

Elston Strategic Beta Global Maximum Sharpe Index

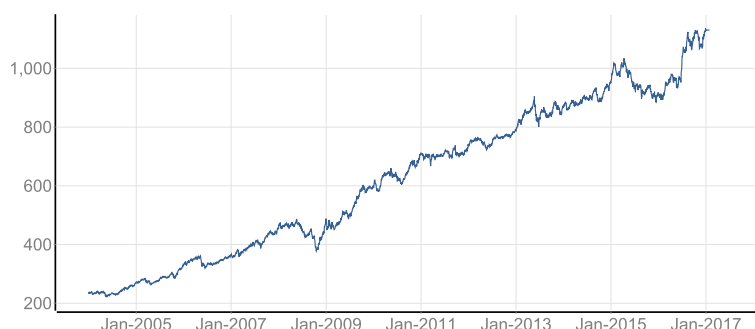


Index Reporting as of 24 January 2017

Index Objective

- This index aims to provide a globally diversified multi-asset strategy with the highest risk-adjusted return in excess of the risk-free interest rate (Sharpe Ratio). The index invests in ETFs which are transparent, cost-efficient, liquid vehicles that are publicly traded.
- This index is weighted according to a proprietary methodology based on an optimisation strategy using an algorithm to maximise the ex-post Sharpe Ratio of the portfolio subject to various constraints.

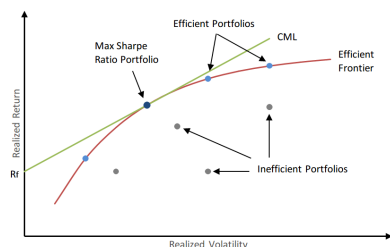
Performance Since Inception¹



Includes backtested hypothetical performance, may not reflect actual index performance.

Rebalancing Process

- Step 1: On the rebalancing date, the *Elston Quantitative Screening Model* analyses a broad universe of ETFs based on their asset class, past performance, liquidity and other criteria to create an updated pool of suitable ETFs.
- Step 2: The *Elston Quantitative Selection Model* analyses the characteristics of the updated pool of suitable ETFs and the existing components of the strategy to create the updated components of the strategy.
- Step 3: The *Elston Quantitative Maximum Sharpe Model* calculates new weightings for each updated component of the strategy, subject to various constraints.



Theoretical representation of a Maximum Sharpe Portfolio, for illustrative purposes only

Index Facts

Asset Class	Multi-Asset
Base Currency	GBP
Components	ETFs
Inception Date	22-Dec-2014
ISIN	DE000SLA5TU0
Bloomberg Ticker	ESBGMS Index
RIC	.ESBGMS
Max Holdings	50
Rebalance Frequency	Monthly
Index Sponsor	Elston Consulting Ltd
Index Calculator	Solactive AG
Weight Control	Yes
Turnover Control	Yes
Use of Income	Reinvested
Investment Type	Long-only
Leverage	No

Key Statistics

1M Effective Return	0.32%
6M Effective Return	6.48%
1Y Effective Return	26.03%
Volatility (1Y)	10.05%
Sharpe Ratio (1Y)	2.47
Sortino Ratio (1Y)	2.73

About Elston Strategic Beta™

Elston Strategic Beta™ is a quantitative, methodical, and objective approach to create dynamic asset allocation strategies that isolate and capture shifting risk premia across asset classes. The strategies are delivered by combining liquid ETFs that track indices of selected asset classes using Elston's quantitative models.

Important Information: Third parties may from time to time issue ETFs and other investment products that track this index and other similar indices. Elston Consulting does not sponsor, advise, endorse or distribute such ETFs and other products. For information about such third party products tracking the index, please refer to the applicable prospectus.

¹ Real time prices and additional information are available at <http://www.solactive.com>

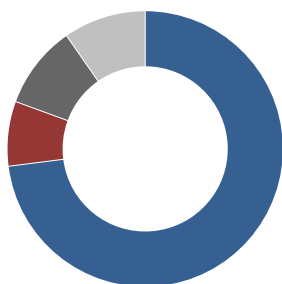
Index Performance vs. Global Asset Class Benchmarks¹



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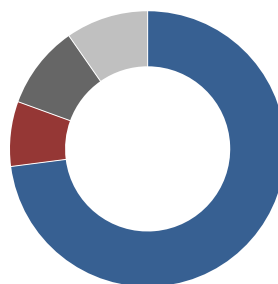
Index Composition Weightings¹

