

# Ossiam World Minimum Variance Index NR

Rebalancing Report - 19-Sep-2016

## Stock Statistics

The Ossiam World Developed Minimum Variance Index NR rebalances semiannually (March and September), on the 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 Monday before the third Friday. Both the Ossiam World Minimum Variance Index NR and the benchmark S&P Global 1200 Index NR are computed in USD. The calculations in the document are performed by Ossiam using S&P /Datastream source.

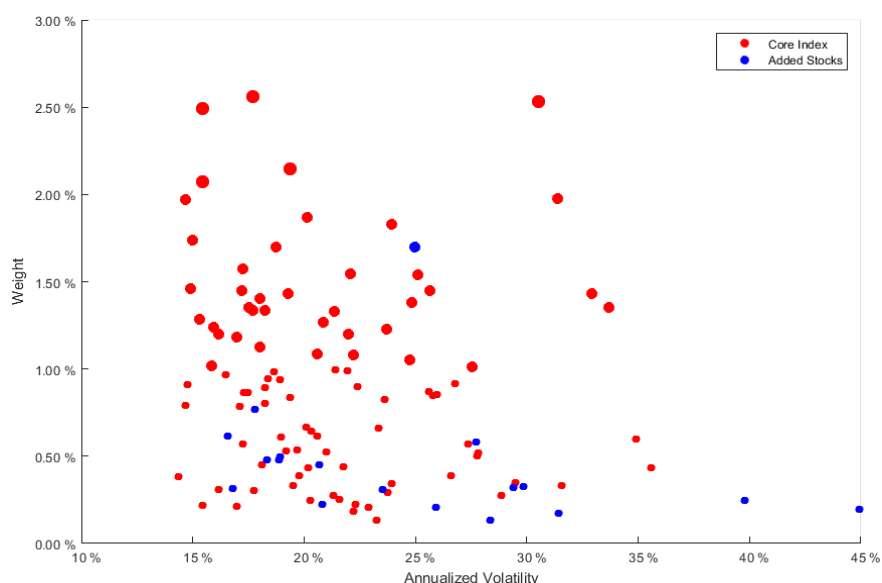
The number of constituents in the index decreased from **115** to **114**. The Turnover is **42.30%**, lower than its historical mean at **61.19%**. The weight of the Index Core Portfolio is stable.

Characteristics	19-Sep-2016
Number of Stocks	114
Added Stocks	18
Deleted Stocks	19
Core Number	96
Old weight of Core	91.28%
New weight of Core	91.97%
Turnover	42.30%
Historical Turnover	61.19%

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

## Volatility/Weight profile

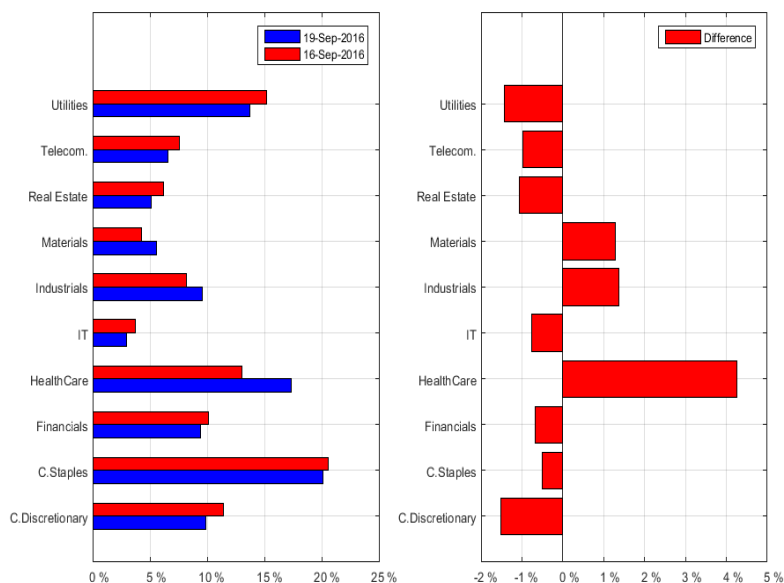
The chart on the right shows the distribution of the new Ossiam World Minimum Variance Index NR composition on 19-Sep-2016 in terms of annualized volatility (x-axis) and weight (y-axis). Volatility computed over 500 days ending on 12-Sep-2016. On the upper left corner we find low volatile stocks with 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: **4.26%** for HealthCare, **-1.51%** for C.Discretionary, **-1.42%** for Utilities. The biggest sector exposures are: **20.02%** for C.Staples, **17.29%** for HealthCare, **13.73%** for Utilities.

