

# STOXX® CHINA A 900 MINIMUM VARIANCE INDEX

## Index description

The STOXX® China A 900 Minimum Variance Index weights the components of the underlying STOXX® China A 900 Index so that portfolio variance is minimized. STOXX uses Axioma's factor model for the optimization process. The Unconstrained version applies loosely stated constraints to seek an improved risk profile. It targets investors seeking a more optimal portfolio in terms of replicated volatility.

## 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.

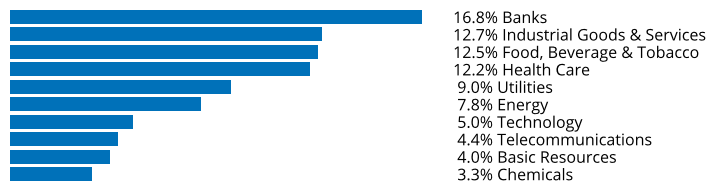
»Two versions - Constrained and Unconstrained - cater to different investor needs.

»The Unconstrained version offers a first-of-its-kind index for a true minimum variance mandate.

## 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
STOXX China A 900 Minimum Variance Index	N/A	95.9	0.4	0.3	1.9	0.0	1.9	0.0	22.2
STOXX China A 900 Index	6,149.4	2,927.6	3.3	1.7	123.1	0.7	4.2	0.0	8.0

## 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 China A 900 Minimum Variance Index	-3.4	-1.0	-13.0	14.7	36.0	N/A	N/A	-13.1	4.7	6.4
STOXX China A 900 Index	-2.7	-5.5	-21.2	2.0	19.7	N/A	N/A	-21.4	0.7	3.7
Index volatility and risk	Annualized volatility (%)					Annualized Sharpe ratio <sup>2</sup>				
STOXX China A 900 Minimum Variance Index	13.1	14.0	16.4	18.4	19.8	N/A	N/A	-0.9	0.3	0.3
STOXX China A 900 Index	16.0	15.0	18.2	20.2	21.9	N/A	N/A	-1.3	0.0	0.2
Index to benchmark	Correlation					Tracking error (%)				
STOXX China A 900 Minimum Variance Index	1.0	0.9	1.0	1.0	1.0	5.4	4.8	4.7	5.3	5.1
Index to benchmark	Beta					Annualized information ratio				
STOXX China A 900 Minimum Variance Index	0.8	0.9	0.9	0.9	0.9	-1.6	1.9	2.1	0.7	0.4

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

<sup>2</sup> Based on EURIBOR1M

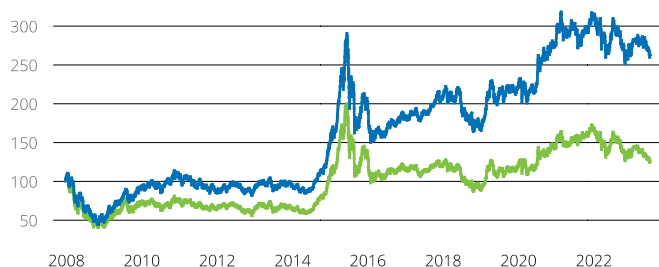
(EUR, gross return), all data as of Jun. 30, 2023

## STRATEGY INDICES

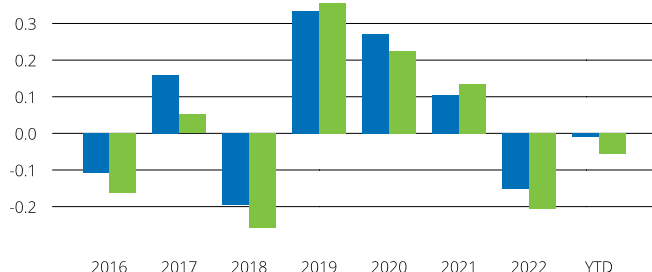
## STOXX® CHINA A 900 MINIMUM VARIANCE INDEX

## 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 China A 900 Minimum Variance Index	14.2	11.0	12.4	10.9	1.2	2.4	1.0	42.9
STOXX China A 900 Index	15.6	11.9	13.3	11.8	1.5	1.8	1.0	58.1

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

— STOXX® China A 900 Minimum Variance Index — STOXX® China A 900 Index



■ STOXX® China A 900 Minimum Variance Index ■ STOXX® China A 900 Index

## Methodology

On the basis of the underlying index, a covariance matrix is set up by determining the correlations 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 individual capping, effective number of assets, rebalancing and turnover. 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 CNY	CH0340519740	SA9CMVGC		.SA9CMVGC
Net Return CNY	CH0340519757	SA9CMVC		.SA9CMVC
Net Return CNY	CH0340519757	SA9CMVC		.SA9CMVC
Net Return CNY	CH0340519757	SA9CMVC		.SA9CMVC
Price CNY	CH0340519765	SA9CMVN		.SA9CMVN
Price CNY	CH0340519765	SA9CMVN		.SA9CMVN
Gross Return EUR	CH0340519682	SA9CMVGR		.SA9CMVGR
Net Return EUR	CH0340519690	SA9CMVR		.SA9CMVR
Net Return EUR	CH0340519690	SA9CMVR		.SA9CMVR
Price EUR	CH0340519708	SA9CMVP		.SA9CMVP

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
Inception date	Oct. 21, 2016

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. 21, 2007 to Jun. 30, 2023

## STOXX® CHINA A 900 MINIMUM VARIANCE INDEX

Top 10 Components<sup>5</sup>

<b>Company</b>	<b>Supersector</b>	<b>Country</b>	<b>Weight (%)</b>
AGRICULTURAL BANK OF CHINA 'A'	Banks	China	1.93
PETROCHINA 'A'	Energy	China	1.92
BANK OF CHINA 'A'	Banks	China	1.91
CHINA PTL. & CHM.'A'	Energy	China	1.88
FOXCONN INDUST. INTERNET 'A'	Telecommunications	China	1.88
BANK OF COMMS.'A'	Banks	China	1.88
CHINA YANGTZE PWR. 'A'	Utilities	China	1.85
INDSTRL & COML.BK.OF CHINA 'A'	Banks	China	1.77
Daqin Railway 'A'	Industrial Goods & Services	China	1.74
Moutai 'A'	Food, Beverage & Tobacco	China	1.64

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