STOXX® EUROPE 600 MINIMUM VARIANCE INDEX

Index description

The STOXX Europe 600 Minimum Variance index weights the components of the underlying STOXX Europe 600 so that portfolio variance is minimized. STOXX uses Axioma's factor model for the optimization process. The Constrained version creates a portfolio similar to the underlying benchmark index, but with a more attractive risk profile. This is achieved by applying a range of factors, country and industry exposure constraints to ensure that components have no high allocation bias.

Key facts

»Minimized volatility is suitable for risk-averse investors. At the same time, the return of the index is higher than the benchmark.

»Suitable as a liquid underlying for ETFs and structured products. It is easy to replicate as it has fewer components than the underlying Index. It also has predictable rebalancing dates and is optimized to allow tracking (low turnover, transaction costs analysis, etc.).

»Capping constraints are applied in accordance with the Undertakings for Collective Investment in Transferable Securities (UCITS) directive to ensure that funds can easily track the index.

»Constraints on diversification and security, country, industry and factor exposure are applied.

Risk and return figures[1]

Index returns					Return (%)				Annualized return (%)	
	Last month	YTD	1Y	3Y	5Y	Last month	YTD	1Y	3Y	5Y
STOXX Europe 600 Minimum Variance Index	3.6	11.1	1.4	27.6	28.5	N/A	N/A	1.4	8.6	5.2
STOXX Europe 600 Index	2.6	11.4	7.0	49.7	41.2	N/A	N/A	7.1	14.5	7.2
Index volatility and risk					**Annualized volatility (%)**				**Annualized Sharpe ratio[2]**	
STOXX Europe 600 Minimum Variance Index	5.7	9.5	13.3	13.3	14.4	9.3	N/A	0.0	0.6	0.4
STOXX Europe 600 Index	6.3	13.2	16.3	16.7	17.9	6.5	N/A	0.4	0.8	0.4
Index to benchmark					**Correlation**				**Tracking error (%)**	
STOXX Europe 600 Minimum Variance Index	0.5	0.9	0.9	0.9	0.9	6.0	6.4	6.5	6.7	6.8
Index to benchmark					**Beta**				**Annualized information ratio**	
STOXX Europe 600 Minimum Variance Index	0.4	0.6	0.8	0.7	0.8	2.3	-0.2	-0.9	-0.9	-0.4

[1] For information on data calculation, please refer to STOXX calculation reference guide.
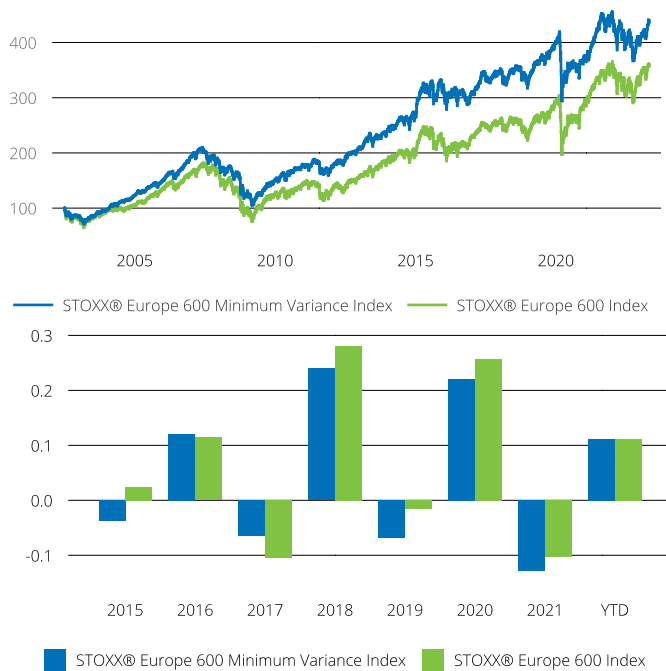[2] Based on EURIBOR1M

(EUR, gross return), all data as of Apr. 28, 2023

STOXX Ltd. is part of Qontigo

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Performance and annual returns[4]

— STOXX® Europe 600 Minimum Variance Index — STOXX® Europe 600 Index

■ STOXX® Europe 600 Minimum Variance Index ■ STOXX® Europe 600 Index

Methodology

On the basis of the underlying index, a covariance matrix is set up by determining the correlation between each component and specific factors. Using Axioma's factor model, the variance-covariance structure of the components is determined, which is then minimized with respect to applicable constraints. The constraints applied cover capping, effective number of assets, rebalancing and turnover, country/industry exposure and other factor exposures, such as growth, value, short-/mid-term momentum, leverage, etc. The full list of factors including the requirements to be met can be accessed in our Index rulebook:
http://www.stoxx.com/indices/rulebooks.html

Versions and symbols

Index		ISIN	Symbol	Bloomberg	Reuters
Gross Return	EUR	CH0180138312	SAXPMVGR	SAXPMVGR INDEX	.SAXPMVGR
Net Return	EUR	CH0180138155	SAXPMVR	SAXPMVR INDEX	.SAXPMVR
Net Return	EUR	CH0180138155	SAXPMVR	SAXPMVR INDEX	.SAXPMVR
Price	EUR	CH0180137991	SAXPMVP	SAXPMVP INDEX	.SAXPMVP
Price	EUR	CH0180137991	SAXPMVP	SAXPMVP INDEX	.SAXPMVP
Gross Return	USD	CH0180138791	SAXPMVGV	SAXPMVGV INDEX	.SAXPMVGV
Net Return	USD	CH0180138635	SAXPMVV	SAXPMVV INDEX	.SAXPMVV
Net Return	USD	CH0180138635	SAXPMVV	SAXPMVV INDEX	.SAXPMVV
Price	USD	CH0180138478	SAXPMVL	SAXPMVL INDEX	.SAXPMVL
Price	USD	CH0180138478	SAXPMVL	SAXPMVL INDEX	.SAXPMVL

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

Quick facts

Weighting	Optimization
Cap factor	4.5% / 8% / 35%
No. of components	Variable
Review frequency	Quarterly (Mar., Jun., Sep., Dec.)

To learn more about the inception date, the currency, the calculation hours and historical values, please see our data vendor code sheet.

CONTACT DETAILS
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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 a wide range of customization, in terms of component selection, weighting schemes and personalized calculation methodologies.

[4] STOXX data from Jul. 01, 2002 to Apr. 28, 2023

(EUR, gross return), all data as of Apr. 28, 2023

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Top 10 Components[4]

Company	Supersector	Country	Weight (%)
SWISSCOM	Oil & Gas	null	6.76
BEIERSDORF	Oil & Gas	null	6.64
UPM KYMMENE	Oil & Gas	null	5.13
TERNA	Oil & Gas	null	3.95
HENKEL PREF	Oil & Gas	null	3.81
L'OREAL	Oil & Gas	null	3.03
SGS	Oil & Gas	null	2.80
WOLTERS KLUWER	Oil & Gas	null	2.38
EDF	Oil & Gas	null	2.32
TESCO	Oil & Gas	null	2.22

[4] Based on the composition as of Apr. 28, 2023