	Close	Open	Difference
C.Discretionary	11.39%	9.88%	-1.51%
C.Staples	20.52%	20.02%	-0.50%
Financials	10.08%	9.41%	-0.66%
HealthCare	13.02%	17.29%	4.26%
IT	3.70%	2.93%	-0.77%
Industrials	8.18%	9.54%	1.36%
Materials	4.26%	5.54%	1.28%
Real Estate	6.16%	5.09%	-1.07%
Telecom.	7.54%	6.57%	-0.97%
Utilities	15.15%	13.73%	-1.42%

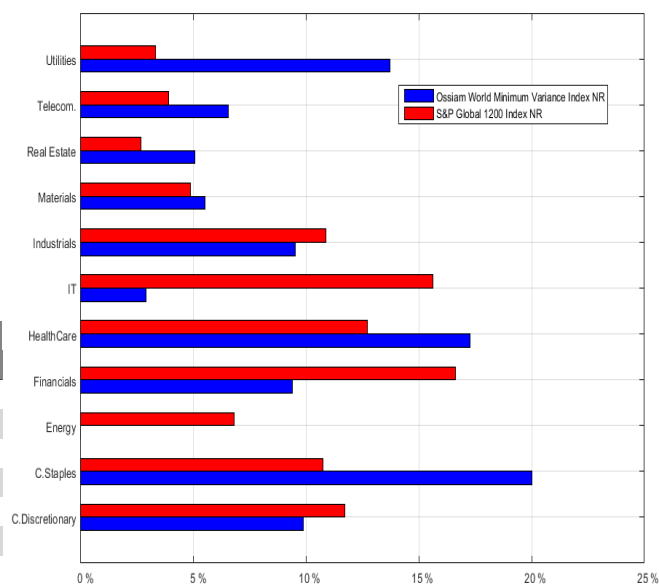


The left-hand side of the chart below shows the sector deviations at rebalancing. Differences are shown on the right-hand side. Index weights are taken as of 16-Sep-2016 (last business day before the new composition is implemented) compared to the new rebalancing weights as of 19-Sep-2016.

## Sector breakdown vs. benchmark

The Ossiam World Minimum Variance Index NR overweights Utilities (**10.38%**) and C.Staples (**9.27%**) compared to S&P Global 1200 Index NR. The Ossiam World Minimum Variance Index NR underweights IT (**-12.70%**) and Financials (**-7.20%**) compared to S&P Global 1200 Index NR.

	BE		Diff.	Volatility	
	BE	MV		BE	MV
C.Discretionary	11.73%	9.88%	-1.85%	16.02%	14.23%
C.Staples	10.75%	20.02%	9.27%	12.48%	11.11%
Energy	6.83%	0.00%	-6.83%	26.26%	0.00%
Financials	16.62%	9.41%	-7.20%	19.07%	13.43%
HealthCare	12.71%	17.29%	4.57%	15.33%	12.87%
IT	15.63%	2.93%	-12.70%	17.17%	15.69%
Industrials	10.89%	9.54%	-1.34%	15.55%	12.97%
Materials	4.88%	5.54%	0.65%	21.11%	19.29%
Real Estate	2.69%	5.09%	2.40%	14.71%	15.80%
Telecom.	3.93%	6.57%	2.64%	13.79%	14.20%
Utilities	3.34%	13.73%	10.38%	14.00%	15.53%

