

iSTOXX[®] Europe Minimum Variance Index NR

Rebalancing Report - 23-Jan-2017

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.

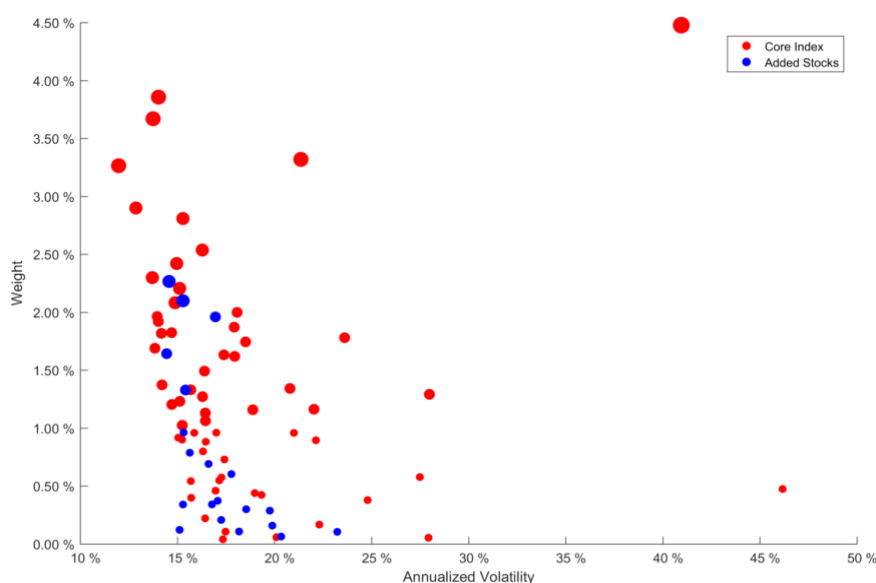
The number of constituents in the index increased from **78** to **81**. The Turnover is **59.42%**, higher than its historical mean at **36.29%**. The weight of the Index Core Portfolio decreased from **91.43%** to **85.25%**.

Characteristics	23-Jan-2017
Number of Stocks	81
Added Stocks	20
Deleted Stocks	17
Core Number	61
Old weight of Core	91.43%
New weight of Core	85.25%
Turnover	59.42%
Historical Turnover	36.29%

Added and deleted stocks are relative to 23-Jan-2017. The Core is defined as the subset of stocks that belong to the current as well as the previous composition.

Volatility/Weight profile

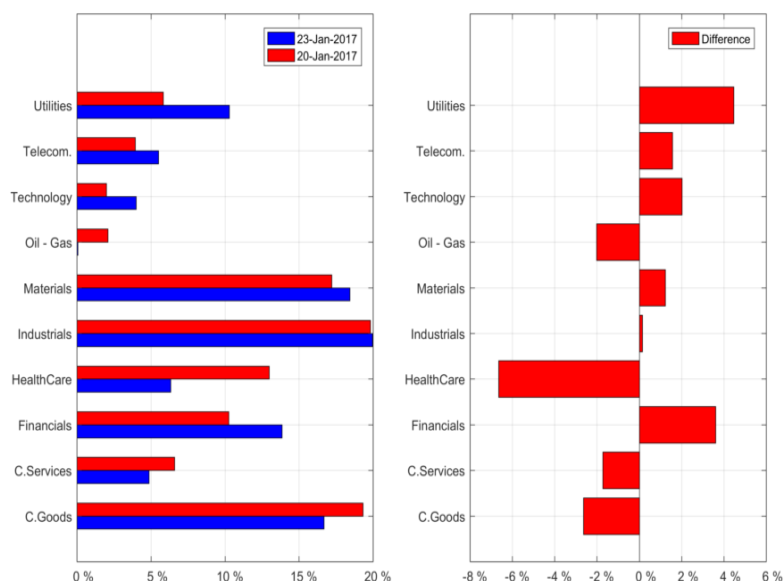
The chart on the right shows the distribution of the new iSTOXX[®] Europe Minimum Variance Index NR composition on 23-Jan-2017 in terms of annualized volatility (x-axis) and weight (y-axis). Volatility computed over 125 days ending on 17-Jan-2017. On the upper left corner we find low volatile stocks 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: **-6.65%** for HealthCare, **4.46%** for Utilities, **3.61%** for Financials. The biggest sector exposures are: **19.97%** for Industrials, **18.44%** for Materials, **16.68%** for C.Goods.

