

Ossiam US Minimum Variance Index NR

Rebalancing Report - 19-Dec-2016

Stock Statistics

The Ossiam US 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 Ossiam US Minimum Variance Index NR and the benchmark S&P500 Index NR are computed in USD. The calculations in the document are performed by Ossiam using S&P /Datastream source.

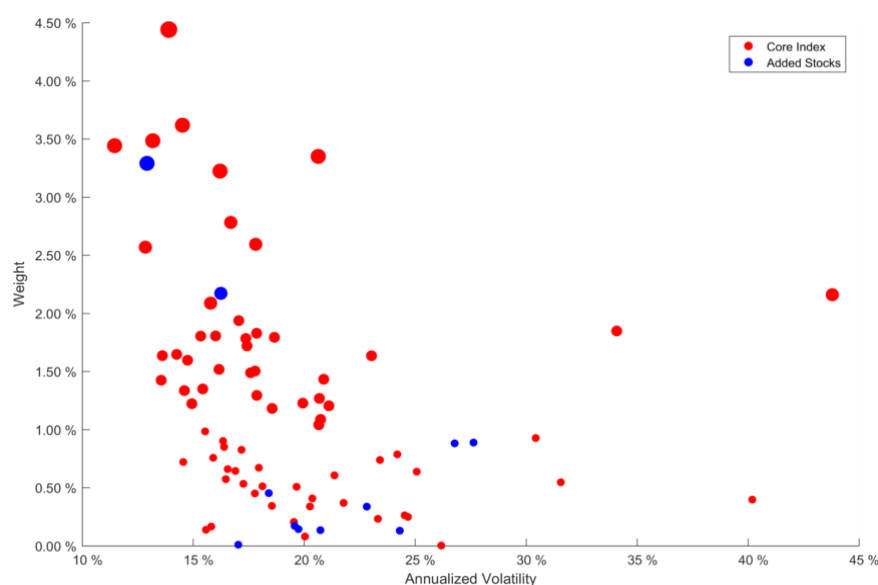
The number of constituents in the index increased from **81** to **82**. The Turnover is **35.18%**, lower than its historical mean at **38.52%**. The weight of the Index Core Portfolio decreased from **94.42%** to **91.39%**.

Characteristics	19-Dec-2016
Number of Stocks	82
Added Stocks	11
Deleted Stocks	10
Core Number	71
Old weight of Core	94.42%
New weight of Core	91.39%
Turnover	35.18%
Historical Turnover	38.52%

Added and deleted stocks are relative to 19-Dec-2016. The Core is defined as the subset of stocks that belong to the current as well as the previous composition.

Volatility/Weight profile

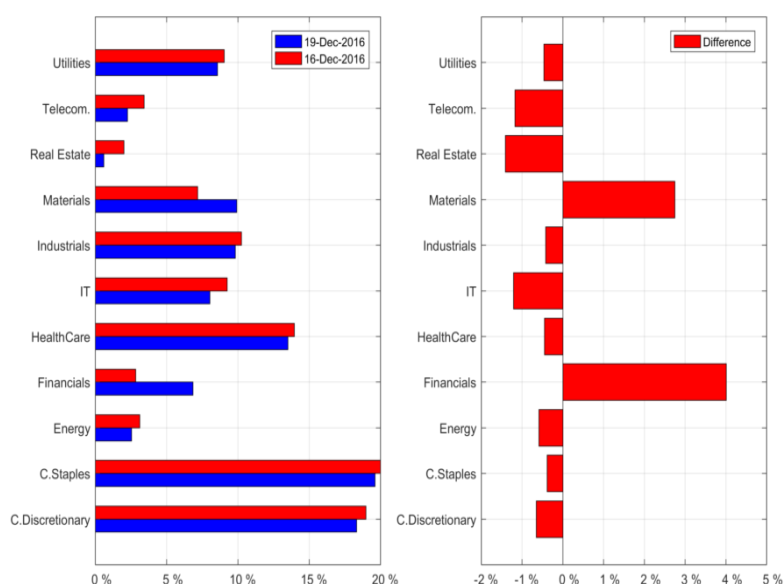
The chart on the right shows the distribution of the new Ossiam US Minimum Variance Index NR composition on 19-Dec-2016 in terms of annualized volatility (x-axis) and weight (y-axis). Volatility computed over 125 days ending on 13-Dec-2016. On the upper left corner we find low volatile stocks with big 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: **4.01%** for Financials, **2.75%** for Materials, **-1.41%** for Real Estate. The biggest sector exposures are: **19.61%** for C.Staples, **18.33%** for C.Discretionary, **13.51%** for HealthCare.