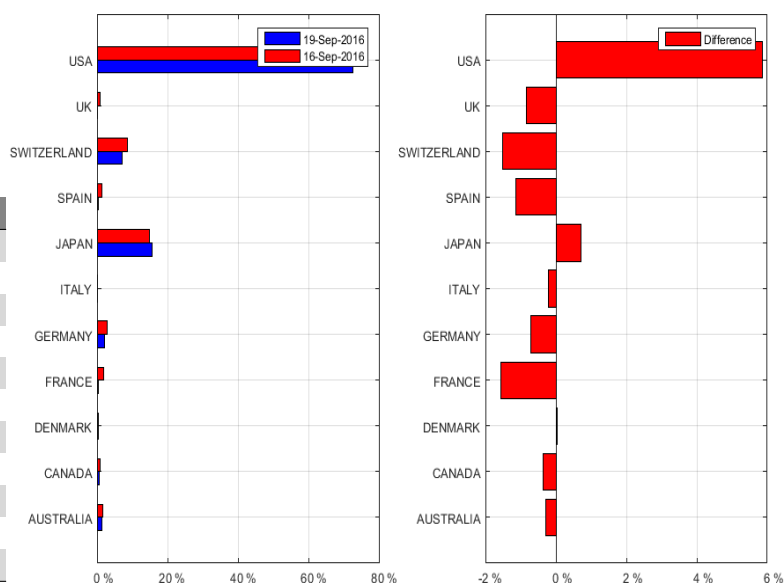


The table below shows, for each sector, the weight in the Ossiam World Minimum Variance Index NR (MV), in the benchmark S&P Global 1200 Index NR (BE) and their difference. We also show the annualized volatility of each sector in the Ossiam World Minimum Variance Index NR and in the benchmark. Annualized volatilities are computed using 500 business days ending on 12-Sep-2016

## Country Allocation

The most significant changes in country exposures are: **5.86%** for USA, **-1.56%** for FRANCE, **-1.50%** for SWITZERLAND. The biggest country exposures are: **72.35%** for USA, **15.56%** for JAPAN, **7.01%** for SWITZERLAND.

	Close	Open	Difference
AUSTRALIA	1.56%	1.27%	-0.30%
CANADA	0.89%	0.52%	-0.37%
DENMARK	0.35%	0.39%	0.04%
FRANCE	1.99%	0.42%	-1.56%
GERMANY	2.93%	2.23%	-0.70%
ITALY	0.21%	0.00%	-0.21%
JAPAN	14.84%	15.56%	0.72%
SPAIN	1.39%	0.25%	-1.14%
SWITZERLAND	8.51%	7.01%	-1.50%
UK	0.83%	0.00%	-0.83%
USA	66.49%	72.35%	5.86%

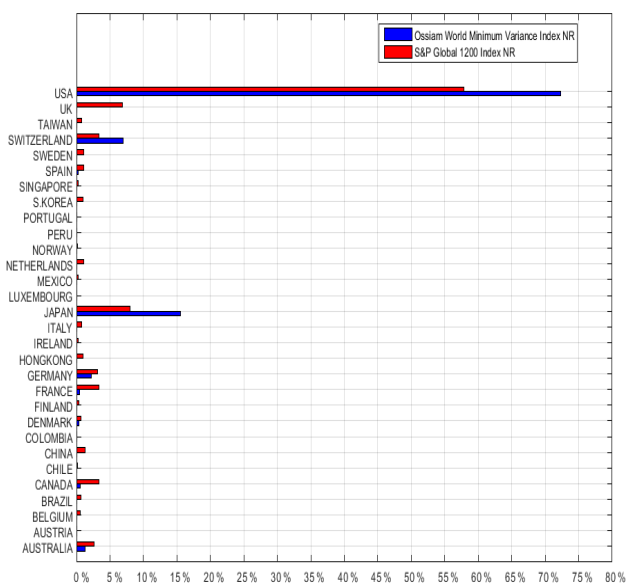


The left-hand side of the chart below shows the country deviations at rebalancing. Differences are shown on the right-hand side. Index weights are taken as of 16-Sep-2016 (last business day before the new composition is implemented) compared to the new rebalancing weights as of 19-Sep-2016.

