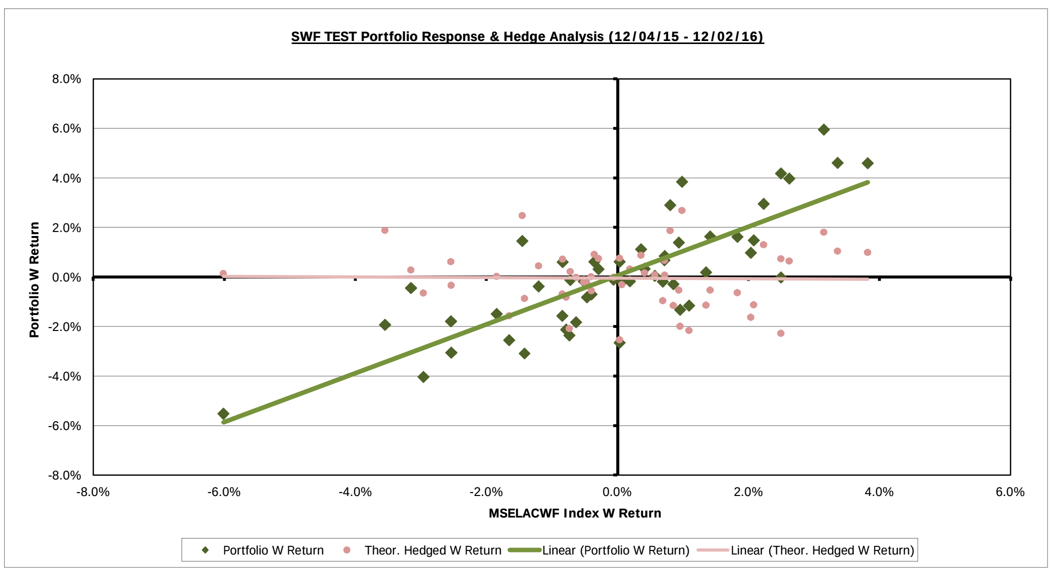
SWF TEST Portfolio Response & Hedge Analysis (12/04/15 - 12/02/16): Correlation Matrix

Annualized Vol	*17%*	*14%*	*15%*	*12%*	*19%*	*19%*	*15%*	*15%*	*16%*	*18%*	*13%*
-	Portfolio W Return	MSELACWF Index	MSCLCDIS Index	MSCLCSTA Index	MSCLENR Index	MSCLFNCL Index	MSCLHC Index	MSCLIND Index	MSCLIT Index	MSCLMAT Index	MSCLTEL Index
Portfolio W Return	1.00	0.8	0.7	0.5	0.7	0.8	0.5	0.8	0.7	0.8	0.7
MSELACWF Index	0.81	1.0	1.0	0.7	0.8	0.9	0.8	1.0	0.9	0.9	0.8
MSCLCDIS Index	0.74	1.0	1.0	0.7	0.7	0.9	0.7	0.9	0.9	0.8	0.7
MSCLCSTA Index	0.55	0.7	0.7	1.0	0.6	0.4	0.5	0.6	0.7	0.5	0.8
MSCLENR Index	0.73	0.8	0.7	0.6	1.0	0.7	0.5	0.8	0.6	0.8	0.6
MSCLFNCL Index	0.77	0.9	0.9	0.4	0.7	1.0	0.7	0.9	0.7	0.8	0.6
MSCLHC Index	0.49	0.8	0.7	0.5	0.5	0.7	1.0	0.7	0.7	0.6	0.5
MSCLIND Index	0.80	1.0	0.9	0.6	0.8	0.9	0.7	1.0	0.8	0.9	0.7
MSCLIT Index	0.66	0.9	0.9	0.7	0.6	0.7	0.7	0.8	1.0	0.7	0.6
MSCLMAT Index	0.81	0.9	0.8	0.5	0.8	0.8	0.6	0.9	0.7	1.0	0.7
MSCLTEL Index	0.70	0.8	0.7	0.8	0.6	0.6	0.5	0.7	0.6	0.7	1.0

Theoretical Optimal Hedge Weights

			-	
	-	-	*(12/04/15*	
Min eSSE	***0.71%***	-	*to 12/02/16)*	
	Optimal Weights	**Annualized Vol**	**Cum Return**	**Sharpe Ratio**
SWF TEST	***100%***	***17%***	***5%***	***0.3***
MSELACWF Index	0%	14%	2%	*0.1*
MSCLCDIS Index	0%	15%	-3%	*(0.2)*
MSCLCSTA Index	0%	12%	-1%	*(0.2)*
MSCLENR Index	-13%	19%	17%	*0.8*
MSCLFNCL Index	-20%	19%	5%	*0.2*
MSCLHC Index	0%	15%	-8%	*(0.6)*
MSCLIND Index	0%	15%	8%	*0.5*
MSCLIT Index	-2%	16%	4%	*0.2*
MSCLMAT Index	-31%	18%	18%	*1.0*
MSCLTEL Index	-30%	13%	-2%	*(0.2)*
Total Stand-alone Hedge	*-96%*	*14%*	*8%*	*0.5*
Theoretical Hedged Port		***9%***	***-3%***	***(0.4)***
Correl(SWF TEST,Total Stand-alone Hedge)		***0.86***		
		-0.010%		