	Close	Open	Difference
C.Discretionary	18.98%	18.33%	-0.65%
C.Staples	19.99%	19.61%	-0.39%
Energy	3.12%	2.54%	-0.58%
Financials	2.83%	6.84%	4.01%
HealthCare	13.96%	13.51%	-0.45%
IT	9.25%	8.04%	-1.21%
Industrials	10.24%	9.81%	-0.42%
Materials	7.16%	9.91%	2.75%
Real Estate	2.00%	0.59%	-1.41%
Telecom.	3.42%	2.25%	-1.17%
Utilities	9.04%	8.57%	-0.47%

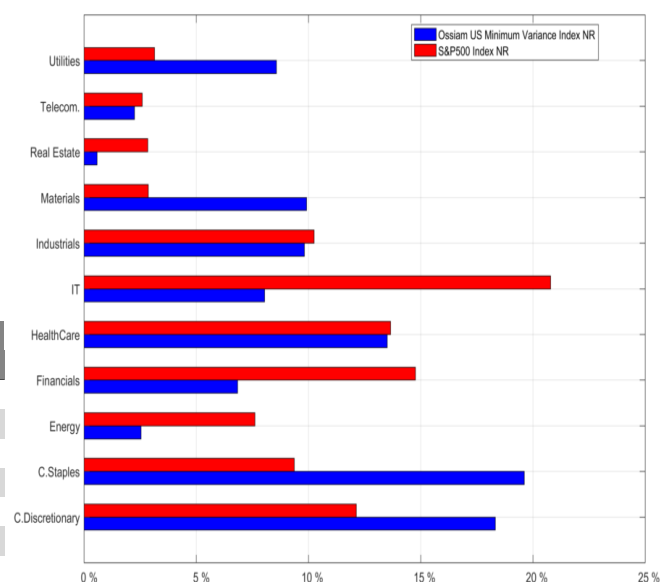


The left-hand side of the chart below shows the sector deviations at rebalancing. Differences are shown on the right-hand side. Index weights are taken as of 16-Dec-2016 (last business day before the new composition is implemented) compared to the new rebalancing weights as of 19-Dec-2016.

Sector breakdown vs. benchmark

The Ossiam US Minimum Variance Index NR overweights C.Staples (**10.24%**) and Materials (**7.05%**) compared to S&P500 Index NR. The Ossiam US Minimum Variance Index NR underweights IT (**-12.75%**) and Financials (**-7.93%**) compared to S&P500 Index NR.

	BE		Diff.	Volatility	
	BE	MV		BE	MV
C.Discretionary	12.13%	18.33%	6.19%	13.68%	11.47%
C.Staples	9.37%	19.61%	10.24%	12.39%	11.07%
Energy	7.61%	2.54%	-5.07%	21.09%	17.07%
Financials	14.77%	6.84%	-7.93%	19.89%	12.79%
HealthCare	13.66%	13.51%	-0.15%	15.99%	11.93%
IT	20.79%	8.04%	-12.75%	14.57%	13.65%
Industrials	10.25%	9.81%	-0.44%	14.27%	11.11%
Materials	2.86%	9.91%	7.05%	15.86%	15.33%
Real Estate	2.84%	0.59%	-2.26%	16.63%	17.33%
Telecom.	2.59%	2.25%	-0.34%	15.04%	14.92%
Utilities	3.14%	8.57%	5.43%	16.66%	16.12%