## Country breakdown vs. benchmark

The Ossiam World Minimum Variance Index NR overweights USA (**14.52%**) and JAPAN (**7.58%**) compared to S&P Global 1200 Index NR. The Ossiam World Minimum Variance Index NR underweights UK (**-6.87%**) and FRANCE (**-2.95%**) compared to S&P Global 1200 Index NR.

	BE	MV	Diff.	Volatility BE	Volatility MV
AUSTRALIA	2.59%	1.27%	-1.32%	22.84%	20.87%
AUSTRIA	0.05%	0.00%	-0.05%	30.21%	0.00%
BELGIUM	0.52%	0.00%	-0.52%	20.19%	0.00%
CANADA	3.31%	0.52%	-2.79%	20.67%	20.98%
DENMARK	0.68%	0.39%	-0.29%	20.23%	26.61%
FINLAND	0.34%	0.00%	-0.34%	22.27%	0.00%
FRANCE	3.38%	0.42%	-2.95%	21.71%	21.52%
GERMANY	3.17%	2.23%	-0.94%	21.64%	19.80%
IRELAND	0.24%	0.00%	-0.24%	23.48%	0.00%
ITALY	0.75%	0.00%	-0.75%	27.12%	0.00%
JAPAN	7.98%	15.56%	7.58%	19.00%	16.46%
LUXEMBOURG	0.07%	0.00%	-0.07%	34.36%	0.00%
NETHERLANDS	1.11%	0.00%	-1.11%	20.16%	0.00%
NORWAY	0.19%	0.00%	-0.19%	29.10%	0.00%
PORTUGAL	0.05%	0.00%	-0.05%	29.54%	0.00%
SPAIN	1.09%	0.25%	-0.84%	25.63%	21.57%
SWEDEN	1.05%	0.00%	-1.05%	22.27%	0.00%
SWITZERLAND	3.35%	7.01%	3.66%	15.90%	16.67%
UK	6.87%	0.00%	-6.87%	22.69%	0.00%
USA	57.83%	72.35%	14.52%	14.89%	10.51%



The table below shows, for each country, the weight in the Ossiam World Minimum Variance Index NR (MV), in the benchmark S&P Global 1200 Index NR (BE) and their difference. We also show the annualized volatility of each country in the Ossiam World Minimum Variance Index NR and in the benchmark. Annualized volatilities are computed using 500 business days ending on 12-Sep-2016

## Added Stocks

The rebalancing has added 18 new stocks. In the table below, T is the current rebalancing date (19-Sep-2016), while T-1 is the previous rebalancing date (21-Mar-2016). Vol(T-1) and Vol(T) are the annualized volatilities computed over 500 business days ending, respectively, on 14-Mar-2016 and 12-Sep-2016. The average daily volumes ADV(T-1) and ADV(T), expressed in mln USD, are computed over 125 business days ending on the same dates as before, with the relative ranking over the benchmark S&P Global 1200 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
3M	Industrials	USA	17.36%	16.80%	0.31%	405.96 (80)	314.03 (96)	Y	Y	Y
BRISTOL MYERS SQUIBB	HealthCare	USA	24.69%	25.91%	0.21%	447.31 (69)	545.26 (37)	Y	Y	Y
C R BARD	HealthCare	USA	20.21%	18.94%	0.50%	107.51 (401)	99.92 (395)	Y	N	N
DANAHER	HealthCare	USA	17.22%	16.56%	0.61%	289.92 (141)	256.85 (131)	Y	Y	Y
DIGITAL REALTY TST	Real Estate	USA	Inf%	20.66%	0.45%	-Inf (667)	177.18 (228)	N	N	N
DR PEPPER SNAPPLE GPIN.	C.Staples	USA	17.70%	17.78%	0.77%	124.57 (365)	113.82 (354)	Y	Y	Y
ENTERGY	Utilities	USA	18.58%	18.31%	0.48%	95.31 (425)	101.48 (390)	Y	N	N
KAO	C.Staples	JAPAN	24.17%	24.98%	1.70%	93.47 (430)	105.95 (378)	Y	N	N
LABYOF AM	HealthCare	USA	20.83%	20.82%	0.23%	-Inf (596)	109.90 (366)	Y	N	N
LINEAR TECHNOLOGY	IT	USA	23.26%	29.40%	0.32%	-Inf (1202)	114.34 (352)	Y	N	N
NEWMONT MINING	Materials	USA	43.80%	44.92%	0.20%	183.50 (242)	290.26 (110)	Y	Y	Y
NIDEC	Industrials	JAPAN	29.60%	29.87%	0.32%	126.77 (355)	103.75 (382)	Y	Y	Y
ONO PHARM.CO	HealthCare	JAPAN	34.90%	39.76%	0.25%	93.90 (428)	166.77 (244)	Y	N	N
PFIZER	HealthCare	USA	18.89%	18.86%	0.48%	1153.39 (10)	1056.44 (8)	Y	Y	Y
ST.JUDE MEDICAL	HealthCare	USA	22.87%	28.38%	0.14%	118.07 (382)	246.57 (143)	Y	Y	Y
SYNCHRONY FINANCIAL	Financials	USA	22.32%	27.72%	0.58%	332.08 (118)	213.62 (173)	Y	Y	N
THE KROGER	C.Staples	USA	23.06%	23.54%	0.31%	342.48 (111)	315.05 (95)	Y	Y	Y
ULTA SALON CO&FRA	C.Discretionary	USA	Inf%	31.42%	0.17%	-Inf (756)	236.22 (152)	N	N	N

