

Ossiam US Minimum Variance Index NR

Rebalancing Report - 24-Apr-2017

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.

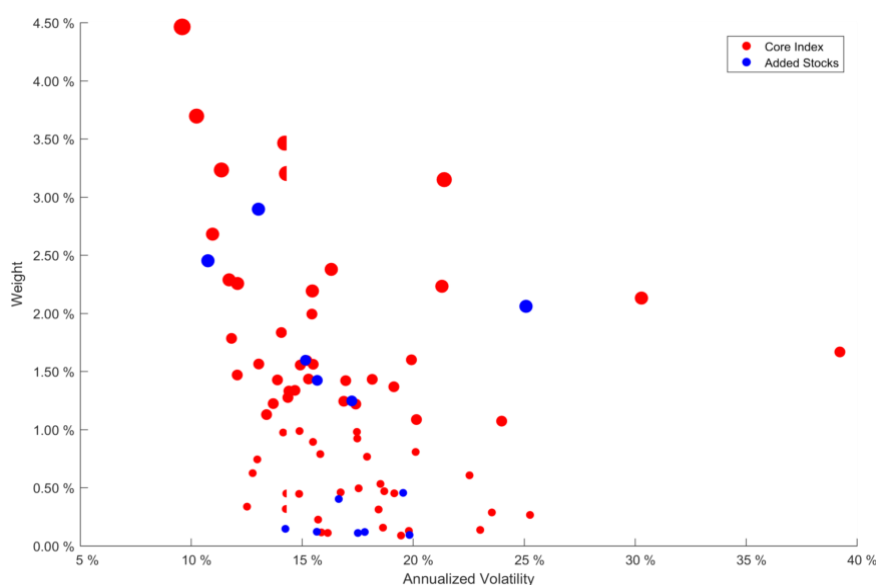
The number of constituents in the index decreased from **82** to **80**. The Turnover is **38.20%**, in line with its historical mean at **38.32%**. The weight of the Index Core Portfolio decreased from **91.59%** to **86.88%**.

Characteristics	24-Apr-2017
Number of Stocks	80
Added Stocks	13
Deleted Stocks	15
Core Number	67
Old weight of Core	91.59%
New weight of Core	86.88%
Turnover	38.20%
Historical Turnover	38.32%

Added and deleted stocks are relative to 24-Apr-2017. The Core is defined as the subset of stocks that belong to the current as well as the previous composition.

Volatility/Weight profile

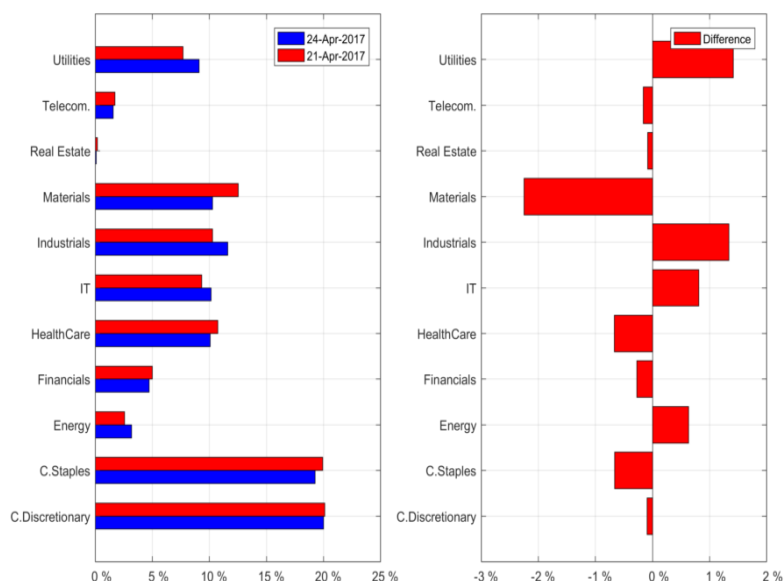
The chart on the right shows the distribution of the new Ossiam US Minimum Variance Index NR composition on 24-Apr-2017 in terms of annualized volatility (x-axis) and weight (y-axis). Volatility computed over 125 days ending on 18-Apr-2017. On the upper left corner we find low volatile stocks with big 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: **-2.25%** for Materials, **1.42%** for Utilities, **1.34%** for Industrials. The biggest sector exposures are: **20.00%** for C.Discretionary, **19.27%** for C.Staples, **11.62%** for Industrials.

