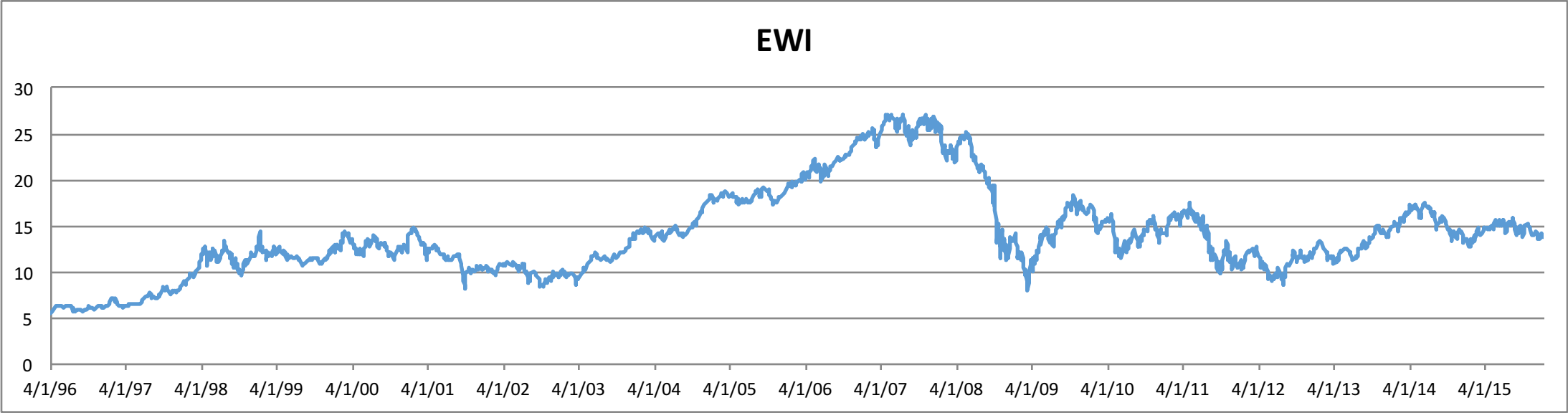

Short EWI



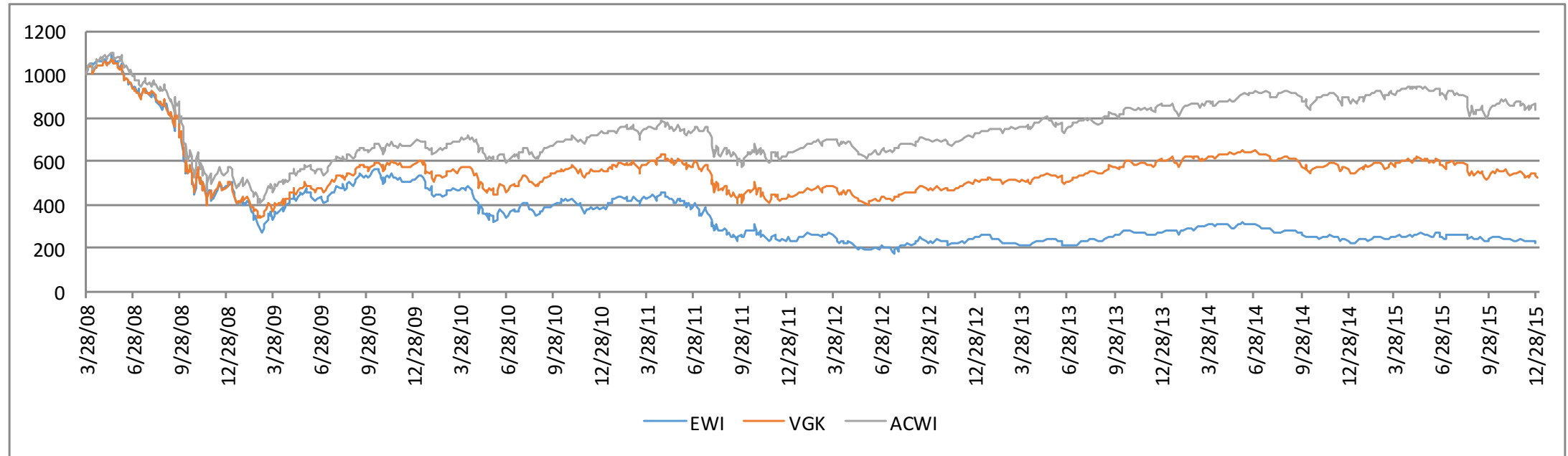
Elkington

iShares MSCI Italy Index (NYSEARCA:EWI)



Symbol	Price (as of 1/4/16)	Market Cap (as of 1/4/16)	Beta
EWI	\$13.54	\$820.40M	1.40

Relative Performance of EWI to Benchmarks



EWI has generally underperformed the European and World Markets over the last five years.

