

FTSE 100 Minimum Variance TR

Rebalancing Report - 18-Mar-2019

Stock Statistics

The FTSE Minimum Variance Index NR rebalances quarterly (March, June, September and December), on the 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 wednesday before the first Friday of the quarter. Both the FTSE 100 Minimum Variance TR and the benchmark FTSE 100 Index TR are computed in GBP. The calculations in the document are performed by Ossiam using FTSE /Datastream source.

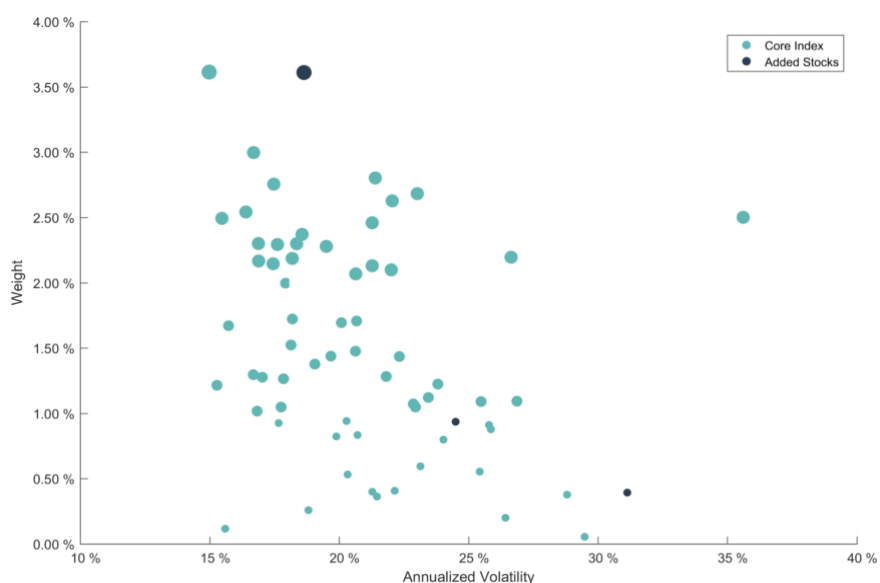
The number of constituents in the index decreased from **69** to **66**. The Turnover is **34.56%**, higher than its historical mean at **25.28%**. The weight of the Index Core Portfolio decreased from **97.38%** to **95.06%**.

Characteristics	18-Mar-2019
Number of Stocks	66
Added Stocks	3
Deleted Stocks	6
Core Number	63
Old weight of Core	97.38%
New weight of Core	95.06%
Turnover	34.56%
Historical Turnover	25.28%

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

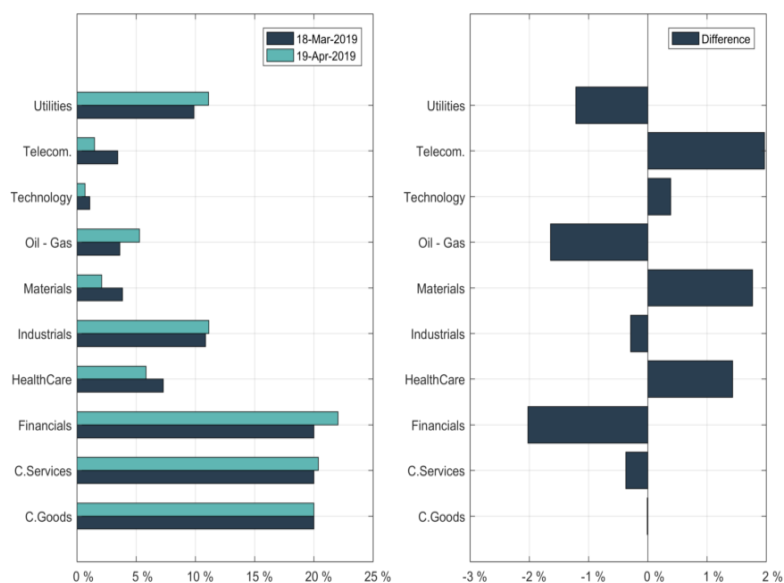
The chart on the right shows the distribution of the new FTSE 100 Minimum Variance TR composition on 18-Mar-2019 in terms of annualized volatility (x-axis) and weight (y-axis). Volatility computed over 500 days ending on 27-Feb-2019. On the upper left corner we find low volatile stocks with big weight 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: **-2.03%** for Financials, **1.97%** for Telecom., **1.77%** for Materials. The biggest sector exposures are: **20.00%** for C.Goods , **20.00%** for Financials , **20.00%** for C.Services .