Note: analyis based on ccy-hedged local-market returns

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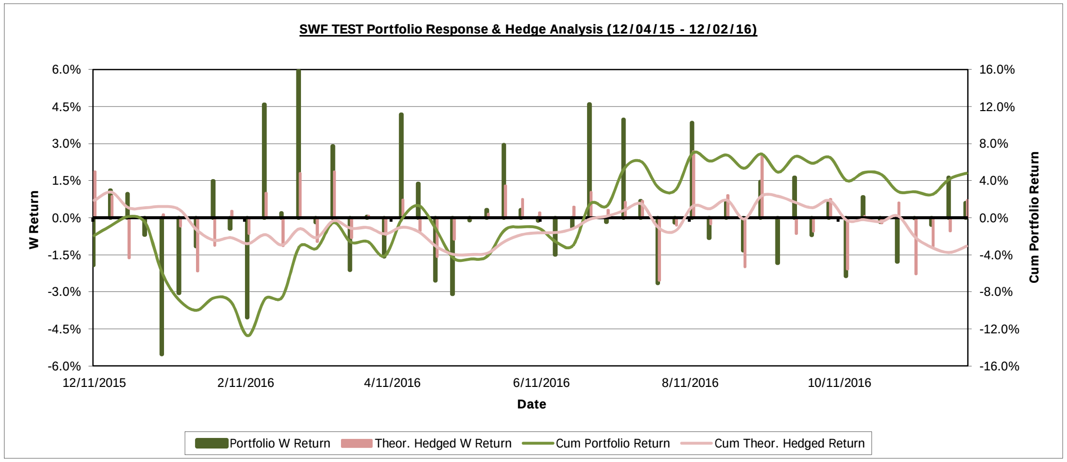
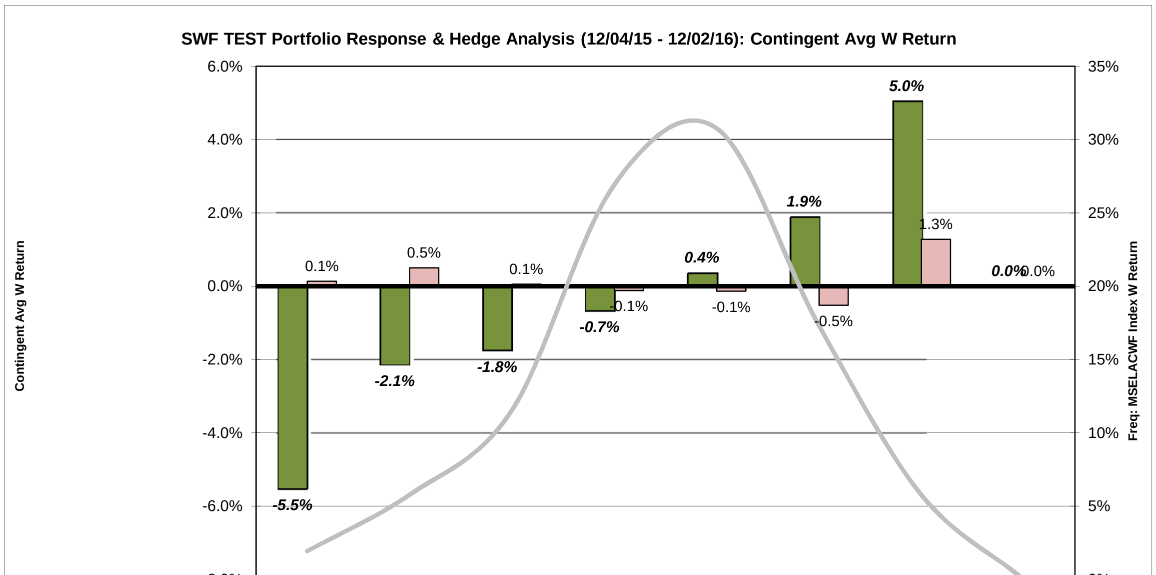




