

iSTOXX[®] Europe Minimum Variance High Dividend Index NR

Rebalancing Report - 23-Jan-2017

Stock Statistics

iSTOXX[®] Europe Minimum Variance High Dividend 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 High Dividend 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.

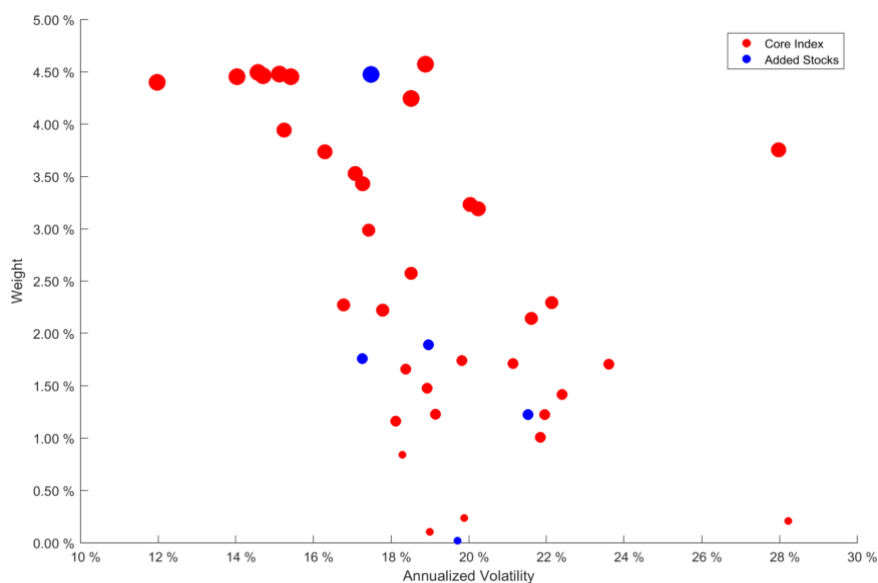
The number of constituents in the index decreased from **44** to **40**. The Turnover is **53.35%**, higher than its historical mean at **36.18%**. The weight of the Index Core Portfolio is stable.

Characteristics	23-Jan-2017
Number of Stocks	40
Added Stocks	5
Deleted Stocks	9
Core Number	35
Old weight of Core	87.16%
New weight of Core	90.62%
Turnover	53.35%
Historical Turnover	36.18%

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

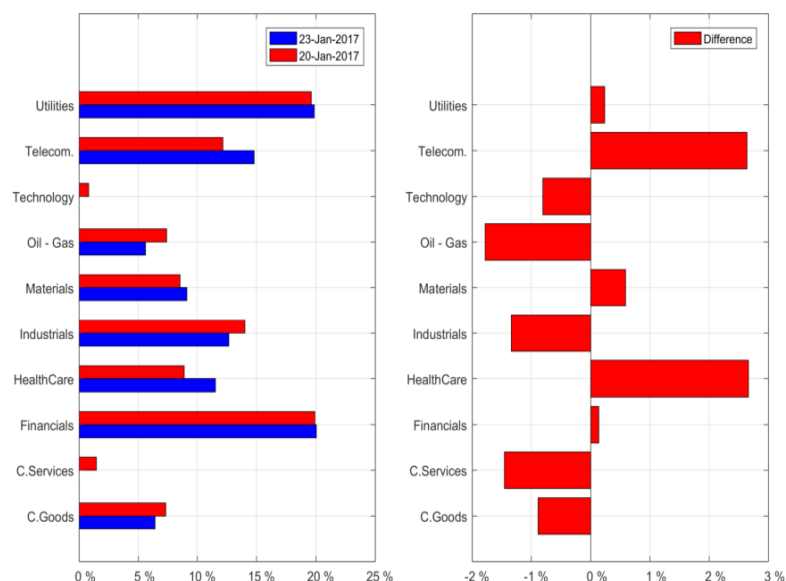
The chart on the right shows the distribution of the new iSTOXX[®] Europe Minimum Variance High Dividend Index NR composition on 23-Jan-2017 in terms of annualized volatility (x-axis) and weight (y-axis). Volatility computed over 125 days ending on 17-Jan-2017. On the upper left corner we find low volatile 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: **2.66%** for HealthCare, **2.64%** for Telecom., **-1.79%** for Oil - Gas. The biggest sector exposures are: **20.03%** for Financials, **19.84%** for Utilities, **14.81%** for Telecom..

