

amLeague Indexing Factory

A new approach to multimangement

June 30, 2016

Supported by

amLeague SERVICES TO INVESTORS

- Introduction
 - Replication mechanism
 - Indexing Factory:
 - ✓ Choose your asset class
 - ✓ Write your guidelines
 - ✓ Pre-select asset managers
 - ✓ Build your own multi managers index
 - ✓ Select your operational manager (OPM)
 - ✓ Follow, analyze and arbitrate your index
 - ✓ Decide of your tailor-made reporting
 - Business model
 - Existing funds
 - FAQs
-

Why does amLeague propose INDEXING services ?

amLeague strenghts:

- Reliable independent data base
- Strong analysis capabilities
- Demand from institutional investors to invest real money on one or several notional mandates



amLeague as
Index Administrator:

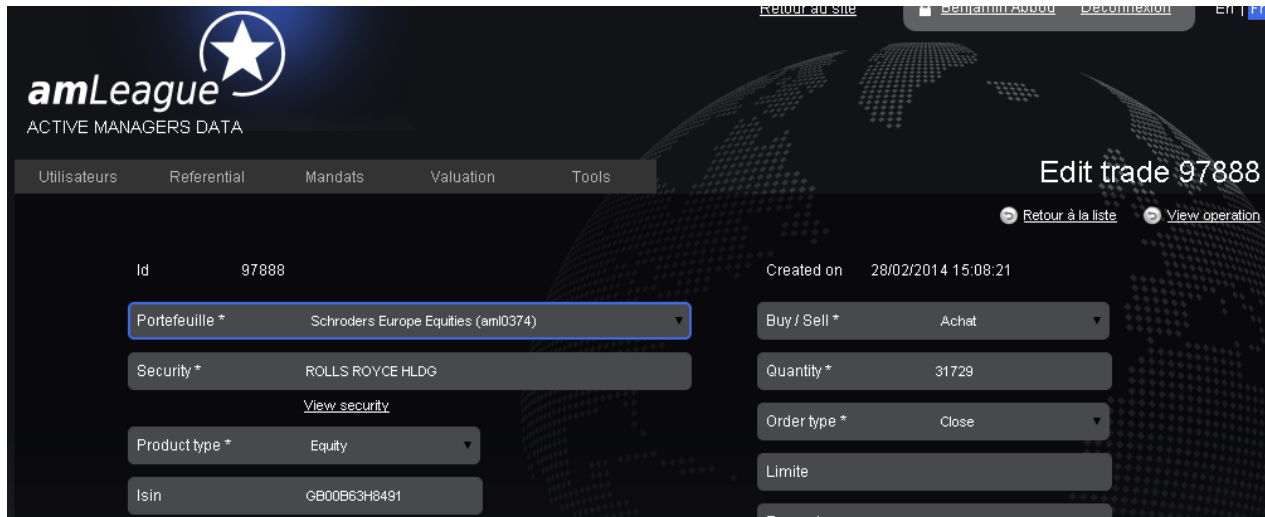
- Produces **Tradable Indices**
- In compliance with **IOSCO/ESMA** principles
- Under supervision of an **Oversight Committee**

amLeague: INDEX provider, from data gathering to index dissemination

amLeague_OPERATING SYSTEM: from the trading platform to notional portfolios

The **amLeague_Trading Platform** emulates real trading conditions:

- Market conditions and liquidity are scrutinized to provide portfolio managers with the same price they would obtain on the market for an equivalent deal (ITG Partnership). Portfolio managers trading choice: close or market



