

# STOXX® AUSTRALIA 150 MINIMUM VARIANCE INDEX

## Index description

The STOXX Australia 150 Minimum Variance index weights the components of the underlying STOXX Australia 150 index 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.).

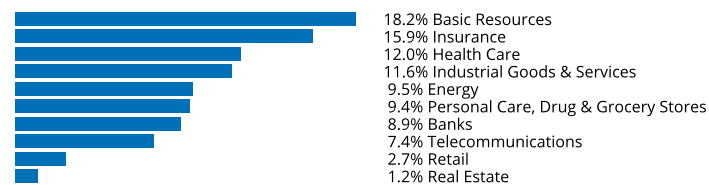
»Capping constraints are applied in accordance with the Undertakings for Collective Investment in Transferable Securities (UCITS) directive to ensure that funds can easily track the index.

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

## Descriptive statistics

Index	Market cap (AUD bn.)		Components (AUD bn.)				Component weight (%)		Turnover (%)
	Full	Free-float	Mean	Median	Largest	Smallest	Largest	Smallest	Last 12 months
STOXX Australia 150 Minimum Variance Index	N/A	162.6	2.6	1.8	11.8	0.1	7.2	0.0	30.0
STOXX Australia 150 Index	2,229.2	2,096.4	14.0	5.0	233.1	1.1	11.1	0.1	1.3

## Supersector weighting (top 10)



## Country weighting



## Risk and return figures<sup>1</sup>

Index returns	Return (%)					Annualized return (%)				
	Last month	YTD	1Y	3Y	5Y	Last month	YTD	1Y	3Y	5Y
STOXX Australia 150 Minimum Variance Index	1.3	6.9	7.1	25.4	39.9	N/A	N/A	7.1	7.9	7.0
STOXX Australia 150 Index	2.7	7.4	12.1	43.6	46.6	N/A	N/A	12.2	13.0	8.0
Index volatility and risk	Annualized volatility (%)					Annualized Sharpe ratio <sup>2</sup>				
STOXX Australia 150 Minimum Variance Index	10.1	8.7	11.0	11.7	14.8	N/A	N/A	0.5	0.6	0.5
STOXX Australia 150 Index	12.5	11.1	13.3	13.9	17.7	N/A	N/A	0.8	0.8	0.4
Index to benchmark	Correlation					Tracking error (%)				
STOXX Australia 150 Minimum Variance Index	0.9	0.9	0.9	0.9	0.9	5.1	5.4	5.7	6.6	7.5
Index to benchmark	Beta					Annualized information ratio				
STOXX Australia 150 Minimum Variance Index	0.7	0.7	0.8	0.7	0.8	-3.5	-0.2	-0.9	-0.8	-0.2

<sup>1</sup> For information on data calculation, please refer to STOXX calculation reference guide.

<sup>2</sup> Based on EURIBOR1M

(AUD, gross return), all data as of Jul. 31, 2023

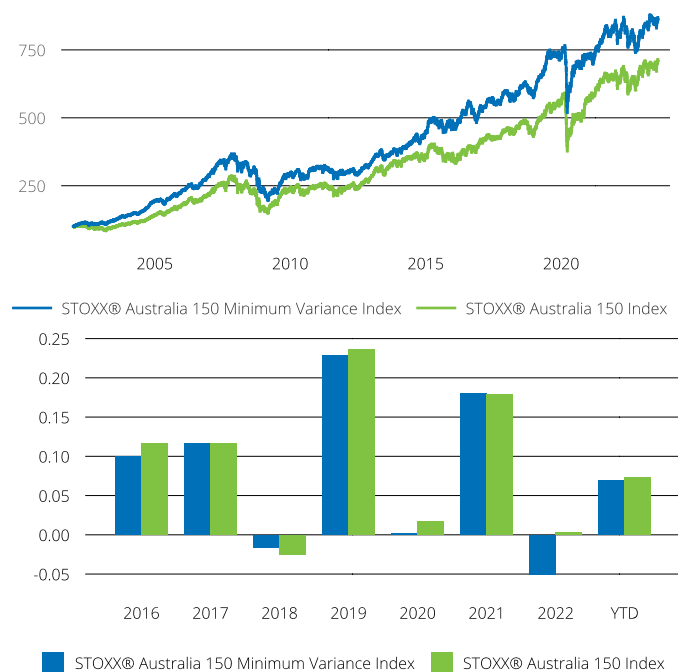
## MINIMUM VARIANCE

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### Fundamentals (for last 12 months)

Index	Price/earnings incl. negative		Price/earnings excl. negative		Price/ book	Dividend yield (%) <sup>3</sup>	Price/ sales	Price/ cash flow
	Trailing	Projected	Trailing	Projected	Trailing	Trailing	Trailing	Trailing
STOXX Australia 150 Minimum Variance Index	17.5	21.2	17.5	21.2	2.6	4.3	1.6	0.6
STOXX Australia 150 Index	15.1	18.0	14.1	17.8	2.3	5.1	2.4	4.8

### Performance and annual returns<sup>4</sup>



### 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 AUD	CH0212593401	SA1AMVGU		.SA1AMVGU
Net Return AUD	CH0212593393	SA1AMVU	SA1AMVU INDEX	.SA1AMVU
Net Return AUD	CH0212593393	SA1AMVU	SA1AMVU INDEX	.SA1AMVU
Price AUD	CH0212593385	SA1AMVA		.SA1AMVA
Price AUD	CH0212593385	SA1AMVA		.SA1AMVA
Gross Return EUR	CH0180138387	SA1AMVGR		.XA1AMVGR
Net Return EUR	CH0180138221	SA1AMVR		.XA1AMVR
Net Return EUR	CH0180138221	SA1AMVR		.XA1AMVR
Price EUR	CH0180138064	SA1AMVP		.XA1AMVP
Price EUR	CH0180138064	SA1AMVP		.XA1AMVP

Complete list available here: [www.stoxx.com/data/vendor\\_codes.html](http://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.

<sup>3</sup> gr. div. yield is calculated as gr. return index return minus price index return

<sup>4</sup> STOXX data from Dec. 31, 2001 to Jul. 31, 2023

(AUD, gross return), all data as of Jul. 31, 2023

**MINIMUM VARIANCE****STOXX® AUSTRALIA 150 MINIMUM VARIANCE INDEX****Top 10 Components<sup>5</sup>**

<b>Company</b>	<b>Supersector</b>	<b>Country</b>	<b>Weight (%)</b>
TELSTRA GROUP	Telecommunications	Australia	7.25
MEDIBANK PRIVATE	Insurance	Australia	5.83
WOOLWORTHS GROUP	Personal Care, Drug & Grocery Stores	Australia	5.05
AUSTRALIAN PIPELINE	Energy	Australia	4.75
Transurban Group	Industrial Goods & Services	Australia	4.18
Coles Group	Personal Care, Drug & Grocery Stores	Australia	4.13
CSL Ltd.	Health Care	Australia	3.84
Insurance Australia Group Ltd.	Insurance	Australia	3.78
Orica Ltd.	Basic Resources	Australia	3.71
Sonic Healthcare Ltd.	Health Care	Australia	3.43

<sup>5</sup> Based on the composition as of Jul. 31, 2023