The table below shows, for each sector, the weight in the Ossiam US Minimum Variance Index NR (MV), in the benchmark S&P500 Index NR (BE) and their difference. We also show the annualized volatility of each sector in the Ossiam US Minimum Variance Index NR and in the benchmark. Annualized volatilities are computed using 125 business days ending on 13-Dec-2016

Added Stocks

The rebalancing has added 11 new stocks. In the table below, T is the current rebalancing date (19-Dec-2016), while T-1 is the previous rebalancing date (21-Nov-2016). Vol(T-1) and Vol(T) are the annualized volatilities computed over 125 business days ending, respectively, on 15-Nov-2016 and 13-Dec-2016. The average daily volumes ADV(T-1) and ADV(T), expressed in mln USD, are computed over 50 business days ending on the same dates as before, with the relative ranking over the benchmark S&P500 Index NR. Finally, WW(T) is the stock weight at the current rebalancing date.

	Sector	Vol(T-1)	Vol(T)	WW(T)	ADV(T-1)	ADV(T)	B	LF	EU
CIGNA	HealthCare	28.13%	27.63%	0.89%	163.39 (253)	170.77 (246)	Y	N	N
CORNING	IT	19.19%	18.41%	0.45%	222.97 (177)	198.39 (203)	Y	Y	Y
GENERAL DYNAMICS	Industrials	16.60%	17.04%	0.01%	225.92 (172)	270.05 (149)	Y	Y	Y
LOCKHEED MARTIN	Industrials	18.97%	19.57%	0.17%	368.95 (87)	400.22 (74)	Y	Y	Y
MOLSON COORS BREWING	C.Staples	24.14%	24.31%	0.13%	217.58 (185)	189.13 (220)	Y	Y	Y
PUBLIC STORAGE	Real Estate	20.53%	20.73%	0.13%	201.36 (201)	196.14 (209)	Y	Y	Y
ROSS STORES	C.Discretionary	17.18%	16.25%	2.17%	148.07 (272)	178.76 (234)	Y	N	N
SYNCHRONY FINANCIAL	Financials	32.14%	26.78%	0.88%	218.20 (184)	244.71 (165)	Y	Y	Y
THE ALLSTATEORATION	Financials	11.89%	12.92%	3.29%	143.42 (282)	172.89 (243)	Y	N	N
WALGREENS BTS.ALL	C.Staples	20.63%	19.74%	0.14%	395.75 (74)	367.82 (85)	Y	Y	Y
YAHOO	IT	25.00%	22.82%	0.34%	466.00 (56)	375.08 (82)	Y	Y	Y

The Column B shows whenever the added stock was in the S&P500 Index NR selection as of 21-Nov-2016. The columns LF/EU show whenever the stock was selected by the liquidity filter/eligible universe as of 21-Nov-2016.

Deleted Stocks

The rebalancing has deleted 10 new stocks. In the table below, T is the current rebalancing date (19-Dec-2016), while T-1 is the previous rebalancing date (21-Nov-2016). Vol(T-1) and Vol(T) are the annualized volatilities computed over 125 business days ending, respectively, on 15-Nov-2016 and 13-Dec-2016. The average daily volumes ADV(T-1) and ADV(T), expressed in mln USD, are computed over 50 business days ending on the same dates as before, with the relative ranking over the benchmark S&P500 Index NR. Finally, WW(T-1) is the stock weight at the previous rebalancing date.