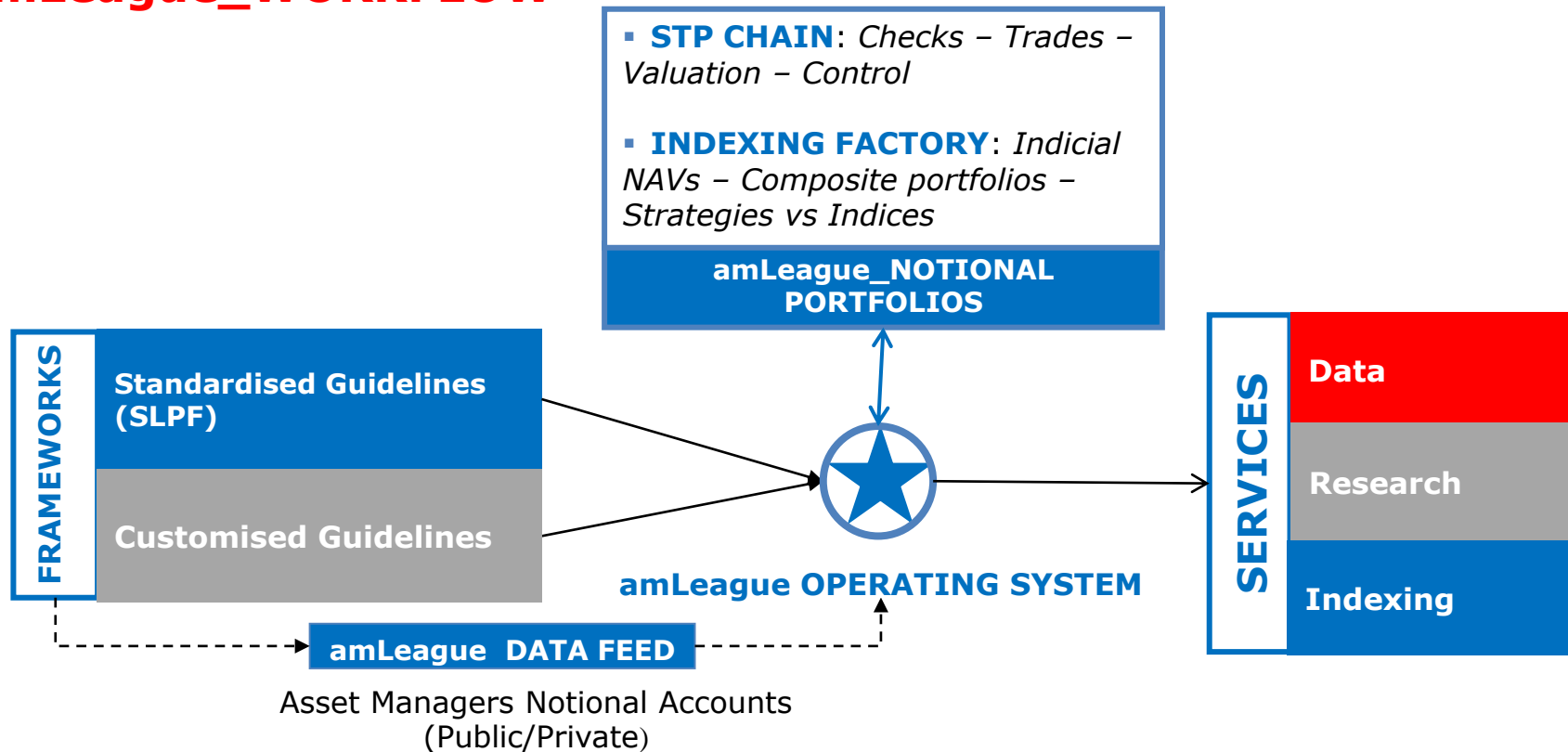
The screenshot shows the 'Edit trade 97888' interface. It includes a navigation menu with 'Utilisateurs', 'Referential', 'Mandats', 'Valuation', and 'Tools'. The trade details are as follows:

| | | | |
|----------------|------------------------------------|--------------|---------------------|
| Id | 97888 | Created on | 28/02/2014 15:08:21 |
| Portefeuille * | Schroders Europe Equities (am0374) | Buy / Sell * | Achat |
| Security * | ROLLS ROYCE HLDG | Quantity * | 31729 |
| Product type * | Equity | Order type * | Close |
| Isin | GB00B63H8491 | Limite | |

Additional options include 'View security', 'Retour à la liste', and 'View operation'.

