



## KBW Nasdaq Index 3Q16 Rebalance Effective After the Close on Friday, 9/16

### Summary

KBW and Nasdaq announced 3Q16 rebalance changes to their Index family, effective after the close on Friday, 9/16. We identify constituent changes to the indexes and highlight stocks we believe will be most impacted by the rebalance.

□ **The 3Q16 rebalance for the KBW Nasdaq indexes is effective after the close on Friday, 9/16.**

□ **Ten KBW Nasdaq indexes are impacted by rebalance, five of which have associated ETFs: KBW Nasdaq Bank Index (BKX<sup>SM</sup> / associated ETF: KBWB<sup>SM</sup>), KBW Nasdaq Regional Banking Index (KRX<sup>SM</sup> / associated ETF: KBWR<sup>SM</sup>, KBW Nasdaq Property & Casualty Index (KPX<sup>SM</sup>) / associated ETF: KBWP<sup>SM</sup>, KBW Nasdaq Financial Sector Dividend Yield Index (KDX<sup>SM</sup>) / associated ETF: KBWD<sup>SM</sup>, KBW Nasdaq Premium Yield Equity REIT Index (KYX<sup>SM</sup>) / associated ETF: KBWY<sup>SM</sup>, KBW Nasdaq Capital Markets Index (Index Ticker: KSX<sup>SM</sup>); KBW Nasdaq Insurance Index (Index Ticker: KIX<sup>SM</sup>); KBW Nasdaq Mortgage Finance Index (Index Ticker: MFX<sup>SM</sup>); KBW Nasdaq Global Bank Index (Index Ticker: GBKX<sup>SM</sup>); and KBW Nasdaq Financial Technology Index (Index Ticker: KFTX<sup>SM</sup>).**

□ **As part of the 3Q16 rebalance:**

□ **BPOP will be added to KRX, replacing PVTB.** *PVTB is being acquired by Canadian Imperial Bank of Commerce (CM.CT), in a transaction expected to be completed later this year.*

□ *We do not expect a meaningful trading impact on the shares of either BPOP or PVTB from this addition/deletion.*

□ **FNGN will be added to KFTX, replacing EVER.** *EVER is being acquired by Teachers Insurance and Annuity Association (TIAA) in a deal expected to close mid-2017.*

□ *Since KFTX does not have an associated ETF, we do not expect a meaningful trading impact on the shares of FNGN from this addition.*

□ We expect the most impacted names (**greater than or equal to 0.3 day of volume**) from the 3Q16 rebalance are as follows:

□ **Estimated buying demand:** TCRD, RSO, APTS

□ **Estimated selling pressure:** WMC, MCC, CHCT, AHT,

TGH, PNNT, AINV, IRT, MITT

□ *Please refer to pages 2 - 6 for our complete analysis.*

**Risks:** Calculations are based on 9/9/16 AUM at the Trust and 10-day ADTV. Our estimates are subject to daily changes in part due to market conditions and factors beyond our control, which could lead to the changes in the buy or sell volumes. KBW does not guarantee the accuracy or completeness of the above calculations and shall have no liability for any damages, claims, losses or expenses caused by errors in the calculations. KBW makes no representation regarding the advisability of investing in ETFs. Past performance is not necessarily indicative of future results.

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[Glossary of Terms](#)