	Close	Open	Difference
C.Goods	19.32%	16.68%	-2.64%
C.Services	6.59%	4.86%	-1.72%
Financials	10.25%	13.85%	3.61%
HealthCare	12.98%	6.33%	-6.65%
Industrials	19.82%	19.97%	0.15%
Materials	17.21%	18.44%	1.23%
Oil - Gas	2.08%	0.05%	-2.03%
Technology	1.99%	4.00%	2.02%
Telecom.	3.94%	5.51%	1.57%
Utilities	5.83%	10.30%	4.46%

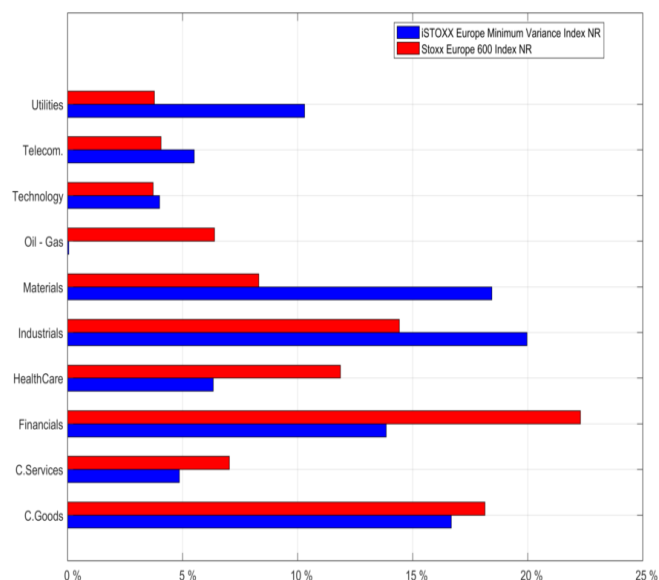


The left-hand side of the chart below shows the sector deviations at rebalancing. Differences are shown on the right-hand side. Index weights are taken as of 20-Jan-2017 (last business day before the new composition is implemented) compared to the new rebalancing weights as of 23-Jan-2017.

Sector breakdown vs. benchmark

The iSTOXX[®] Europe Minimum Variance Index NR overweights Materials (**10.13%**) and Utilities (**6.53%**) compared to Stoxx Europe 600 Index NR. The iSTOXX[®] Europe Minimum Variance Index NR underweights Financials (**-8.44%**) and Oil - Gas (**-6.34%**) compared to Stoxx Europe 600 Index NR.

	BE	MV	Diff.	Volatility BE	Volatility MV
C.Goods	18.14%	16.68%	-1.46%	14.15%	12.22%
C.Services	7.04%	4.86%	-2.17%	16.36%	15.29%
Financials	22.29%	13.85%	-8.44%	20.43%	12.81%
HealthCare	11.86%	6.33%	-5.53%	16.75%	13.44%
Industrials	14.42%	19.97%	5.55%	14.61%	11.10%
Materials	8.31%	18.44%	10.13%	17.45%	13.65%
Oil - Gas	6.39%	0.05%	-6.34%	18.82%	27.94%
Technology	3.72%	4.00%	0.29%	15.97%	13.64%
Telecom.	4.06%	5.51%	1.45%	15.50%	11.95%
Utilities	3.77%	10.30%	6.53%	15.17%	12.93%