As a Notional Bond is a perfect equivalent to a Physical Bond, same are **amLeague Notional portfolios an equivalent to real accounts**

amLeague_WORKFLOW



From the operational framework to amLeague services

amLeague INDEXING FACTORY: definition

The **amLeague_INDEXING service** enables investors, multi-managers and distributors to invest on the replication of notional portfolios, either on a single asset manager or on a multi-managers scheme

- amLeague INDEXING Factory provides investors with a smart way to **obtain the alpha produced** by the best asset managers
- amLeague_INDEXING service consists in allowing this alpha to be implemented through the **replication** of selected asset managers' notional portfolios



amLeague_INDEXING enables a full replication vehicle of notional portfolios

amLeague_INDEXING & REPLICATION FACTORY

From notional accounts to real products

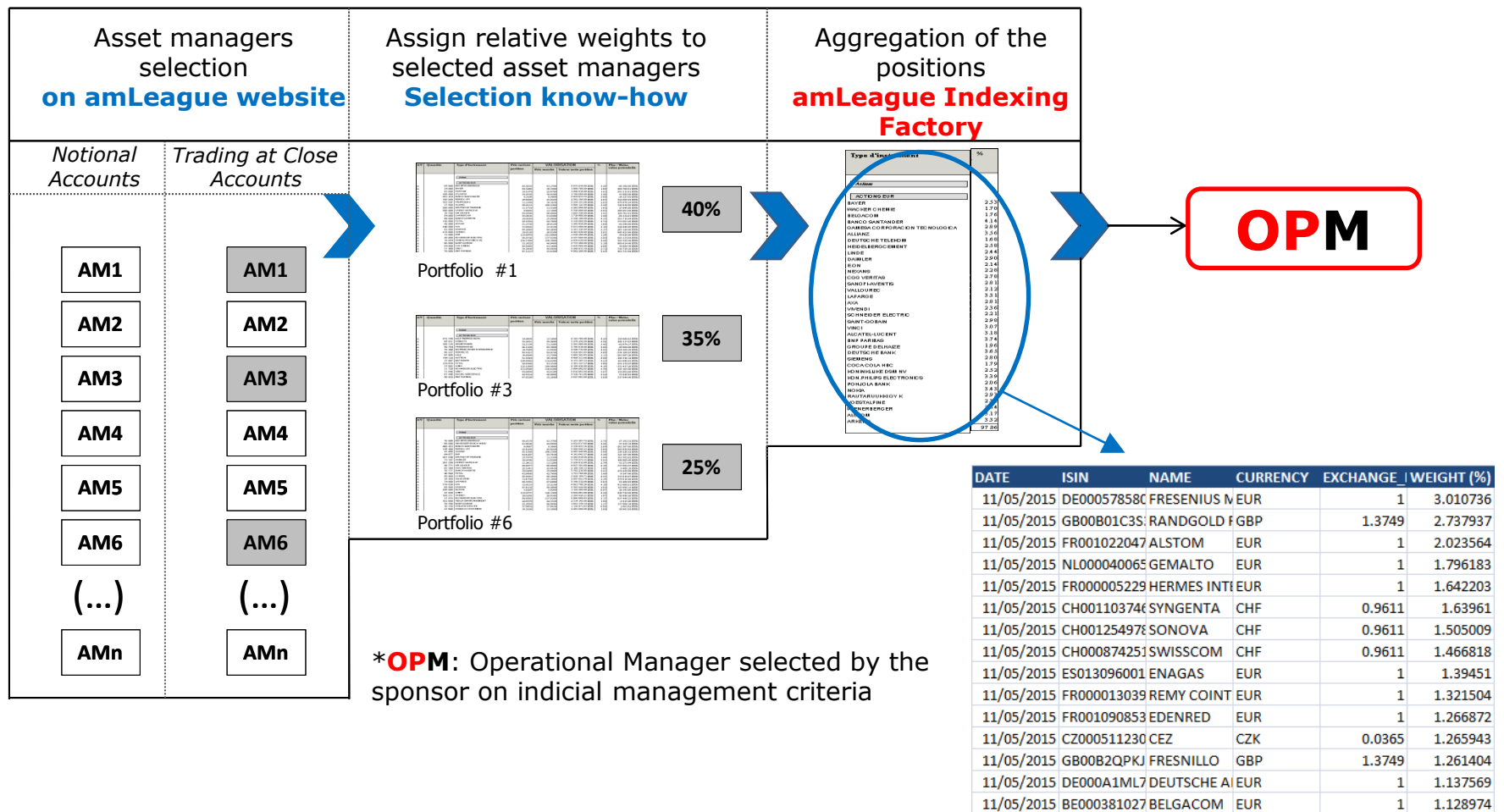
- Asset managers trade their notional portfolios on amLeague platform
- The asset managers authorize amLeague to use their datas (portfolios and trades) in order to build active indices
- The multimanager assembles single indices according to its own selection process. amLeague builds the corresponding aggregated multi index
- The aggregated multi index is then replicated by an operational manager (OPM) in the client investment vehicle (ETFs, certificate, mandate, etc.)
- The replication vehicle's performance delivered to the client is the aggregation of the performances of the underlying asset managers