# KBW - Guide to 3Q16 KBW Nasdaq Index Rebalance

Source: KBW Research, Nasdaq, Bloomberg, Factset Research

Ticker	Company Name	3Q16 Rebalance Impacts	Estimated 3Q16 Rebalance Impact					Est. TOTAL 3Q16 Rebalance Impact (Shares)	10-Day ADTV	SORTED Est. Days of Volume Impact
			KYX	KDX	KPX	BKX	KRX			
TCRD	THL Credit, Inc.	KDX Reweight	NA	307,151	NA	NA	NA	307,151	144,665	2.1
RSO	Resource Capital Corp.	KDX Reweight	NA	74,404	NA	NA	NA	74,404	140,271	0.5
APTS	Preferred Apartment Communities, Inc.	KYX Reweight	103,601	NA	NA	NA	NA	103,601	204,497	0.5
GNL	Global Net Lease, Inc.	KYX Reweight	203,504	NA	NA	NA	NA	203,504	603,312	0.3
APAM	Artisan Partners Asset Management, Inc.	KDX Reweight	NA	133,085	NA	NA	NA	133,085	418,382	0.3
WSR	Whitestone REIT	KYX Reweight	52,160	NA	NA	NA	NA	52,160	178,256	0.3
CXW	Corrections Corp. of America	KYX Reweight	943,517	NA	NA	NA	NA	943,517	3,491,887	0.3
GEO	The GEO Group, Inc.	KYX Reweight	616,632	NA	NA	NA	NA	616,632	2,490,870	0.2
GOOD	Gladstone Commercial Corp.	KYX Reweight	31,289	NA	NA	NA	NA	31,289	130,962	0.2
UBNK	United Financial Bancorp, Inc.	KDX Reweight	NA	18,565	NA	NA	NA	18,565	83,104	0.2
ORIT	Oritani Financial Corp.	KDX Reweight	NA	53,517	NA	NA	NA	53,517	256,595	0.2
VIRT	Virtu Financial, Inc.	KDX Reweight	NA	90,405	NA	NA	NA	90,405	475,304	0.2
WDR	Waddell & Reed Financial, Inc.	KDX Reweight	NA	161,213	NA	NA	NA	161,213	1,025,930	0.2
BGCP	BGC Partners, Inc.	KDX Reweight	NA	180,092	NA	NA	NA	180,092	1,218,064	0.1
IRET	Investors Real Estate Trust	KYX Reweight	89,762	NA	NA	NA	NA	89,762	679,334	0.1
BPOP	Popular, Inc.	KRX Addition	NA	NA	NA	NA	65,582	65,582	647,729	0.1
TRST	TrustCo Bank Corp. NY	KDX Reweight	NA	14,616	NA	NA	NA	14,616	182,938	0.1
MCY	Mercury General Corp.	KDX Reweight, KPX Reweight	NA	8,616	204	NA	NA	8,819	117,440	0.1
NWBI	Northwest Bancshares, Inc. (Pennsylvania)	KDX Reweight	NA	20,461	NA	NA	NA	20,461	350,695	0.1
TCAP	Triangle Capital Corp.	KDX Reweight	NA	17,576	NA	NA	NA	17,576	304,166	0.1
UMPQ	Umpqua Holdings Corp.	KDX Reweight, KRX Reweight	NA	26,223	NA	NA	3,700	29,923	1,310,577	NM
TRMK	Trustmark Corp.	KDX Reweight, KRX Reweight	NA	(6,311)	NA	NA	(727)	(7,038)	481,104	NM
PACW	PacWest Bancorp	KDX Reweight, KRX Reweight	NA	10,032	NA	NA	(721)	9,311	998,040	NM
EPR	EPR Properties	KYX Reweight	(16)	NA	NA	NA	NA	(16)	341,679	NM
VER	VEREIT, Inc.	KYX Reweight	11,181	NA	NA	NA	NA	11,181	9,101,720	NM
GPT	Gramercy Property Trust	KYX Reweight	16,977	NA	NA	NA	NA	16,977	2,512,646	NM
FSP	Franklin Street Properties Corp.	KYX Reweight	(2,541)	NA	NA	NA	NA	(2,541)	402,888	NM
RESI	Altisource Residential Corp.	KDX Reweight	NA	8,469	NA	NA	NA	8,469	515,684	NM
GHL	Greenhill & Co., Inc.	KDX Reweight	NA	(2,862)	NA	NA	NA	(2,862)	426,876	NM
AMTG	Apollo Residential Mortgage, Inc.	KDX Reweight	NA	NA	NA	NA	NA	0	193,654	NM
AGNC	American Capital Agency Corp.	KDX Reweight	NA	22,789	NA	NA	NA	22,789	3,071,695	NM
ORI	Old Republic International Corp.	KDX Reweight	NA	28,614	NA	NA	NA	28,614	1,236,703	NM
ARCC	Ares Capital Corp.	KDX Reweight	NA	14,718	NA	NA	NA	14,718	2,223,426	NM
MHLI	Maiden Holdings Ltd.	KDX Reweight	NA	22,257	NA	NA	NA	22,257	559,672	NM
FI	Federated Investors, Inc.	KDX Reweight	NA	14,054	NA	NA	NA	14,054	627,793	NM
NAVI	Navient Corp.	KDX Reweight	NA	25,032	NA	NA	NA	25,032	2,457,521	NM
HTGC	Hercules Capital, Inc.	KDX Reweight	NA	(6,298)	NA	NA	NA	(6,298)	256,878	NM
RNR	RenaissanceRe Holdings Ltd.	KPX Reweight	NA	NA	(709)	NA	NA	(709)	232,540	NM
RE	Everest Re Group Ltd.	KPX Reweight	NA	NA	(562)	NA	NA	(562)	199,367	NM
AXS	AXIS Capital Holdings Ltd.	KPX Reweight	NA	NA	32	NA	NA	32	435,437	NM
XL	XL Group Ltd.	KPX Reweight	NA	NA	2,361	NA	NA	2,361	1,952,059	NM
CINF	Cincinnati Financial Corp.	KPX Reweight	NA	NA	(1,532)	NA	NA	(1,532)	493,369	NM
PGR	Progressive Corp.	KPX Reweight	NA	NA	7,585	NA	NA	7,585	2,270,800	NM
ALL	The Allstate Corp.	KPX Reweight	NA	NA	694	NA	NA	694	1,648,909	NM
TRV	The Travelers Cos., Inc.	KPX Reweight	NA	NA	(309)	NA	NA	(309)	1,438,352	NM
ACGL	Arch Capital Group Ltd.	KPX Reweight	NA	NA	(2,307)	NA	NA	(2,307)	397,118	NM
CB	Chubb Ltd.	KPX Reweight	NA	NA	1,057	NA	NA	1,057	1,203,962	NM
ENH	Endurance Specialty Holdings Ltd.	KPX Reweight	NA	NA	346	NA	NA	346	246,251	NM
THG	The Hanover Insurance Group, Inc.	KPX Reweight	NA	NA	62	NA	NA	62	323,004	NM
PRA	ProAssurance Corp.	KPX Reweight	NA	NA	200	NA	NA	200	128,736	NM
SIGI	Selective Insurance Group, Inc.	KPX Reweight	NA	NA	290	NA	NA	290	166,704	NM
VR	Validus Holdings Ltd.	KPX Reweight	NA	NA	(253)	NA	NA	(253)	402,579	NM
AHL	Aspen Insurance Holdings Ltd.	KPX Reweight	NA	NA	(14)	NA	NA	(14)	281,649	NM
RLI	RLI Corp.	KPX Reweight	NA	NA	218	NA	NA	218	174,947	NM
AWH	Allied World Assurance Co. Holdings AG	KPX Reweight	NA	NA	(733)	NA	NA	(733)	334,645	NM
AFG	American Financial Group, Inc.	KPX Reweight	NA	NA	196	NA	NA	196	282,312	NM
KMPR	Kemper Corp.	KPX Reweight	NA	NA	188	NA	NA	188	111,139	NM
AFSI	AmTrust Financial Services, Inc. (New York)	KPX Reweight	NA	NA	(829)	NA	NA	(829)	569,442	NM
WRB	W.R. Berkley Corp.	KPX Reweight	NA	NA	(347)	NA	NA	(347)	456,683	NM
AIZ	Assurant, Inc.	KPX Reweight	NA	NA	185	NA	NA	185	337,704	NM
USB	U.S. Bancorp	BKX Reweight	NA	NA	NA	1,453	NA	1,453	6,306,591	NM
PNC	The PNC Financial Services Group, Inc.	BKX Reweight	NA	NA	NA	4,936	NA	4,936	2,615,388	NM
BBT	BB&T Corp.	BKX Reweight	NA	NA	NA	(10,065)	NA	(10,065)	4,705,252	NM
MTB	M&T Bank Corp.	BKX Reweight	NA	NA	NA	5,538	NA	5,538	1,056,587	NM
JPM	JPMorgan Chase & Co.	BKX Reweight	NA	NA	NA	(453)	NA	(453)	14,197,202	NM
C	Citigroup, Inc.	BKX Reweight	NA	NA	NA	5,138	NA	5,138	18,166,708	NM
BK	The Bank of New York Mellon Corp.	BKX Reweight	NA	NA	NA	15,536	NA	15,536	4,017,476	NM
KEY	KeyCorp	BKX Reweight	NA	NA	NA	(17,268)	NA	(17,268)	15,330,743	NM
HBAN	Huntington Bancshares, Inc.	BKX Reweight	NA	NA	NA	(10,157)	NA	(10,157)	13,465,677	NM
ZION	Zions Bancorp.	BKX Reweight	NA	NA	NA	(2,760)	NA	(2,760)	3,331,635	NM
CMA	C Comerica, Inc.	BKX Reweight	NA	NA	NA	(4,072)	NA	(4,072)	1,638,843	NM
SIVB	SVB Financial Group	BKX Reweight	NA	NA	NA	(586)	NA	(586)	439,737	NM
CFG	Citizens Financial Group, Inc.	BKX Reweight	NA	NA	NA	(18,302)	NA	(18,302)	5,362,072	NM
FRC	First Republic Bank, Inc.	BKX Reweight	NA	NA	NA	1,110	NA	1,110	753,362	NM
NYCB	New York Community Bancorp, Inc.	BKX Reweight	NA	NA	NA	(7,718)	NA	(7,718)	3,964,421	NM



