STOXX® GLOBAL 1800 EX USA MINIMUM VARIANCE INDEX

Index description

The STOXX® Global 1800 ex USA Minimum Variance index weights the components of the underlying STOXX GLOBAL 1800 EX USA 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.).
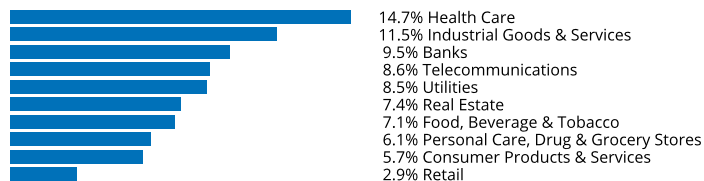
»Capping constraints are applied in accordance with the Undertakings for Collective Investment in Transferable Securities (UCITS) directive to ensure that funds can easily track the index.

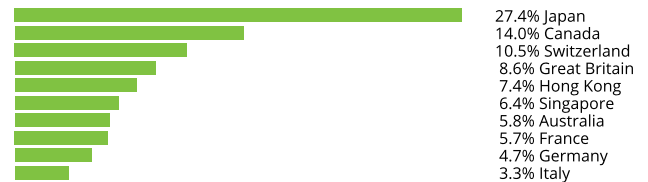»Constraints on diversification and security, country, industry and factor exposure are applied.

Descriptive statistics

Index	Market cap (EUR bn.)		Components (EUR bn.)				Component weight (%)		Turnover (%)
	Full	Free-float	Mean	Median	Largest	Smallest	Largest	Smallest	Last 12 months
STOXX Global 1800 ex USA Minimum Variance Index	N/A	98.1	0.4	0.2	3.1	0.0	3.1	0.0	30.3
STOXX Global 1800 ex USA Index	21,142.1	17,169.7	13.8	5.1	294.3	1.3	1.7	0.0	3.2

Supersector weighting (top 10)

14.7% Health Care
11.5% Industrial Goods & Services
9.5% Banks
8.6% Telecommunications
8.5% Utilities
7.4% Real Estate
7.1% Food, Beverage & Tobacco
6.1% Personal Care, Drug & Grocery Stores
5.7% Consumer Products & Services
2.9% Retail

Country weighting

27.4% Japan
14.0% Canada
10.5% Switzerland
8.6% Great Britain
7.4% Hong Kong
6.4% Singapore
5.8% Australia
5.7% France
4.7% Germany
3.3% Italy

Risk and return figures[1]

Index returns	Return (%)					Annualized return (%)				
	Last month	YTD	1Y	3Y	5Y	Last month	YTD	1Y	3Y	5Y
STOXX Global 1800 ex USA Minimum Variance Index	-0.3	2.4	0.4	10.6	14.6	N/A	N/A	0.4	3.4	2.8
STOXX Global 1800 ex USA Index	2.3	8.3	11.9	33.0	33.0	N/A	N/A	11.9	10.0	5.9
Index volatility and risk	Annualized volatility (%)					Annualized Sharpe ratio[2]				
STOXX Global 1800 ex USA Minimum Variance Index	7.4	6.7	7.9	8.6	11.2	N/A	N/A	-0.2	0.4	0.2
STOXX Global 1800 ex USA Index	9.9	8.8	10.7	11.9	14.1	N/A	N/A	0.8	0.8	0.4
Index to benchmark	Correlation					Tracking error (%)				
STOXX Global 1800 ex USA Minimum Variance Index	0.9	0.7	0.8	0.9	0.9	4.4	6.1	6.1	6.4	6.3
Index to benchmark	Beta					Annualized information ratio				
STOXX Global 1800 ex USA Minimum Variance Index	0.7	0.6	0.6	0.6	0.7	-7.0	-1.9	-1.9	-1.1	-0.6

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

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

STOXX Ltd. is part of Qontigo

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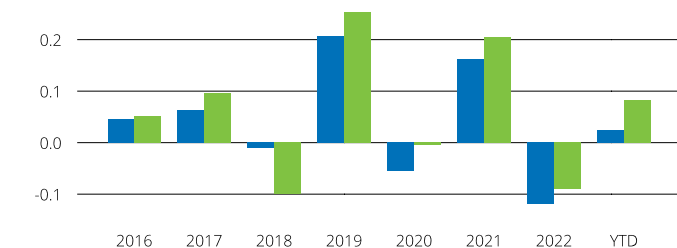# STOXX® GLOBAL 1800 EX USA MINIMUM VARIANCE INDEX

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 Global 1800 ex USA Minimum Variance Index	16.5	15.4	15.6	15.4	1.5	2.9	1.3	1.1
STOXX Global 1800 ex USA Index	15.7	14.0	14.3	13.8	1.7	2.9	1.3	5.5

Performance and annual returns[4]
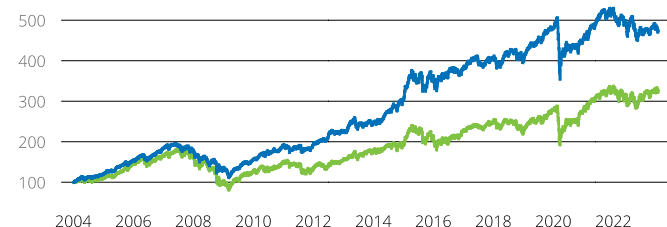
— STOXX® Global 1800 ex USA Minimum Variance Index

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■ STOXX® Global 1800 ex USA Minimum Variance Index

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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	EUR	CH0283782974	SXGXSMGR		.SXGXSMGR
Net Return	EUR	CH0283782990	SXGXSMR		.SXGXSMR
Net Return	EUR	CH0283782990	SXGXSMR		.SXGXSMR
Price	EUR	CH0283783022	SXGXSMP		.SXGXSMP
Price	EUR	CH0283783022	SXGXSMP		.SXGXSMP
Gross Return	USD	CH0283783063	SXGXSMGV	SXGXSMGV INDEX	.SXGXSMGV
Net Return	USD	CH0283783071	SXGXSMV		.SXGXSMV
Net Return	USD	CH0283783071	SXGXSMV		.SXGXSMV
Price	USD	CH0283783097	SXGXSML		.SXGXSML
Price	USD	CH0283783097	SXGXSML		.SXGXSML

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	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

STOXX customer support ┃ P +41 43 430 7272 ┃ customersupport@stoxx.com ┃ https://qontigo.com/support/

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] Net dividend yield is calculated as net return index return minus price index return
[4] STOXX data from Jan. 02, 2004 to Jun. 30, 2023

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

STRATEGY INDICES
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Top 10 Components[5]

Company	Supersector	Country	Weight (%)
SWISSCOM	Telecommunications	Switzerland	3.12
National Bank of Canada	Banks	Canada	2.81
BCE Inc.	Telecommunications	Canada	2.74
HENKEL PREF	Consumer Products & Services	Germany	2.65
Origin Energy Ltd.	Utilities	Australia	1.90
United Overseas Bank Ltd.	Banks	Singapore	1.86
BAE SYSTEMS	Industrial Goods & Services	Great Britain	1.77
MERCK	Health Care	Germany	1.73
TELUS	Telecommunications	Canada	1.66
SNAM RETE GAS	Energy	Italy	1.63

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