amLeague turns these notional portfolios into investable indices

amLeague_INDEXING & REPLICATION FACTORY

From notional accounts to real products

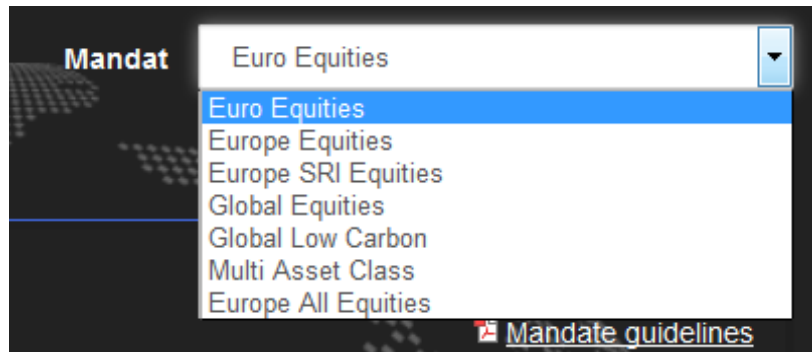


How to benefit from amLeague technical facilities ?

- Step 1** Choose your asset class
- Step 2** Write your guidelines
- Step 3** Pre-select asset managers
- Step 4** Build your own multi managers index
- Step 5** Select your operational manager (OPM)
- Step 6** Follow, analyse and arbitrate your index
- Step 7** Decide of your tailor-made reporting

Step 1 Choose your asset class

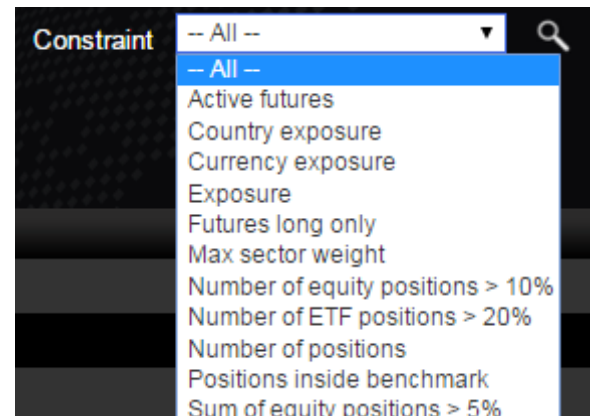
- Choose among existing asset classes



- Propose **NEW** ones
 - ✓ US equities
 - ✓ Emerging countries' equities
 - ✓ Bonds ETFs
 - ✓ Etc.

Step 2 Write your guidelines

- Define your own management rules
- amLeague will code these rules in its system



| Mandate ▲ | Constraint | Params |
|--------------------|----------------------------------|----------------------|
| Customised EE -... | Number of positions | {"min":20,"max":40} |
| Customised EE -... | Exposure | {"min":80,"max":100} |
| Customised EE -... | Number of equity positions > 10% | {"max":0} |
| Customised EE -... | Sum of equity positions > 5% | {"max":40} |
| Customised EE -... | Max sector weight | {"max":25} |
| Customised EE -... | Positions inside benchmark | NULL |

Step 3 Pre-select your asset managers

- 20+ asset managers (see appendix) already available via amLeague on public guidelines (League tables on www.am-league.com)
- Other asset managers may be invited by the sponsor
 - ✓ No limitation
 - ✓ Free of charge
 - ✓ If not wanted, the asset managers' performances will not be publicly disclosed on amLeague website. However, all information will be communicated to the sponsor.

Step 4 Build your Customised Index

- Observe and analyse your pre-selected asset managers
- Decide of the composition of your index
 - ✓ Which asset managers ?
 - ✓ Which weights ?

