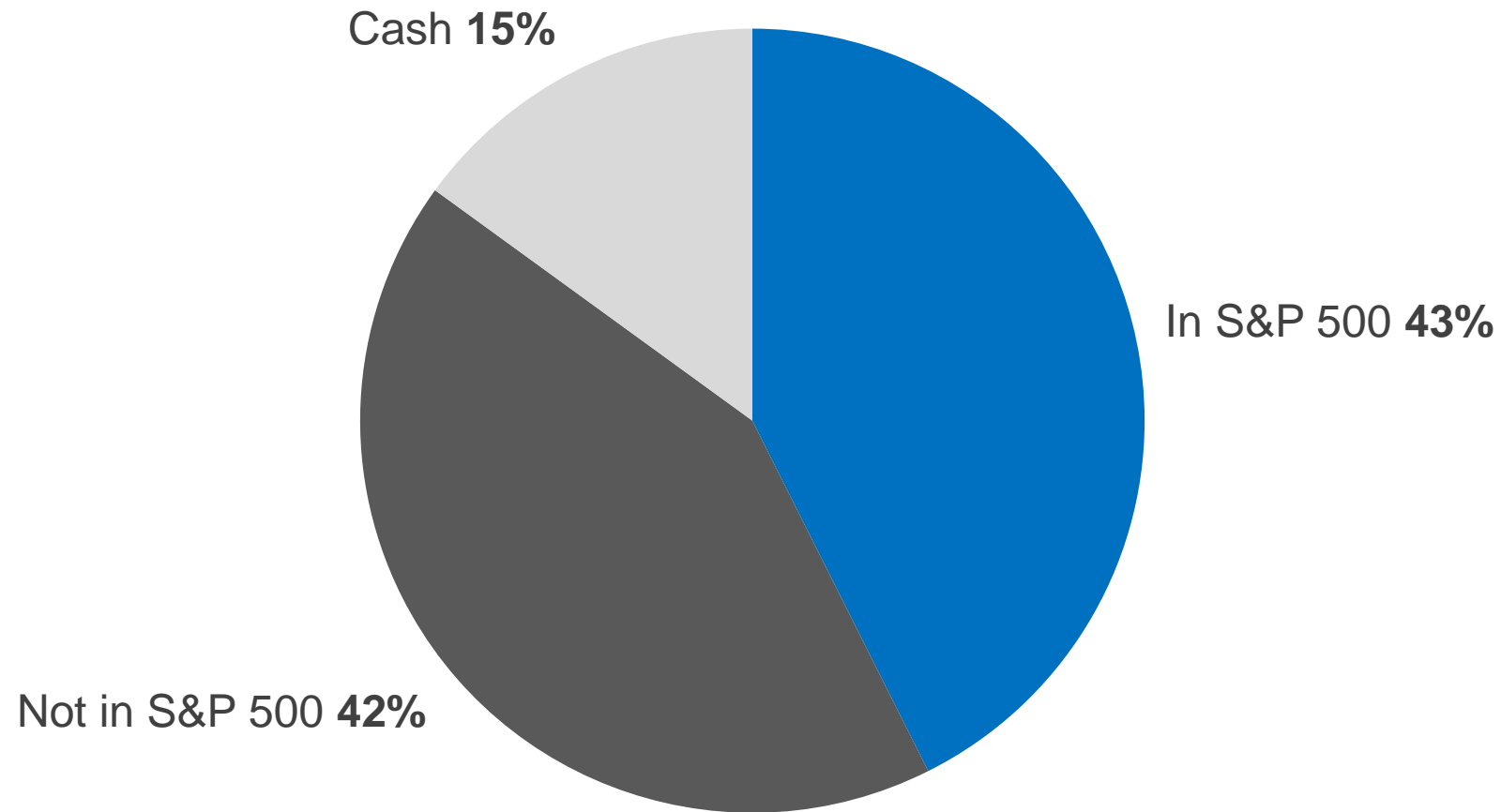


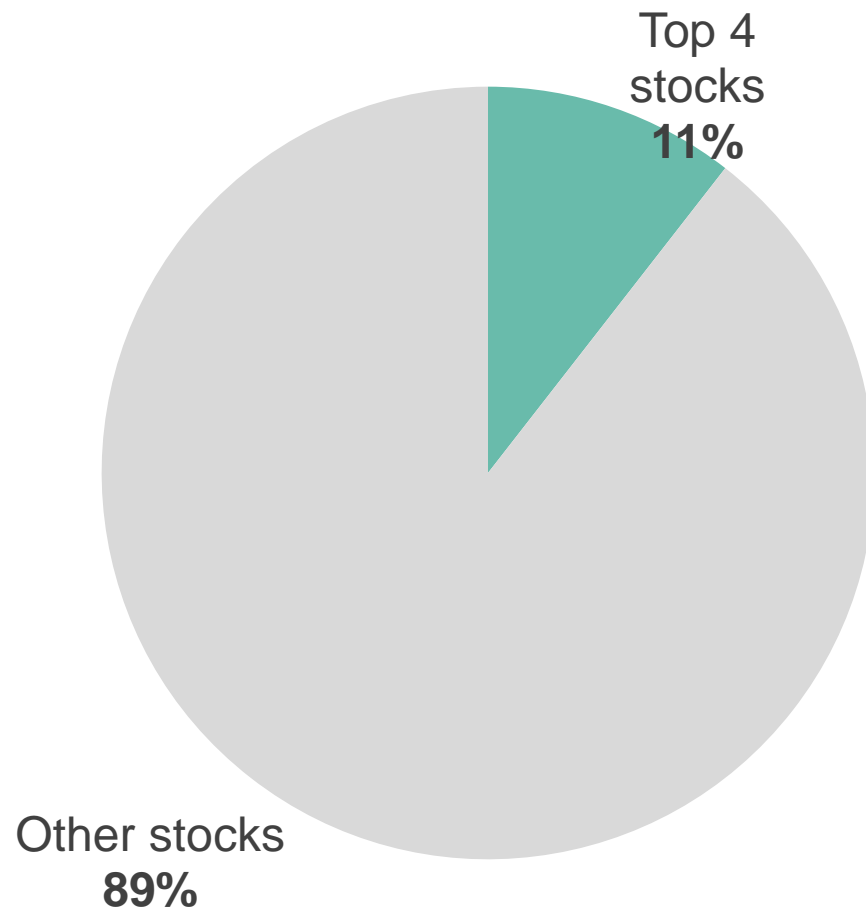
43% of a well known portfolio is exposed to S&P 500's top 50



Global fund portfolio as at 30 June 2017, S&P 