

# ISTOXX® EUROPE NEXT DIVIDEND LOW RISK 50 INDEX

## Index description

The iSTOXX Europe Next Dividend Low Risk 50 Index selects liquid companies on a monthly basis from the STOXX Europe 600 that will pay a dividend in the near future and have historically shown low volatility. All stocks are risk-weighted.

## Key facts

» Companies are selected from one of Europe's most representative indices, the STOXX Europe 600

» High liquidity is ensured by applying a EUR10 mn ADTV filter

» Low volatility and drawdown are achieved by using a selection method and weighting scheme based on historical 6-month volatility

» The index offers an attractive dividend yield by applying an overlay that selects companies that are about to pay out a dividend and by updating the portfolio monthly

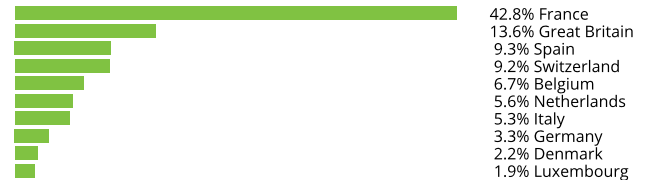
## Descriptive statistics

| Index   | Market cap (EUR bn.) |            | Components (EUR bn.) |        |         |          | Component weight (%) |          | Turnover (%)   |
|---|----------------------|------------|----------------------|--------|---------|----------|----------------------|----------|----------------|
|   | Full                 | Free-float | Mean                 | Median | Largest | Smallest | Largest              | Smallest | Last 12 months |
| iSTOXX Europe Next Dividend Low Risk 50 Index | 0.0                  | 96.8       | 1.9                  | 1.9    | 3.4     | 1.4      | 3.6                  | 1.5      | 564.3          |
| EURO STOXX 50 Index                           | 2,816.3              | 2,334.9    | 46.7                 | 37.8   | 132.0   | 17.2     | 5.7                  | 0.7      | 1.8            |

## 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   |
| iSTOXX Europe Next Dividend Low Risk 50 Index | -2.5                      | -5.6 | -9.9 | -17.5 | 0.1  | N/A                                  | N/A  | -10.1 | -6.3 | 0.0  |
| EURO STOXX 50 Index                           | -3.7                      | -2.8 | -4.2 | -4.6  | 23.0 | N/A                                  | N/A  | -4.2  | -1.6 | 4.3  |
| Index volatility and risk                     | Annualized volatility (%) |      |      |       |      | Annualized Sharpe ratio <sup>2</sup> |      |       |      |      |
| iSTOXX Europe Next Dividend Low Risk 50 Index | 7.0                       | 10.6 | 9.5  | 13.7  | 12.8 | N/A                                  | N/A  | -1.1  | -0.5 | 0.0  |
| EURO STOXX 50 Index                           | 10.0                      | 13.7 | 11.5 | 18.8  | 18.2 | N/A                                  | N/A  | -0.4  | -0.1 | 0.2  |
| Index to benchmark                            | Correlation               |      |      |       |      | Tracking error (%)                   |      |       |      |      |
| iSTOXX Europe Next Dividend Low Risk 50 Index | 0.9                       | 0.9  | 0.9  | 0.9   | 0.9  | 5.1                                  | 5.6  | 5.7   | 9.4  | 9.4  |
| Index to benchmark                            | Beta                      |      |      |       |      | Annualized information ratio         |      |       |      |      |
| iSTOXX Europe Next Dividend Low Risk 50 Index | 0.6                       | 0.7  | 0.7  | 0.6   | 0.6  | 2.7                                  | -1.4 | -1.2  | -0.7 | -0.6 |

<sup>1</sup> For information on data calculation, please refer to [STOXX calculation reference guide](#).

<sup>2</sup> Based on EURIBOR1M

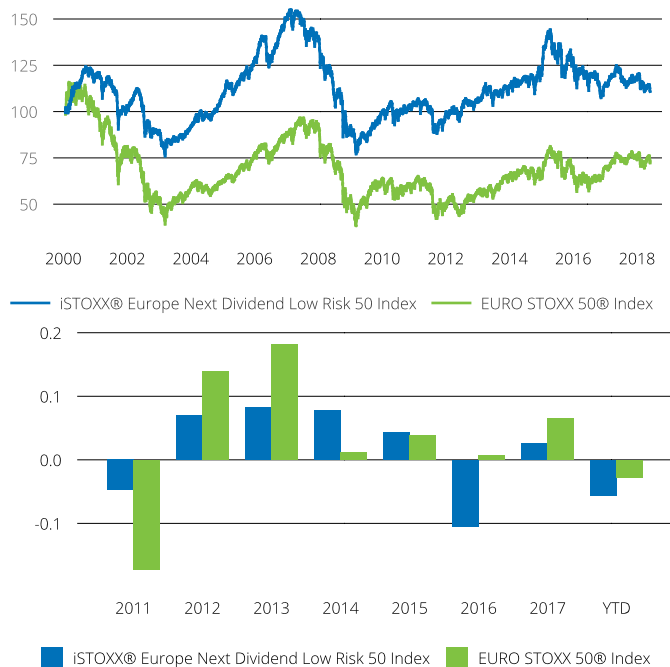
(EUR, price), all data as of May 31, 2018