New composition
✕

Effective date *

| Component | Weight (%) | |
|---|------------|-----|
| Swiss Life Asset Managers Multi Asset Class | 30 | + ✕ |
| AllianceBernstein Global Equities | 15 | + ✕ |
| Bestinver Europe Equities | 20 | + ✕ |
| Allianz GI SRI Europe Equities | 15 | + ✕ |
| Schroders Europe Equities | 10 | + ✕ |
| -- | 0 | + ✕ |
| -- | 0 | + ✕ |
| -- | 0 | + ✕ |

- Performance
- High
- Low
- Volatility
- Tracking Error
- Sharpe Ratio
- IR
- Beta
- Alpha
- Beta bull
- Beta bear
- Max Drawdown
- Black-Treynor ratio
- Overperf. freq. 1M
- Overperf. freq. 3M
- Overperf. freq. 6M
- Overperf. freq. 1Y

Step 5 Select your own operational manager (OPM)

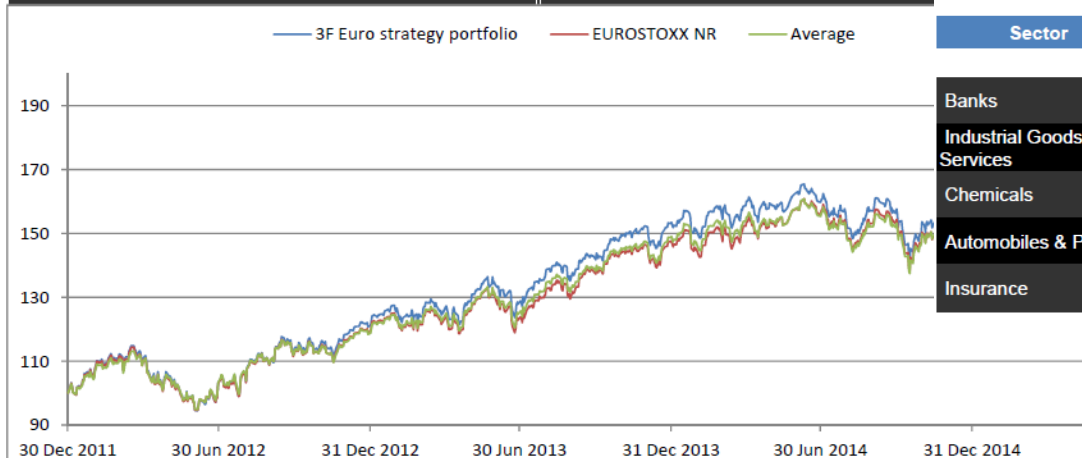
3 different situations according to the existence or not in the sponsor's group of:

- an indicial asset manager : able to ensure replication
- an asset manager, not totally operational: amLeague + ITG (broker) bring a STP turn key solution
- No asset manager: an external provider to be recruited (RFP or not) with amLeague help if needed

Step 6 Follow, analyse & arbitrate your Index

amLeague provides you with in-depth facts and figures to help in your decision process

| PERFORMANCE | | | | | | |
|----------------------------|-----------------|--------------|--------------|--------------|--------------|---------|
| | Since Inception | YTD | 1 Y | 6 months | 3 months | 1 month |
| BENCHMARK | | | | | | |
| 3F Euro strategy portfolio | 95.79% | 24.50% | 21.00% | 21.85% | 7.14% | 0.00% |
| EUROSTOXX NR | 85.50% | 20.62% | 18.00% | 17.98% | 4.83% | |
| Difference | 10.29% | 3.88% | 2.99% | 3.87% | 2.32% | |



| TOP SECTORS | | | | | |
|-----------------------------|------------------|--------|------------|-----------|------------|
| Sector | 3F Euro strategy | PEERS | Difference | EUROSTOXX | Difference |
| Banks | 16.13% | 11.33% | 4.79% | 14.60% | 1.53% |
| Industrial Goods & Services | 12.26% | 13.20% | -0.94% | 11.50% | 0.76% |
| Chemicals | 9.09% | 6.85% | 2.24% | 8.79% | 0.30% |
| Automobiles & Parts | 8.93% | 5.56% | 3.37% | 7.15% | 1.78% |
| Insurance | 7.67% | 5.65% | 2.02% | 6.10% | 1.57% |