Performance Statistics of EWI

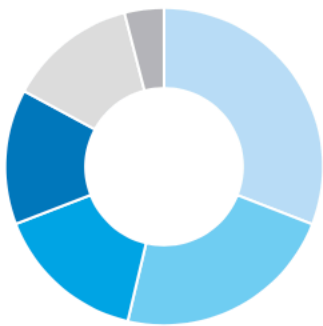
Time	Return (Market)	Return (NAV)
YTD Return	-11.57%	-12.79%
1-Month	-4.41%	-4.18%
3-Month	7.71%	6.58%
1-Year	-20.30%	-20.22%
3-Year	-0.77%	-1.09%
5-Year	-5.73%	-5.70%

3-Year Risk Statistics of EWI

Statistic	EWI	VGK	ACWI
Alpha	-0.43	2.28	5.06
Beta	1.16	0.98	0.86
Mean Annual Return	0.07	0.28	0.50
R-squared	63.23	89.10	93.97
Standard deviation	19.71	13.94	11.98
Sharpe Ratio	0.04	0.23	0.49

EWI Component Weightings

DBC by Weighting



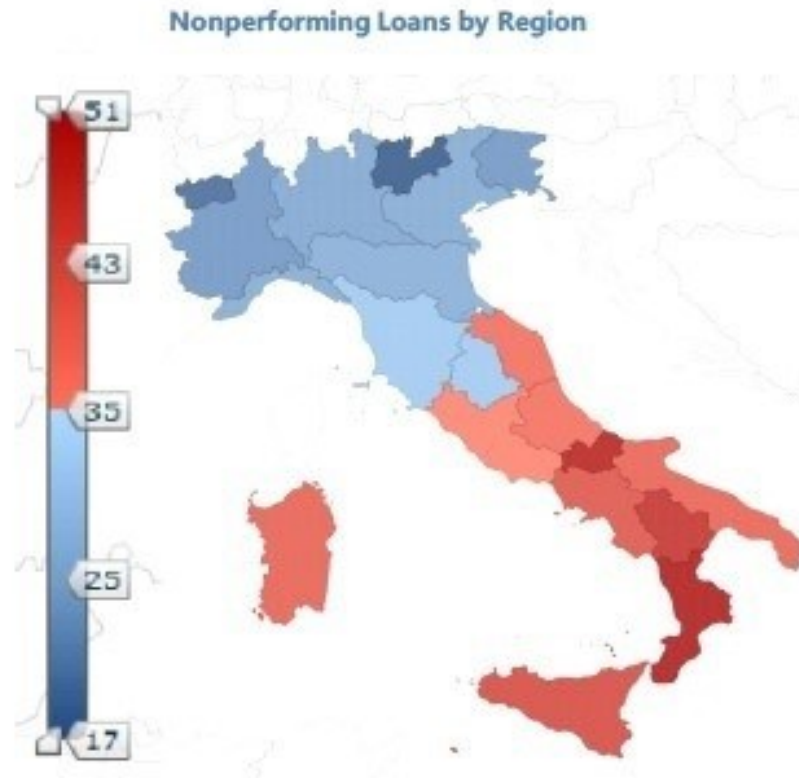
Financials	30.91%	Telecommunications Ser...	4.01%
Energy	22.77%		
Utilities	15.46%		
Industrials	13.75%		
Consumer Cyclicals	13.10%		

DBC Current Portfolio Summary



Eni S.p.A.	13.94%	Snam S.p.A.	4.54%
Intesa Sanpaolo S.p.A.	12.69%	Atlantia S.p.A	4.44%
Enel SpA	11.28%	Terna S.p.A.	4.18%
UniCredit S.p.A.	5.76%	Telecom Italia S.p.A.	4.01%
Assicurazioni Generali S...	4.63%	Luxottica Group S.p.A.	3.92%
Total Top 10 Weighting			69.39%

Italy's Debt Problem



Source: IMF staff calculations.

Despite yields going down across Europe, Italy some of the highest non-performing loans in the Eurozone and is the 8th largest economy in the world by GDP.

EWI Technical Analysis



DBC has generally underperformed the market over the past 3 years, though it has done better than other commodities tracking indices, such as the Bloomberg Commodity Index.

Thesis : Short and buy back between \$10.50-\$12

- EWI's high exposure to financials and Italy's re-emerging debt problem will put pressure on the ETF's price in the next year
- From technical analysis, if the price of the index decreases, EWI should find support between \$10.50-\$12
- Short-term outlook on Eurozone and Southern European countries is bearish on deflation fears

Arguments Against

- Potential debt restructuring
- Draghi led helicopter money
- Innovative Italian fiscal policy
- EWI has potentially already found a bottom