The Column B shows whenever the added stock was in the S&P Global 1200 Index NR selection as of 21-Mar-2016. The columns LF/EU show whenever the stock was selected by the liquidity filter/eligible universe as of 21-Mar-2016.

## Deleted Stocks

The rebalancing has deleted 19 new stocks. In the table below, T is the current rebalancing date (19-Sep-2016), while T-1 is the previous rebalancing date (21-Mar-2016). Vol(T-1) and Vol(T) are the annualized volatilities computed over 500 business days ending, respectively, on 14-Mar-2016 and 12-Sep-2016. The average daily volumes ADV(T-1) and ADV(T), expressed in mln USD, are computed over 125 business days ending on the same dates as before, with the relative ranking over the benchmark S&P Global 1200 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
AMADEUS IT GROUP	IT	SPAIN	22.13%	23.28%	0.52%	86.88 (445)	43.05 (533)	Y	N	N
ASSICURAZIONI GENERALI	Financials	ITALY	23.17%	32.49%	0.21%	124.63 (364)	126.40 (324)	Y	Y	Y
CONAGRA FOODS	C.Staples	USA	21.63%	19.97%	0.64%	131.93 (341)	125.56 (327)	Y	Y	Y
DANONE	C.Staples	FRANCE	18.61%	20.11%	0.33%	117.89 (383)	112.61 (359)	Y	Y	Y
FRESENIUS	HealthCare	GERMANY	22.65%	24.51%	0.51%	112.42 (390)	80.45 (445)	Y	Y	Y
INTL.BUS.MCHS	IT	USA	20.36%	20.74%	0.14%	684.14 (33)	562.26 (36)	Y	Y	Y
KIMBERLY-CLARK	C.Staples	USA	15.78%	16.76%	0.28%	223.89 (199)	222.92 (163)	Y	Y	Y
L'OREAL	C.Staples	FRANCE	18.89%	20.55%	0.57%	136.25 (330)	108.56 (374)	Y	Y	Y
LLOYDS BANKING GP	Financials	UK	25.18%	39.40%	0.14%	154.86 (295)	166.35 (245)	Y	Y	Y
MACY'S	C.Discretionary	USA	27.19%	33.89%	0.82%	298.74 (133)	-Inf (793)	Y	N	N
MCKESSONORATION	HealthCare	USA	22.96%	24.31%	0.29%	356.37 (102)	254.28 (136)	Y	Y	Y
NATIONAL GRID	Utilities	UK	17.42%	20.16%	0.57%	102.29 (412)	97.76 (403)	Y	N	N
ORIENTAL LAND CO	C.Discretionary	JAPAN	28.02%	29.08%	1.33%	86.79 (446)	62.92 (480)	Y	N	N
PUB.SER.ENTER.GP	Utilities	USA	20.62%	19.74%	0.16%	135.19 (335)	133.50 (314)	Y	Y	Y
RECKITT BENCKISER GP	C.Staples	UK	18.77%	20.30%	0.12%	104.39 (406)	120.44 (339)	Y	Y	Y
ROYAL BANK OF CANADA	Financials	CANADA	20.56%	22.28%	0.29%	166.02 (275)	138.25 (300)	Y	Y	Y
THE HERSHEY	C.Staples	USA	17.63%	22.00%	0.85%	115.93 (386)	157.98 (266)	Y	Y	Y
THE TRAVELERS COS	Financials	USA	15.43%	16.11%	0.22%	214.09 (209)	170.96 (238)	Y	Y	Y
WW GRAINGER	Industrials	USA	21.63%	21.80%	0.73%	172.02 (263)	-Inf (1035)	Y	N	N