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			KYX	KDX	KPX	BKX	KRX			
FTB	Fifth Third Bancorp	BKX Reweight	NA	NA	NA	(26,512)	NA	(26,512)	4,959,249	NM
NTRS	Northern Trust Corp.	BKX Reweight	NA	NA	NA	17,404	NA	17,404	1,026,295	NM
STI	SunTrust Banks, Inc.	BKX Reweight	NA	NA	NA	9,505	NA	9,505	2,847,762	NM
PNFP	Pinnacle Financial Partners, Inc.	KRX Reweight	NA	NA	NA	NA	(4,369)	(4,369)	231,415	NM
CBU	Community Bank System, Inc.	KRX Reweight	NA	NA	NA	NA	(3,681)	(3,681)	147,619	NM
FMBI	First Midwest Bancorp, Inc. (Illinois)	KRX Reweight	NA	NA	NA	NA	(903)	(903)	350,646	NM
FNB	F.N.B. Corp. (Pennsylvania)	KRX Reweight	NA	NA	NA	NA	23,334	23,334	2,012,378	NM
COLB	Columbia Banking System, Inc.	KRX Reweight	NA	NA	NA	NA	(576)	(576)	266,237	NM
ASB	Associated Banc-Corp.	KRX Reweight	NA	NA	NA	NA	(1,217)	(1,217)	842,879	NM
CVBF	CVB Financial Corp.	KRX Reweight	NA	NA	NA	NA	1,122	1,122	462,939	NM
FULT	Fulton Financial Corp.	KRX Reweight	NA	NA	NA	NA	6,262	6,262	809,433	NM
GBCI	Glacier Bancorp, Inc.	KRX Reweight	NA	NA	NA	NA	(3,555)	(3,555)	302,115	NM
UBSI	United Bankshares, Inc. (West Virginia)	KRX Reweight	NA	NA	NA	NA	3,856	3,856	472,298	NM
BKU	BankUnited, Inc.	KRX Reweight	NA	NA	NA	NA	6,129	6,129	1,312,505	NM
BOH	Bank of Hawaii Corp.	KRX Reweight	NA	NA	NA	NA	1,668	1,668	195,011	NM
STBA	S&T Bancorp, Inc.	KRX Reweight	NA	NA	NA	NA	(362)	(362)	58,571	NM
SBNY	Signature Bank (New York, New York)	KRX Reweight	NA	NA	NA	NA	5,943	5,943	413,840	NM
PRK	Park National Corp.	KRX Reweight	NA	NA	NA	NA	(168)	(168)	27,139	NM
FBFC	First Financial Bancorp (Ohio)	KRX Reweight	NA	NA	NA	NA	(537)	(537)	149,145	NM
FCF	First Commonwealth Financial Corp. (Pennsylvania)	KRX Reweight	NA	NA	NA	NA	(965)	(965)	224,083	NM
WABC	Westamerica Bancorp	KRX Reweight	NA	NA	NA	NA	(103)	(103)	102,617	NM
BRKL	Brookline Bancorp, Inc.	KRX Reweight	NA	NA	NA	NA	(615)	(615)	143,671	NM
CATY	Cathay General Bancorp	KRX Reweight	NA	NA	NA	NA	2,513	2,513	428,143	NM
ONB	Old National Bancorp	KRX Reweight	NA	NA	NA	NA	(1,387)	(1,387)	810,152	NM
UMBF	UMB Financial Corp.	KRX Reweight	NA	NA	NA	NA	(193)	(193)	230,856	NM
WBS	Webster Financial Corp.	KRX Reweight	NA	NA	NA	NA	4,138	4,138	597,797	NM
BPFH	Boston Private Financial Holdings, Inc.	KRX Reweight	NA	NA	NA	NA	(276)	(276)	489,034	NM
WAFD	Washington Federal, Inc.	KRX Reweight	NA	NA	NA	NA	(809)	(809)	302,926	NM
CBSH	Commerce Bancshares, Inc. (Missouri)	KRX Reweight	NA	NA	NA	NA	(715)	(715)	332,796	NM
HBHC	Hancock Holding Co.	KRX Reweight	NA	NA	NA	NA	(10,165)	(10,165)	542,595	NM
MBFI	MB Financial, Inc.	KRX Reweight	NA	NA	NA	NA	(2,011)	(2,011)	561,623	NM
SNV	Synovus Financial Corp.	KRX Reweight	NA	NA	NA	NA	1,733	1,733	934,404	NM
FHN	First Horizon National Corp. (Tennessee)	KRX Reweight	NA	NA	NA	NA	(740)	(740)	2,444,866	NM
CHCO	City Holding Co.	KRX Reweight	NA	NA	NA	NA	(147)	(147)	54,630	NM
BXS	BancorpSouth, Inc.	KRX Reweight	NA	NA	NA	NA	925	925	427,754	NM
WAL	Western Alliance Bancorp	KRX Reweight	NA	NA	NA	NA	2,430	2,430	725,858	NM
EWBC	East West Bancorp, Inc.	KRX Reweight	NA	NA	NA	NA	5,151	5,151	865,801	NM
WTFC	Wintrust Financial Corp.	KRX Reweight	NA	NA	NA	NA	367	367	250,102	NM
TCB	TCF Financial Corp.	KRX Reweight	NA	NA	NA	NA	5,387	5,387	998,140	NM
IBKC	IBERIABANK Corp.	KRX Reweight	NA	NA	NA	NA	(2,050)	(2,050)	322,064	NM
CFR	Cullen/Frost Bankers, Inc.	KRX Reweight	NA	NA	NA	NA	(1,278)	(1,278)	405,882	NM
PB	Prosperity Bancshares, Inc.	KRX Reweight	NA	NA	NA	NA	954	954	350,507	NM
TCBI	Texas Capital Bancshares, Inc.	KRX Reweight	NA	NA	NA	NA	1,246	1,246	361,737	NM
FFIN	First Financial Bankshares, Inc. (Texas)	KRX Reweight	NA	NA	NA	NA	(2,753)	(2,753)	154,146	NM
ISBC	Investors Bancorp, Inc.	KRX Reweight	NA	NA	NA	NA	5,660	5,660	2,662,745	NM
VLY	Valley National Bancorp	KDX Reweight, KRX Reweight	NA	61,136	NA	NA	9,929	71,065	1,820,902	NM
GLPI	Gaming & Leisure Properties, Inc.	KYX Reweight	45,944	NA	NA	NA	NA	45,944	1,145,897	NM
NSAM	Northstar Asset Management Group, Inc.	KDX Reweight	NA	39,898	NA	NA	NA	39,898	1,786,250	NM
NRZ	New Residential Investment Corp.	KDX Reweight	NA	60,214	NA	NA	NA	60,214	2,541,584	NM
OZRK	Bank of the Ozarks, Inc.	KRX Reweight	NA	NA	NA	NA	26,978	26,978	1,031,714	NM
PBCT	People's United Financial, Inc.	KDX Reweight, BKX Reweight	NA	29,679	NA	(4,592)	NA	25,087	2,748,464	NM
COF	Capital One Financial Corp.	BKX Reweight	NA	NA	NA	11,837	NA	11,837	3,428,445	NM
WFC	Wells Fargo & Co.	BKX Reweight	NA	NA	NA	18,971	NA	18,971	19,660,484	NM
MPW	Medical Properties Trust, Inc.	KYX Reweight	56,992	NA	NA	NA	NA	56,992	3,145,255	NM
SRC	Spirit Realty Capital, Inc.	KYX Reweight	(59,425)	NA	NA	NA	NA	(59,425)	5,596,664	NM
STT	State Street Corp.	BKX Reweight	NA	NA	NA	(17,527)	NA	(17,527)	1,940,576	NM
CIM	Chimera Investment Corp.	KDX Reweight	NA	(16,693)	NA	NA	NA	(16,693)	1,370,871	NM
RF	Regions Financial Corp.	BKX Reweight	NA	NA	NA	(32,154)	NA	(32,154)	17,644,728	NM
SNH	Senior Housing Properties Trust	KYX Reweight	(78,733)	NA	NA	NA	NA	(78,733)	2,256,380	NM
BAC	Bank of America Corp.	BKX Reweight	NA	NA	NA	(109,862)	NA	(109,862)	109,011,360	NM
HPT	Hospitality Properties Trust	KYX Reweight	(52,366)	NA	NA	NA	NA	(52,366)	1,025,886	(0.1)
LXP	Lexington Realty Trust	KYX Reweight	(63,715)	NA	NA	NA	NA	(63,715)	1,229,050	(0.1)
CCP	Care Capital Properties, Inc.	KYX Reweight	(35,603)	NA	NA	NA	NA	(35,603)	594,556	(0.1)
STAG	STAG Industrial, Inc.	KYX Reweight	(37,018)	NA	NA	NA	NA	(37,018)	438,628	(0.1)
PVTB	PrivateBancorp, Inc.	KRX Deletion	NA	NA	NA	NA	(55,273)	(55,273)	640,252	(0.1)
ARR	ARMOUR Residential REIT, Inc.	KDX Reweight	NA	(48,926)	NA	NA	NA	(48,926)	390,517	(0.1)
PFS	Provident Financial Services, Inc.	KRX Reweight	NA	NA	NA	NA	(23,135)	(23,135)	174,196	(0.1)
AHH	Armada Hoffer Properties, Inc.	KYX Reweight	(38,963)	NA	NA	NA	NA	(38,963)	289,105	(0.1)
GOV	Government Properties Income Trust	KYX Reweight	(73,698)	NA	NA	NA	NA	(73,698)	525,642	(0.1)
BOKF	BOK Financial Corp.	KRX Reweight	NA	NA	NA	NA	(23,849)	(23,849)	169,067	(0.1)
MNR	Monmouth Real Estate Investment Corp.	KYX Reweight	(66,098)	NA	NA	NA	NA	(66,098)	437,920	(0.2)
AI	Arlington Asset Investment Corp.	KDX Reweight	NA	(27,488)	NA	NA	NA	(27,488)	175,715	(0.2)
CBL	CBL & Associates Properties, Inc.	KYX Reweight	(582,091)	NA	NA	NA	NA	(582,091)	3,661,295	(0.2)
WPG	WP GLIMCHER, Inc.	KYX Reweight	(357,721)	NA	NA	NA	NA	(357,721)	1,739,212	(0.2)
SNR	New Senior Investment Group, Inc.	KYX Reweight	(167,359)	NA	NA	NA	NA	(167,359)	703,075	(0.2)