	Close	Open	Diff.
C.Discretionary	20.10%	20.00%	-0.10%
C.Staples	19.93%	19.27%	-0.66%
Energy	2.55%	3.19%	0.63%
Financials	4.98%	4.71%	-0.28%
HealthCare	10.73%	10.06%	-0.67%
IT	9.32%	10.14%	0.81%
Industrials	10.28%	11.62%	1.34%
Materials	12.52%	10.27%	-2.25%
Real Estate	0.17%	0.09%	-0.08%
Telecom.	1.72%	1.56%	-0.16%
Utilities	7.69%	9.10%	1.42%

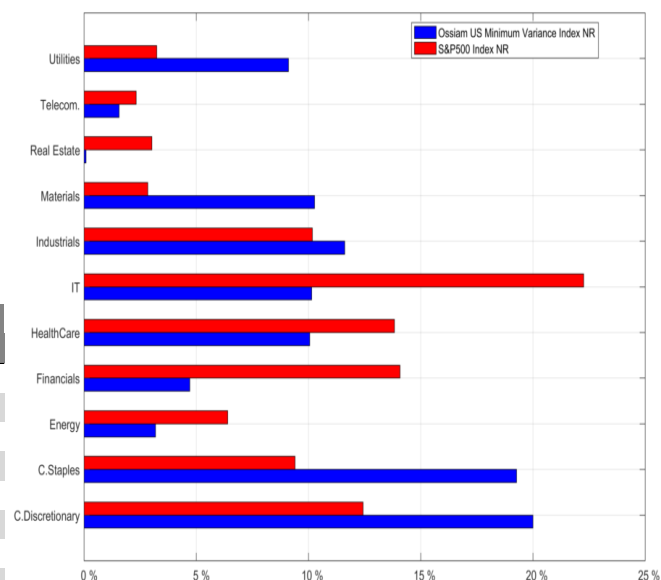


The left-hand side of the chart below shows the sector deviations at rebalancing. Differences are shown on the right-hand side. Index weights are taken as of 21-Apr-2017 (last business day before the new composition is implemented) compared to the new rebalancing weights as of 24-Apr-2017.

Sector breakdown vs. benchmark

The Ossiam US Minimum Variance Index NR overweights C.Staples (**9.87%**) and C.Discretionary (**7.57%**) compared to S&P500 Index NR. The Ossiam US Minimum Variance Index NR underweights IT (**-12.12%**) and Financials (**-9.37%**) compared to S&P500 Index NR.

	B		Diff.	Vol.	
	B	S		B	S
C.Discretionary	12.43%	20.00%	7.57%	11.96%	9.46%
C.Staples	9.40%	19.27%	9.87%	11.31%	9.97%
Energy	6.40%	3.19%	-3.22%	17.07%	13.89%
Financials	14.08%	4.71%	-9.37%	16.90%	11.90%
HealthCare	13.83%	10.06%	-3.77%	14.57%	13.39%
IT	22.26%	10.14%	-12.12%	12.10%	11.26%
Industrials	10.18%	11.62%	1.44%	12.41%	10.05%
Materials	2.84%	10.27%	7.43%	13.49%	11.12%
Real Estate	3.02%	0.09%	-2.93%	14.95%	19.46%
Telecom.	2.33%	1.56%	-0.77%	14.02%	14.14%
Utilities	3.24%	9.10%	5.87%	14.45%	14.28%



The table below shows, for each sector, the weight in the Ossiam US Minimum Variance Index NR (S), in the benchmark S&P500 Index NR (B) 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 18-Apr-2017

