

## Global Multi Asset Risk Control Index

Rebalancing Report - 04-Sep-2018

### Stock Statistics

Global Multi Asset Risk Control Index has fixed rebalancing dates on the last index trading day of February, May, August and November, and optional rebalancings if the level of the VIX is higher or equal than 25% four days before the end-of-month of the remaining months. The new composition is implemented at the opening of the next index trading day after the rebalancing date. The weights are computed using closing prices four days prior to the rebalancing date. Both the Global Multi Asset Risk Control Index and the benchmark MultiAsset 60/40 are computed in EUR. The calculations in the document are performed by Ossiam using Bloomberg/Datastream source.

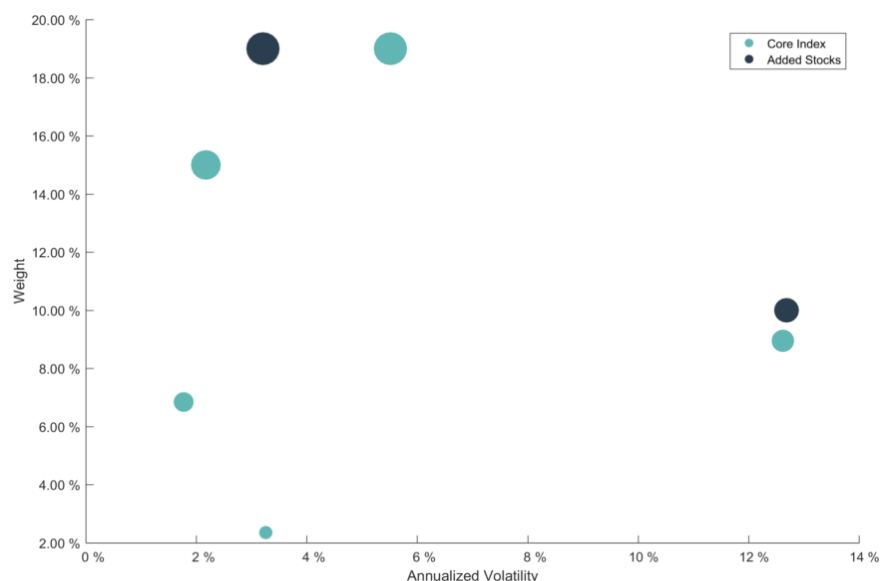
The number of constituents in the index decreased from **10** to **8**. The Turnover is **116.35%**, higher than its historical mean at **75.97%**. The weight of the index Core Portfolio increased from **52.38%** to **71.00%**.

Characteristics	04-Sep-2018
Number of Stocks	8
Added Stocks	2
Deleted Stocks	4
Core Number	6
Old weight of Core	52.38%
New weight of Core	71.00%
Turnover	116.35%
Historical Turnover	75.97%

Added and deleted stocks are relative to 04-Sep-2018. The Core is defined as the subset of stocks that belong to the current as well as the previous composition.

