

Rebalancing Report

Japan Minimum Variance Index NR

19-Jul-2016

Ossiam Research & Investment Team*

The Japan 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 four days prior to the third Friday. Both the Japan Minimum Variance Index NR and the benchmark S&P TOPIX 150 Index NR are computed in JPY. The calculations in the document are performed by Ossiam using S&P /Datastream source.

1 Stock Statistics

Japan Minimum Variance Index NR	19-Jul-2016
Number of Stocks	77
Added Stocks	5
Deleted Stocks	4
Core Number	72
Old weight of Core	98.87%
New weight of Core	99.28%
Turnover	16.48%
Historical Turnover	23.16%

Table 1: Added and deleted stocks are relative to 19-Jul-2016. The Core is defined as the subset of stocks that belong to the current as well as the previous composition.

The number of constituents in the index increased from **76** to **77**.
The Turnover is **16.48%**, lower than its historical mean at **23.16%**.
The weight of the Index Core Portfolio is stable.

*Email:trading@ossiam.com

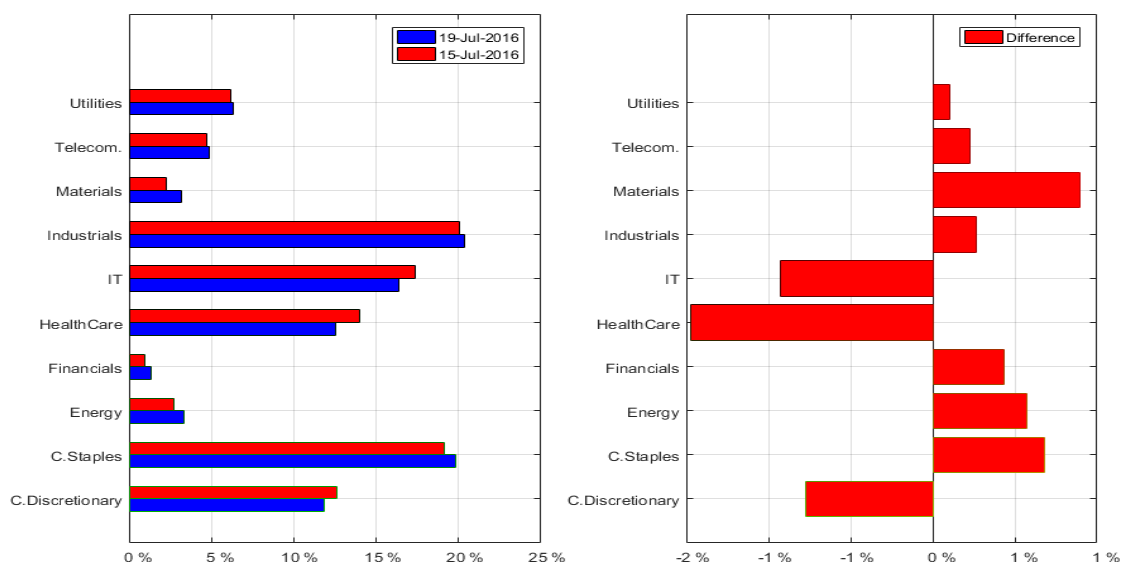
2 Sector Allocation

The most significant changes in sector exposures are: **-1.47%** for HealthCare, **-0.93%** for IT, **0.89%** for Materials.

The biggest sector exposures are: **20.36%** for Industrials, **19.79%** for C.Staples, **16.41%** for IT.

	Close 15-Jul-2016	Opening 19-Jul-2016	Difference
C.Discretionary	12.61%	11.84%	-0.77%
C.Staples	19.12%	19.79%	0.68%
Energy	2.75%	3.32%	0.57%
Financials	0.94%	1.38%	0.43%
HealthCare	14.00%	12.52%	-1.47%
IT	17.33%	16.41%	-0.93%
Industrials	20.09%	20.36%	0.27%
Materials	2.28%	3.17%	0.89%
Telecom.	4.68%	4.91%	0.23%
Utilities	6.20%	6.30%	0.10%

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-Jul-2016 (last business day before the new composition is implemented) compared to the new rebalancing weights as of 19-Jul-2016.