Current month



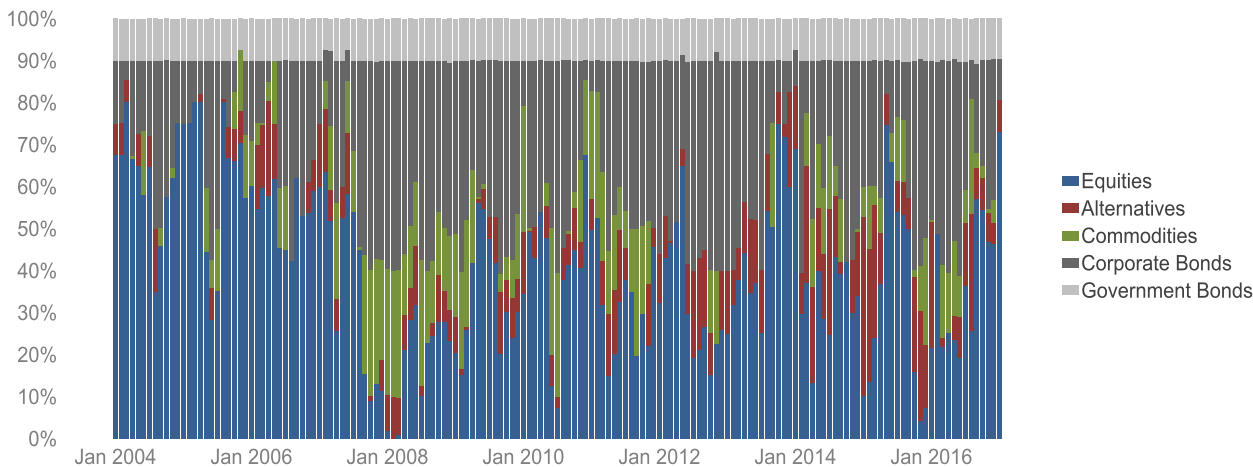
Equities	72.98%
Alternatives	7.59%
Commodities	0.00%
Corporate Bonds	9.76%
Government Bonds	9.67%

Previous month



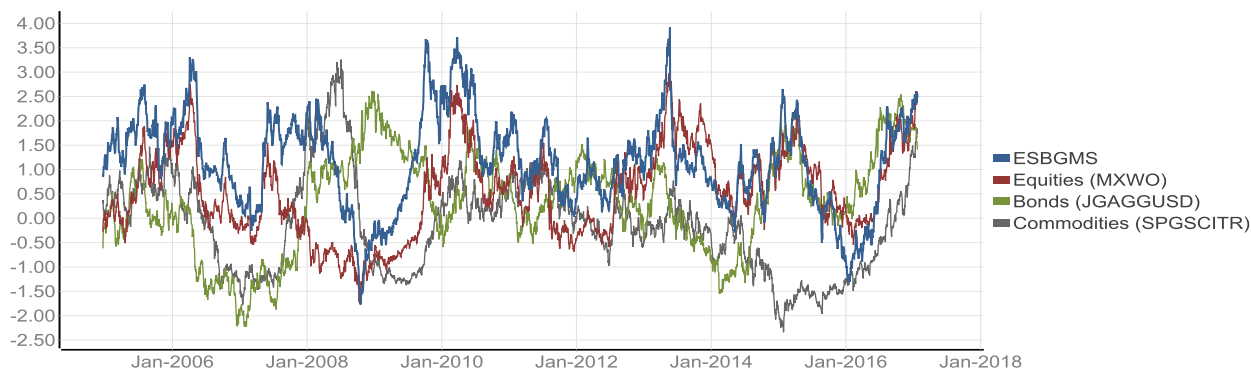
Equities	72.96%
Alternatives	7.60%
Commodities	0.00%
Corporate Bonds	9.76%
Government Bonds	9.68%

Historical Weightings By Asset Class¹



¹ The values of the individual asset class specific ETFs are total return, i.e. ETF dividends are reinvested. The total return versions are calculated on 19 December 2014, values between 1 Jan 2004 and 19 December 2014 for both Elston Strategic Beta Global Max Sharpe Index and the individual asset class specific ETFs may be based on a proxy for each asset class. Back-testing and other statistical analysis material that is provided in connection with the Index use simulated analysis and hypothetical circumstances to estimate how it may have performed prior to its actual existence. For time periods prior to the launch of an exchange-traded fund included in the Index and such exchange traded fund's initial satisfaction of a minimum liquidity standard, back-testing uses alternative performance information derived from a proxy with similar asset exposure, after deducting hypothetical fund fees, rather than performance information for such exchange-traded fund. The results obtained from "back-testing" information should not be considered indicative of the actual results that might be obtained from an investment or participation in a financial instrument or transaction referencing the Index. Neither Solactive AG nor Elston Consulting provide assurance or guarantee that the products linked to the Index will operate or would have operated in the past in a manner consistent with these materials. The hypothetical historical levels presented herein have not been verified by an independent third party, and such hypothetical historical levels have inherent limitations. Alternative simulations, techniques, modelling or assumptions might produce significantly different results and prove to be more appropriate. Actual results will vary, perhaps materially, from the simulated returns presented in this document. See the Disclaimer Language for more information on Back-testing.

