

iSTOXX[®] Europe Minimum Variance Index NR

Rebalancing Report - 18-Mar-2019

Stock Statistics

iSTOXX[®] 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[®] 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.

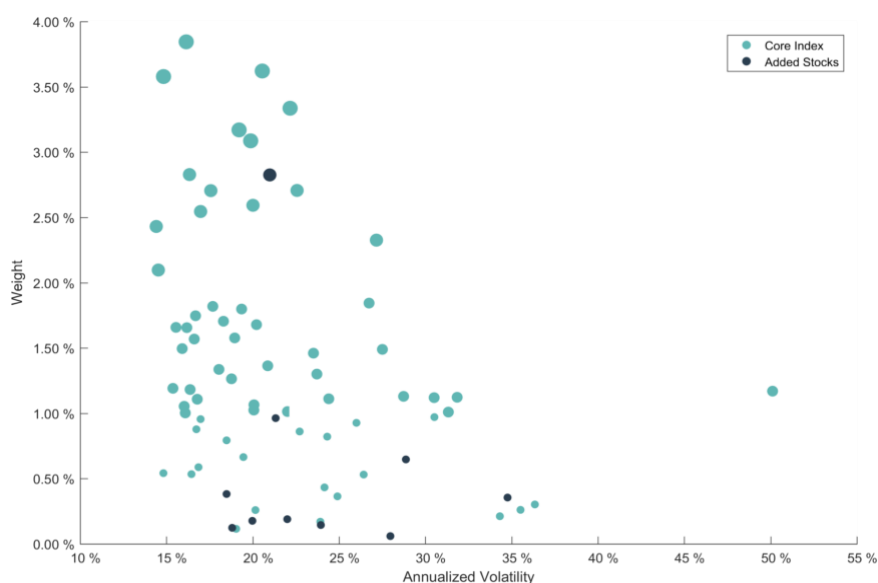
The number of constituents in the index decreased from **76** to **75**. The Turnover is **44.72%**, higher than its historical mean at **37.27%**. The weight of the index Core Portfolio increased from **87.75%** to **94.13%**.

Characteristics	18-Mar-2019
Number of Stocks	75
Added Stocks	10
Deleted Stocks	11
Core Number	65
Old weight of Core	87.75%
New weight of Core	94.13%
Turnover	44.72%
Historical Turnover	37.27%

Added and deleted stocks are relative to 18-Mar-2019. The Core is defined as the subset of stocks that belong to the current as well as the previous composition.

Volatility/Weight profile

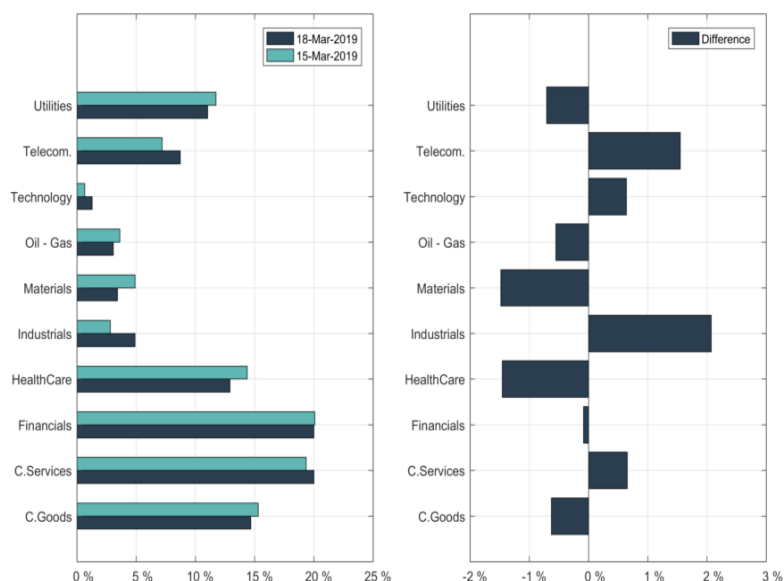
The chart on the right shows the distribution of the new iSTOXX[®] Europe Minimum Variance Index NR composition on 18-Mar-2019 in terms of annualized volatility (x-axis) and weight (y-axis). Volatility computed over 125 days ending on 12-Mar-2019. On the upper left corner we find low volatile stocks 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: **2.07%** for Industrials, **1.55%** for Telecom., **-1.48%** for Materials. The biggest sector exposures are: **20.00%** for Financials , **20.00%** for C.Services , **14.67%** for C.Goods .