	<=-4.00%	<=-2.67%	<=-1.33%	<=0.00%	<=1.33%	<=2.67%	<=4.00%	>4.00%
SWF TEST	-5.5%	-2.1%	-1.8%	-0.7%	0.4%	1.9%	5.0%	0.0%
Theoretical Hedged Port	0.1%	0.5%	0.1%	-0.1%	-0.1%	-0.5%	1.3%	0.0%
Freq: MSELACWF Index W Return	2%	6%	12%	27%	31%	17%	6%	0%

MSELACWF Index W Return Range

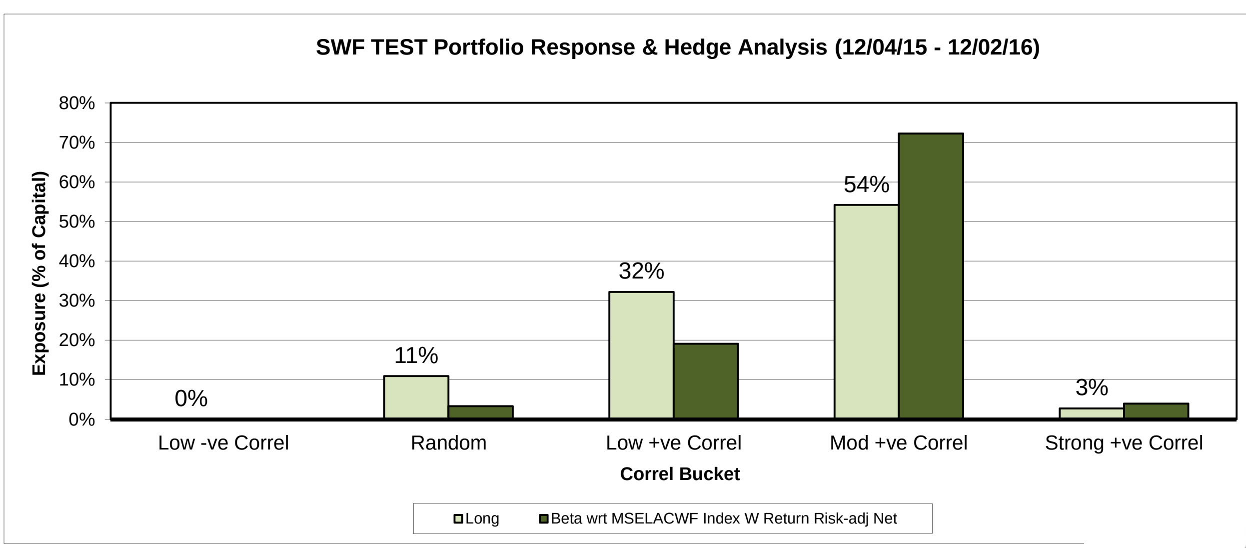
SWF TEST   Theoretical Hedged Port   Freq: MSELACWF Index W Return

Note: analyis based on ccy-hedged local-market returns

- <-- *Correl Bucket [Correl(Ticker,MSELACWF Index W Return)]* -->

Low -ve Correl	Random	Low +ve Correl	Mod +ve Correl	Strong +ve Correl
	068270 KS 0.11	BDMN IJ 0.26	LNG 0.51	1299 HK 0.77
	SATS SP 0.13	GILD 0.30	DUFN VX 0.52	PRU LN 0.80
	SIA SP 0.24	VIRT 0.33	PYPL 0.53	
	INTUCH TB 0.25	ILMN 0.33	MRIN 0.54	
	ALXN 0.25	ST SP 0.35	FIS 0.54	
		MON 0.37	STAN LN 0.56	
		PTLA 0.38	KEP SP 0.57	
		JUNO 0.40	TRQ CN 0.57	
		Q 0.42	1398 HK 0.60	
		OLAM SP 0.43	LVLT 0.61	
		EVK GY 0.44	TMO 0.61	
		CLNE 0.45	DBS SP 0.63	
		REGN 0.46	SCI SP 0.63	
		BMRN 0.47	BABA 0.63	
		INFO 0.50	SYF 0.64	
			STE SP 0.65	
			HXL 0.66	
			3988 HK 0.67	
			UNVR 0.67	
			939 HK 0.69	
			CAPL SP 0.69	
			REP SM 0.70	
			2601 HK 0.71	
			2318 HK 0.73	

Correl Bucket	MSELACWF Index W Return)	Long	Short	Net	Beta wrt MSELACWF Index W Return Risk-adj Net
	(0.50)				
Low -ve Correl	(0.25)	0%	0%	0%	0%
Random	0.25	11%	0%	11%	3%
Low +ve Correl	0.50	32%	0%	32%	19%
Mod +ve Correl	0.75	54%	0%	54%	72%
Strong +ve Correl	1.00	3%	0%	3%	4%
Total		*100%*	*0%*	*100%*	*99%*



Note: analyis based on ccy-hedged local-market returns

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