Step 7 Decide of your tailor-made reporting

amLeague builds your detailed reporting, ready to be sent to your clients

| REPORT CONTENT | |
|----------------------------|--|
| 1. Performance Review | Performance & API Review and Comparison; Beta Analysis |
| 2. Performance Attribution | Yearly, Quarterly & Monthly performance attribution |
| 3. Positions Analysis | Total positions; Turnover; Performance Contribution; Position Distribution |
| 4. Other | Growth & Value Classification and Positioning; Portfolio Liquidation Costs |
| 5. Synthesis | Report Summary |

amLeague INDEXING FACTORY: advantages

KEY ADVANTAGES

- Institutionals:
 - ✓ **100% transparency:** one single portfolio directly invested in stocks
 - ✓ **Facilitation:** amLeague solution reduces administrative, legal and accounting burden while maintaining direct professional relationship with portfolio managers

- Multimanagers:
 - ✓ **Shortest delay, lowest cost** when arbitrating an AM towards another
 - ✓ **Effectiveness:** amLeague more powerful solution than the fund of mandates

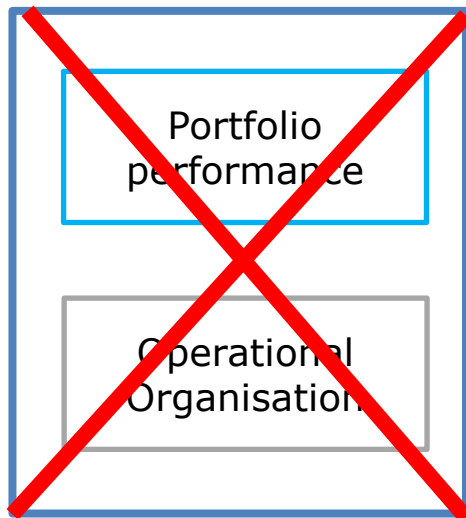
- Distributors:
 - ✓ **Adding their own financial input in the value chain**
 - ✓ **Branding** a strategy at their name

amLeague INDEXING FACTORY: advantages

UNBUNDLING

Buying a Fund

A package of



Buying amLeague Indexing Factory

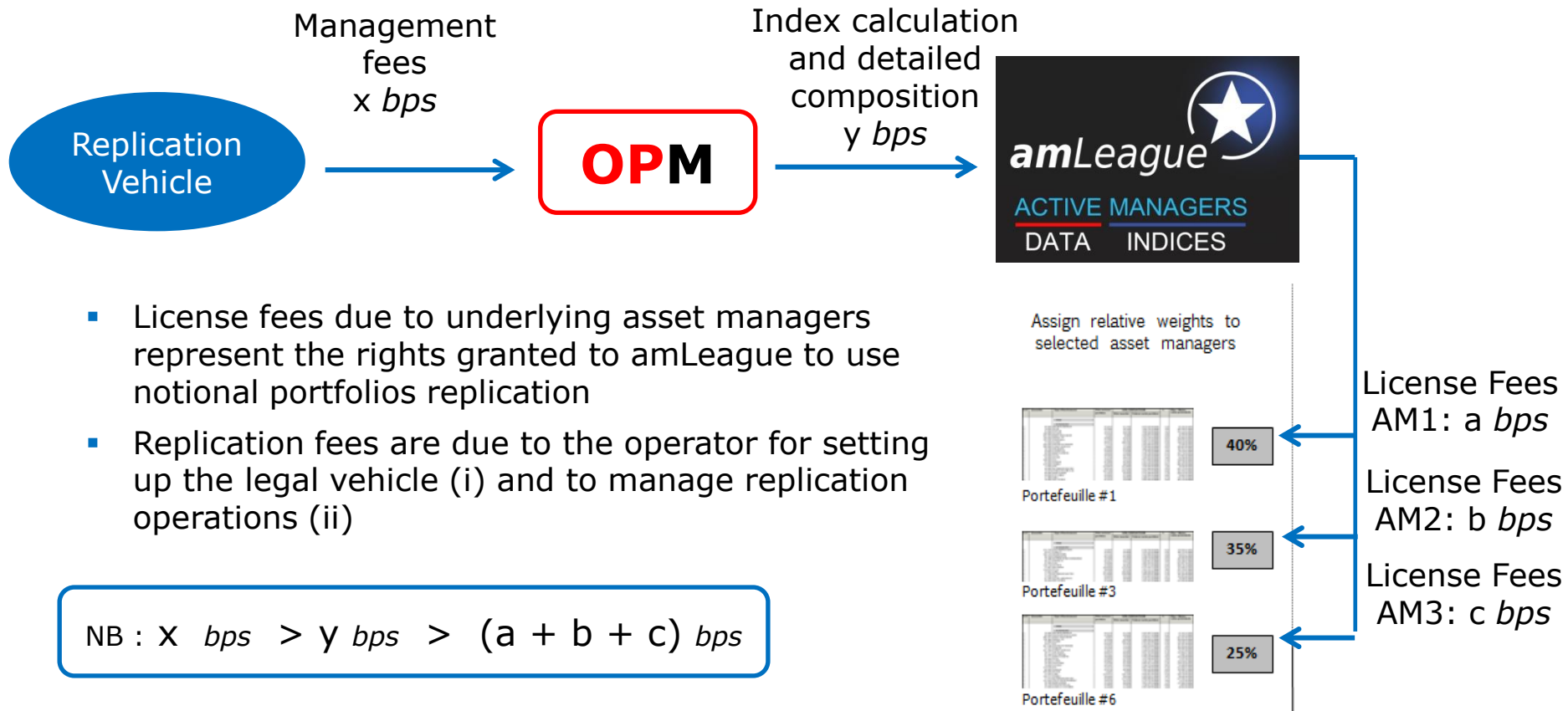
Selection of
**the best asset
managers**
(performances,
advanced indicators)