	PREV.	CURR.	Diff.
C.Goods	15.29%	14.67%	-0.63%
C.Services	19.34%	20.00%	0.65%
Financials	20.09%	20.00%	-0.09%
HealthCare	14.37%	12.92%	-1.46%
Industrials	2.82%	4.89%	2.07%
Materials	4.91%	3.43%	-1.48%
Oil - Gas	3.61%	3.06%	-0.55%
Technology	0.65%	1.28%	0.64%
Telecom.	7.18%	8.73%	1.55%
Utilities	11.73%	11.03%	-0.71%

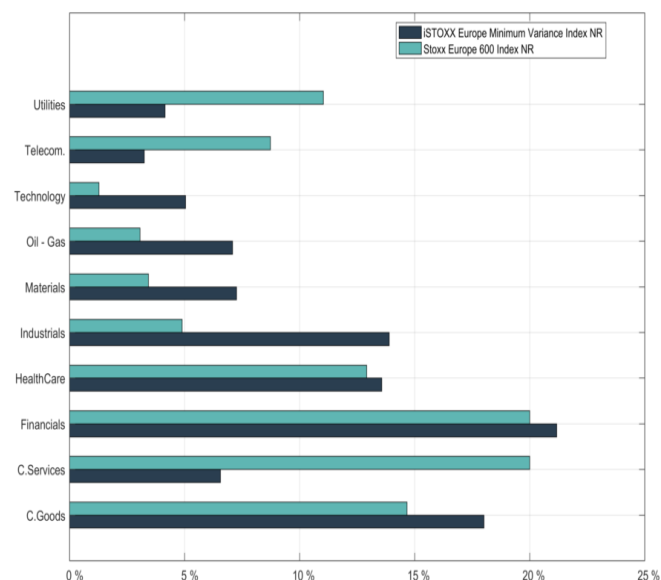


The left-hand side of the chart below shows the sector deviations at rebalancing. Differences are shown on the right-hand side. Index weights are taken as of 15-Mar-2019 (last business day before the new composition is implemented) compared to the new rebalancing weights as of 18-Mar-2019.

Sector breakdown vs. benchmark

The iSTOXX[®] Europe Minimum Variance Index NR overweights C.Services by **13.45%** and Utilities by **6.87%** compared to Stoxx Europe 600 Index NR. The iSTOXX[®] Europe Minimum Variance Index NR underweights Industrials by **-9.00%** and Oil - Gas by **-4.03%** compared to Stoxx Europe 600 Index NR.

	B	S	Diff.	Vol. B	Vol. S
C.Goods	18.01%	14.67%	-3.34%	13.38%	11.76%
C.Services	6.55%	20.00%	13.45%	13.11%	11.84%
Financials	21.18%	20.00%	-1.18%	15.25%	10.66%
HealthCare	13.57%	12.92%	-0.65%	13.74%	13.09%
Industrials	13.90%	4.89%	-9.00%	16.82%	15.28%
Materials	7.26%	3.43%	-3.83%	18.68%	14.31%
Oil - Gas	7.09%	3.06%	-4.03%	18.18%	18.66%
Technology	5.04%	1.28%	-3.76%	20.80%	22.09%
Telecom.	3.25%	8.73%	5.48%	14.98%	12.46%
Utilities	4.15%	11.03%	6.87%	13.61%	13.25%

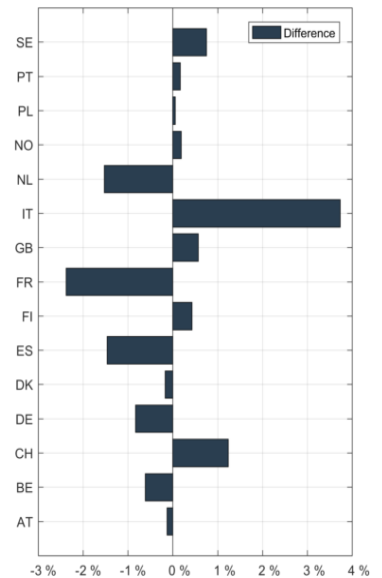
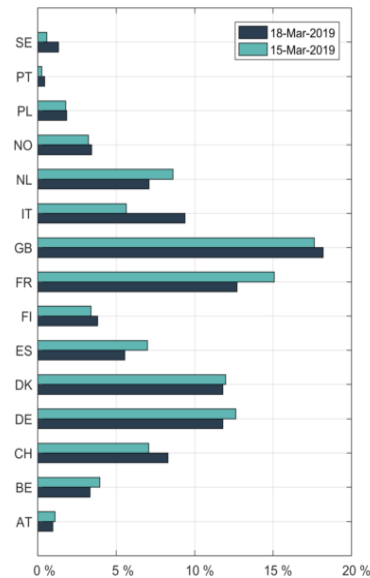