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SBRA	Sabra Health Care REIT, Inc.	KYX Reweight	(79,888)	NA	NA	NA	NA	(79,888)	325,673	(0.2)
MITT	AG Mortgage Investment Trust, Inc.	KDX Reweight	NA	(59,341)	NA	NA	NA	(59,341)	120,236	(0.5)
IRT	Independence Realty Trust, Inc.	KYX Reweight	(235,813)	NA	NA	NA	NA	(235,813)	425,144	(0.6)
AINV	Apollo Investment Corp.	KDX Reweight	NA	(617,591)	NA	NA	NA	(617,591)	843,025	(0.7)
PNNT	PennantPark Investment Corp.	KDX Reweight	NA	(334,476)	NA	NA	NA	(334,476)	355,667	(0.9)
TGH	Textainer Group Holdings Ltd.	KDX Reweight	NA	(230,380)	NA	NA	NA	(230,380)	222,511	(1.0)
AHT	Ashford Hospitality Trust, Inc.	KYX Reweight	(792,713)	NA	NA	NA	NA	(792,713)	555,738	(1.4)
CHCT	Community Healthcare Trust, Inc.	KYX Reweight	(97,631)	NA	NA	NA	NA	(97,631)	56,224	(1.7)
MCC	Medley Capital Corp.	KDX Reweight	NA	(659,094)	NA	NA	NA	(659,094)	325,207	(2.0)
WMC	Western Asset Mortgage Capital Corp.	KDX Reweight	NA	(512,982)	NA	NA	NA	(512,982)	209,700	(2.4)



