

Shiller Barclays CAPE® US Sector Value

A systematic, non-discretionary approach, tilted toward value and based on Professor Robert Shiller's research.

The CAPE® Ratio

Robert Shiller suggested the CAPE® concept in a 1981 American Economic Review

Professor Robert Shiller



American economist, best-selling author and Sterling Professor of Economics, Professor of Finance, and Fellow at the International Center for Finance at Yale University.

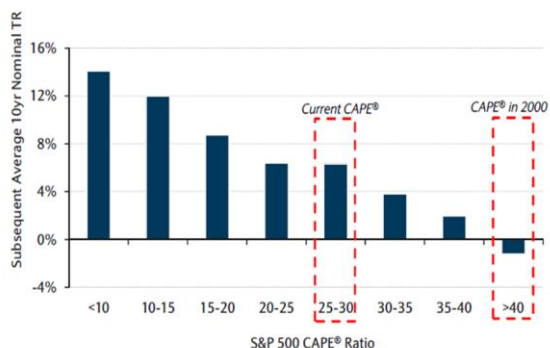
Well known for developing the widely used Standard & Poor's/Case-Shiller Home Price Indices and for the CAPE® ratio, also known as "Campbell-Shiller PE(10)" and "Shiller 10". Partnered with Barclays in 2012 to develop the first Shiller Barclays CAPE® Index Family.

Cyclically Adjusted Price Earnings (CAPE®)

$$CAPE^{\circ} = \frac{\text{Index Price}}{10\text{-Y Average of Inflation Adjusted Index Earnings}}$$

Used to identify long-term under and over valuations of equity markets. Averaging earnings over 10 years allows for mean reversion of earnings and earnings over the business cycle. Analogous to the much referenced PE ratio, the intuition behind the CAPE® ratio is that low ratios generally indicate high future market returns and high ratios provide an overall contraction signal.

CAPE® Ratio and Long-Term Returns (1881-2017)



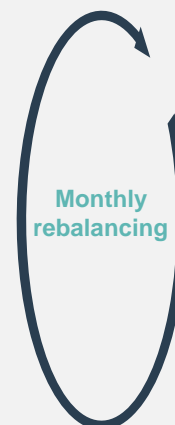
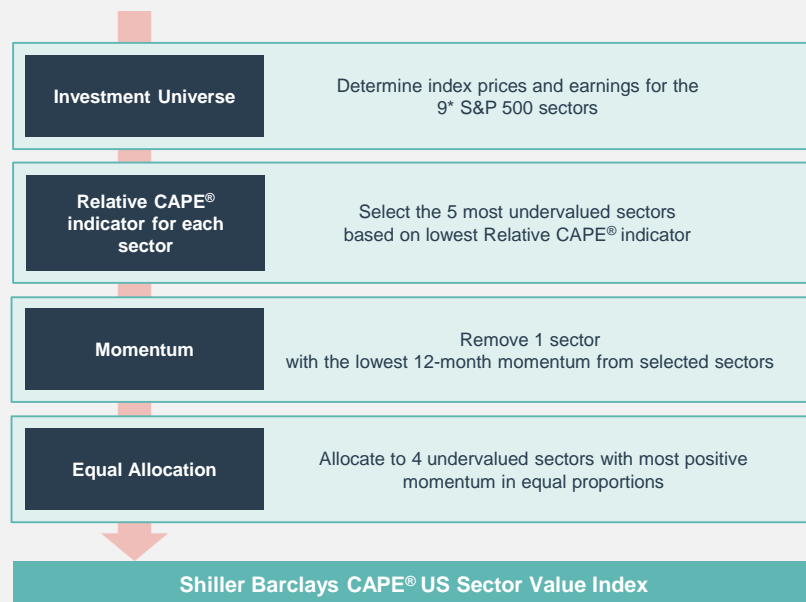
Source: Barclays, March 2017

Evolution and comparison of value ratios

PE	CAPE®	Relative CAPE®
simple ratio to determine valuation	earnings cycles over business cycle mean reversion of earnings	accounts for sector idiosyncrasies allows cross-sector comparison
1-year earnings comparison across sectors? value trap risk	comparison across sectors? value trap risk	value trap risk

Source: Professor Shiller, Yale University (<http://www.econ.yale.edu/~shiller/data.htm>) and Barclays, from 1881 to March 2017. Any data on past performance, modelling or back-testing contained herein is no indication as to future performance. Robert Shiller does not sponsor, advise, recommend, endorse or promote the Ossiam Shiller Barclays CAPE® Europe Sector value TR or the Ossiam Shiller Barclays CAPE® US Sector value TR.