### Volatility/Weight profile

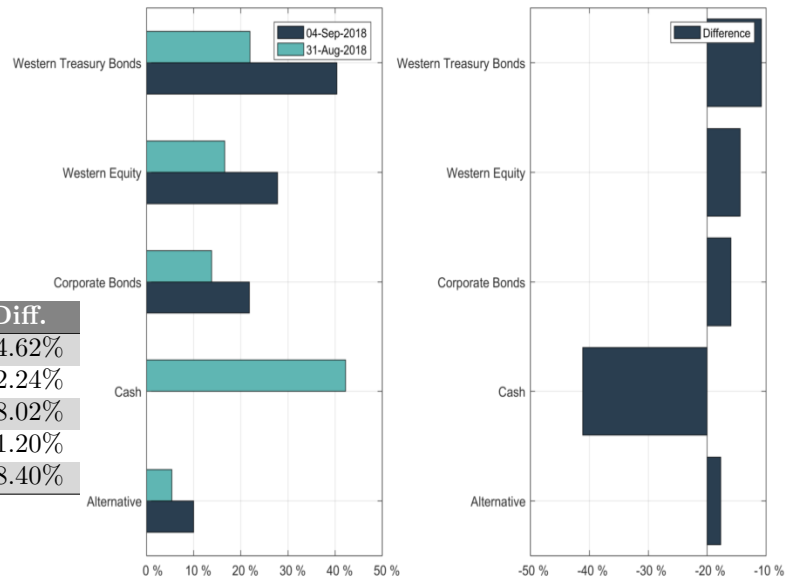
The chart on the right shows the distribution of the new Global Multi Asset Risk Control Index composition on 04-Sep-2018 in terms of annualized volatility (x-axis) and weight (y-axis). Volatility computed over 120 days ending on 26-Nov-2018. On the upper left corner we find low volatile stocks with 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: **-42.24%** for Cash, **18.40%** for Western Treasury Bonds, **11.20%** for Western Equity. The biggest sector exposures are: **40.35%** for Western Treasury Bonds, **27.80%** for Western Equity, **21.84%** for Corporate Bonds.

	PREV.	CURR.	Diff.
Alternative	5.38%	10.00%	4.62%
Cash	42.24%	-	-42.24%
Corporate Bonds	13.82%	21.84%	8.02%
Western Equity	16.60%	27.80%	11.20%
Western Treasury Bonds	21.96%	40.35%	18.40%

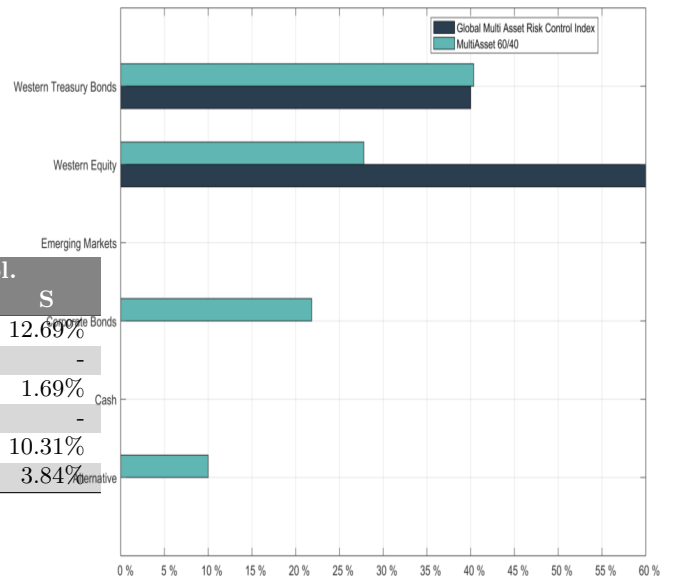


The left-hand side of the chart below shows the sector deviations at rebalancing. Differences are shown on the right-hand side. Index weights are taken as of 31-Aug-2018 (last business day before the new composition is implemented) compared to the new rebalancing weights as of 04-Sep-2018.

## Sector breakdown vs. benchmark

The Global Multi Asset Risk Control Index overweights Corporate Bonds by **21.84%** and Alternative by **10.00%** compared to MultiAsset 60/40. The Global Multi Asset Risk Control Index underweights Western Equity by **-32.20%** and Emerging Markets by **0.00%** compared to MultiAsset 60/40.

				Vol.	
	B	S	Diff.	B	S
Alternative	-	10.00%	10.00%	-	12.69%
Cash	-	-	-	-	-
Corporate Bonds	-	21.84%	21.84%	-	1.69%
Emerging Markets	-	-	-	-	-
Western Equity	60.00%	27.80%	-32.20%	10.30%	10.31%
Western Treasury Bonds	40.00%	40.35%	0.35%	3.08%	3.84%



The table above shows, for each sector, the weight in the Global Multi Asset Risk Control Index (S), in the benchmark MultiAsset 60/40 (B) and their difference. We also show the annualized volatility of each sector in the Global Multi Asset Risk Control Index and in the benchmark. Annualized volatilities are computed using 120 business days ending on 24-Aug-2018