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TCRD	THL Credit, Inc.	KDX Reweight	NA	307,151	NA	NA	NA	307,151	144,665	2.1
RSO	Resource Capital Corp.	KDX Reweight	NA	74,404	NA	NA	NA	74,404	140,271	0.5
APTS	Preferred Apartment Communities, Inc.	KYX Reweight	103,601	NA	NA	NA	NA	103,601	204,497	0.5
GNL	Global Net Lease, Inc.	KYX Reweight	203,504	NA	NA	NA	NA	203,504	603,312	0.3
APAM	Artisan Partners Asset Management, Inc.	KDX Reweight	NA	133,085	NA	NA	NA	133,085	418,382	0.3
WSR	Whitestone REIT	KYX Reweight	52,160	NA	NA	NA	NA	52,160	178,256	0.3
CXW	Corrections Corp. of America	KYX Reweight	943,517	NA	NA	NA	NA	943,517	3,491,887	0.3
GEO	The GEO Group, Inc.	KYX Reweight	616,632	NA	NA	NA	NA	616,632	2,490,870	0.2
GOOD	Gladstone Commercial Corp.	KYX Reweight	31,289	NA	NA	NA	NA	31,289	130,962	0.2
UBNK	United Financial Bancorp, Inc.	KDX Reweight	NA	18,565	NA	NA	NA	18,565	83,104	0.2
ORIT	Oritani Financial Corp.	KDX Reweight	NA	53,517	NA	NA	NA	53,517	256,595	0.2
VIRT	Virtu Financial, Inc.	KDX Reweight	NA	90,405	NA	NA	NA	90,405	475,304	0.2
WDR	Waddell & Reed Financial, Inc.	KDX Reweight	NA	161,213	NA	NA	NA	161,213	1,025,930	0.2
BGCP	BGC Partners, Inc.	KDX Reweight	NA	180,092	NA	NA	NA	180,092	1,218,064	0.1
IRET	Investors Real Estate Trust	KYX Reweight	89,762	NA	NA	NA	NA	89,762	679,334	0.1
BPOP	Popular, Inc.	KRX Addition	NA	NA	NA	NA	65,582	65,582	647,729	0.1
TRST	TrustCo Bank Corp. NY	KDX Reweight	NA	14,616	NA	NA	NA	14,616	182,938	0.1
MCY	Mercury General Corp.	KDX Reweight, KPX Reweight	NA	8,616	204	NA	NA	8,819	117,440	0.1
NWBI	Northwest Bancshares, Inc. (Pennsylvania)	KDX Reweight	NA	20,461	NA	NA	NA	20,461	350,695	0.1
TCAP	Triangle Capital Corp.	KDX Reweight	NA	17,576	NA	NA	NA	17,576	304,166	0.1
UMPQ	Umpqua Holdings Corp.	KDX Reweight, KRX Reweight	NA	26,223	NA	NA	3,700	29,923	1,310,577	NM
TRMK	Trustmark Corp.	KDX Reweight, KRX Reweight	NA	(6,311)	NA	NA	(727)	(7,038)	481,104	NM
PACW	PacWest Bancorp	KDX Reweight, KRX Reweight	NA	10,032	NA	NA	(721)	9,311	998,040	NM
EPR	EPR Properties	KYX Reweight	(16)	NA	NA	NA	NA	(16)	341,679	NM
VER	VEREIT, Inc.	KYX Reweight	11,181	NA	NA	NA	NA	11,181	9,101,720	NM
GPT	Gramercy Property Trust	KYX Reweight	16,977	NA	NA	NA	NA	16,977	2,512,646	NM
FSP	Franklin Street Properties Corp.	KYX Reweight	(2,541)	NA	NA	NA	NA	(2,541)	402,888	NM
RESI	Altisource Residential Corp.	KDX Reweight	NA	8,469	NA	NA	NA	8,469	515,684	NM
GHL	Greenhill & Co., Inc.	KDX Reweight	NA	(2,862)	NA	NA	NA	(2,862)	426,876	NM
AMTG	Apollo Residential Mortgage, Inc.	KDX Reweight	NA	NA	NA	NA	NA	0	193,654	NM
AGNC	American Capital Agency Corp.	KDX Reweight	NA	22,789	NA	NA	NA	22,789	3,071,695	NM
ORI	Old Republic International Corp.	KDX Reweight	NA	28,614	NA	NA	NA	28,614	1,236,703	NM
ARCC	Ares Capital Corp.	KDX Reweight	NA	14,718	NA	NA	NA	14,718	2,223,426	NM
MHLD	Maiden Holdings Ltd.	KDX Reweight	NA	22,257	NA	NA	NA	22,257	559,672	NM
FI	Federated Investors, Inc.	KDX Reweight	NA	14,054	NA	NA	NA	14,054	627,793	NM
NAVI	Navient Corp.	KDX Reweight	NA	25,032	NA	NA	NA	25,032	2,457,521	NM
HTGC	Hercules Capital, Inc.	KDX Reweight	NA	(6,298)	NA	NA	NA	(6,298)	256,878	NM
RNR	RenaissanceRe Holdings Ltd.	KPX Reweight	NA	NA	(709)	NA	NA	(709)	232,540	NM
RE	Everest Re Group Ltd.	KPX Reweight	NA	NA	(562)	NA	NA	(562)	199,367	NM
AXS	AXIS Capital Holdings Ltd.	KPX Reweight	NA	NA	32	NA	NA	32	435,437	NM
XL	XL Group Ltd.	KPX Reweight	NA	NA	2,361	NA	NA	2,361	1,952,059	NM
CINF	Cincinnati Financial Corp.	KPX Reweight	NA	NA	(1,532)	NA	NA	(1,532)	493,369	NM
PGR	Progressive Corp.	KPX Reweight	NA	NA	7,585	NA	NA	7,585	2,270,800	NM
ALL	The Allstate Corp.	KPX Reweight	NA	NA	694	NA	NA	694	1,648,909	NM
TRV	The Travelers Cos., Inc.	KPX Reweight	NA	NA	(309)	NA	NA	(309)	1,438,352	NM
ACGL	Arch Capital Group Ltd.	KPX Reweight	NA	NA	(2,307)	NA	NA	(2,307)	397,118	NM
CB	Chubb Ltd.	KPX Reweight	NA	NA	1,057	NA	NA	1,057	1,203,962	NM
ENH	Endurance Specialty Holdings Ltd.	KPX Reweight	NA	NA	346	NA	NA	346	246,251	NM
THG	The Hanover Insurance Group, Inc.	KPX Reweight	NA	NA	62	NA	NA	62	323,004	NM
PRA	ProAssurance Corp.	KPX Reweight	NA	NA	200	NA	NA	200	128,736	NM
SIGI	Selective Insurance Group, Inc.	KPX Reweight	NA	NA	290	NA	NA	290	166,704	NM
VR	Validus Holdings Ltd.	KPX Reweight	NA	NA	(253)	NA	NA	(253)	402,579	NM
AHL	Aspen Insurance Holdings Ltd.	KPX Reweight	NA	NA	(14)	NA	NA	(14)	281,649	NM
RLI	RLI Corp.	KPX Reweight	NA	NA	218	NA	NA	218	174,947	NM
AWH	Allied World Assurance Co. Holdings AG	KPX Reweight	NA	NA	(733)	NA	NA	(733)	334,645	NM
AFG	American Financial Group, Inc.	KPX Reweight	NA	NA	196	NA	NA	196	282,312	NM
KMPR	Kemper Corp.	KPX Reweight	NA	NA	188	NA	NA	188	111,139	NM
AFSI	AmTrust Financial Services, Inc. (New York)	KPX Reweight	NA	NA	(829)	NA	NA	(829)	569,442	NM
WRB	W.R. Berkley Corp.	KPX Reweight	NA	NA	(347)	NA	NA	(347)	456,683	NM
AIZ	Assurant, Inc.	KPX Reweight	NA	NA	185	NA	NA	185	337,704	NM
USB	U.S. Bancorp	BKX Reweight	NA	NA	NA	1,453	NA	1,453	6,306,591	NM
PNC	The PNC Financial Services Group, Inc.	BKX Reweight	NA	NA	NA	4,936	NA	4,936	2,615,388	NM
BBT	BB&T Corp.	BKX Reweight	NA	NA	NA	(10,065)	NA	(10,065)	4,705,252	NM
MTB	M&T Bank Corp.	BKX Reweight	NA	NA	NA	5,538	NA	5,538	1,056,587	NM
JPM	JPMorgan Chase & Co.	BKX Reweight	NA	NA	NA	(453)	NA	(453)	14,197,202	NM
C	Citigroup, Inc.	BKX Reweight	NA	NA	NA	5,138	NA	5,138	18,166,708	NM
BK	The Bank of New York Mellon Corp.	BKX Reweight	NA	NA	NA	15,536	NA	15,536	4,017,476	NM
KEY	KeyCorp	BKX Reweight	NA	NA	NA	(17,268)	NA	(17,268)	15,330,743	NM
HBAN	Huntington Bancshares, Inc.	BKX Reweight	NA	NA	NA	(10,157)	NA	(10,157)	13,465,677	NM
ZION	Zions Bancorp.	BKX Reweight	NA	NA	NA	(2,760)	NA	(2,760)	3,331,635	NM
CMA	C Comerica, Inc.	BKX Reweight	NA	NA	NA	(4,072)	NA	(4,072)	1,638,843	NM
SIVB	SVB Financial Group	BKX Reweight	NA	NA	NA	(586)	NA	(586)	439,737	NM
CFG	Citizens Financial Group, Inc.	BKX Reweight	NA	NA	NA	(18,302)	NA	(18,302)	5,362,072	NM
FRC	First Republic Bank, Inc.	BKX Reweight	NA	NA	NA	1,110	NA	1,110	753,362	NM
NYCB	New York Community Bancorp, Inc.	BKX Reweight	NA	NA	NA	(7,718)	NA	(7,718)	3,964,421	NM



