Commentary

- Dispersion in the S&P 500 soared to its highest reading since May 2009. However, market volatility stayed low due to a simultaneous collapse in correlations.
- As the U.S. market rapidly priced in the differential effects of the election result and its potential consequences (not least tax cuts, fewer regulations, higher barriers to global trade, a boost for infrastructure and higher inflation...), individual stocks recorded large price swings; diversified investors felt only their average - mildly bullish - performance.
- Globally, a similar if less extreme picture of rising and high dispersion, moderate to low volatility and uncommonly low correlations emerged in November.
- Latin America and Japan’s markets remained exceptional, as a retained focus on central bank activity kept correlations - and volatility - high.

Global Dashboard

Dispersion, correlation and volatility shown in relation to the median and 5th, 25th, 75th and 95th percentile of monthly values (over the period Jan 2007 to date). Dispersion and volatility are annualized, correlation is the absolute level during the past month.

Major Benchmarks Jan 2007 to Date

Source: S&P Dow Jones Indices as of November 30, 2016
NOTES

Definitions

- **Dispersion** for each index is the annualized stock-level index-weighted standard deviation of constituent stock total returns over the month.
- **Volatility** for each index is the annualized standard deviation daily price returns over the month.
- **Correlation** for each index is the index-weighted average pairwise correlation among daily total returns of constituent stocks over the month.

Historical Measurement Periods

- The time period over which the median and percentiles of dispersion and correlation are measured begins with January, 2007 and ends with the current month except in the cases of the S&P GCC Composite Shariah (which has a history to April, 2007).

References

- See "Dispersion Measuring Market Opportunity" for the definition of index dispersion and more information on the uses of dispersion.
- See "The Landscape of Risk" for details on the relationship between correlation, volatility and dispersion.

Source: S&P Dow Jones Indices as of November 30, 2016
assumed 10% return per year would result in a cumulative gross return of 33.10%, a total fee of US $5,375, and a cumulative n
than the index performance shown. As a simple example, if an index returned 10% on a US $100,000 investment for a 12
investment funds that are intended to track the performance of the index(es). The imposition of these fees and charges would
shown or discussed, but does not manage actual assets. Index returns do not reflect payment of any sales charges or fees an i
related to the equities, fixed income, or commodities markets in general which cannot be, and have not been accounted for in
Another limitation of using back
dates were permitted to be made to the index methodology, but that may have been prior to the index's public release date.
prospective application of the methodology used to construct the index(es) as well as revisions to economic data may not result in performance commensurate with the back-test returns shown. The back-
test period does not necessarily correspond to the entire available history of the index(es). Please refer to the index methodology for the particular index in question, available at www.spdji.com, for more
details about such index, including the manner in which it is rebalanced, the timing of such rebalancing, criteria for additions and deletions, as well as all index calculations.
Another limitation of using back-tested information is that the back-tested calculation is generally prepared with the benefits of hindsight. Back-tested data and/or information reflects the application of the index methodology and selection of index constituents in hindsight. No hypothetical record can completely account for the impact of financial risk in actual trading. For example, there are numerous factors related to the equities, fixed income, or commodities markets in general which cannot be, and have not been accounted for in the preparation of the index information set forth, all of which can affect actual performance.
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