Added Stocks

The rebalancing has added 13 new stocks. In the table below, T is the current rebalancing date (24-Apr-2017), while T-1 is the previous rebalancing date (20-Mar-2017). Vol(T-1) and Vol(T) are the annualized volatilities computed over 125 business days ending, respectively, on 14-Mar-2017 and 18-Apr-2017. 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	T-1	T	Vol WW(T)	T-1	ADV T	B	LF	EU
ADOBE SYSTEMS INCO.	IT	18.34%	15.66%	0.12%	250.92(140)	288.51(114)	Y	Y	Y
AMER.ELEC.PWR.CO.INCO.	Utilities	16.54%	15.68%	1.42%	149.64(272)	153.55(249)	Y	N	N
CARNIVAL CORP.	C.Discretionary	19.37%	17.51%	0.11%	159.60(249)	190.91(195)	Y	Y	Y
DANAHER CORP.	HealthCare	15.05%	14.25%	0.15%	196.60(194)	172.92(222)	Y	Y	Y
HONEYWELL INTL.INCO.	Industrials	15.83%	10.76%	2.45%	369.87(79)	328.34(88)	Y	Y	Y
KELLOGG CO.	C.Staples	15.05%	15.15%	1.60%	139.26(289)	163.97(233)	Y	N	N
PFIZER INCO.	HealthCare	18.61%	17.82%	0.12%	843.68(20)	773.75(19)	Y	Y	Y
ROSS STORES INCO.	C.Discretionary	15.98%	16.65%	0.40%	157.62(254)	164.58(231)	Y	N	N
SALESFORCE.COM INCO.	IT	26.96%	19.55%	0.46%	390.91(74)	369.17(76)	Y	Y	Y
ULTA BEAUTY INCO.	C.Discretionary	24.63%	17.24%	1.25%	189.34(203)	179.49(214)	Y	Y	Y
WHOLE FOODS MARKET INCO.	C.Staples	21.19%	25.09%	2.06%	146.87(275)	190.19(196)	Y	N	N
YAHOO INCO.	IT	22.08%	19.84%	0.09%	321.59(103)	284.38(117)	Y	Y	Y
YUM! BRANDS INCO.	C.Discretionary	13.98%	13.03%	2.90%	155.86(257)	180.36(211)	Y	N	N

The Column B shows whenever the added stock was in the S&P500 Index NR selection as of 20-Mar-2017. The columns LF/EU show whenever the stock was selected by the liquidity filter/eligible universe as of 20-Mar-2017.

Deleted Stocks

The rebalancing has deleted 15 new stocks. In the table below, T is the current rebalancing date (24-Apr-2017), while T-1 is the previous rebalancing date (20-Mar-2017). Vol(T-1) and Vol(T) are the annualized volatilities computed over 125 business days ending, respectively, on 14-Mar-2017 and 18-Apr-2017. 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	T-1	T	Vol WW(T-1)	T-1	ADV T	B	LF	EU
BEST BUY CO.INCO.	C.Discretionary	33.86%	34.05%	0.16%	208.69(180)	210.07(172)	Y	Y	Y
KRAFT HEINZ CO.	C.Staples	24.08%	23.40%	1.87%	316.52(107)	316.66(95)	Y	Y	Y
MARRIOTT INTL.INCO.	C.Discretionary	15.89%	15.83%	0.47%	200.89(192)	230.57(151)	Y	Y	Y
MOLSON COORS BREWING CO.	C.Staples	19.11%	17.25%	1.42%	160.30(247)	146.09(266)	Y	N	N
NIKE INCO.	C.Discretionary	17.91%	20.10%	0.54%	481.42(53)	534.92(46)	Y	Y	Y
NORFOLK SOUTHERN CORP.	Industrials	20.22%	21.27%	0.39%	243.10(145)	227.16(158)	Y	Y	Y
ORACLE CORP.	IT	15.23%	15.71%	0.02%	474.84(56)	590.81(37)	Y	Y	Y
PERRIGO COMPANY PLC.	HealthCare	35.14%	33.71%	0.50%	164.71(245)	149.35(259)	Y	N	N
PHILIP MORRIS INTL.INCO.	C.Staples	15.91%	15.53%	0.34%	455.22(60)	507.83(48)	Y	Y	Y
PRAXAIR INCO.	Materials	14.37%	14.45%	1.33%	174.78(227)	151.73(251)	Y	N	N
STARBUCKS CORP.	C.Discretionary	15.73%	15.68%	0.09%	559.61(45)	510.23(47)	Y	Y	Y
SYNCHRONY FINANCIAL	Financials	24.53%	25.05%	0.29%	192.32(197)	191.86(193)	Y	Y	Y
THE PRICELINE GP.INCO.	C.Discretionary	18.51%	18.38%	0.38%	693.93(30)	694.17(25)	Y	Y	Y
THE TRAVELERS COS.INCO.	Financials	14.78%	14.29%	0.04%	179.67(220)	163.07(235)	Y	Y	Y
US BANCORP	Financials	14.31%	15.03%	0.56%	351.20(87)	365.95(78)	Y	Y	Y

