STRATEGY INDICES

STOXX® CHINA A 900 MINIMUM VARIANCE UNCONSTRAINED INDEX

Index description

The STOXX® China A 900 Minimum Variance Unconstrained 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 (USD bn.)		Components (USD bn.)				Component weight (%)		Turnover (%)
	Full	Free-float	Mean	Median	Largest	Smallest	Largest	Smallest	Last 12 months
STOXX China A 900 Minimum Variance Unconstrained Index	N/A	104.3	0.6	0.3	5.9	0.0	5.7	0.0	22.0
STOXX China A 900 Index	6,709.0	3,194.0	3.5	1.8	134.3	0.8	4.2	0.0	8.0

Supersector weighting (top 10)

31.8% Banks
15.4% Industrial Goods & Services
11.6% Health Care
11.1% Utilities
8.5% Food, Beverage & Tobacco
7.0% Energy
5.7% Technology
2.0% Basic Resources
1.5% Financial Services
1.4% Chemicals

Country weighting

100.0% China

Risk and return figures[1]

Index returns						Return (%)			Annualized return (%)	
	Last month	YTD	1Y	3Y	5Y	Last month	YTD	1Y	3Y	5Y
STOXX China A 900 Minimum Variance Unconstrained Index	-1.5	8.2	1.9	24.9	26.3	N/A	N/A	1.9	7.8	4.8
STOXX China A 900 Index	-0.4	-3.4	-17.8	-0.9	11.8	N/A	N/A	-17.9	-0.3	2.3
Index volatility and risk					Annualized volatility (%)				Annualized Sharpe ratio[2]	
STOXX China A 900 Minimum Variance Unconstrained Index	12.2	14.1	15.4	16.1	17.1	N/A	N/A	0.1	0.5	0.3
STOXX China A 900 Index	16.0	15.0	18.4	20.2	21.8	N/A	N/A	-1.1	-0.0	0.1
Index to benchmark					Correlation				Tracking error (%)	
STOXX China A 900 Minimum Variance Unconstrained Index	0.8	0.8	0.9	0.9	0.9	9.9	9.0	8.5	9.1	8.7
Index to benchmark					Beta				Annualized information ratio	
STOXX China A 900 Minimum Variance Unconstrained Index	0.6	0.8	0.7	0.7	0.7	-1.4	2.5	2.5	0.7	0.1

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

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

# STRATEGY INDICES
STOXX® CHINA A 900 MINIMUM VARIANCE UNCONSTRAINED

Fundamentals (for last 12 months)

Index	Price/earnings incl. negative		Price/earnings excl. negative		Price/ book	Dividend yield (%) [3]	Price/ sales	Price/ cash flow
	Trailing	Projected	Trailing	Projected	Trailing	Trailing	Trailing	Trailing
STOXX China A 900 Minimum Variance Unconstrained Index	10.5	8.6	9.5	8.6	0.9	3.5	0.8	245.7
STOXX China A 900 Index	15.6	11.9	13.3	11.8	1.5	1.9	1.0	58.1

Performance and annual returns[4]
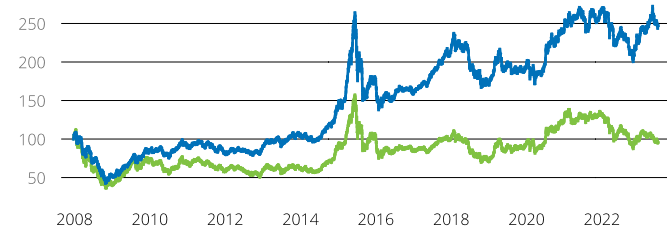
— STOXX® China A 900 Minimum Variance Unconstrained Index

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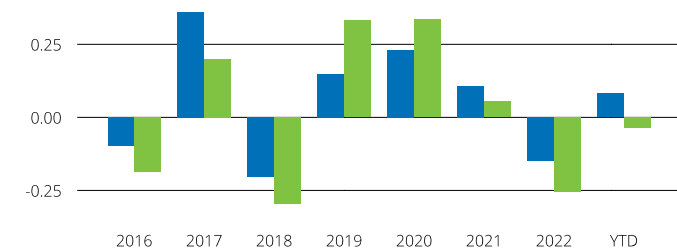
■ STOXX® China A 900 Minimum Variance Unconstrained Index

■ 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 components 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	CH0340519658	SA9CUNGC		.SA9CUNGC
Gross Return	CNY	CH0340519658	SA9CUNGC		.SA9CUNGC
Net Return	CNY	CH0340519666	SA9CUNC	SA9CUNC INDEX	.SA9CUNC
Net Return	CNY	CH0340519666	SA9CUNC	SA9CUNC INDEX	.SA9CUNC
Net Return	CNY	CH0340519666	SA9CUNC	SA9CUNC INDEX	.SA9CUNC
Price	CNY	CH0340519674	SA9CUNN		.SA9CUNN
Price	CNY	CH0340519674	SA9CUNN		.SA9CUNN
Gross Return	EUR	CH0340519591	SA9CUNGR		.SA9CUNGR
Gross Return	EUR	CH0340519591	SA9CUNGR		.SA9CUNGR
Net Return	EUR	CH0340519609	SA9CUNR		.SA9CUNR

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	Monthly
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.

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.

[3] gr. div. yield is calculated as gr. return index return minus price index return
[4] STOXX data from Dec. 21, 2007 to Jun. 30, 2023

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

STRATEGY INDICES
STOXX® CHINA A 900 MINIMUM VARIANCE UNCONSTRAINED INDEX

Top 10 Components[5]

Company	Supersector	Country	Weight (%)
AGRICULTURAL BANK OF CHINA 'A'	Banks	China	5.69
INDSTRL & COML.BK.OF CHINA 'A'	Banks	China	5.13
BANK OF COMMS.'A'	Banks	China	3.87
CHINA CON.BANK 'A'	Banks	China	3.70
CHINA YANGTZE PWR. 'A'	Utilities	China	3.17
BANK OF CHINA 'A'	Banks	China	3.11
Daqin Railway 'A'	Industrial Goods & Services	China	1.94
Haid Group 'A'	Food, Beverage & Tobacco	China	1.72
CRRC 'A'	Industrial Goods & Services	China	1.72
PETROCHINA 'A'	Energy	China	1.70

[5] Based on the composition as of Jun. 30, 2023