500 constituents as at 31 August 2017

Source: Morningstar Direct, Standard & Poor's

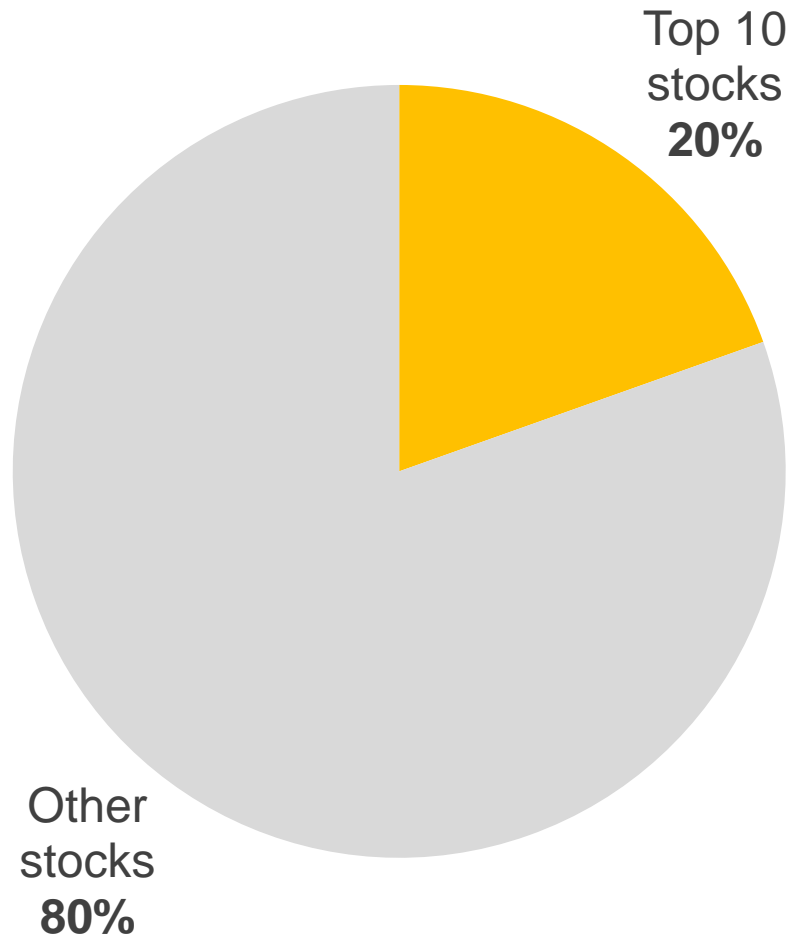
S&P 500's top 4 stocks by market cap represent 11% of the index