# KBW - Guide to 3Q16 KBW Nasdaq Index Rebalance

Source: KBW Research, Nasdaq, Bloomberg, Factset Research

Ticker	Company Name	3Q16 Rebalance Impacts	Estimated 3Q16 Rebalance Impact					Est. TOTAL 3Q16 Rebalance Impact (Shares)	10-Day ADTV	SORTED Est. Days of Volume Impact
			KYX	KDX	KPX	BKX	KRX			
FTB	Fifth Third Bancorp	BKX Reweight	NA	NA	NA	(26,512)	NA	(26,512)	4,959,249	NM
NTRS	Northern Trust Corp.	BKX Reweight	NA	NA	NA	17,404	NA	17,404	1,026,295	NM
STI	SunTrust Banks, Inc.	BKX Reweight	NA	NA	NA	9,505	NA	9,505	2,847,762	NM
PNFP	Pinnacle Financial Partners, Inc.	KRX Reweight	NA	NA	NA	NA	(4,369)	(4,369)	231,415	NM
CBU	Community Bank System, Inc.	KRX Reweight	NA	NA	NA	NA	(3,681)	(3,681)	147,619	NM
FMBI	First Midwest Bancorp, Inc. (Illinois)	KRX Reweight	NA	NA	NA	NA	(903)	(903)	350,646	NM
FNB	F.N.B. Corp. (Pennsylvania)	KRX Reweight	NA	NA	NA	NA	23,334	23,334	2,012,378	NM
COLB	Columbia Banking System, Inc.	KRX Reweight	NA	NA	NA	NA	(576)	(576)	266,237	NM
ASB	Associated Banc-Corp.	KRX Reweight	NA	NA	NA	NA	(1,217)	(1,217)	842,879	NM
CVBF	CVB Financial Corp.	KRX Reweight	NA	NA	NA	NA	1,122	1,122	462,939	NM
FULT	Fulton Financial Corp.	KRX Reweight	NA	NA	NA	NA	6,262	6,262	809,433	NM
GBCI	Glacier Bancorp, Inc.	KRX Reweight	NA	NA	NA	NA	(3,555)	(3,555)	302,115	NM
UBSI	United Bankshares, Inc. (West Virginia)	KRX Reweight	NA	NA	NA	NA	3,856	3,856	472,298	NM
BKU	BankUnited, Inc.	KRX Reweight	NA	NA	NA	NA	6,129	6,129	1,312,505	NM
BOH	Bank of Hawaii Corp.	KRX Reweight	NA	NA	NA	NA	1,668	1,668	195,011	NM
STBA	S&T Bancorp, Inc.	KRX Reweight	NA	NA	NA	NA	(362)	(362)	58,571	NM
SBNY	Signature Bank (New York, New York)	KRX Reweight	NA	NA	NA	NA	5,943	5,943	413,840	NM
PRK	Park National Corp.	KRX Reweight	NA	NA	NA	NA	(168)	(168)	27,139	NM
FBFC	First Financial Bancorp (Ohio)	KRX Reweight	NA	NA	NA	NA	(537)	(537)	149,145	NM
FCF	First Commonwealth Financial Corp. (Pennsylvania)	KRX Reweight	NA	NA	NA	NA	(965)	(965)	224,083	NM
WABC	Westamerica Bancorp	KRX Reweight	NA	NA	NA	NA	(103)	(103)	102,617	NM
BRKL	Brookline Bancorp, Inc.	KRX Reweight	NA	NA	NA	NA	(615)	(615)	143,671	NM
CATY	Cathay General Bancorp	KRX Reweight	NA	NA	NA	NA	2,513	2,513	428,143	NM
ONB	Old National Bancorp	KRX Reweight	NA	NA	NA	NA	(1,387)	(1,387)	810,152	NM
UMBF	UMB Financial Corp.	KRX Reweight	NA	NA	NA	NA	(193)	(193)	230,856	NM
WBS	Webster Financial Corp.	KRX Reweight	NA	NA	NA	NA	4,138	4,138	597,797	NM
BPFH	Boston Private Financial Holdings, Inc.	KRX Reweight	NA	NA	NA	NA	(276)	(276)	489,034	NM
WAFD	Washington Federal, Inc.	KRX Reweight	NA	NA	NA	NA	(809)	(809)	302,926	NM
CBSH	Commerce Bancshares, Inc. (Missouri)	KRX Reweight	NA	NA	NA	NA	(715)	(715)	332,796	NM
HBHC	Hancock Holding Co.	KRX Reweight	NA	NA	NA	NA	(10,165)	(10,165)	542,595	NM
MBFI	MB Financial, Inc.	KRX Reweight	NA	NA	NA	NA	(2,011)	(2,011)	561,623	NM
SNV	Synovus Financial Corp.	KRX Reweight	NA	NA	NA	NA	1,733	1,733	934,404	NM
FHN	First Horizon National Corp. (Tennessee)	KRX Reweight	NA	NA	NA	NA	(740)	(740)	2,444,866	NM
CHCO	City Holding Co.	KRX Reweight	NA	NA	NA	NA	(147)	(147)	54,630	NM
BXS	BancorpSouth, Inc.	KRX Reweight	NA	NA	NA	NA	925	925	427,754	NM
WAL	Western Alliance Bancorp	KRX Reweight	NA	NA	NA	NA	2,430	2,430	725,858	NM
EWBC	East West Bancorp, Inc.	KRX Reweight	NA	NA	NA	NA	5,151	5,151	865,801	NM