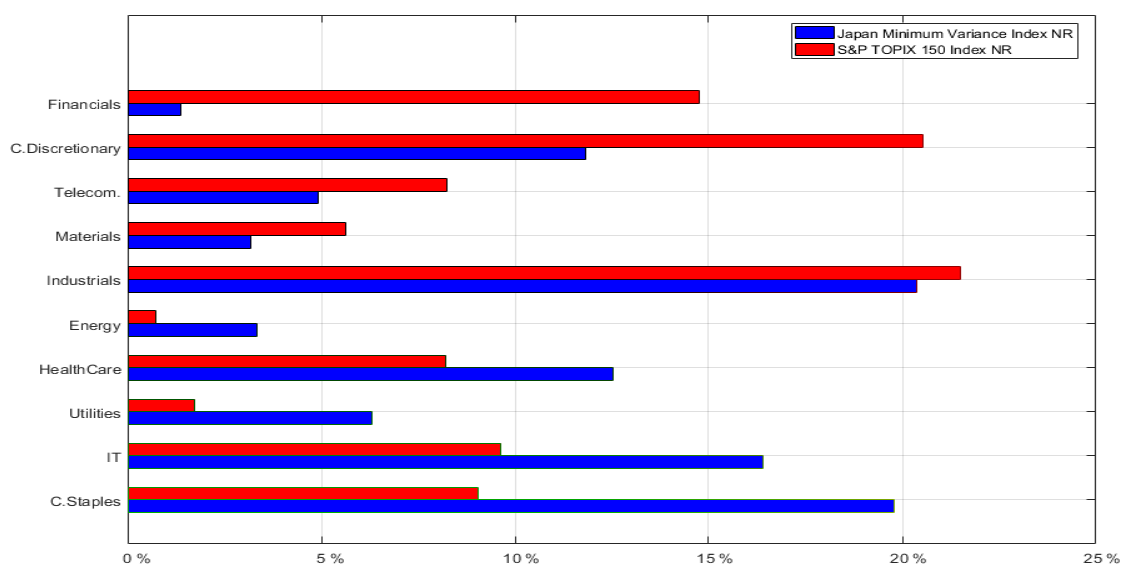
3 Sector breakdown vs. benchmark

The table below shows, for each sector, the weight in the Japan Minimum Variance Index NR (JPMV Index), in the benchmark S&P TOPIX 150 Index NR (SPTPXN Index) and their difference. We also show the annualized volatility of each sector in the Japan Minimum Variance Index NR (VolMV) and in the benchmark (VolBench). Annualized volatilities are computed using 125 business days ending on 11-Jul-2016

	SPTPXN Index	JPMV Index	Difference	VolMV	VolBench
C.Discretionary	20.53%	11.84%	-8.70%	23.18%	35.44%
C.Staples	9.05%	19.79%	10.75%	25.92%	28.19%
Energy	0.72%	3.32%	2.60%	36.33%	41.10%
Financials	14.76%	1.38%	-13.38%	35.11%	40.23%
HealthCare	8.22%	12.52%	4.30%	28.71%	29.68%
IT	9.64%	16.41%	6.77%	27.59%	33.36%
Industrials	21.49%	20.36%	-1.13%	26.36%	31.05%
Materials	5.62%	3.17%	-2.45%	32.08%	36.75%
Telecom.	8.24%	4.91%	-3.33%	33.54%	34.24%
Utilities	1.73%	6.30%	4.57%	32.39%	32.79%