Top 4 stocks
Apple
Microsoft
Facebook Inc A
Amazon.com

S&P 500 constituents as at 31 August 2017
Source: Morningstar Direct, Standard & Poor's

S&P 500's top 10 stocks by market cap represent 20% of the index



Top 10 stocks
Apple
Microsoft
Facebook Inc A
Amazon.com
Johnson & Johnson
Berkshire Hathaway B
Exxon Mobil
JPMorgan Chase & Co
Alphabet Inc A
Alphabet Inc C

S&P 500 constituents as at 31 August 2017

Source: Morningstar Direct, Standard & Poor's

Introducing FAAMG

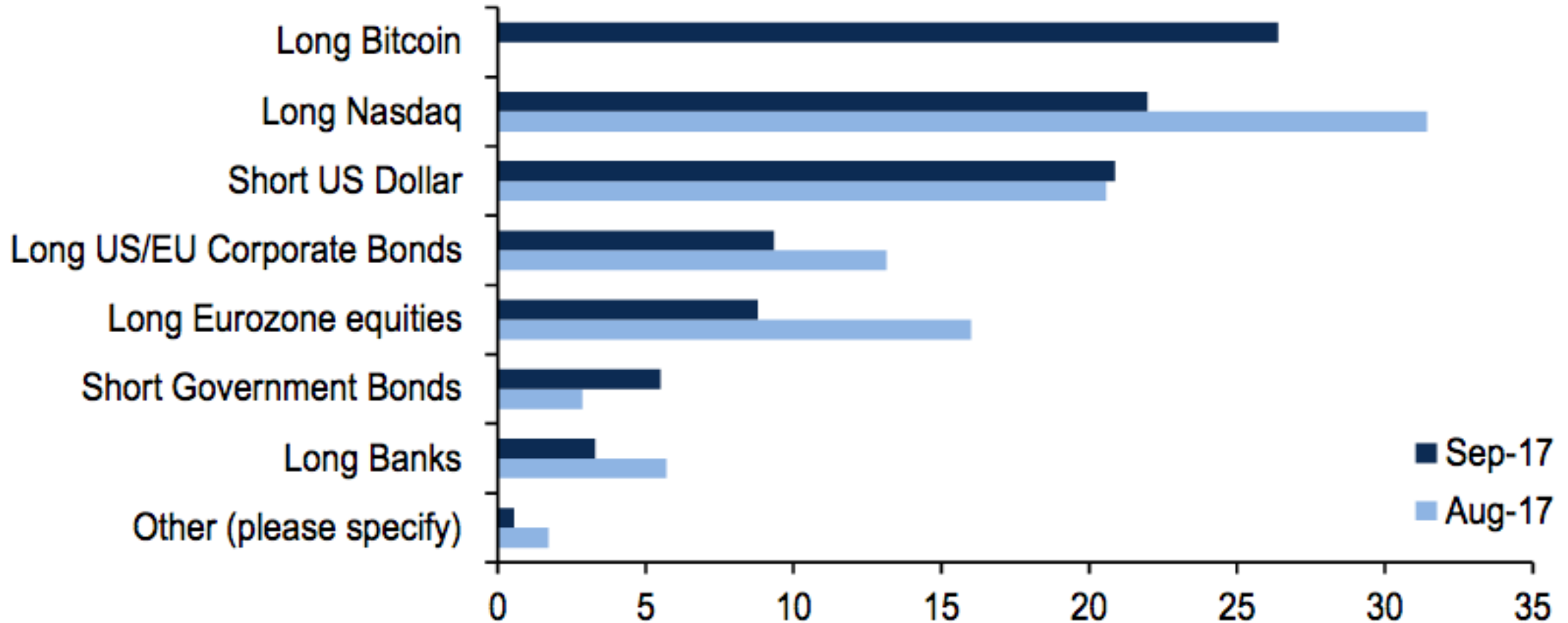
- Top 5 holdings of the S&P 500 and the NASDAQ 100 indices have generated the bulk of the market's returns in 2017
- Increasing fund flows from actively managed to passive index funds has contributed to the market outperformance of these companies and has resulted in concentration risk for index investors as well as investors in the individual stocks.