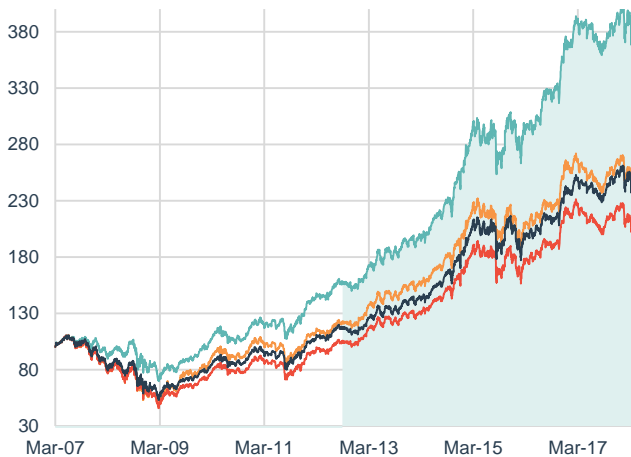
Methodology of the strategy



*The Information Technology and Telecommunication Services have been merged by S&P under the "technology sector"

Shiller Barclays CAPE® US Sector Value

Simulated performance (Peer Group Value approach) From 16/03/2007* until 29/03/2018



Shiller Barclays CAPE® US Sector Value Net TR Index (BXIICUSU)

FTSE RAFI US 1000 Index NR (TFR10NU)

S&P 500 Value Index NR (SPTRSVX)

S&P 500 Index NR (SPTR500N)

Live period

Simulated performance and risk data since 03/09/2002

as of 29/03/2018	Reference index	S&P 500 Index NR
YTD performance	0,14%	-0,90%
1-year performance	12,42%	13,40%
3-year performance	47,21%	33,88%
annualized performance	12,53%	8,87%
annualized volatility	17,36%	18,51%
maximum draw down	-43,70%	-55,71%
Sharpe ratio	0,64	0,41
correlation	97,03%	NA
beta	0,91	NA
annualized alpha	4,34%	NA

Indices

Reference Index

The Shiller Barclays CAPE® US Sector Value Net TR Index is a total return USD index which reflects the strategy described on page one and launched by Barclays in September 2012.

Investment Universe

The S&P 500® Index NR is widely regarded as the best single gauge of large-cap U.S. equities. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization.

* First price available for the FTSE RAFI US 1000 Net Index TR (USD).

Characteristics of the Fund

Share class	ISIN	TER	Inception date	AuM in Million EUR
Ossiam Shiller Barclays CAPE® US Sector Value TR UCITS ETF 1C (USD)	LU1079841513	0,65%	22/06/2015	832.71
Ossiam Shiller Barclays CAPE® US Sector Value TR UCITS ETF 1C (EUR)*	LU1079841273	0,65%	22/06/2015	321.7
Ossiam Shiller Barclays CAPE® US Sector Value TR UCITS ETF Hedge Index 1C (EUR)	LU1446552652	0,65%	03/05/2017	49.47

Source : Ossiam as of the end of March 2018* the share class is not hedged against EUR/USD FX risk.

OSSIAM SHILLER BARCLAYS CAPE® US SECTOR VALUE TR (Shiller Barclays CAPE® US Sector Value Index TR – BXIICUSU)

Share class	ISIN	T.E.R.	SIX Swiss Exchange	Deutsche Boerse	Euronext Paris	Borsa Italiana	LSE (trading in fund currency)	LSE (trading in GBP)
UCITS ETF 1C (USD)	LU1079841513	0.65%	UCAP SW UCAP.S	-	-	-	UCAP LN UCAP.L	CAPU LN OSCAPU.L
UCITS ETF 1C (EUR)	LU1079841273	0.65%	CAPU SW CAPU.S	USCP GR USCP.DE	CAPU FP CAPU.PA	CAPU IM CAPU.MI	-	-
UCITS ETF Hedge Index 1C (EUR)	LU1446552652	0.65%	CAPH SW CAPH.S	-	-	-	-	-

Source : Bloomberg/Barclays – Calculation by Ossiam in USD since 12/09/2012. For data before 12/09/2012 (launch date of the index), performance for the Shiller Barclays CAPE® US Sector Value Net TR Index reflects calculations performed by Ossiam based on backtest data provided by Barclays. Backtested performance results do not represent the performance of actual trading using client assets, but are achieved by means of the retroactive application of a model. This model assumes reinvestment of net dividends. Some degree of performance difference between OSSIAM ETF product and the underlying index is to be expected as a result of index replication costs and tracking error. Past performance is not a reliable indicator of future performance.

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