

# STOXX® USA 500 INDUSTRY NEUTRAL AX LOW RISK INDEX

## Index description

STOXX Industry Neutral Single and Multi-Factor Indices aim to harvest the risk premia of several academically validated style factors: Value, Momentum, Quality, Size and Low Risk within each ICB Industry. At the same time the rules ensure tradability and diversification as well as limit untargeted systematic exposures.

STOXX uses Axioma's risk model and optimizer to construct the industry neutral factor indices. The STOXX industry neutral single and multi-factor indices are based on the respective STOXX country or regional benchmark indices.

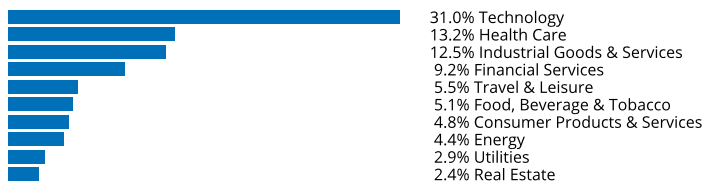
## Key facts

- » Invest in targeted factor exposures with managed liquidity and risk profiles across various regions
- » Use of Axiomas factor risk models and portfolio construction expertise to define the factors based on extensive validation from research and having a clear economic rationale
- » Factor family consists of 5 single factor indices (Value, Momentum, Quality, Low Risk, and Size) and one multi-factor index
- » Same index construction rules applied across the factor family
- » Strict neutrality imposed on ICB Industries to remove industry bets relative to the respective benchmarks
- » Single factor indices maximize the target factor while constraining the exposure to other factors
- » Multi-factor index employs a bottom-up approach by maximizing the exposure to an equally weighted aggregated multi-factor score
- » Ensures tradability by managing turnover and exposure to illiquid positions

## Descriptive statistics

| Index                                            | Market cap (USD bn.) |            | Components (USD bn.) |        |         |          | Component weight (%) |          | Turnover (%)   |
|--------------------------------------------------|----------------------|------------|----------------------|--------|---------|----------|----------------------|----------|----------------|
|                                                  | Full                 | Free-float | Mean                 | Median | Largest | Smallest | Largest              | Smallest | Last 12 months |
| STOXX USA 500 Industry Neutral Ax Low Risk Index | N/A                  | 112.0      | 1.4                  | 0.7    | 8.8     | 0.0      | 7.8                  | 0.0      | 50.1           |
| STOXX USA 500 Index                              | 39,244.0             | 37,722.3   | 75.3                 | 32.3   | 2,903.0 | 3.0      | 7.7                  | 0.0      | 3.1            |

## 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 USA 500 Industry Neutral Ax Low Risk Index | 6.5                       | 11.5 | 16.6 | 44.4 | 64.2 | N/A                                  | N/A  | 16.6 | 13.1 | 10.5 |
| STOXX USA 500 Index                              | 6.8                       | 17.2 | 20.0 | 46.9 | 77.6 | N/A                                  | N/A  | 20.0 | 13.7 | 12.2 |
| Index volatility and risk                        | Annualized volatility (%) |      |      |      |      | Annualized Sharpe ratio <sup>2</sup> |      |      |      |      |
| STOXX USA 500 Industry Neutral Ax Low Risk Index | 10.0                      | 12.4 | 17.0 | 15.3 | 19.1 | N/A                                  | N/A  | 0.8  | 0.8  | 0.5  |
| STOXX USA 500 Index                              | 11.1                      | 14.5 | 19.6 | 18.7 | 22.0 | N/A                                  | N/A  | 0.8  | 0.7  | 0.5  |
| Index to benchmark                               | Correlation               |      |      |      |      | Tracking error (%)                   |      |      |      |      |
| STOXX USA 500 Industry Neutral Ax Low Risk Index | 0.9                       | 1.0  | 1.0  | 1.0  | 1.0  | 3.8                                  | 4.3  | 4.6  | 6.0  | 6.5  |
| Index to benchmark                               | Beta                      |      |      |      |      | Annualized information ratio         |      |      |      |      |
| STOXX USA 500 Industry Neutral Ax Low Risk Index | 0.9                       | 0.8  | 0.8  | 0.8  | 0.8  | -0.7                                 | -2.4 | -0.7 | -0.2 | -0.4 |