The Column B shows whenever the deleted stock was in the S&P Global 1200 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.

## Ranking Index Constituents - Top 25

The table shows the top 25 positions in the Ossiam World Minimum Variance Index NR as of 19-Sep-2016. The column WW indicates the weights in the Ossiam World Minimum Variance Index NR as of 19-Sep-2016. The column Vol gives the annualized volatility computed over 500 business days ending on 12-Sep-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 12-Sep-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 World 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
CONS.EDISON	Utilities	USA	2.56%	17.70%	31	9.81%	1	20	YES
SYNGENTA AG	Materials	SWITZERLAND	2.53%	30.51%	309	14.95%	9	207	YES
THE SOUTHERN	Utilities	USA	2.49%	15.44%	8	14.95%	10	8	YES
WAL MART STORES	C.Staples	USA	2.15%	19.36%	67	20.59%	33	55	YES
THE CLOROX	C.Staples	USA	2.07%	15.46%	10	20.37%	31	17	YES
CHIPOTLE MEXN.GRILL	C.Discretionary	USA	1.98%	31.39%	320	14.45%	7	213	YES
AT&T	Telecom.	USA	1.97%	14.68%	3	31.06%	149	52	YES
CME GROUP	Financials	USA	1.87%	20.16%	86	26.71%	81	84	YES
ASTELLAS PHARMA	HealthCare	JAPAN	1.83%	23.95%	177	15.43%	12	120	YES
WASTE MANAGEMENT	Industrials	USA	1.74%	15.01%	6	28.71%	103	38	YES
KAO	C.Staples	JAPAN	1.70%	24.98%	202	12.10%	5	135	NO
ROCHE HOLDING AG	HealthCare	SWITZERLAND	1.70%	18.72%	53	30.70%	143	83	YES
SYSCO	C.Staples	USA	1.58%	17.24%	27	26.90%	82	45	YES
TAKEDA PHARM.CO	HealthCare	JAPAN	1.54%	22.09%	135	18.13%	24	97	YES
mitsui	Industrials	JAPAN	1.54%	25.12%	205	23.56%	45	150	YES
THE PROCTER & GAMBLE	C.Staples	USA	1.46%	14.92%	5	31.18%	151	54	YES
NIPPON TELG.& TEL	Telecom.	JAPAN	1.45%	25.66%	214	11.74%	4	142	YES
XCEL ENERGY	Utilities	USA	1.45%	17.19%	25	17.49%	20	23	YES
CANON	IT	JAPAN	1.43%	19.27%	65	26.53%	76	68	YES
FANUC	Industrials	JAPAN	1.43%	32.92%	339	18.58%	26	232	YES
EDISON INTL.	Utilities	USA	1.40%	18.02%	39	17.22%	19	32	YES
INTUITIVE SURGICAL	HealthCare	USA	1.38%	24.84%	196	24.72%	59	149	YES
FAST RETAILING CO	C.Discretionary	JAPAN	1.36%	33.70%	343	14.84%	8	229	YES
MCDONALDS	C.Discretionary	USA	1.35%	17.53%	30	31.47%	158	73	YES
AUTOZONE	C.Discretionary	USA	1.34%	18.26%	44	29.22%	114	67	YES



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