The next bear market or market correction could result in disproportionately large outflows from these stocks.

- These 5 stocks contributed to 1/3 of the S&P 500 gains in 2017
- These 5 stocks account for 13% of the S&P 500.

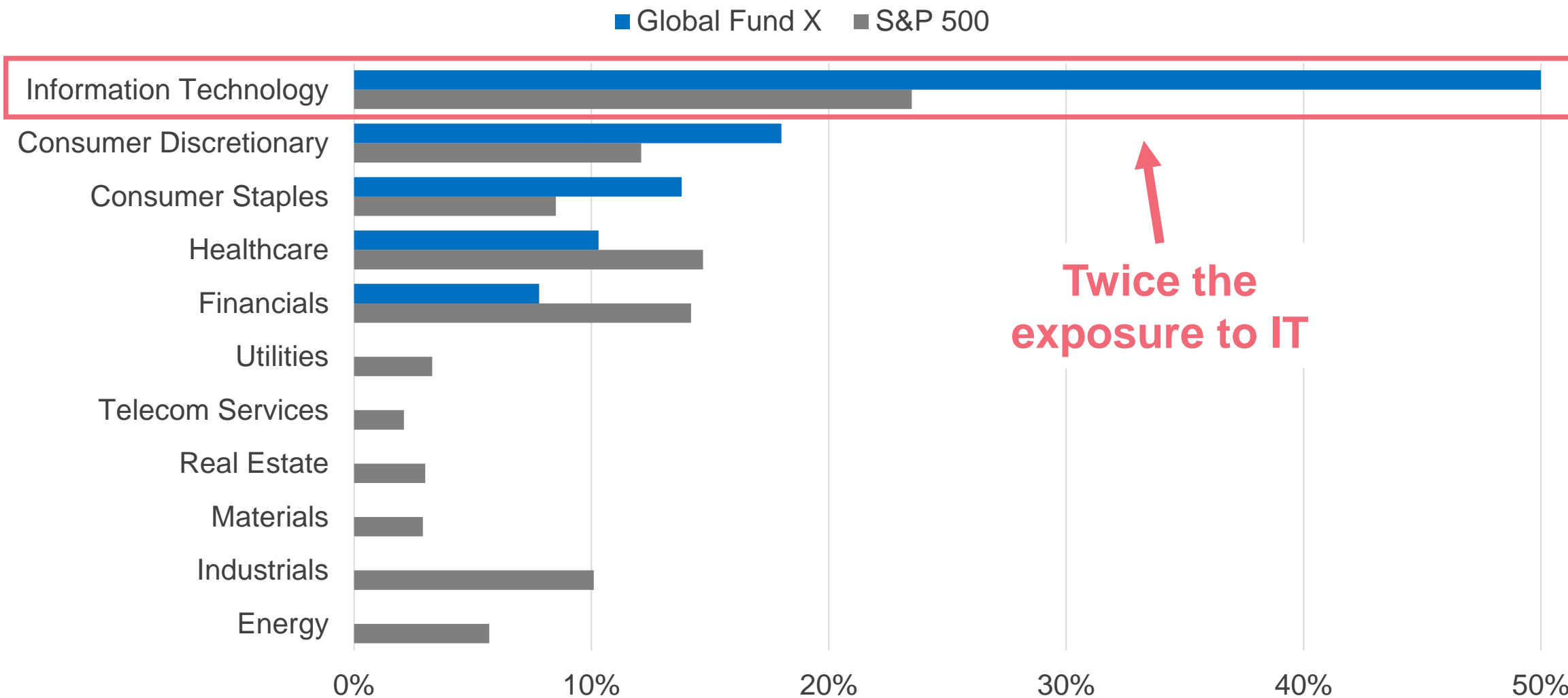


Exhibit 14: What do you think is currently the most crowded trade?