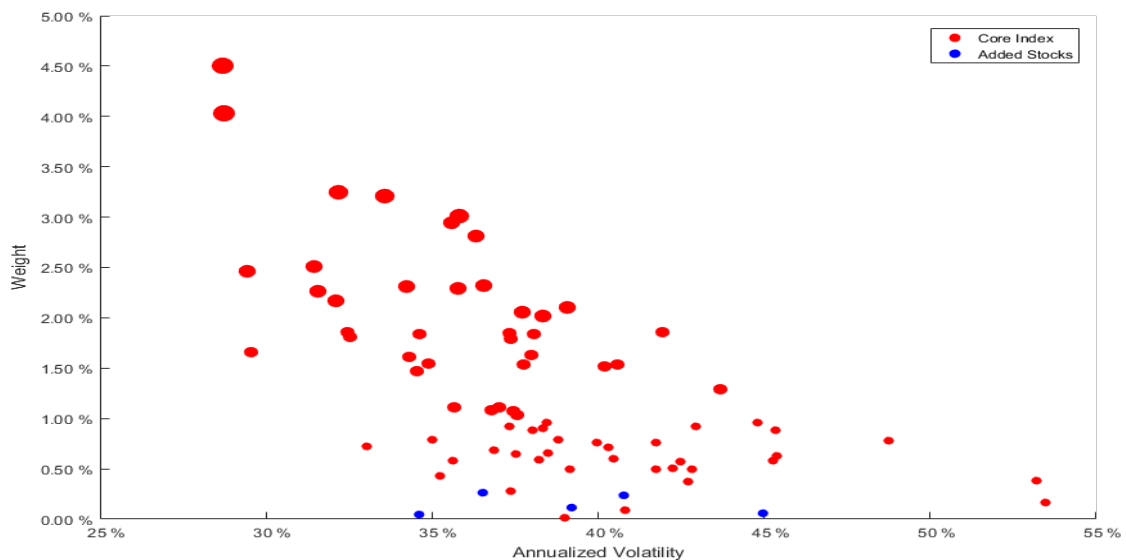
The Japan Minimum Variance Index NR overweights C.Staples (**10.75%**) and IT (**6.77%**) compared to S&P TOPIX 150 Index NR.

The Japan Minimum Variance Index NR underweights Financials (**-13.38%**) and C.Discretionary (**-8.70%**) compared to S&P TOPIX 150 Index NR.



4 Volatility/Weight profile

The chart below shows the distribution of the new Japan Minimum Variance Index NR composition on 19-Jul-2016 in terms of annualized volatility (x-axis) and weight (y-axis). Volatility computed over 125 days ending on 11-Jul-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.



5 Added Stocks

The rebalancing has added 5 new stocks. In the table below, T is the current rebalancing date (19-Jul-2016), while T-1 is the previous rebalancing date (20-Jun-2016). Vol(T-1) and Vol(T) are the annualized volatilities computed over 125 business days ending, respectively, on 13-Jun-2016 and 11-Jul-2016. The average daily volumes ADV(T-1) and ADV(T), expressed in mln JPY, are computed over 50 business days ending on the same dates as before, with the relative ranking over the benchmark S&P TOPIX 150 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
DAI NIPPON PRINT.CO.LTD.	Industrials	31.64%	34.61%	0.05%	2066.52 (141)	2484.69 (137)	Y	N	N
DAIKIN INDUSTRIES LTD.	Industrials	38.12%	39.20%	0.12%	9782.12 (38)	9826.67 (34)	Y	Y	Y
MIZUHO FINL.GP.INCO.	Financials	40.14%	40.77%	0.24%	26787.50 (6)	23196.54 (6)	Y	Y	Y
RESONA HOLDINGS INCO.	Financials	43.84%	44.96%	0.06%	6182.39 (74)	5375.17 (86)	Y	Y	Y
SHIN-ETSU CHM.CO.LTD.	Materials	35.54%	36.53%	0.26%	8002.32 (53)	7532.58 (55)	Y	Y	Y

Table 2: The Column B shows whenever the added stock was in the S&P TOPIX 150 Index NR selection as of 20-Jun-2016. The columns LF/EU show whenever the stock was selected by the liquidity filter/eligible universe as of 20-Jun-2016.

6 Deleted Stocks

The rebalancing has deleted 4 new stocks. In the table below, T is the current rebalancing date (19-Jul-2016), while T-1 is the previous rebalancing date (20-Jun-2016). Vol(T-1) and Vol(T) are the annualized volatilities computed over 125 business days ending, respectively, on 13-Jun-2016 and 11-Jul-2016. The average daily volumes ADV(T-1) and ADV(T), expressed in mln JPY, are computed over 50 business days ending on the same dates as before, with the relative ranking over the benchmark S&P TOPIX 150 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
FAST RETAILING CO.LTD.	C.Discretionary	45.16%	48.82%	0.03%	25192.18 (7)	21434.61 (8)	Y	Y	Y
KYUSHU ELEC.PWR.CO.INCO.	Utilities	41.67%	43.01%	1.01%	2240.66 (139)	1808.24 (142)	Y	N	N
NINTENDO CO.LTD.	IT	49.10%	61.20%	0.04%	9830.62 (37)	12486.35 (22)	Y	Y	Y
TAIHEIYO CEMENT CORP.	Materials	49.18%	51.76%	0.05%	3416.09 (122)	3239.01 (120)	Y	Y	Y

Table 3: The Column B shows whenever the deleted stock was in the S&P TOPIX 150 Index NR selection as of 19-Jul-2016. The columns LF/EU show whenever the stock was selected by the liquidity filter/eligible universe as of 19-Jul-2016.