WTFC	Wintrust Financial Corp.	KRX Reweight	NA	NA	NA	NA	367	367	250,102	NM
TCB	TCF Financial Corp.	KRX Reweight	NA	NA	NA	NA	5,387	5,387	998,140	NM
IBKC	IBERIABANK Corp.	KRX Reweight	NA	NA	NA	NA	(2,050)	(2,050)	322,064	NM
CFR	Cullen/Frost Bankers, Inc.	KRX Reweight	NA	NA	NA	NA	(1,278)	(1,278)	405,882	NM
PB	Prosperity Bancshares, Inc.	KRX Reweight	NA	NA	NA	NA	954	954	350,507	NM
TCBI	Texas Capital Bancshares, Inc.	KRX Reweight	NA	NA	NA	NA	1,246	1,246	361,737	NM
FFIN	First Financial Bankshares, Inc. (Texas)	KRX Reweight	NA	NA	NA	NA	(2,753)	(2,753)	154,146	NM
ISBC	Investors Bancorp, Inc.	KRX Reweight	NA	NA	NA	NA	5,660	5,660	2,662,745	NM
VLY	Valley National Bancorp	KDX Reweight, KRX Reweight	NA	61,136	NA	NA	9,929	71,065	1,820,902	NM
GLPI	Gaming & Leisure Properties, Inc.	KYX Reweight	45,944	NA	NA	NA	NA	45,944	1,145,897	NM
NSAM	Northstar Asset Management Group, Inc.	KDX Reweight	NA	39,898	NA	NA	NA	39,898	1,786,250	NM
NRZ	New Residential Investment Corp.	KDX Reweight	NA	60,214	NA	NA	NA	60,214	2,541,584	NM
OZRK	Bank of the Ozarks, Inc.	KRX Reweight	NA	NA	NA	NA	26,978	26,978	1,031,714	NM
PBCT	People's United Financial, Inc.	KDX Reweight, BKX Reweight	NA	29,679	NA	(4,592)	NA	25,087	2,748,464	NM
COF	Capital One Financial Corp.	BKX Reweight	NA	NA	NA	11,837	NA	11,837	3,428,445	NM
WFC	Wells Fargo & Co.	BKX Reweight	NA	NA	NA	18,971	NA	18,971	19,660,484	NM
MPW	Medical Properties Trust, Inc.	KYX Reweight	56,992	NA	NA	NA	NA	56,992	3,145,255	NM
SRC	Spirit Realty Capital, Inc.	KYX Reweight	(59,425)	NA	NA	NA	NA	(59,425)	5,596,664	NM
STT	State Street Corp.	BKX Reweight	NA	NA	NA	(17,527)	NA	(17,527)	1,940,576	NM
CIM	Chimera Investment Corp.	KDX Reweight	NA	(16,693)	NA	NA	NA	(16,693)	1,370,871	NM
RF	Regions Financial Corp.	BKX Reweight	NA	NA	NA	(32,154)	NA	(32,154)	17,644,728	NM
SNH	Senior Housing Properties Trust	KYX Reweight	(78,733)	NA	NA	NA	NA	(78,733)	2,256,380	NM
BAC	Bank of America Corp.	BKX Reweight	NA	NA	NA	(109,862)	NA	(109,862)	109,011,360	NM
HPT	Hospitality Properties Trust	KYX Reweight	(52,366)	NA	NA	NA	NA	(52,366)	1,025,886	(0.1)
LXP	Lexington Realty Trust	KYX Reweight	(63,715)	NA	NA	NA	NA	(63,715)	1,229,050	(0.1)
CCP	Care Capital Properties, Inc.	KYX Reweight	(35,603)	NA	NA	NA	NA	(35,603)	594,556	(0.1)
STAG	STAG Industrial, Inc.	KYX Reweight	(37,018)	NA	NA	NA	NA	(37,018)	438,628	(0.1)
PVTB	PrivateBancorp, Inc.	KRX Deletion	NA	NA	NA	NA	(55,273)	(55,273)	640,252	(0.1)
ARR	ARMOUR Residential REIT, Inc.	KDX Reweight	NA	(48,926)	NA	NA	NA	(48,926)	390,517	(0.1)
PFS	Provident Financial Services, Inc.	KRX Reweight	NA	NA	NA	NA	(23,135)	(23,135)	174,196	(0.1)
AHH	Armada Hoffer Properties, Inc.	KYX Reweight	(38,963)	NA	NA	NA	NA	(38,963)	289,105	(0.1)
GOV	Government Properties Income Trust	KYX Reweight	(73,698)	NA	NA	NA	NA	(73,698)	525,642	(0.1)
BOKF	BOK Financial Corp.	KRX Reweight	NA	NA	NA	NA	(23,849)	(23,849)	169,067	(0.1)
MNR	Monmouth Real Estate Investment Corp.	KYX Reweight	(66,098)	NA	NA	NA	NA	(66,098)	437,920	(0.2)
AI	Arlington Asset Investment Corp.	KDX Reweight	NA	(27,488)	NA	NA	NA	(27,488)	175,715	(0.2)
CBL	CBL & Associates Properties, Inc.	KYX Reweight	(582,091)	NA	NA	NA	NA	(582,091)	3,661,295	(0.2)
WPG	WP GLIMCHER, Inc.	KYX Reweight	(357,721)	NA	NA	NA	NA	(357,721)	1,739,212	(0.2)
SNR	New Senior Investment Group, Inc.	KYX Reweight	(167,359)	NA	NA	NA	NA	(167,359)	703,075	(0.2)