## STRATEGY INDICES

## ISTOXX® EUROPE NEXT DIVIDEND LOW RISK 50 INDEX

## Fundamentals (for last 12 months)

| Index   | Price/earnings<br>incl. negative |           | Price/earnings<br>excl. negative |           | Price/<br>book | Dividend<br>yield (%) <sup>3</sup> | Price/<br>sales | Price/<br>cash flow |
|---|----------------------------------|-----------|----------------------------------|-----------|----------------|------------------------------------|-----------------|---------------------|
|   | Trailing                         | Projected | Trailing                         | Projected | Trailing       | Trailing                           | Trailing        | Trailing            |
| iSTOXX Europe Next Dividend Low Risk 50 Index | 14.0                             | 15.0      | 14.0                             | 15.0      | 1.4            | 7.4                                | 1.1             | 20.3                |
| EURO STOXX 50 Index                           | 15.1                             | 13.2      | 14.5                             | 13.2      | 1.5            | 2.6                                | 1.0             | 18.4                |

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

## Methodology

The index universe is defined by the STOXX Europe 600 Index. In the first step, a liquidity filter of EUR10 mn is applied. In the next step, remaining companies are sorted by increasing volatility and the top third (i.e. with low volatility) are selected. From that selection list, the 50 highest ranked companies that are going to pay a dividend in the next month are chosen as components. If less than 50 companies will pay a dividend in the next month, the highest ranked companies which are not paying a dividend are selected to complete the index. All stocks are risk-weighted.

The detailed methodology including the calculation formula can be found in our rulebook: <http://www.stoxx.com/indices/rulebooks.html>

## Versions and symbols

| Index            | ISIN         | Symbol   | Bloomberg    | Reuters |
|------------------|--------------|----------|--------------|---------|
| Gross Return EUR | CH0246589276 | ENDLRGR  |              |         |
| Net Return EUR   | CH0246589268 | ENDLRR   |              |         |
| Price EUR        | CH0246589243 | ENDLRP   | ENDLRP INDEX |         |
| Gross Return USD | CH0246589342 | ENDLRDGV |              |         |
| Net Return USD   | CH0246589326 | ENDLRDV  |              |         |
| Price USD        | CH0246589300 | ENDLRDL  |              |         |

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

## Quick facts

|                          |  |
|--------------------------|--|
| Weighting                | Price-weighted with a weighting factor based on the inverse of the |
| No. of components        | Fixed, 50  |
| Review frequency         | Monthly  |
| Calculation/distribution | Price (EUR): Realtime (every 15 seconds)                           |
| Calculation hours        | Realtime: 09:00 - 18:00 CET  |
| Base value/base date     | 100 as of Jan. 23, 2009  |
| History                  | Available daily back to Jan. 24, 2000                              |
| Inception date           | Jul. 8, 2014   |

## 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> Net dividend yield is calculated as net return index return minus price index return

<sup>4</sup> STOXX data from Jan. 24, 2000 to May 31, 2018

## ISTOXX® EUROPE NEXT DIVIDEND LOW RISK 50 INDEX

Top 10 Components<sup>5</sup>

| <b>Company</b>           | <b>Supersector</b>          | <b>Country</b> | <b>Weight (%)</b> |
|--------------------------|-----------------------------|----------------|-------------------|
| ABERTIS INFRASTRUCTURAS  | Industrial Goods & Services | ES             | 3.56              |
| HERMES INTERNATIONAL     | Personal & Household Goods  | FR             | 2.71              |
| AGEAS                    | Insurance                   | BE             | 2.63              |
| HELVETIA HLDG            | Insurance                   | CH             | 2.56              |
| PERNOD RICARD            | Food & Beverage             | FR             | 2.47              |
| ORANGE                   | Telecommunications          | FR             | 2.37              |
| RSA INSURANCE GRP        | Insurance                   | GB             | 2.35              |
| MERLIN PROPERTIES SOCIMI | Real Estate                 | ES             | 2.27              |
| SWISS PRIME SITE         | Real Estate                 | CH             | 2.27              |
| REED ELSEVIER PLC        | Media                       | GB             | 2.25              |

<sup>5</sup> Based on the composition as of May 31, 2018

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