The table above shows, for each sector, the weight in the iSTOXX[®] Europe Minimum Variance Index NR (S), in the benchmark Stoxx Europe 600 Index NR (B) and their difference. We also show the annualized volatility of each sector in the iSTOXX[®] Europe Minimum Variance Index NR and in the benchmark. Annualized volatilities are computed using 125 business days ending on 12-Mar-2019

Country Allocation

The most significant changes in country exposures are: **3.73%** for IT, **-2.38%** for FR, **-1.53%** for NL. The biggest country exposures are: **18.20%** for GB, **12.70%** for FR, **11.81%** for DK.

	PREV.	CURR.	Diff.
AT	1.10%	0.97%	-0.13%
BE	3.95%	3.34%	-0.62%
CH	7.07%	8.31%	1.24%
DE	12.63%	11.79%	-0.84%
DK	11.98%	11.81%	-0.17%
ES	7.00%	5.54%	-1.46%
FI	3.40%	3.83%	0.43%
FR	15.08%	12.70%	-2.38%
GB	17.63%	18.20%	0.57%
IT	5.65%	9.39%	3.73%
NL	8.62%	7.09%	-1.53%
NO	3.24%	3.43%	0.19%
PL	1.79%	1.84%	0.05%
PT	0.26%	0.43%	0.17%
SE	0.58%	1.34%	0.75%

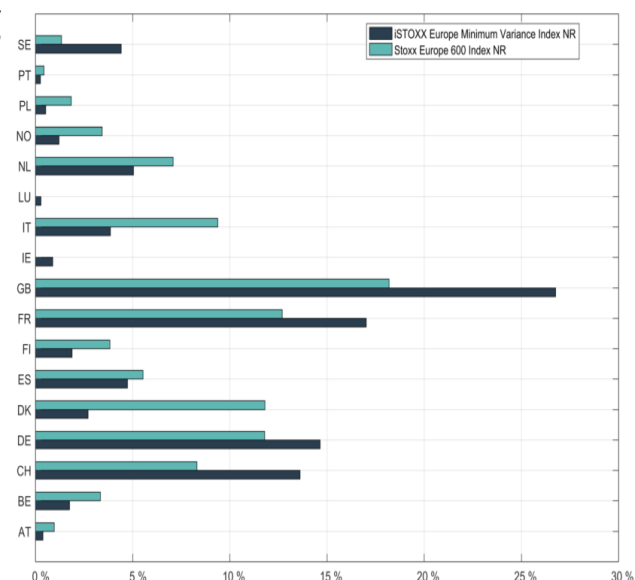


The left-hand side of the chart below shows the country deviations at rebalancing. Differences are shown on the right-hand side. Index weights are taken as of 15-Mar-2019 (last business day before the new composition is implemented) compared to the new rebalancing weights as of 18-Mar-2019.

Country breakdown vs. benchmark

The iSTOXX[®] Europe Minimum Variance Index NR overweights DK by **9.10%** and IT by **5.53%** compared to Stoxx Europe 600 Index NR. The iSTOXX[®] Europe Minimum Variance Index NR underweights GB by **-8.56%** and CH by **-5.30%** compared to Stoxx Europe 600 Index NR.

