

EURO ISTOXX® 50 COLLAR INDEX

Index description

The EURO iSTOXX 50 Collar Index aims to replicate a hedging strategy on the EURO STOXX 50® using an option collar. It aims to implement a defensive strategy to smooth down the EURO STOXX 50 and reduce volatility. It is designed to provide long-term downside protection thanks to a long position on put options while forgoing large gains due to a short position on call options.

The strategy consists of purchasing a fraction of two quarterly put options daily, one expiring in 12 months and one at the expiry date following 12 months, and selling a fraction of two to six monthly call options daily, with expiry in one and two months, while holding a long position in the underlying EURO STOXX 50 Index. Each option remains in the option portfolio until its expiry. The quantity of options to be bought and sold daily is balanced in order to be on average long one put and short one call. All options are out-of-the-money with the strike level for put options set to 90% of the EURO STOXX 50 level. The call options position is split between options with strike at 102.5% and 104.5% of the EURO STOXX 50 level.

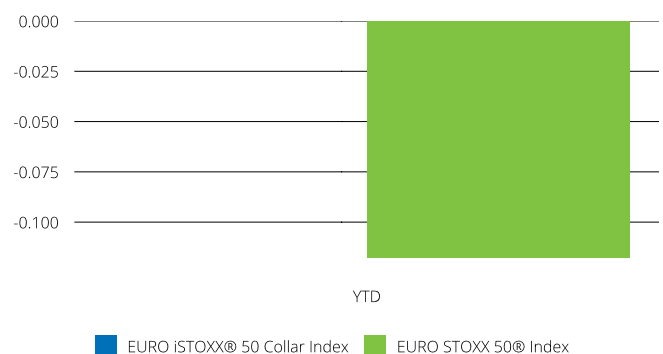
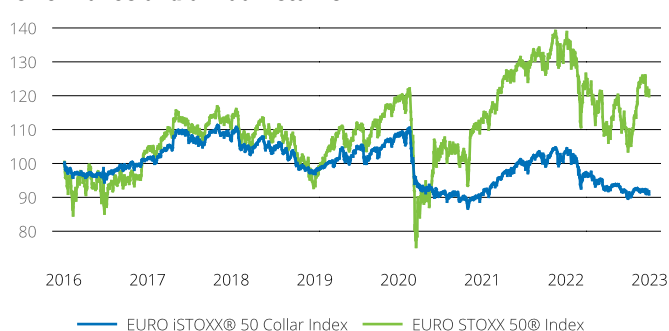
Key facts

- » Hedging strategy on the EURO STOXX 50 using an option collar
- » Long on quarterly put options to provide long-term downside protection
- » Short on monthly call options to offset costs

Risk and return figures¹

Index returns	Return (%)					Annualized return (%)				
	Last month	YTD	1Y	3Y	5Y	Last month	YTD	1Y	3Y	5Y
EURO iSTOXX 50 Collar Index	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
EURO STOXX 50 Index	-4.3	-11.7	-11.7	1.3	8.3	N/A	N/A	-11.9	0.4	1.6
Index volatility and risk	Annualized volatility (%)					Annualized Sharpe ratio ²				
EURO iSTOXX 50 Collar Index	0.0	0.0	0.0	0.0	0.0	N/A	N/A	0.0	0.0	0.0
EURO STOXX 50 Index	18.1	23.7	23.7	24.7	21.0	N/A	N/A	-0.5	0.0	0.1
Index to benchmark	Correlation					Tracking error (%)				
EURO iSTOXX 50 Collar Index	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Index to benchmark	Beta					Annualized information ratio				
EURO iSTOXX 50 Collar Index	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Performance and annual returns³



¹ For information on data calculation, please refer to STOXX calculation reference guide.

² Based on EURIBOR1M

³ STOXX data from Jan. 04, 2016 to Dec. 30, 2022

(EUR, price), all data as of Dec. 30, 2022

ISTOXX INDICES

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Methodology

The EURO ISTOXX 50 Collar Index aims to replicate a hedging strategy on the EURO STOXX 50 using an option collar. The collar consists of purchasing a fraction of two quarterly put options daily, one expiring in 12 months and one at the expiry date following 12 months, and selling a fraction of two to six monthly call options daily, with expiry in one and two months, while holding a long position in the underlying EURO STOXX 50 Index. The quantity of options to be bought and sold daily is balanced in order to be on average long one put and short one call. All options are out-of-the-money with the strike level for put options set to 90% of the EURO STOXX 50 level. The call options position is split between options with strike at 102.5% and 104.5% of the EURO STOXX 50 level. The detailed methodology including the calculation formula can be found in our rulebooks: www.stoxx.com/rulebooks

Versions and symbols

Index	ISIN	Symbol	Bloomberg	Reuters
Price	EUR	CH0313264621	ISX5ECCP	ISX5ECCP INDEX .ISX5ECCP

Complete list available here: www.stoxx.com/data/vendor_codes.html

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BACKTESTED PERFORMANCE

This document contains index performance data based on backtesting, i.e. calculations of how the index might have performed prior to launch if it had existed using the same index methodology and based on historical constituents. Backtested performance information is purely hypothetical and is provided in this document solely for information purposes. Backtested performance does not represent actual performance and should not be interpreted as an indication of actual performance.

CUSTOMIZATION

The index can be used as a basis for the definition of STOXX® Customized Indices, which can be tailored to specific client or mandate needs. STOXX offers customization in almost unlimited forms for example in terms of component selection, weighting schemes and personalized calculation methodologies.