	Sector	Vol(T-1)	Vol(T)	WW(T-1)	ADV(T-1)	ADV(T)	B	LF	EU
BOSTON SCIENTIFIC	HealthCare	20.08%	21.05%	0.18%	210.78 (192)	198.75 (202)	Y	Y	Y
HOME DEPOT	C.Discretionary	16.08%	16.80%	0.28%	692.92 (32)	700.00 (30)	Y	Y	Y
LOWE'S COMPANIES	C.Discretionary	18.10%	20.52%	0.17%	433.53 (64)	478.33 (56)	Y	Y	Y
MEDTRONIC	HealthCare	16.28%	20.58%	0.23%	402.03 (72)	499.78 (50)	Y	Y	Y
OCCIDENTAL PTL	Energy	20.64%	22.69%	0.28%	389.47 (76)	389.91 (77)	Y	Y	Y
RANGE RES	Energy	41.82%	42.78%	0.53%	178.48 (224)	162.77 (258)	Y	N	N
TYSON FOODS	C.Staples	25.00%	33.35%	0.51%	227.66 (169)	297.99 (120)	Y	Y	Y
VENTAS	Real Estate	22.78%	24.02%	0.15%	165.66 (249)	143.74 (288)	Y	N	N
WELLTOWER	Real Estate	19.84%	20.63%	1.40%	166.69 (246)	158.20 (264)	Y	N	N
WHOLE FOODS MARKET	C.Staples	27.66%	25.80%	1.85%	169.20 (241)	163.55 (255)	Y	N	N

The Column B shows whenever the deleted stock was in the S&P500 Index NR selection as of 19-Dec-2016. The columns LF/EU show whenever the stock was selected by the liquidity filter/eligible universe as of 19-Dec-2016.

Ranking Index Constituents - Top 25

The table shows the top 25 positions in the Ossiam US Minimum Variance Index NR as of 19-Dec-2016. The column WW indicates the weights in the Ossiam US Minimum Variance Index NR as of 19-Dec-2016. The column Vol gives the annualized volatility computed over 125 business days ending on 13-Dec-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 13-Dec-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 Ossiam US Minimum Variance Index NR already (YES) or it entered at this rebalancing (NO).

	Sector	WW	Vol	Rank Vol	Corr	Rank Corr	Rank Blend	Core
ST.JUDE MEDICAL	HealthCare	4.44%	13.90%	7	25.16%	33	15	YES
WAL MART STORES	C.Staples	3.62%	14.52%	10	25.51%	36	18	YES
THE WALT DISNEY	C.Discretionary	3.48%	13.18%	4	36.37%	165	58	YES
UNITED PARCEL SER	Industrials	3.44%	11.46%	1	40.16%	205	70	YES
KRAFT HEINZ	C.Staples	3.35%	20.64%	79	18.33%	8	54	YES
THE ALLSTATEORATION	Financials	3.29%	12.92%	3	36.11%	161	56	NO
THE SOUTHERN	Utilities	3.22%	16.21%	24	18.00%	5	17	YES
MONSANTO	Materials	2.78%	16.70%	32	31.25%	97	54	YES
E I DU PONT DE NEMOURS	Materials	2.59%	17.82%	47	30.69%	85	59	YES
JOHNSON & JOHNSON	HealthCare	2.57%	12.85%	2	37.69%	182	63	YES
ROSS STORES	C.Discretionary	2.17%	16.25%	25	31.86%	108	53	NO
NEWMONT MINING	Materials	2.16%	43.80%	231	6.47%	1	152	YES
COSTCO WHOLESALE	C.Staples	2.09%	15.79%	19	30.55%	80	39	YES
ALPHABET	IT	1.94%	17.06%	37	30.98%	90	55	YES
CHIPOTLE MEXN.GRILL	C.Discretionary	1.85%	34.09%	205	14.99%	3	136	YES
DUKE ENERGY	Utilities	1.83%	17.86%	48	20.09%	12	35	YES
DOW CHEMICAL	Materials	1.81%	16.01%	22	36.97%	172	73	YES
MCDONALDS	C.Discretionary	1.80%	15.34%	15	33.11%	123	51	YES
CME GROUP	Financials	1.79%	18.66%	58	30.99%	91	69	YES
RAYTHEON	Industrials	1.78%	17.37%	42	30.72%	86	56	YES
DOMINION RESOURCES	Utilities	1.72%	17.43%	43	23.28%	23	36	YES
THE COCA COLA	C.Staples	1.65%	14.26%	8	34.23%	139	52	YES
3M	Industrials	1.64%	13.61%	6	41.71%	219	78	YES
ELECTRONIC ARTS	IT	1.63%	23.04%	112	23.67%	25	82	YES
COMCAST	C.Discretionary	1.60%	14.75%	13	38.33%	188	72	YES

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