				Vol.	
	B	S	Diff.	B	S
AT	0.39%	0.97%	0.58%	21.37%	30.52%
BE	1.75%	3.34%	1.58%	17.51%	22.16%
CH	13.61%	8.31%	-5.30%	13.08%	11.94%
DE	14.65%	11.79%	-2.85%	15.93%	11.19%
DK	2.71%	11.81%	9.10%	15.15%	13.26%
ES	4.74%	5.54%	0.80%	14.91%	15.15%
FI	1.89%	3.83%	1.94%	15.35%	16.06%
FR	17.02%	12.70%	-4.33%	14.54%	11.03%
GB	26.76%	18.20%	-8.56%	14.04%	11.99%
IE	0.89%	-	-0.89%	17.26%	-
IT	3.86%	9.39%	5.53%	17.37%	12.89%
LU	0.28%	-	-0.28%	26.53%	-
NL	5.05%	7.09%	2.04%	14.10%	13.33%
NO	1.22%	3.43%	2.21%	18.41%	18.28%
PL	0.53%	1.84%	1.31%	19.14%	26.74%
PT	0.26%	0.43%	0.18%	14.39%	24.15%
SE	4.41%	1.34%	-3.07%	17.10%	18.04%



The table above shows, for each country, the weight in the iSTOXX[®] Europe Minimum Variance Index NR (S), in the benchmark Stoxx Europe 600 Index NR (B) and their difference. We also show the annualized volatility of each country in the iSTOXX[®] Europe Minimum Variance Index NR and in the benchmark. Annualized volatilities are computed using 125 business days ending on 12-Mar-2019

Added Stocks

The rebalancing has added 10 new stocks. In the table below, T is the current rebalancing date (18-Mar-2019), while T-1 is the previous rebalancing date (18-Feb-2019). Vol(T-1) and Vol(T) are the annualized volatilities computed over 125 business days ending, respectively, on 12-Mar-2019 and 12-Feb-2019. 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. WW(T) is the stock weight at the current rebalancing date. Finally, the column Reason Excl. details the reasons of exclusion at the previous rebalancing.

Name	Sector	Country	WW(T)	Vol		ADV		Reason Exclusion
				T-1	T	T-1	T	
BMW AG.	C.Goods	DE	0.19%	21.92%	22.00%	163.95(27)	139.93(35)	InPortfolio
CAIXABANK SA	Financials	ES	0.06%	28.01%	27.97%	47.78(136)	48.04(135)	Excl. Minimum Variance
HERMES INTERNATIONAL	C.Goods	FR	0.96%	23.16%	21.32%	31.17(201)	28.08(225)	Excl. Minimum Variance
MICRO FOCUS INTL.PLC.	Technology	GB	0.36%	30.16%	34.76%	19.74(318)	25.74(243)	Excl. Liquidity
NATURGY ENERGY GROUP SA	Utilities	ES	0.18%	20.11%	19.98%	24.44(263)	22.39(281)	Excl. Minimum Variance
NN GROUP	Financials	NL	0.38%	18.33%	18.48%	32.24(195)	30.53(204)	Excl. Minimum Variance
RPC GROUP PLC.	Industrials	GB	0.65%	39.31%	28.87%	27.28(232)	34.37(180)	Excl. Minimum Variance
THALES SA	Industrials	FR	0.14%	23.79%	23.94%	30.36(209)	32.09(194)	Excl. Minimum Variance
TOTAL SA	Oil - Gas	FR	0.12%	19.56%	18.81%	305.75(5)	270.01(5)	Excl. Minimum Variance
WHITBREAD PLC.	C.Services	GB	2.83%	29.24%	20.98%	28.00(226)	30.29(205)	Excl. Minimum Variance

Deleted Stocks

The rebalancing has deleted 11 new stocks. In the table below, T is the current rebalancing date (18-Mar-2019), while T-1 is the previous rebalancing date (18-Feb-2019). Vol(T-1) and Vol(T) are the annualized volatilities computed over 125 business days ending, respectively, on 12-Mar-2019 and 12-Feb-2019. 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. WW(T-1) is the stock weight at the previous rebalancing date. Finally, the column Reason Excl. details the reasons of exclusion at the current rebalancing.