	Close	Open	Difference
C.Goods	7.30%	6.42%	-0.89%
C.Services	1.45%	0.00%	-1.45%
Financials	19.90%	20.03%	0.14%
HealthCare	8.87%	11.53%	2.66%
Industrials	14.01%	12.67%	-1.34%
Materials	8.51%	9.09%	0.59%
Oil - Gas	7.39%	5.60%	-1.79%
Technology	0.80%	0.00%	-0.80%
Telecom.	12.17%	14.81%	2.64%
Utilities	19.60%	19.84%	0.24%

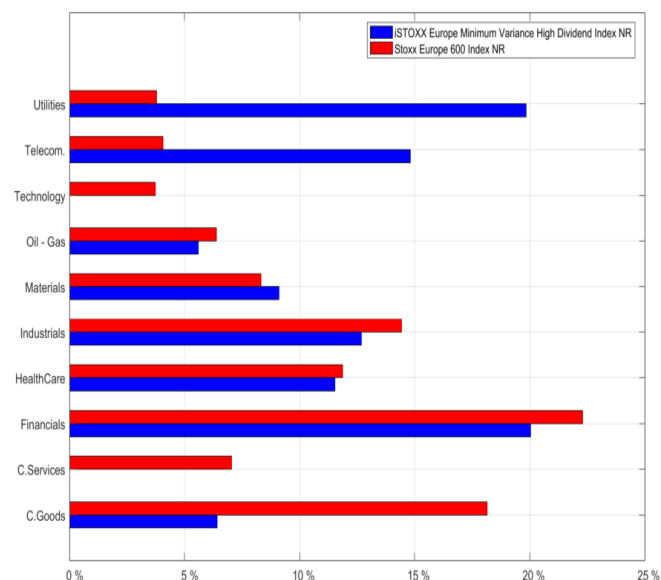


The left-hand side of the chart below shows the sector deviations at rebalancing. Differences are shown on the right-hand side. Index weights are taken as of 20-Jan-2017 (last business day before the new composition is implemented) compared to the new rebalancing weights as of 23-Jan-2017.

Sector breakdown vs. benchmark

The iSTOXX[®] Europe Minimum Variance High Dividend Index NR overweights Utilities (**16.07%**) and Telecom. (**10.74%**) compared to Stoxx Europe 600 Index NR. The iSTOXX[®] Europe Minimum Variance High Dividend Index NR underweights C.Goods (**-11.72%**) and C.Services (**-7.04%**) compared to Stoxx Europe 600 Index NR.

	BE	MV	Diff.	Volatility	
				BE	MV
C.Goods	18.14%	6.42%	-11.72%	14.15%	16.77%
C.Services	7.04%	0.00%	-7.04%	16.36%	0.00%
Financials	22.29%	20.03%	-2.26%	20.95%	14.06%
HealthCare	11.86%	11.53%	-0.33%	16.75%	15.07%
Industrials	14.42%	12.67%	-1.74%	14.61%	14.23%
Materials	8.31%	9.09%	0.78%	17.45%	18.74%
Oil - Gas	6.39%	5.60%	-0.79%	18.96%	19.66%
Technology	3.72%	0.00%	-3.72%	15.97%	0.00%
Telecom.	4.06%	14.81%	10.74%	15.50%	13.32%
Utilities	3.77%	19.84%	16.07%	15.17%	13.19%

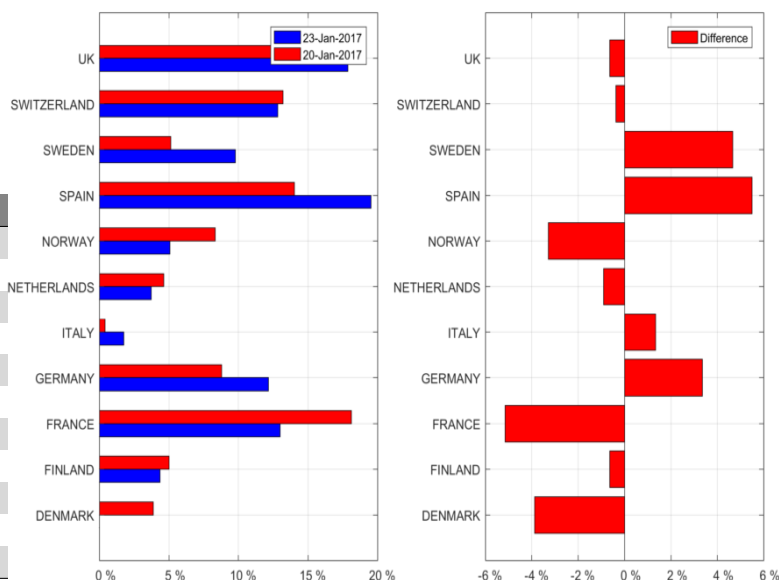


The table below shows, for each sector, the weight in the iSTOXX[®] Europe Minimum Variance High Dividend Index NR (MV), in the benchmark Stoxx Europe 600 Index NR (BE) and their difference. We also show the annualized volatility of each sector in the iSTOXX[®] Europe Minimum Variance High Dividend Index 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: **5.50%** for SPAIN, **-5.14%** for FRANCE, **4.67%** for SWEDEN. The biggest country exposures are: **19.52%** for SPAIN, **17.86%** for UK, **12.97%** for FRANCE.