Source: BofA Merrill Lynch Global Fund Manager Survey

A well known fund is twice as exposed to US tech than S&P 500



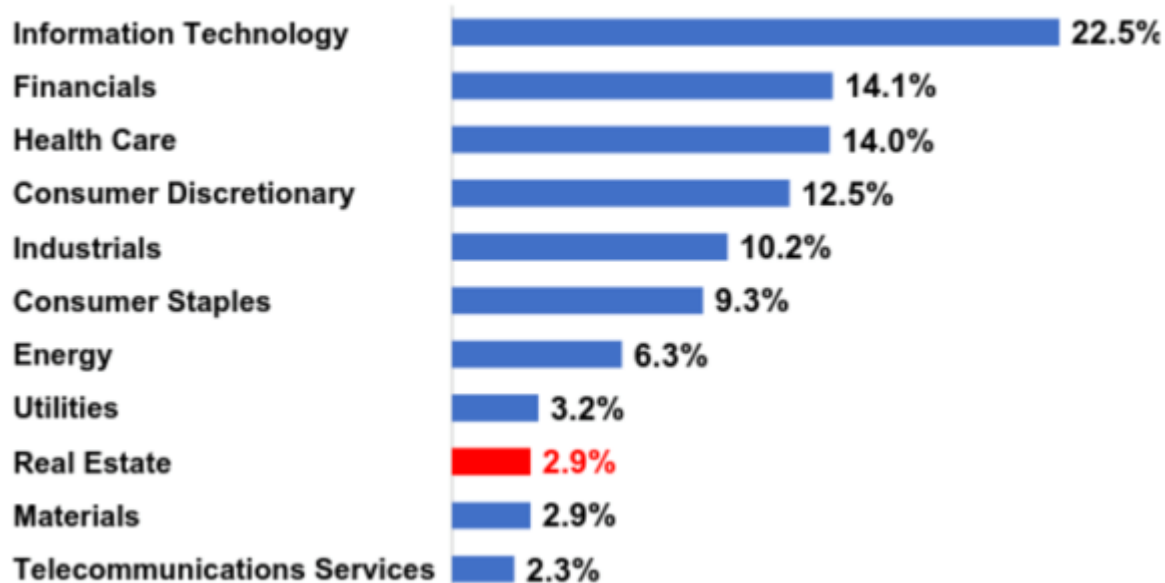
Global fund portfolio as at 30 June 2017, S&P 500 constituents as at 31 August 2017