The Column B shows whenever the deleted stock was in the S&P500 Index NR selection as of 24-Apr-2017. The columns LF/EU show whenever the stock was selected by the liquidity filter/eligible universe as of 24-Apr-2017.

Ranking Index Constituents - Top 25

The table shows the top 25 positions in the Ossiam US Minimum Variance Index NR as of 24-Apr-2017. The column WW indicates the weights in the Ossiam US Minimum Variance Index NR as of 24-Apr-2017. The column Vol gives the annualized volatility computed over 125 business days ending on 18-Apr-2017. 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-Apr-2017. 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
MONSANTO CO.	Materials	4.46%	9.60%	43	Inf%	43	43	YES
MCDONALDS CORP.	C.Discretionary	3.70%	10.24%	433	Inf%	433	433	YES
THE SOUTHERN CO.	Utilities	3.46%	14.22%	281	Inf%	281	281	YES
THE WALT DISNEY CO.	C.Discretionary	3.23%	11.37%	435	Inf%	435	435	YES
WAL MART STORES INCO.	C.Staples	3.20%	14.30%	416	Inf%	416	416	YES
HUMANA INCO.	HealthCare	3.15%	21.40%	417	Inf%	417	417	YES
YUM! BRANDS INCO.	C.Discretionary	2.90%	13.03%	241	Inf%	241	241	NO
3M CO.	Industrials	2.68%	10.97%	268	Inf%	268	268	YES
HONEYWELL INTL.INCO.	Industrials	2.45%	10.76%	362	Inf%	362	362	NO
E I DU PONT DE NEMOURS	Materials	2.38%	16.31%	269	Inf%	269	269	YES
THE COCA COLA CO.	C.Staples	2.29%	11.71%	288	Inf%	288	288	YES
UNITED TECHS.CORP.	Industrials	2.26%	12.09%	320	Inf%	320	320	YES
CIGNA CORP.	HealthCare	2.23%	21.30%	398	Inf%	398	398	YES
THE J M SMUCKER CO.	C.Staples	2.19%	15.46%	400	Inf%	400	400	YES
CHIPOTLE MEXN.GRILL INCO	C.Discretionary	2.13%	30.29%	73	Inf%	73	73	YES
WHOLE FOODS MARKET INCO.	C.Staples	2.06%	25.09%	157	Inf%	157	157	NO
DUKE ENERGY CORP.	Utilities	1.99%	15.44%	289	Inf%	289	289	YES
ALTRIA GROUP INCO.	C.Staples	1.83%	14.06%	299	Inf%	299	299	YES
CHUBB LTD.	Financials	1.78%	11.82%	98	Inf%	98	98	YES
NEWMONT MINING CORP.	Materials	1.67%	39.23%	392	Inf%	392	392	YES
ELECTRONIC ARTS INCO.	IT	1.60%	19.93%	113	Inf%	113	113	YES
KELLOGG CO.	C.Staples	1.60%	15.15%	352	Inf%	352	352	NO
ALPHABET INCO.	IT	1.59%	15.21%	232	Inf%	232	232	YES
JOHNSON & JOHNSON	HealthCare	1.56%	13.05%	393	Inf%	393	393	YES
APPLE INCO.	IT	1.56%	15.50%	498	Inf%	498	498	YES

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