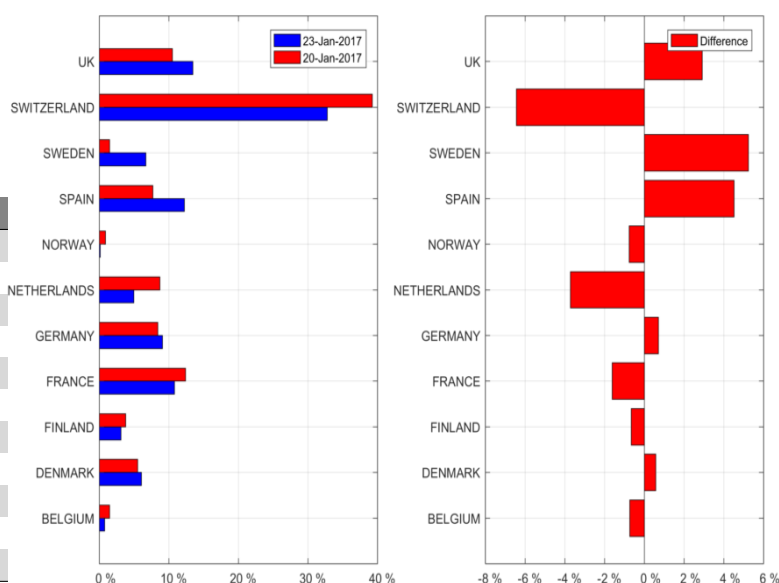


The table below shows, for each sector, the weight in the iSTOXX[®] Europe Minimum Variance Index NR (MV), in the benchmark Stoxx Europe 600 Index NR (BE) and their difference. We also show the annualized volatility of each sector in the iSTOXX[®] Europe Minimum Variance Index NR and in the benchmark. Annualized volatilities are computed using 125 business days ending on 17-Jan-2017

Country Allocation

The most significant changes in country exposures are: **-6.44%** for SWITZERLAND, **5.24%** for SWEDEN, **4.51%** for SPAIN. The biggest country exposures are: **32.79%** for SWITZERLAND, **13.43%** for UK, **12.21%** for SPAIN.

	Close	Open	Difference
BELGIUM	1.48%	0.75%	-0.73%
DENMARK	5.49%	6.06%	0.57%
FINLAND	3.79%	3.13%	-0.66%
FRANCE	12.40%	10.78%	-1.62%
GERMANY	8.39%	9.09%	0.70%
NETHERLANDS	8.68%	4.97%	-3.72%
NORWAY	0.86%	0.11%	-0.76%
SPAIN	7.70%	12.21%	4.51%
SWEDEN	1.45%	6.69%	5.24%
SWITZERLAND	39.23%	32.79%	-6.44%
UK	10.52%	13.43%	2.90%

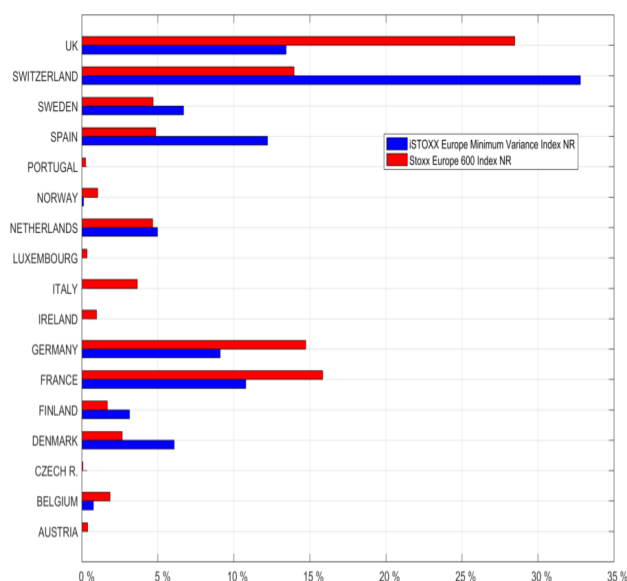


The left-hand side of the chart below shows the country deviations at rebalancing. Differences are shown on the right-hand side. Index weights are taken as of 20-Jan-2017 (last business day before the new composition is implemented) compared to the new rebalancing weights as of 23-Jan-2017.