	PREV.	CURR.	Diff.
C.Goods	20.01%	20.00%	-0.01%
C.Services	20.37%	20.00%	-0.37%
Financials	22.03%	20.00%	-2.03%
HealthCare	5.84%	7.27%	1.43%
Industrials	11.14%	10.85%	-0.29%
Materials	2.08%	3.85%	1.77%
Oil - Gas	5.27%	3.62%	-1.64%
Technology	0.69%	1.07%	0.39%
Telecom.	1.48%	3.45%	1.97%
Utilities	11.10%	9.88%	-1.22%

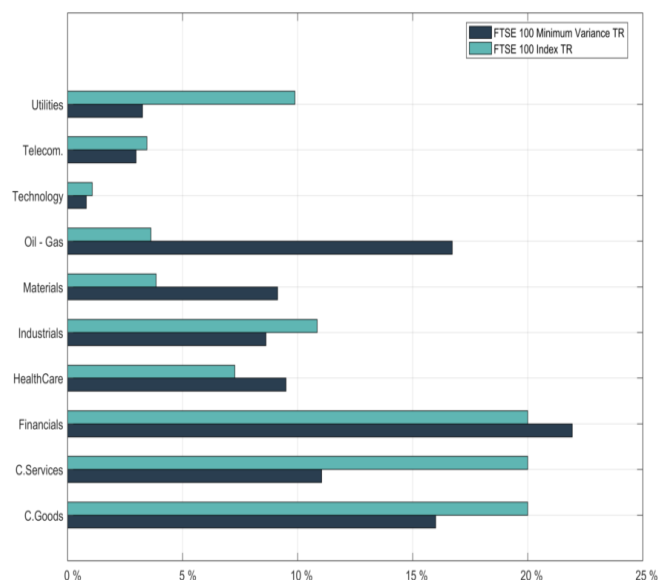


The left-hand side of the chart below shows the sector deviations at rebalancing. Differences are shown on the right-hand side. Index weights are taken as of 19-Apr-2019 (last business day before the new composition is implemented) compared to the new rebalancing weights as of 18-Mar-2019.

Sector breakdown vs. benchmark

The FTSE 100 Minimum Variance TR overweights C.Services by **8.96%** and Utilities by **6.62%** compared to FTSE 100 Index TR. The FTSE 100 Minimum Variance TR underweights Oil - Gas by **-13.09%** and Materials by **-5.28%** compared to FTSE 100 Index TR.

	B	S	Diff.	Vol.	
				B	S
C.Goods	16.01%	20.00%	4.00%	13.07%	11.14%
C.Services	11.04%	20.00%	8.96%	10.80%	10.37%
Financials	21.93%	20.00%	-1.93%	13.15%	10.46%
HealthCare	9.49%	7.27%	-2.22%	16.57%	14.77%
Industrials	8.62%	10.85%	2.22%	15.03%	13.15%
Materials	9.13%	3.85%	-5.28%	24.39%	27.03%
Oil - Gas	16.72%	3.62%	-13.09%	18.18%	18.00%
Technology	0.82%	1.07%	0.25%	28.57%	22.87%
Telecom.	2.98%	3.45%	0.47%	17.66%	19.28%
Utilities	3.26%	9.88%	6.62%	15.68%	16.16%



The table above shows, for each sector, the weight in the FTSE 100 Minimum Variance TR (S), in the benchmark FTSE 100 Index TR (B) and their difference. We also show the annualized volatility of each sector in the FTSE 100 Minimum Variance TR and in the benchmark. Annualized volatilities are computed using 500 business days ending on 03-Apr-2019

Added Stocks

The rebalancing has added 4 new stocks. In the table below, T is the current rebalancing date (18-Mar-2019), while T-1 is the previous rebalancing date (24-Dec-2018). Vol(T-1) and Vol(T) are the annualized volatilities computed over 500 business days ending, respectively, on 27-Feb-2019 and 05-Dec-2018. The average daily volumes ADV(T-1) and ADV(T), expressed in mln GBP, are computed over 50 business days ending on the same dates as before, with the relative ranking over the benchmark FTSE 100 Index TR. 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	WW(T)	Vol		ADV		Reason Exclusion
			T-1	T	T-1	T	
AUTO TRADER GROUP PLC.	C.Services	0.94%	Inf%	24.50%	-Inf(105)	15.31(75)	NewInBenchark
HISCOX DI LTD.	Financials	3.61%	17.69%	18.64%	12.75(97)	11.41(90)	Excl. Liquidity
JUST EAT PLC	C.Services	0.39%	Inf%	31.13%	-Inf(103)	17.37(63)	NewInBenchark
RIGHTMOVE PLC.	C.Services	2.17%	17.72%	16.89%	14.15(96)	10.48(92)	Excl. Liquidity

Deleted Stocks

The rebalancing has deleted 6 new stocks. In the table below, T is the current rebalancing date (18-Mar-2019), while T-1 is the previous rebalancing date (24-Dec-2018). Vol(T-1) and Vol(T) are the annualized volatilities computed over 500 business days ending, respectively, on 27-Feb-2019 and 05-Dec-2018. The average daily volumes ADV(T-1) and ADV(T), expressed in mln GBP, are computed over 50 business days ending on the same dates as before, with the relative ranking over the benchmark FTSE 100 Index TR. 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	WW(T-1)	Vol		ADV		Reason Exclusion
			T-1	T	T-1	T	
ANTOFAGASTA PLC.	Materials	0.64%	31.84%	32.55%	22.84(61)	17.36(64)	Excl. Minimum Variance
AVIVA PLC.	Financials	0.22%	16.10%	16.66%	44.52(28)	31.75(29)	Excl. Minimum Variance
BHP GROUP PLC.	Materials	0.02%	27.33%	26.83%	122.23(10)	112.79(6)	Excl. Minimum Variance
CARNIVAL PLC.	C.Services	0.22%	20.49%	22.01%	34.67(41)	29.62(34)	Excl. Minimum Variance
GVC HOLDINGS PLC.	C.Services	0.38%	27.10%	Inf%	25.58(53)	-Inf(102)	MissingInBenchark
WOOD GROUP (JOHN) PLC.	Oil - Gas	1.13%	30.98%	Inf%	17.92(81)	-Inf(101)	MissingInBenchark