## KBW - Guide to 3Q16 KBW Nasdaq Index Rebalance

Source: KBW Research, Nasdaq, Bloomberg, Factset Research

Ticker	Company Name	3Q16 Rebalance Impacts	Estimated 3Q16 Rebalance Impact					Est. TOTAL 3Q16 Rebalance Impact (Shares)	10-Day ADTV	SORTED Est. Days of Volume Impact
			KYX	KDX	KPX	BKX	KRX			
SBRA	Sabra Health Care REIT, Inc.	KYX Reweight	(79,888)	NA	NA	NA	NA	(79,888)	325,673	(0.2)
MITT	AG Mortgage Investment Trust, Inc.	KDX Reweight	NA	(59,341)	NA	NA	NA	(59,341)	120,236	(0.5)
IRT	Independence Realty Trust, Inc.	KYX Reweight	(235,813)	NA	NA	NA	NA	(235,813)	425,144	(0.6)
AINV	Apollo Investment Corp.	KDX Reweight	NA	(617,591)	NA	NA	NA	(617,591)	843,025	(0.7)
PNNT	PennantPark Investment Corp.	KDX Reweight	NA	(334,476)	NA	NA	NA	(334,476)	355,667	(0.9)
TGH	Textainer Group Holdings Ltd.	KDX Reweight	NA	(230,380)	NA	NA	NA	(230,380)	222,511	(1.0)
AHT	Ashford Hospitality Trust, Inc.	KYX Reweight	(792,713)	NA	NA	NA	NA	(792,713)	555,738	(1.4)
CHCT	Community Healthcare Trust, Inc.	KYX Reweight	(97,631)	NA	NA	NA	NA	(97,631)	56,224	(1.7)
MCC	Medley Capital Corp.	KDX Reweight	NA	(659,094)	NA	NA	NA	(659,094)	325,207	(2.0)
WMC	Western Asset Mortgage Capital Corp.	KDX Reweight	NA	(512,982)	NA	NA	NA	(512,982)	209,700	(2.4)



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Rating	Count	Percent	*IB Serv./Past 12 Mos.	
			Count	Percent
Outperform [BUY]	199	32.20	75	37.69
Market Perform [HOLD]	344	55.66	89	25.87
Underperform [SELL]	46	7.44	11	23.91
Restricted [RES]	0	0.00	0	0.00
Suspended [SP]	29	4.69	4	13.79
Covered -Not Rated [CNR]	4	0.65	1	25.00

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**KBW Model Portfolio:** “Model Portfolio Buy” - Companies placed on this list are expected to generate a total rate of return (percentage price change plus dividend yield) of 10% or more over the next 3 to 6 months. “Model Portfolio Sell” - Companies placed on this list are expected to generate a total rate of return (percentage price change plus dividend yield) at or below -10% over the next 3 to 6 months.

The purpose of the Model Portfolio is to inform institutional investors of KBWI’s short-term (as described above) outlook for a particular industry sector. The Portfolio is not available for purchase or sale, cannot be duplicated as shown, is hypothetical and is for illustrative purposes only. For a more detailed description of the selection criteria and other specifics related to the construction of the Model Portfolio, please refer to the January 5, 2010 Model Portfolio Primer and/or contact your KBWI representative for more information.

The Model Portfolio should be viewed as a short-term outlook of a particular industry sector, not as individual security recommendations. The Model Portfolio uses a three-to-six-month time horizon and should not be considered when making longer term investments. KBWI Research publishes research with a 12-month outlook on each issuer of securities contained in the Model Portfolio. Investors who are interested in a particular security should request KBWI Research’s coverage of such securities by contacting your KBWI representative. KBW research contains analyses of fundamentals underlying each issuer.

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