Country breakdown vs. benchmark

The iSTOXX[®] Europe Minimum Variance Index NR overweights SWITZERLAND (**18.83%**) and SPAIN (**7.36%**) compared to Stoxx Europe 600 Index NR. The iSTOXX[®] Europe Minimum Variance Index NR underweights UK (**-15.05%**) and GERMANY (**-5.63%**) compared to Stoxx Europe 600 Index NR.

	BE		Diff.	Volatility	
	BE	MV		BE	MV
AUSTRIA	0.38%	0.00%	-0.38%	17.02%	0.00%
BELGIUM	1.86%	0.75%	-1.11%	15.65%	17.28%
CZECH R.	0.07%	0.00%	-0.07%	17.60%	0.00%
DENMARK	2.65%	6.06%	3.41%	18.71%	13.17%
FINLAND	1.68%	3.13%	1.45%	16.20%	14.64%
FRANCE	15.84%	10.78%	-5.06%	15.36%	12.14%
GERMANY	14.72%	9.09%	-5.63%	15.29%	13.26%
IRELAND	0.97%	0.00%	-0.97%	18.47%	0.00%
ITALY	3.64%	0.00%	-3.64%	23.70%	0.00%
LUXEMBOURG	0.33%	0.00%	-0.33%	26.86%	0.00%
NETHERLANDS	4.66%	4.97%	0.31%	15.14%	13.76%
NORWAY	1.04%	0.11%	-0.93%	18.88%	23.24%
PORTUGAL	0.23%	0.00%	-0.23%	17.23%	0.00%
SPAIN	4.84%	12.21%	7.36%	18.56%	12.51%
SWEDEN	4.69%	6.69%	2.01%	15.81%	14.07%
SWITZERLAND	13.96%	32.79%	18.83%	14.21%	11.06%
UK	28.47%	13.43%	-15.05%	17.55%	16.24%



The table below shows, for each country, the weight in the iSTOXX[®] Europe Minimum Variance Index NR (MV), in the benchmark Stoxx Europe 600 Index NR (BE) 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 17-Jan-2017

Added Stocks

The rebalancing has added 20 new stocks. In the table below, T is the current rebalancing date (23-Jan-2017), while T-1 is the previous rebalancing date (19-Dec-2016). Vol(T-1) and Vol(T) are the annualized volatilities computed over 125 business days ending, respectively, on 13-Dec-2016 and 17-Jan-2017. 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. 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
AKZO NOBEL NV	Materials	NETHERLANDS	22.90%	14.46%	1.64%	38.98 (187)	34.73 (193)	Y	Y	Y
ATOS	Technology	FRANCE	27.09%	20.35%	0.06%	28.44 (239)	26.06 (250)	Y	Y	Y
BASF SE	Materials	GERMANY	20.79%	15.65%	0.79%	195.05 (22)	192.93 (23)	Y	Y	Y
EXPERIAN	Industrials	UK	20.45%	15.12%	0.12%	42.67 (169)	44.55 (159)	Y	Y	Y
IBERDROLA SA	Utilities	SPAIN	23.33%	14.58%	2.27%	99.95 (68)	99.09 (64)	Y	Y	Y
INVESTOR AB	Financials	SWEDEN	22.15%	15.30%	0.34%	39.48 (184)	40.25 (172)	Y	Y	Y
JOHNSON MATTHEY	Materials	UK	25.19%	16.61%	0.69%	27.74 (246)	26.27 (245)	Y	Y	Y
KINGFISHER	C.Services	UK	32.29%	19.77%	0.29%	43.03 (166)	35.13 (191)	Y	Y	Y
LEGRAND	Industrials	FRANCE	23.22%	15.33%	0.96%	31.77 (209)	30.23 (208)	Y	Y	Y
NORSK HYDRO ASA	Materials	NORWAY	28.98%	23.24%	0.11%	28.11 (243)	27.10 (237)	Y	Y	Y
ROYAL MAIL	Industrials	UK	31.82%	19.89%	0.16%	22.34 (287)	23.05 (269)	Y	Y	Y
SAFRAN SA	Industrials	FRANCE	23.64%	18.18%	0.11%	62.64 (113)	57.96 (117)	Y	Y	Y
SEB 'A' SA	Financials	SWEDEN	24.75%	17.79%	0.60%	54.24 (131)	50.90 (136)	Y	Y	Y
SOLVAY SA	Materials	BELGIUM	22.91%	17.08%	0.37%	27.27 (252)	24.26 (263)	Y	Y	Y
SSE	Utilities	UK	30.05%	17.26%	0.21%	56.08 (126)	54.97 (122)	Y	Y	Y
SWEDBANK AB	Financials	SWEDEN	22.06%	16.79%	0.34%	56.35 (124)	55.40 (120)	Y	Y	Y
SWEDISH MATCH AB	C.Goods	SWEDEN	18.92%	16.96%	1.96%	18.88 (332)	20.51 (298)	Y	N	N
TELIA COMPANY AB	Telecom.	SWEDEN	21.82%	15.42%	1.33%	39.73 (182)	36.89 (185)	Y	Y	Y
THE SAGE GROUP	Technology	UK	27.51%	15.30%	2.10%	22.00 (290)	20.88 (294)	Y	Y	Y
VOLVO AB	Industrials	SWEDEN	30.40%	18.55%	0.30%	70.49 (101)	64.36 (106)	Y	Y	Y