Ranking Index Constituents - Top 25

The table shows the top 25 positions in the FTSE 100 Minimum Variance TR as of 18-Mar-2019. The column WW indicates the weights in the FTSE 100 Minimum Variance TR as of 18-Mar-2019. The column Vol gives the annualized volatility computed over 500 business days ending on 27-Feb-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 27-Feb-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 FTSE 100 Minimum Variance TR already (YES) or it entered at this rebalancing (NO).

	Sector	WW	Vol	Rank Vol	Corr	Rank Corr	Rank Blend	Core
DIAGEO PLC.	C.Goods	3.61%	14.98%	1	22.54%	45	15	YES
HISCOX DI LTD.	Financials	3.61%	18.64%	29	16.59%	15	24	NO
BUNZL PLC.	Industrials	3.00%	16.70%	10	24.91%	63	28	YES
TESCO PLC.	C.Services	2.80%	21.40%	49	13.62%	3	33	YES
LLOYDS BANKING GP.PLC.	Financials	2.76%	17.48%	16	22.00%	40	24	YES
ASTRAZENECA PLC.	HealthCare	2.68%	23.02%	64	16.05%	11	45	YES
BT GROUP PLC.	Telecom.	2.63%	22.05%	55	15.11%	8	39	YES
UNILEVER PLC.	C.Goods	2.54%	16.40%	6	21.82%	38	16	YES
FRESNILLO PLC.	Materials	2.50%	35.61%	97	7.34%	1	64	YES
LAND SECURITIES GP.PLC.	Financials	2.49%	15.47%	3	20.70%	33	13	YES
ASSOCIATED BRIT.FDS.PLC.	C.Goods	2.46%	21.28%	46	17.41%	19	36	YES
SSE PLC.	Utilities	2.37%	18.57%	27	19.09%	29	27	YES
COMPASS GROUP PLC.	C.Services	2.30%	16.88%	12	18.94%	25	16	YES
GLAXOSMITHKLINE PLC.	HealthCare	2.30%	18.36%	26	20.42%	31	27	YES
SMITH & NEPHEW PLC.	HealthCare	2.29%	17.62%	17	23.79%	55	29	YES
BAE SYSTEMS PLC.	Industrials	2.28%	19.51%	33	25.24%	65	43	YES
CENTRICA PLC.	Utilities	2.20%	26.64%	80	12.25%	2	53	YES
ROYAL DUTCH SHELL	Oil - Gas	2.19%	18.19%	23	26.67%	70	38	YES
RIGHTMOVE PLC.	C.Services	2.17%	16.89%	13	22.39%	43	23	NO
NATIONAL GRID PLC.	Utilities	2.15%	17.45%	15	19.02%	27	19	YES
COCA COLA HBC AG	C.Goods	2.13%	21.28%	47	20.80%	34	42	YES
BERKELEY GROUP HDG.PLC.	C.Goods	2.10%	22.02%	54	21.08%	36	47	YES
IMPERIAL BRANDS PLC.	C.Goods	2.07%	20.64%	42	17.02%	18	33	YES
DIRECT LINE IN.GP.PLC.	Financials	2.00%	17.93%	21	20.95%	35	25	YES
MORRISON(WM)SPMKTS.PLC.	C.Services	1.72%	18.20%	24	19.06%	28	25	YES

DISCLAIMERS

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

Ossiam, a subsidiary of Natixis Investment Managers, 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.

All rights in the FTSE 100 Minimum Variance TR Index (the Index) vest in FTSE International Limited (FTSE). FTSE® is a trade mark of the London Stock Exchange Plc and The Financial Times Limited and is used by FTSE under license. The OSSIAM FTSE 100 MINIMUM VARIANCE has been developed solely by OSSIAM. The Index is calculated by FTSE or its agent. FTSE and its licensors are not connected to and do not sponsor, advise, recommend, endorse or promote the OSSIAM FTSE 100 MINIMUM VARIANCE and do not accept any liability whatsoever to any person arising out of (a) the use of, reliance on or any error in the Index or (b) investment in or operation of the OSSIAM FTSE 100 MINIMUM VARIANCE. FTSE makes no claim, prediction, warranty or representation either as to the results to be obtained from the OSSIAM FTSE 100 MINIMUM VARIANCE UCITS ETF or the suitability of the Index for the purpose to which it is being put by OSSIAM.

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