## Added Stocks

The rebalancing has added 2 new stocks. In the table below, T is the current rebalancing date (04-Sep-2018), while T-1 is the previous rebalancing date (01-Jun-2018). Vol(T-1) and Vol(T) are the annualized volatilities computed over 120 business days ending, respectively, on 24-Aug-2018 and 24-May-2018. 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		Reason Exclusion
			T-1	T	
ISHARES US PROPERTY YIELD	Alternative	10.00%	16.38%	12.69%	Excluded by Risky Asset MeanVar.
SPDR US TREASURY	Western Treasury Bonds	19.00%	2.97%	3.21%	Excluded by Risky Asset MeanVar.

## Deleted Stocks

The rebalancing has deleted 4 new stocks. In the table below, T is the current rebalancing date (04-Sep-2018), while T-1 is the previous rebalancing date (01-Jun-2018). Vol(T-1) and Vol(T) are the annualized volatilities computed over 120 business days ending, respectively, on 24-Aug-2018 and 24-May-2018. 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		Reason Exclusion
			T-1	T	
COMSTAGE ETF COM X-AGRI TR-1	Alternative	5.38%	12.25%	13.33%	Excluded by Risky Asset MeanVar.
COMSTAGE ETF COMMERZ EONIA	Cash	14.08%	0.04%	0.03%	
DBX II EONIA CASH 1C	Cash	14.08%	0.03%	0.03%	
LYX ETF EURO CASH	Cash	14.08%	0.05%	0.04%	

## Ranking Index Constituents - Top 25

The table shows the top 16 positions in the Global Multi Asset Risk Control Index as of 04-Sep-2018. The column WW indicates the weights in the Global Multi Asset Risk Control Index as of 04-Sep-2018. The column Vol gives the annualized volatility computed over 120 business days ending on 26-Nov-2018. 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 26-Nov-2018. 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 Global Multi Asset Risk Control Index already (YES) or it entered at this rebalancing (NO).

	Sector	WW	Vol	Rank Vol	Corr	Rank Corr	Rank Blend	Core
SPDR US TREASURY	Western Treasury Bonds	19.00%	3.21%	6	10.48%	4	5	NO
ISHARES CORE UK GILTS	Western Treasury Bonds	19.00%	5.51%	10	10.96%	6	8	YES
ISHARES CORE FTSE 100	Western Equity	18.85%	12.04%	11	16.09%	12	11	YES
ISHARES USD HY CORP BOND	Corporate Bonds	15.00%	2.17%	5	21.03%	15	8	YES
ISHARES US PROPERTY YIELD	Alternative	10.00%	12.69%	13	11.59%	7	10	NO
ISHARES CORE S&P 500	Western Equity	8.95%	12.62%	12	10.60%	5	9	YES
ISHARES CORE EURO CORP BOND	Corporate Bonds	6.84%	1.77%	4	17.85%	13	7	YES
ISHARES CORE EURO GOVT BOND	Western Treasury Bonds	2.35%	3.26%	7	11.64%	8	7	YES
COMSTAGE ETF COMMERZ EONIA	Cash	0.00%	0.03%	1	-4.85%	1	1	NO
DBX II EONIA CASH 1C	Cash	0.00%	0.03%	2	8.24%	3	2	NO
LYX ETF EURO CASH	Cash	0.00%	0.04%	3	-0.65%	2	2	NO
ISHARES USD CORP BOND	Corporate Bonds	0.00%	4.33%	8	21.11%	16	10	NO
ISHARES JPM USD EM BOND	Emerging Markets	0.00%	5.33%	9	19.98%	14	10	NO
ISHARES EURO STOXX50 UCITS D	Western Equity	0.00%	13.05%	14	15.49%	11	12	NO
COMSTAGE ETF COM X-AGRI TR-I	Alternative	0.00%	13.33%	15	12.76%	9	12	NO
ISHARES MSCI EM	Emerging Markets	0.00%	14.41%	16	14.78%	10	13	NO

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