The Column B shows whenever the added stock was in the Stoxx Europe 600 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.

Deleted Stocks

The rebalancing has deleted 17 new stocks. In the table below, T is the current rebalancing date (23-Jan-2017), while T-1 is the previous rebalancing date (19-Dec-2016). Vol(T-1) and Vol(T) are the annualized volatilities computed over 125 business days ending, respectively, on 13-Dec-2016 and 17-Jan-2017. 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. 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
DISB.INTNAC.DE AMEN.SA	C.Services	SPAIN	27.21%	21.10%	0.08%	22.92 (281)	18.16 (323)	Y	N	N
EVONIK INDUSTRIES AG	Materials	GERMANY	22.89%	20.25%	0.67%	28.31 (241)	20.12 (301)	Y	N	N
KONINKLIJKE DSM	Materials	NETHERLANDS	21.39%	18.37%	1.17%	44.97 (161)	37.13 (183)	Y	Y	Y
LONZA GROUP AG	HealthCare	SWITZERLAND	22.67%	21.14%	0.32%	27.35 (251)	31.34 (205)	Y	Y	Y
MARINE HARVEST ASA	C.Goods	NORWAY	25.20%	23.61%	0.57%	32.91 (204)	31.76 (203)	Y	Y	Y
MERCK KGAA	HealthCare	GERMANY	19.09%	18.14%	0.85%	43.97 (165)	40.87 (170)	Y	Y	Y
PANDORA A/S	C.Goods	DENMARK	29.25%	26.64%	0.47%	62.68 (112)	57.32 (119)	Y	Y	Y
RELX	C.Services	UK	19.34%	16.71%	0.13%	55.74 (128)	53.01 (128)	Y	Y	Y
ROYAL DUTCH SHELL	Oil - Gas	UK	24.08%	21.96%	0.18%	236.20 (12)	232.46 (11)	Y	Y	Y
SANOFI	HealthCare	FRANCE	19.09%	18.52%	0.74%	213.98 (18)	226.88 (13)	Y	Y	Y
STATOIL ASA	Oil - Gas	NORWAY	31.42%	28.23%	0.30%	59.65 (120)	55.21 (121)	Y	Y	Y
TATE & LYLE	C.Goods	UK	27.59%	24.29%	0.63%	21.40 (298)	21.04 (292)	Y	Y	Y
TECHNIPFMC	Oil - Gas	FRANCE	0.00%	2.26%	0.65%	-Inf (602)	-Inf (602)	Y	N	N
THE SWATCH GROUP AG	C.Goods	SWITZERLAND	27.57%	24.75%	0.07%	75.16 (97)	71.91 (96)	Y	Y	Y
UNILEVER DR	C.Goods	NETHERLANDS	18.15%	16.43%	0.18%	176.66 (30)	163.87 (36)	Y	Y	Y
VONOVIA SE	Financials	GERMANY	21.46%	21.25%	0.96%	53.15 (135)	46.85 (154)	Y	Y	Y
WOLTERS KLUWER NV	C.Services	NETHERLANDS	20.27%	19.36%	0.60%	30.02 (227)	26.98 (238)	Y	Y	Y

