking over the benchmark Stoxx Europe 600 Index NR. Finally, WW(T-1) is the stock weight at the previous rebalancing date.

	Sector	Country	Vol(T-1)	Vol(T)	WW(T-1)	ADV(T-1)	ADV(T)	B	LF	EU
AIR FRANCE-KLM	C.Services	FRANCE	34.67%	34.63%	0.67%	18.92 (280)	16.64 (315)	Y	N	N
BRITISH AMER.TOBI	C.Goods	UK	19.85%	20.49%	0.00%	136.65 (31)	133.56 (30)	Y	Y	Y
ENAGAS SA	Utilities	SPAIN	18.38%	18.81%	1.81%	17.09 (299)	16.32 (322)	Y	N	N
FRESENIUS	HealthCare	GERMANY	22.42%	22.78%	0.20%	63.68 (88)	69.17 (85)	Y	Y	Y
FRESNILLO	Materials	UK	44.43%	44.49%	1.18%	27.69 (208)	24.30 (227)	Y	Y	Y
INTERTEK GROUP	Industrials	UK	24.58%	24.94%	0.34%	17.55 (293)	15.30 (338)	Y	N	N
LOGITECH INTL.SA	Technology	SWITZERLAND	30.79%	31.09%	0.00%	18.06 (285)	14.80 (347)	Y	N	N
PANDORA A/S	C.Goods	DENMARK	31.47%	32.59%	0.00%	56.27 (99)	51.40 (111)	Y	Y	Y
ROYAL DUTCH SHELL	Oil - Gas	UK	24.98%	24.91%	0.06%	199.59 (9)	184.38 (12)	Y	Y	Y
SAP AG	Technology	GERMANY	20.30%	20.64%	0.46%	158.32 (20)	153.01 (21)	Y	Y	Y
SBM OFFSHORE NV	Oil - Gas	NETHERLANDS	41.37%	39.21%	0.13%	19.15 (274)	17.18 (307)	Y	N	N
SMITH & NEPHEW	HealthCare	UK	22.06%	23.00%	0.06%	40.19 (139)	42.36 (142)	Y	Y	Y
STATOIL ASA	Oil - Gas	NORWAY	32.87%	32.02%	0.12%	50.78 (109)	49.60 (115)	Y	Y	Y
TECHNIP	Oil - Gas	FRANCE	34.27%	33.39%	0.23%	41.71 (132)	46.33 (124)	Y	Y	Y
TERNA RETE ELETTRICA NAZ	Utilities	ITALY	21.03%	21.89%	0.49%	25.10 (221)	24.10 (229)	Y	Y	Y
THE SWATCH GROUP AG	C.Goods	SWITZERLAND	27.28%	28.70%	0.12%	69.61 (81)	64.64 (90)	Y	Y	Y
UNIBAIL-RODAMCO	Financials	FRANCE	20.51%	21.24%	0.04%	56.49 (98)	62.84 (95)	Y	Y	Y
UNILEVER DR	C.Goods	NETHERLANDS	18.66%	18.91%	0.02%	139.67 (28)	141.89 (28)	Y	Y	Y

The Column B shows whenever the deleted stock was in the Stoxx Europe 600 Index NR selection as of 24-Oct-2016. The columns LF/EU show whenever the stock was selected by the liquidity filter/eligible universe as of 24-Oct-2016.

## Ranking Index Constituents - Top 25

The table shows the top 25 positions in the iSTOXX<sup>®</sup> Europe Minimum Variance Index NR as of 24-Oct-2016. The column WW indicates the weights in the iSTOXX<sup>®</sup> Europe Minimum Variance Index NR as of 24-Oct-2016. The column Vol gives the annualized volatility computed over 125 business days ending on 18-Oct-2016. We also provide the ranking of these volatilities (Rank Vol) relative to the Filtered Selection at the rebalancing date. The column Corr gives the average correlation of each stock relative to the rest of the filtered selection, computed over 500 business days ending on 18-Oct-2016. We also provide the ranking of these correlations (Rank Corr) relative to the Filtered Selection at the rebalancing date. The Rank Blend is computed as 66% Rank Vol + 34% Rank Corr. The lower the stock's Rank Blend, the higher the likelihood that the stock will be overweighted in the Index. Finally, the column Core shows whether the stock was in the iSTOXX<sup>®</sup> Europe Minimum Variance Index NR already (YES) or it entered at this rebalancing (NO).

	Sector	Country	WW	Vol	Rank Vol	Corr	Rank Corr	Rank Blend	Core
SYNGENTA AG	Materials	SWITZERLAND	4.31%	18.34%	17	26.61%	6	13	YES
RANDGOLD RESOURCES	Materials	UK	4.22%	40.94%	235	-0.30%	1	155	YES
SWISSCOM	Telecom.	SWITZERLAND	3.74%	14.39%	2	40.85%	55	20	YES
SIKA AG	Industrials	SWITZERLAND	3.39%	19.04%	25	31.62%	11	20	NO
NESTLE AG	C.Goods	SWITZERLAND	2.98%	13.25%	1	48.49%	153	52	YES
PARTNERS GROUP HOLDING	Financials	SWITZERLAND	2.43%	19.21%	30	39.35%	44	34	NO
HEINEKEN NV	C.Goods	NETHERLANDS	2.43%	16.09%	4	45.89%	106	38	YES
GIVAUDAN SA	Materials	SWITZERLAND	2.37%	16.21%	5	42.45%	72	27	YES
SGS SA	Industrials	SWITZERLAND	2.37%	16.32%	7	44.84%	92	35	YES
SONOVA HOLDING AG	HealthCare	SWITZERLAND	2.22%	19.07%	26	38.56%	37	29	YES
ENDESA SA	Utilities	SPAIN	2.21%	20.22%	40	39.88%	47	42	YES
ROCHE HOLDING AG	HealthCare	SWITZERLAND	2.20%	16.32%	6	45.54%	103	38	YES
NOVARTIS AG	HealthCare	SWITZERLAND	2.09%	15.71%	3	48.10%	145	51	YES
WOLTERS KLUWER NV	C.Services	NETHERLANDS	2.08%	16.52%	9	48.03%	143	54	YES
CARLSBERG AS	C.Goods	DENMARK	2.07%	20.26%	41	39.99%	48	43	YES
RED ELECTRICAN.SA	Utilities	SPAIN	2.06%	17.97%	16	45.40%	101	44	YES
ACTELION	HealthCare	SWITZERLAND	2.05%	17.77%	15	40.18%	51	27	YES
THALES SA	Industrials	FRANCE	1.98%	18.97%	24	43.66%	82	43	YES
HENKEL AGKGAA	C.Goods	GERMANY	1.94%	17.67%	13	43.98%	86	37	YES
CENTAMIN	Materials	UK	1.92%	53.96%	270	3.38%	2	178	NO
GALP ENERGIA SGPS	Oil - Gas	PORTUGAL	1.89%	23.58%	83	37.13%	30	64	NO
VONOVIA SE	Financials	GERMANY	1.85%	19.28%	32	40.15%	50	38	YES
ADIDAS AG	C.Goods	GERMANY	1.83%	21.14%	54	38.16%	36	47	YES
PERNOD-RICARD	C.Goods	FRANCE	1.82%	16.50%	8	48.53%	154	57	YES
FORTUM OYJ	Utilities	FINLAND	1.73%	21.59%	59	42.24%	68	62	YES



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