7 Ranking Index Constituents - Top 25

The table shows the top 25 positions in the Japan Minimum Variance Index NR as of 19-Jul-2016. The column WW indicates the weights in the Japan Minimum Variance Index NR as of 19-Jul-2016. The column Vol gives the annualized volatility computed over 125 business days ending on 11-Jul-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 11-Jul-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 Japan Minimum Variance Index NR already (YES) or it entered at this rebalancing (NO).

	Sector	WW	Vol	Rank Vol	Corr	Rank Corr	Rank Blend	Core
NIKON CORPORATION	C.Discretionary	4.51%	28.69%	1	43.55%	16	6	YES
LAWSON INCO.	C.Staples	4.03%	28.72%	2	39.46%	2	2	YES
ORIENTAL LAND CO.LTD.	C.Discretionary	3.25%	32.17%	8	41.30%	6	7	YES
JAPAN AIRLINES CO.LTD.	Industrials	3.21%	33.58%	12	41.12%	5	9	YES
NITORI HOLDINGS CO.LTD.	C.Discretionary	3.01%	35.83%	25	37.58%	1	16	YES
JX HOLDINGS INCO.	Energy	2.94%	35.59%	21	46.33%	28	23	YES
YAHOO JAPAN CORPORATION	IT	2.81%	36.33%	26	42.25%	9	20	YES
KAO CORP.	C.Staples	2.51%	31.46%	5	46.57%	30	13	YES
CANON INCO.	IT	2.46%	29.44%	3	58.43%	115	41	YES
CHUGAI PHARM.CO.LTD.	HealthCare	2.32%	36.56%	28	42.08%	8	21	YES
NIPPON TELG.& TEL.CORP.	Telecom.	2.31%	34.24%	13	45.61%	24	16	YES
NH FOODS LTD.	C.Staples	2.29%	35.78%	24	41.39%	7	18	YES
TERUMO CORPORATION	HealthCare	2.26%	31.58%	6	51.51%	56	23	YES
ANA HOLDINGS INCO.	Industrials	2.17%	32.09%	7	50.58%	51	21	YES
TOKYO ELECTRON LTD.	IT	2.11%	39.06%	53	46.02%	26	43	YES
MEIJI HOLDINGS CO.LTD.	C.Staples	2.06%	37.73%	39	40.52%	4	27	YES
EISAI CO.LTD.	HealthCare	2.02%	38.32%	46	42.66%	12	34	YES
OSAKA GAS COMPANY LTD.	Utilities	1.86%	32.47%	9	54.44%	77	32	YES

continued on next page

continued from previous page

	Sector	WW	Vol	Rank Vol	Corr	Rank Corr	Rank Blend	Core
NEC CORPORATION	IT	1.86%	41.93%	71	45.11%	22	54	YES
AEON COMPANY LTD.	C.Staples	1.84%	37.32%	32	44.18%	17	26	YES
TAISEI CORPORATION	Industrials	1.84%	34.61%	17	47.76%	36	23	YES
NTT DOCOMO INCO.	Telecom.	1.84%	38.08%	43	44.28%	19	34	YES
NTT DATA CORP.	IT	1.81%	32.54%	10	52.76%	64	28	YES
LIXIL GROUP CORP.	Industrials	1.79%	37.37%	35	47.23%	32	33	YES
SECOM CO.LTD.	Industrials	1.66%	29.55%	4	58.69%	119	43	YES

DISCLAIMERS

This document is of a commercial and not of a regulatory nature.

Ossiam, a subsidiary of Natixis Global Asset Management, is a French asset manager authorized by the Autorité des Marchés Financiers (Agreement No. GP-10000016). Although information contained herein is from sources believed to be reliable, Ossiam makes no representation or warranty regarding the accuracy of any information of which it is not the source. The information presented in this document is based on market data at a given moment and may change from time to time.