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

<sup>2</sup> Based on EURIBOR1M

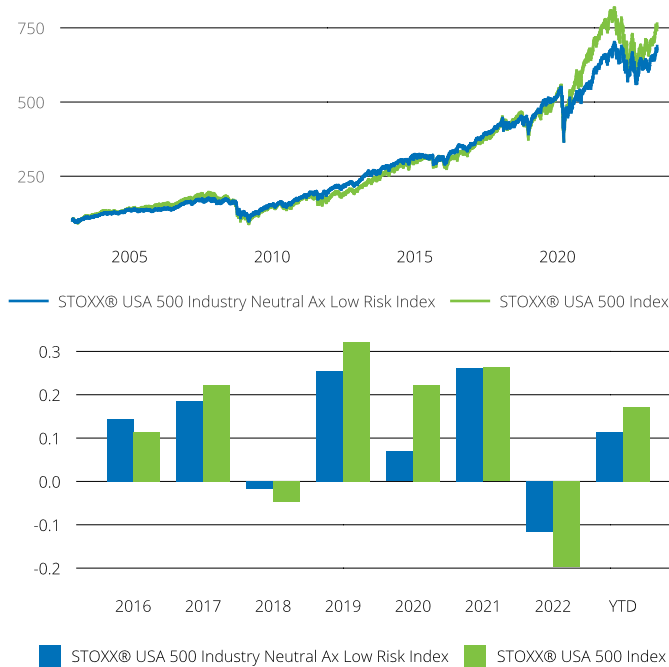
(USD, gross return), all data as of Jun. 30, 2023

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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 USA 500 Industry Neutral Ax Low Risk Index | 29.4                          | 21.1      | 29.4                          | 21.1      | 0.0         | 2.2                             | 3.3          | 5.9              |
| STOXX USA 500 Index                              | 30.2                          | 21.2      | 23.6                          | 20.8      | 0.1         | 2.0                             | 2.5          | 17.8             |

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



## Methodology

Bringing together the powerful indexing and analytics capabilities of Qontigo, the STOXX Industry Neutral Factor Index suite delivers more clarity to the market for factor investors by relying on the institutionally tested analytics of Axioma Factor Risk Models and advanced portfolio construction techniques. The use of Axioma risk models ensures strong exposure to the respective target factor (Value, Momentum, Quality, Low Risk, Size, Multi-Factor) while allowing for ease of control over unintended exposures. The inclusion of constraints targets benchmark tracking with country controls and industry neutrality constraints, and ensures tradability by limiting exposure to less liquid names and turnover while controlling for effective number of names and weights.

## Versions and symbols

| Index            | ISIN         | Symbol   | Bloomberg      | Reuters   |
|------------------|--------------|----------|----------------|-----------|
| Gross Return EUR | CH0462360303 | SA5UNLRU |                | .SA5UNLRU |
| Net Return EUR   | CH0462360295 | SA5UNLRR |                | .SA5UNLRR |
| Price EUR        | CH0462360287 | SA5UNLRP |                | .SA5UNLRP |
| Gross Return USD | CH0462360337 | SA5UNLRS | SA5UNLRS INDEX | .SA5UNLRS |
| Net Return USD   | CH0462360329 | SA5UNLRV | SA5UNLRV INDEX | .SA5UNLRV |
| Price USD        | CH0462360311 | SA5UNLRL |                | .SA5UNLRL |

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.) |
| Calculation/distribution | dayend                          |
| Calculation hours        | 22:15:00 22:15:00               |
| Base value/base date     | 100 as of Mar. 19, 2012         |
| History                  | Available since 31 Dec 2002     |
| Inception date           | Feb. 17, 2021                   |

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 customization in almost unlimited forms for example 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, 2002 to Jun. 30, 2023

(USD, gross return), all data as of Jun. 30, 2023

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## Top 10 Components<sup>5</sup>

| <b>Company</b>                 | <b>Supersector</b>           | <b>Country</b> | <b>Weight (%)</b> |
|--------------------------------|------------------------------|----------------|-------------------|
| Berkshire Hathaway Inc. Cl B   | Financial Services           | United States  | 7.82              |
| Apple Inc.                     | Technology                   | United States  | 6.93              |
| Microsoft Corp.                | Technology                   | United States  | 6.77              |
| McDonald's Corp.               | Travel & Leisure             | United States  | 4.50              |
| Honeywell International Inc.   | Industrial Goods & Services  | United States  | 4.37              |
| Johnson & Johnson              | Health Care                  | United States  | 4.27              |
| VISA Inc. Cl A                 | Industrial Goods & Services  | United States  | 3.89              |
| Activision Blizzard Inc.       | Consumer Products & Services | United States  | 3.26              |
| Coca-Cola Co.                  | Food, Beverage & Tobacco     | United States  | 3.14              |
| International Business Machine | Technology                   | United States  | 3.07              |

<sup>5</sup> Based on the composition as of Jun. 30, 2023