	Close	Open	Difference
DENMARK	3.87%	0.00%	-3.87%
FINLAND	4.99%	4.35%	-0.64%
FRANCE	18.11%	12.97%	-5.14%
GERMANY	8.81%	12.16%	3.35%
ITALY	0.40%	1.74%	1.34%
NETHERLANDS	4.62%	3.71%	-0.90%
NORWAY	8.35%	5.07%	-3.28%
SPAIN	14.02%	19.52%	5.50%
SWEDEN	5.12%	9.79%	4.67%
SWITZERLAND	13.19%	12.82%	-0.37%
UK	18.51%	17.86%	-0.65%

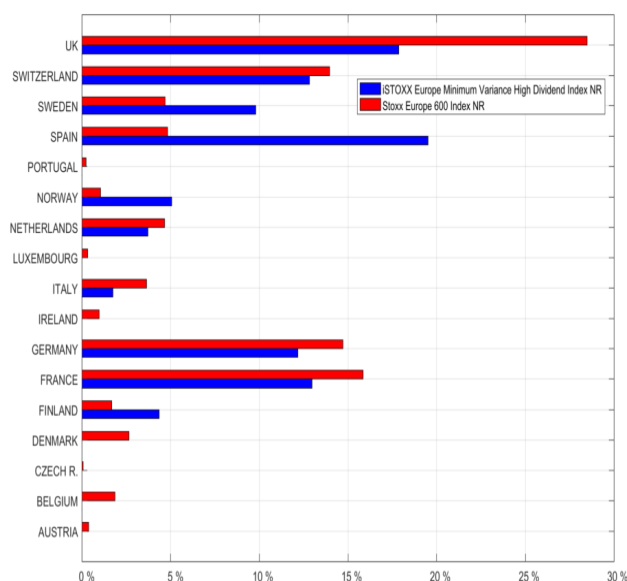


The left-hand side of the chart below shows the country deviations at rebalancing. Differences are shown on the right-hand side. Index weights are taken as of 20-Jan-2017 (last business day before the new composition is implemented) compared to the new rebalancing weights as of 23-Jan-2017.

Country breakdown vs. benchmark

The iSTOXX[®] Europe Minimum Variance High Dividend Index NR overweights SPAIN (14.68%) and SWEDEN (5.11%) compared to Stoxx Europe 600 Index NR. The iSTOXX[®] Europe Minimum Variance High Dividend Index NR underweights UK (-10.61%) and FRANCE (-2.87%) compared to Stoxx Europe 600 Index NR.

	BE	MV	Diff.	Volatility	
				BE	MV
AUSTRIA	0.38%	0.00%	-0.38%	17.02%	0.00%
BELGIUM	1.86%	0.00%	-1.86%	15.65%	0.00%
CZECH R.	0.07%	0.00%	-0.07%	17.60%	0.00%
DENMARK	2.65%	0.00%	-2.65%	18.71%	0.00%
FINLAND	1.68%	4.35%	2.68%	16.20%	18.32%
FRANCE	15.84%	12.97%	-2.87%	15.40%	14.46%
GERMANY	14.72%	12.16%	-2.55%	15.29%	16.65%
IRELAND	0.97%	0.00%	-0.97%	18.47%	0.00%
ITALY	3.64%	1.74%	-1.89%	23.70%	19.83%
LUXEMBOURG	0.33%	0.00%	-0.33%	26.86%	0.00%
NETHERLANDS	4.66%	3.71%	-0.94%	15.14%	18.29%
NORWAY	1.04%	5.07%	4.03%	18.88%	18.28%
PORTUGAL	0.23%	0.00%	-0.23%	17.23%	0.00%
SPAIN	4.84%	19.52%	14.68%	18.56%	12.82%
SWEDEN	4.69%	9.79%	5.11%	15.81%	14.95%
SWITZERLAND	13.96%	12.82%	-1.14%	14.21%	13.13%
UK	28.47%	17.86%	-10.61%	17.95%	14.65%



The table below shows, for each country, the weight in the iSTOXX[®] Europe Minimum Variance High Dividend 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 High Dividend 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 5 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. Finally, WW(T) is the stock weight at the current rebalancing date.