Rolling 12 Month Annualised Sharpe Ratio vs. Global Asset Class Benchmarks



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Statistical Analysis Review¹

	Index	Equities	Bonds	Commodities
Effective Return (1M)	0.32%	-0.16%	0.20%	-0.67%
Effective Return (3M)	0.34%	2.49%	-4.32%	0.20%
Annualised Return (1Y)	25.81%	35.56%	21.01%	38.46%
Annualised Return (5Y)	8.58%	13.25%	5.47%	-9.65%
Annualised Return (since Jan 2004)	12.82%	7.46%	6.72%	-2.05%
Annualised Volatility (1Y)	10.05%	14.59%	13.90%	24.56%
Annualised Volatility (5Y)	8.42%	12.81%	8.26%	19.18%
Sharpe Ratio (1Y)	2.47	2.50	1.40	1.74
Sharpe Ratio (5Y)	0.91	0.98	0.58	-0.52
Sharpe Ratio (since Jan 2004)	1.03	0.31	0.46	-0.19
Sortino Ratio (1Y)	2.73	2.60	1.93	1.88
Sortino Ratio (5Y)	0.89	0.99	0.71	-0.54
Maximum Drawdown (1Y)	-5.62%	-7.53%	-7.46%	-12.82%
Maximum Drawdown (5Y)	-14.45%	-16.29%	-10.13%	-61.76%
Maximum Drawdown (since Jan 2004)	-22.51%	-39.99%	-15.34%	-76.39%

Historical Monthly Performance¹

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2017	0.18%												0.18%
2016	-0.39%	4.70%	0.78%	0.80%	-2.65%	9.21%	4.16%	1.15%	1.67%	1.34%	-3.10%	4.30%	23.58%
2015	6.67%	-3.33%	2.54%	-1.61%	-0.57%	-5.04%	0.51%	-1.45%	0.08%	0.38%	-2.00%	0.24%	-3.99%
2014	-1.34%	2.52%	-0.83%	0.37%	2.65%	-0.20%	-0.21%	3.09%	-4.21%	2.90%	3.88%	0.38%	9.06%
2013	3.36%	3.05%	1.39%	1.08%	-0.92%	-2.90%	4.14%	-3.39%	0.29%	5.56%	-2.04%	1.05%	10.72%
2012	1.70%	0.93%	-0.09%	-1.55%	-1.04%	0.82%	3.12%	-0.36%	0.06%	0.84%	0.83%	1.39%	6.77%
2011	-1.94%	1.95%	0.05%	-0.68%	0.82%	0.96%	-0.70%	0.39%	-0.76%	-0.43%	1.16%	3.65%	4.44%
2010	-1.57%	4.15%	4.45%	1.69%	-1.57%	-0.68%	-3.60%	3.83%	4.50%	1.37%	-0.21%	5.64%	18.97%
2009	-3.94%	-1.18%	3.26%	4.75%	2.62%	-1.67%	6.67%	5.90%	4.29%	-1.40%	2.63%	-0.04%	23.47%
2008	0.55%	2.40%	-1.09%	-0.96%	1.81%	-4.00%	-4.74%	3.43%	-3.90%	-8.61%	8.05%	13.99%	5.05%
2007	-0.86%	1.51%	2.23%	2.30%	3.90%	0.61%	2.26%	-0.35%	4.94%	3.77%	-1.82%	5.00%	25.87%
2006	1.92%	2.22%	2.20%	-0.03%	-5.49%	-0.37%	0.90%	-0.40%	2.76%	0.93%	1.85%	2.97%	9.58%
2005	1.00%	2.63%	-3.07%	-3.08%	3.12%	3.28%	2.66%	-0.54%	5.80%	-4.76%	8.24%	5.72%	22.13%
2004	-1.24%	1.54%	0.75%	-1.09%	-2.69%	3.54%	-1.54%	3.35%	3.10%	2.00%	2.96%	4.77%	16.23%

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