The Column B shows whenever the deleted stock was in the Stoxx Europe 600 Index NR selection as of 23-Jan-2017. The columns LF/EU show whenever the stock was selected by the liquidity filter/eligible universe as of 23-Jan-2017.

Ranking Index Constituents - Top 25

The table shows the top 25 positions in the iSTOXX[®] Europe Minimum Variance Index NR as of 23-Jan-2017. The column WW indicates the weights in the iSTOXX[®] Europe Minimum Variance Index NR as of 23-Jan-2017. The column Vol gives the annualized volatility computed over 125 business days ending on 17-Jan-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 17-Jan-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 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
RANDGOLD RESOURCES	Materials	UK	4.48%	40.95%	278	-2.42%	1	183	YES
ENDESA SA	Utilities	SPAIN	3.86%	14.03%	8	38.21%	40	18	YES
CLARIANT AG	Materials	SWITZERLAND	3.67%	13.76%	4	42.19%	81	30	YES
SYNGENTA AG	Materials	SWITZERLAND	3.32%	21.37%	134	25.07%	4	89	YES
SWISSCOM	Telecom.	SWITZERLAND	3.26%	11.98%	1	48.45%	176	60	YES
KUEHNE+NAGEL INTL.G	Industrials	SWITZERLAND	2.90%	12.87%	2	45.11%	118	41	YES
DANSKE BANK A/S	Financials	DENMARK	2.81%	15.29%	23	47.82%	164	70	YES
SONOVA HOLDING AG	HealthCare	SWITZERLAND	2.54%	16.29%	34	38.44%	41	36	YES
MICHELIN	C.Goods	FRANCE	2.42%	14.97%	16	48.45%	175	70	YES
BALOISE-HOLDING AG	Financials	SWITZERLAND	2.30%	13.72%	3	52.72%	255	88	YES
IBERDROLA SA	Utilities	SPAIN	2.27%	14.58%	12	47.75%	162	63	NO
THALES SA	Industrials	FRANCE	2.21%	15.12%	18	42.85%	89	42	YES
THE SAGE GROUP	Technology	UK	2.10%	15.30%	25	47.32%	156	69	NO
GIVAUDAN SA	Materials	SWITZERLAND	2.08%	14.89%	15	42.88%	90	40	YES
AENA SHS	Industrials	SPAIN	2.00%	18.08%	70	35.24%	19	52	YES
DIAGEO	C.Goods	UK	1.96%	13.97%	6	50.23%	206	74	YES
SWEDISH MATCH AB	C.Goods	SWEDEN	1.96%	16.96%	47	39.78%	59	51	NO
NESTLE AG	C.Goods	SWITZERLAND	1.92%	14.03%	7	47.10%	151	55	YES
PARTNERS GROUP HOLDING	Financials	SWITZERLAND	1.87%	17.93%	67	39.04%	47	60	YES
ABERTIS INFSTS.SA	Industrials	SPAIN	1.82%	14.71%	13	48.17%	171	66	YES
SGS SA	Industrials	SWITZERLAND	1.82%	14.18%	9	44.59%	109	43	YES
GALENICA AG	C.Services	SWITZERLAND	1.78%	23.62%	175	28.40%	5	117	YES
FORTUM OYJ	Utilities	FINLAND	1.74%	18.52%	80	40.73%	64	74	YES
DEUTSCHE POST AG	Industrials	GERMANY	1.69%	13.85%	5	53.47%	265	93	YES
AKZO NOBEL NV	Materials	NETHERLANDS	1.64%	14.46%	11	54.55%	284	103	NO

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