Source: Morningstar Direct, Standard & Poor's

S&P 500 Sector Weightings (%): Selected Year Ends Since 1990

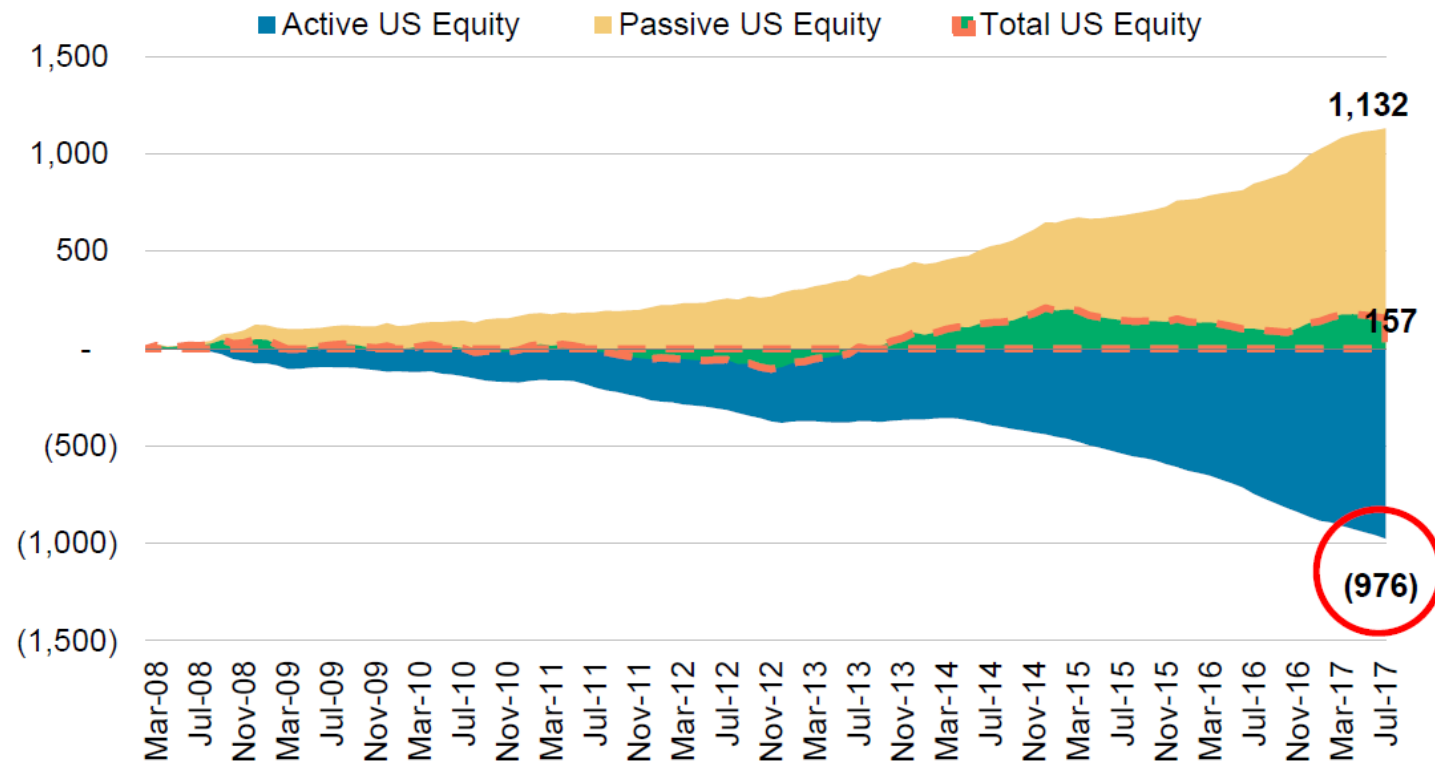
Sector	1990	1995	1999	2000	2002	2004	2006	2008	3/9/09	2011	2013	2015	2017
Technology	6.34	9.39	29.18	21.23	14.63	16.05	15.14	15.40	17.84	19.02	18.58	20.69	21.74
Financials	7.39	13.14	13.02	17.34	20.46	20.64	22.27	12.97	8.58	13.43	16.17	16.47	17.70
Health Care	10.28	10.82	9.31	14.36	14.77	12.68	12.03	14.92	16.11	11.85	13.01	15.16	14.17
Cons. Discret.	13.00	12.97	12.70	10.28	13.26	11.90	10.62	8.39	8.31	10.67	12.54	12.89	12.10
Industrials	13.70	12.63	9.91	10.57	11.50	11.79	10.84	11.06	9.46	10.69	10.93	10.05	10.11
Cons. Staples	13.86	12.80	7.17	8.10	9.48	10.48	9.25	13.06	13.90	11.54	9.79	10.06	9.38
Energy	13.32	9.14	5.55	6.57	5.99	7.16	9.82	13.14	14.05	12.27	10.24	6.50	6.48
Utilities	6.19	4.53	2.21	3.79	2.84	2.94	3.55	4.20	4.43	3.87	2.93	2.99	3.10
Materials	7.20	6.05	3.00	2.30	2.82	3.09	2.96	2.97	3.18	3.50	3.50	2.76	2.81
Telecom	8.72	8.53	7.94	5.46	4.25	3.27	3.51	3.88	4.14	3.17	2.31	2.43	2.41

S&P 500 Sector Breakdown



Passives/ETFs have taken over \$1.1trn of inflows since 2008 in US Equities, while active has seen outflows of over \$975b

Domestic US Equity (MF & ETF) Cumulative Flows (US\$B)



US data through July 31, 2017

Source: Morgan Stanley Research, Morningstar Direct