Name	Sector	Country	WW(T-1)	Vol		ADV		Reason Exclusion
				T-1	T	T-1	T	
AENA SME SA	Industrials	ES	0.86%	18.89%	17.68%	21.46(297)	20.25(307)	Excl. Liquidity
AGEAS NV	Financials	BE	0.84%	17.11%	17.76%	21.15(300)	18.64(326)	Excl. Liquidity
AROUNDTOWN	Financials	DE	3.09%	19.29%	18.86%	35.59(176)	18.35(332)	Excl. Liquidity
BAE SYSTEMS PLC.	Industrials	GB	0.17%	23.53%	26.20%	42.03(154)	38.67(160)	Excl. Minimum Variance
BEIERSDORF AG	C.Goods	DE	1.40%	15.26%	21.03%	43.39(145)	51.21(132)	Excl. Minimum Variance
ENAGAS SA	Utilities	ES	0.12%	17.40%	18.32%	23.36(274)	22.62(277)	Excl. Minimum Variance
MARKS & SPENCER GP.PLC.	C.Services	GB	0.82%	25.02%	31.98%	22.51(281)	23.79(265)	Excl. Minimum Variance
PLKNC.NAFTOWY ORLEN	Oil - Gas	PL	1.15%	32.03%	31.66%	21.93(290)	18.51(329)	Excl. Liquidity
RECKITT BENCKISER GP.PLC	C.Goods	GB	0.31%	22.39%	24.28%	91.05(76)	91.01(71)	Excl. Minimum Variance
SAINSBURY J PLC.	C.Services	GB	1.30%	22.10%	34.32%	22.29(283)	24.22(259)	Excl. Minimum Variance
SUEZ CO.	Utilities	FR	2.20%	19.70%	20.46%	23.49(272)	19.61(313)	Excl. Liquidity

Ranking Index Constituents - Top 25

The table shows the top 25 positions in the iSTOXX[®] Europe Minimum Variance Index NR as of 18-Mar-2019. The column WW indicates the weights in the iSTOXX[®] Europe Minimum Variance Index NR as of 18-Mar-2019. The column Vol gives the annualized volatility computed over 125 business days ending on 12-Mar-2019. 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-Mar-2019. 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[®] 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
CARLSBERG AS	C.Goods	DK	3.84%	16.14%	22	18.72%	146	64	YES
KON.AHOLD DLHZ.NV	C.Services	NL	3.62%	20.55%	110	11.30%	23	80	YES
ASSICURAZIONI GENERALI	Financials	IT	3.58%	14.83%	11	25.17%	386	138	YES
UCB SA	HealthCare	BE	3.34%	22.16%	147	15.07%	58	116	YES
COMPASS GROUP PLC.	C.Services	GB	3.17%	19.21%	72	16.39%	85	76	YES
ATLANTIA	Industrials	IT	3.09%	19.88%	89	17.82%	119	99	YES
AXA	Financials	FR	2.83%	16.33%	25	26.07%	412	156	YES
WHITBREAD PLC.	C.Services	GB	2.83%	20.98%	119	18.01%	124	120	NO
COLOPLAST A/S	HealthCare	DK	2.71%	22.56%	159	15.59%	72	129	YES
DT.WHN.SE	Financials	DE	2.71%	17.57%	42	16.85%	97	60	YES
SODEXO	C.Services	FR	2.59%	20.01%	94	17.32%	104	97	YES
RED ELECTRICA CORPN.SA	Utilities	ES	2.55%	16.98%	38	15.17%	62	46	YES
ORANGE SA	Telecom.	FR	2.43%	14.41%	8	23.11%	297	106	YES
TESCO PLC.	C.Services	GB	2.33%	27.16%	271	12.22%	29	188	YES
DEUTSCHE TELEKOM AG	Telecom.	DE	2.10%	14.53%	9	23.77%	329	117	YES
PKO BANK SA	Financials	PL	1.84%	26.74%	265	16.62%	93	206	YES
ROCHE HOLDING AG	HealthCare	CH	1.82%	17.68%	43	20.12%	197	95	YES
DEUTSCHE BOERSE AG	Financials	DE	1.80%	19.35%	74	21.32%	240	130	YES
DIAGEO PLC.	C.Goods	GB	1.75%	16.68%	32	21.43%	243	103	YES
ENDESA SA	Utilities	ES	1.71%	18.30%	52	16.99%	99	67	YES
TELENOR ASA	Telecom.	NO	1.68%	20.21%	100	17.67%	114	104	YES
NESTLE AG	C.Goods	CH	1.66%	15.55%	16	21.97%	260	98	YES
UNILEVER DUTCH CERT.	C.Goods	NL	1.66%	16.18%	23	20.80%	222	90	YES
E ON SE	Utilities	DE	1.58%	18.95%	68	18.85%	154	97	YES
GIVAUDAN SA	Materials	CH	1.57%	16.61%	29	25.04%	381	148	YES

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