This material has been prepared solely for informational purposes only and it is not intended to be and should not be considered as an offer, or a solicitation of an offer, or an invitation or a personal recommendation to buy or sell participating shares in any Ossiam Fund, or any security or financial instrument, or to participate in any investment strategy, directly or indirectly. It is intended for use only by those recipients to whom it is made directly available by Ossiam. Ossiam will not treat recipients of this material as its clients by virtue of their receiving this material.

This material reflects the views and opinions of the individual authors at this date and in no way the official position or advices of any kind of these authors or of Ossiam and thus does not engage the responsibility of Ossiam nor of any of its officers or employees. Past performance is not a guide to future performance. Any opinions expressed herein are statements of our judgment on this date and are subject to change without notice. Ossiam assume no fiduciary responsibility or liability for any consequences, financial or otherwise, arising from, an investment in any security or financial instrument described herein or in any other security, or from the implementation of any investment strategy. This information contained herein is not intended for distribution to, or use by, any person or entity in any country or jurisdiction where to do so would be contrary to law or regulation or which would subject Ossiam to any registration requirements in these jurisdictions. The risks associated with the Fund and the Index are detailed in the “General Risk Considerations” section of the Prospectus, available in English on www.ossiam.com. Investments decision should only be made on the basis of the Prospectus. Investors should also be well informed about the main characteristics of the Index (number of stocks, sector and or country breakdown, past evolution...) in order to have an overview of the risks and opportunities related to an exposure to the Index.

OSSIAM has contracted with S&P Opco LLC, a subsidiary of S&P Dow Jones Indices, to calculate and maintain the JAPAN MINIMUM VARIANCE INDEX NR and the JAPAN MINIMUM VARIANCE EURO HEDGED INDEX NR (the Indices). The Indices are not sponsored by S&P Dow Jones Indices LLC or its affiliates or its third party licensors, including Standard & Poors Financial Services LLC and Dow Jones Trademark Holdings LLC (collectively S&P Dow Jones Indices). S&P Dow Jones Indices will not be liable for any errors or omissions in calculating the Indices. Calculated by S&P Dow Jones Indices and the related stylized mark(s) are service marks of S&P Dow Jones Indices and have been licensed for use by OSSIAM. S&P® is a registered trademark of Standard & Poors Financial Services LLC, and Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC.

The Funds based on the Indices are not sponsored, endorsed, sold or promoted by S&P Dow Jones Indices. S&P Dow Jones Indices does not make any representation or warranty, express or implied, to the owners of the Fund or any member of the public regarding the advisability of investing in securities generally or in the Fund particularly or the ability of the Indices to track general market performance. S&P Dow Jones Indices only relationship to OSSIAM with respect to the Indices is the licensing of the S&P/TOPIX 150 Index, certain trademarks, service marks and trade names of S&P Dow Jones Indices and the provision of the calculation services related to the Indices. S&P Dow Jones Indices is not responsible for and has not participated in the determination of the prices and amount of the Fund or the timing of the issuance or sale of the Fund

or in the determination or calculation of the equation by which the Fund may be converted into cash or other redemption mechanics. S&P Dow Jones Indices has no obligation or liability in connection with the administration, marketing or trading of the Fund. S&P Dow Jones Indices LLC is not an investment advisor. Inclusion of a security within the Indices is not a recommendation by S&P Dow Jones Indices to buy, sell, or hold such security, nor is it investment advice.

S&P DOW JONES INDICES DOES NOT GUARANTEE THE ADEQUACY, ACCURACY, TIMELINESS AND/OR THE COMPLETENESS OF THE INDICES OR ANY DATA RELATED THERETO OR ANY COMMUNICATION WITH RESPECT THERETO, INCLUDING, ORAL, WRITTEN, OR ELECTRONIC COMMUNICATIONS. S&P DOW JONES INDICES SHALL NOT BE SUBJECT TO ANY DAMAGES OR LIABILITY FOR ANY ERRORS, OMISSIONS, OR DELAYS THEREIN. S&P DOW JONES INDICES MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES, OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE OR AS TO RESULTS TO BE OBTAINED BY OSSIAM, OWNERS OF THE FUND, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE INDICES OR WITH RESPECT TO ANY DATA RELATED THERETO. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT WHATSOEVER SHALL S&P DOW JONES INDICES BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO, LOSS OF PROFITS, TRADING LOSSES, LOST TIME, OR GOODWILL, EVEN IF THEY HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, WHETHER IN CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE.

This material may not be distributed, published, or reproduced, in whole or in part.