&

Selection of
**the most
secured and STP
processed
operator** (indicial
management capacities)

**amLeague Indexing Factory:
select the best (Performances) and avoid the worst (Risks)**

FEE SCHEDULE: simple, easy and fair



NB : $X \text{ bps} > y \text{ bps} > (a + b + c) \text{ bps}$

amLeague Existing Factory Indices & Funds

- 4 public amLeague indices and 37 private strategies

| Indice ^ | Mandate | Valeur | Daily | YTD | Yearly | Volatilité | Tracking Error | Sharpe Ratio | IR | Beta | Alpha | Max Drawdown | Date de Création | Depuis Création |
|--|-----------------|--------|--------|--------|--------|------------|----------------|--------------|------|------|-------|--------------|------------------|-----------------|
| amLeague_Euro 45 © | Euro Equities | 164,58 | 0,02% | -0,15% | -3,91% | 20,12 | 3,05 | 0,53 | 0,74 | 0,98 | 2,23 | -32,29% | 05/10/2010 | 64,58% |
| amLeague_Europe 75 © | Europe Equities | 178,07 | -0,07% | -3,04% | -2,07% | 15,38 | 4,49 | 1,05 | 0,95 | 0,89 | 5,08 | -17,56% | 05/07/2012 | 78,07% |
| amLeague_Europe LB 90 © | Europe Equities | 149,00 | 0,04% | 4,58% | 2,18% | 11,72 | 7,42 | 1,05 | 0,31 | 0,64 | 5,62 | -16,40% | 07/01/2013 | 49,00% |
| amLeague_Low Beta Europe © | Europe Equities | 150,52 | 0,01% | 2,64% | 0,88% | 11,80 | 7,25 | 1,09 | 0,38 | 0,65 | 6,04 | -16,84% | 31/01/2013 | 50,52% |
| amLeague_Smooth Alpha Euro © | Euro Equities | 165,81 | 0,15% | -0,67% | -5,51% | 19,69 | 2,63 | 0,55 | 0,84 | 0,96 | 2,35 | -30,46% | 30/09/2010 | 65,81% |

- 3 real money funds:
 - ✓ UCITS Federal amLeague Low Beta Europe
 - ✓ UCITS amLeague Europicking
 - ✓ 1 dedicated fund (FIA) to a French institutional investor

CONTACTS

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Do not hesitate to contact us for more information, or visit our website:
www.am-league.com