	Sector	Country	Vol(T-1)	Vol(T)	WW(T)	B
FERROVIAL SA	Industrials	SPAIN	26.22%	18.97%	1.89%	Y
HAMMERSON	Financials	UK	40.48%	19.72%	0.02%	Y
NOVARTIS AG	HealthCare	SWITZERLAND	17.72%	17.49%	4.48%	Y
REPSOL YPF SA	Oil - Gas	SPAIN	30.05%	21.53%	1.23%	Y
SSE	Utilities	UK	30.05%	17.26%	1.76%	Y

The Column B shows whenever the added stock was in the Stoxx Europe 600 Index NR selection as of 19-Dec-2016.

Deleted Stocks

The rebalancing has deleted 9 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. Finally, WW(T-1) is the stock weight at the previous rebalancing date.

	Sector	Country	Vol(T-1)	Vol(T)	WW(T-1)	B
DANSKE BANK A/S	Financials	DENMARK	21.73%	15.29%	3.87%	Y
GAS NATURAL SDG SA	Utilities	SPAIN	24.36%	17.54%	0.45%	Y
HEXAGON AB	Technology	SWEDEN	29.50%	24.85%	0.53%	Y
KUEHNE+NAGEL INTL.G	Industrials	SWITZERLAND	15.08%	12.87%	4.44%	Y
NOKIA	Technology	FINLAND	33.81%	29.42%	0.27%	Y
PEARSON	C.Services	UK	32.21%	29.68%	0.30%	Y
TERNA RETE ELETTRICA NAZ	Utilities	ITALY	24.23%	20.99%	0.11%	Y
VEOLIA ENVIRONNEMENT	Utilities	FRANCE	23.94%	21.62%	1.72%	Y
VIVENDI	C.Services	FRANCE	26.62%	23.33%	1.15%	Y

The Column B shows whenever the deleted stock was in the Stoxx Europe 600 Index NR selection as of 23-Jan-2017.

Ranking Index Constituents - Top 25

The table shows the top 25 positions in the iSTOXX[®] Europe Minimum Variance High Dividend Index NR as of 23-Jan-2017. The column WW indicates the weights in the iSTOXX[®] Europe Minimum Variance High Dividend Index NR as of 23-Jan-2017. The column Vol gives the annualized volatility computed over 125 business days ending on 17-Jan-2017. Finally, the column Core shows whether the stock was in the iSTOXX[®] Europe Minimum Variance High Dividend Index NR already (YES) or it entered at this rebalancing (NO).

	Sector	Country	WW	Vol	Core
BOUYGUES SA	Industrials	FRANCE	4.57%	18.89%	YES
IBERDROLA SA	Utilities	SPAIN	4.49%	14.58%	YES
GLAXOSMITHKLINE	HealthCare	UK	4.48%	15.13%	YES
NOVARTIS AG	HealthCare	SWITZERLAND	4.48%	17.49%	NO
ABERTIS INFSTS.SA	Industrials	SPAIN	4.46%	14.71%	YES
TELIA COMPANY AB	Telecom.	SWEDEN	4.45%	15.42%	YES
ENDESA SA	Utilities	SPAIN	4.45%	14.03%	YES
SWISSCOM	Telecom.	SWITZERLAND	4.40%	11.98%	YES
FORTUM OYJ	Utilities	FINLAND	4.25%	18.52%	YES
SWISS RE AG	Financials	SWITZERLAND	3.94%	15.25%	YES
K + S AG	Materials	GERMANY	3.76%	27.99%	YES
MUNCHENER RUCK.GESELL.AG	Financials	GERMANY	3.74%	16.30%	YES
VODAFONE GROUP	Telecom.	UK	3.53%	17.09%	YES
KLEPIERRE	Financials	FRANCE	3.43%	17.28%	YES
IMPERIAL BRANDS	C.Goods	UK	3.23%	20.04%	YES
EVONIK INDUSTRIES AG	Materials	GERMANY	3.19%	20.25%	YES
ENAGAS SA	Utilities	SPAIN	2.99%	17.43%	YES
SANOFI	HealthCare	FRANCE	2.57%	18.52%	YES
NN GROUP	Financials	NETHERLANDS	2.30%	22.14%	YES
SWEDBANK AB	Financials	SWEDEN	2.27%	16.79%	YES
SEB 'A' SA	Financials	SWEDEN	2.22%	17.79%	YES
YARA INTERNATIONAL ASA	Materials	NORWAY	2.14%	21.62%	YES
FERROVIAL SA	Industrials	SPAIN	1.89%	18.97%	NO
SSE	Utilities	UK	1.76%	17.26%	NO
ATLANTIA	Industrials	ITALY	1.74%	19.83%	YES

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