

ISTOXX® EUROPE CARRY FACTOR INDEX

Index description

The iSTOXX Europe Factors Indices offer investors a straightforward and intuitive tool to extract factor risk premia on equities while controlling risks and keeping their focus on tradability. The selection and weighting are based on SunGard APT Risk model which uses a set of constraints to minimize risk and maximize factor exposure.

These indices differ from each other by the factor or risk premia they are exploiting. The index family contains indices based on the following single factors: carry, low risk, momentum, quality, size and value. Additional multi-factor indices gather all stocks with a high overall tilt to single factors.

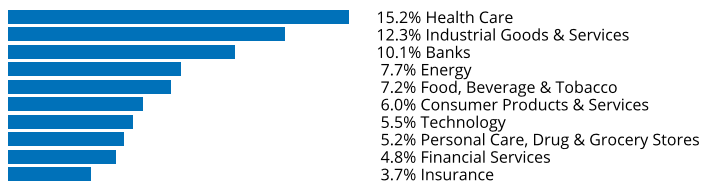
Key facts

- » Range of 6 different single factors indices
- » Multi-factor approach to gather highest exposure from each dimension
- » Selection and weighting based on an optimizer
- » Monthly rebalancing to allow for updates required by the changes in the market
- » Set of constraints to minimize risk and maximize factor exposure

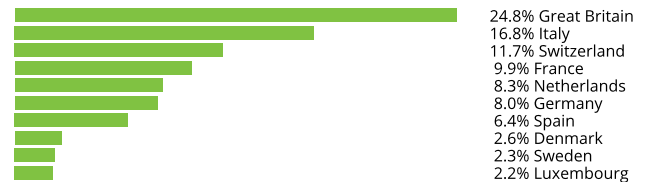
Descriptive statistics

| 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 Carry Factor Index | N/A | 98.2 | 0.9 | 0.7 | 3.6 | 0.2 | 3.6 | 0.2 | 2.8 |
| STOXX Europe Total Market Index | 13,970.4 | 10,519.3 | 5.6 | 0.8 | 304.5 | 0.0 | 2.9 | 0.0 | 2.8 |

Supersector weighting (top 10)



Country weighting



Risk and return figures¹

| Index returns | Return (%) | | | | | Annualized return (%) | | | | |
|----------------------------------|---------------------------|------|------|------|------|--------------------------------------|------|------|------|------|
| | Last month | YTD | 1Y | 3Y | 5Y | Last month | YTD | 1Y | 3Y | 5Y |
| iSTOXX Europe Carry Factor Index | -2.6 | 5.3 | -1.6 | 25.6 | 14.0 | N/A | N/A | -1.6 | 8.0 | 2.7 |
| STOXX Europe Total Market Index | -3.2 | 6.1 | 1.2 | 28.7 | 16.4 | N/A | N/A | 1.2 | 8.8 | 3.1 |
| Index volatility and risk | Annualized volatility (%) | | | | | Annualized Sharpe ratio ² | | | | |
| iSTOXX Europe Carry Factor Index | 11.0 | 12.7 | 15.5 | 15.8 | 17.6 | N/A | N/A | -0.2 | 0.5 | 0.2 |
| STOXX Europe Total Market Index | 11.3 | 12.9 | 15.6 | 16.3 | 18.0 | N/A | N/A | -0.1 | 0.5 | 0.2 |
| Index to benchmark | Correlation | | | | | Tracking error (%) | | | | |
| iSTOXX Europe Carry Factor Index | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 2.2 | 2.8 | 3.0 | 3.3 | 3.4 |
| Index to benchmark | Beta | | | | | Annualized information ratio | | | | |
| iSTOXX Europe Carry Factor Index | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 2.9 | -0.7 | -0.9 | -0.3 | -0.2 |

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

² Based on EURIBOR1M

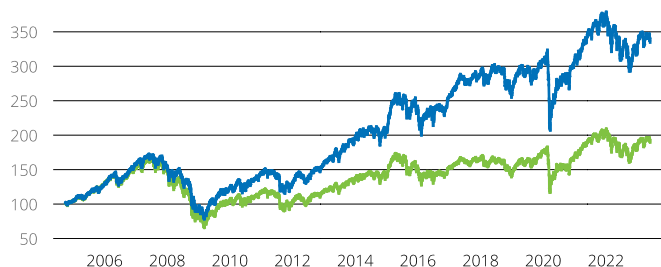
(EUR, price), all data as of May 31, 2023

ISTOXX INDICES

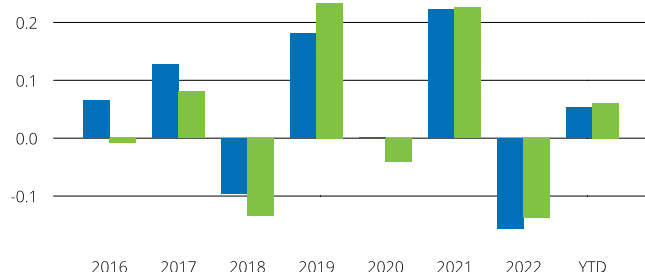
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Fundamentals (for last 12 months)

| 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 |
| iSTOXX Europe Carry Factor Index | 53.6 | 12.9 | 11.6 | 12.1 | 1.9 | 2.2 | 0.9 | 1.4 |
| STOXX Europe Total Market Index | 17.6 | 12.8 | 13.2 | 12.5 | 1.8 | 2.7 | 1.1 | 1.8 |

Performance and annual returns⁴

— iSTOXX® Europe Carry Factor Index — STOXX® Europe Total Market Index



■ iSTOXX® Europe Carry Factor Index ■ STOXX® Europe Total Market Index

Methodology

Components are selected from the STOXX Europe Total Market Index following an optimization based factor exposure and a set of constraints.

Each factor, as input for the index optimization, consists of several base or sub-factors. Those sub-factors consist of different ratios calculated from base data (balance sheet, income statement, price or estimates for instance) or from other sub-factors. Those are grouped by topic or style and each group combined creates the final factor. The multi-factor derives its final factor value from the composite of all single factors of the index family.

The detailed methodology including the calculation formula can be found in our rulebook (<http://www.stoxx.com/indices/rulebooks.html>), while details regarding the optimization process can be found in the SunGard APT Modeling Guide (<http://empower.fisglobal.com/rs/134-VDF-014/images/APT-Modelling-Guide.pdf>)

Versions and symbols

| Index | ISIN | Symbol | Bloomberg | Reuters |
|------------------|--------------|----------|---------------|-----------|
| Gross Return EUR | CH0316370201 | ISECFEGR | | .ISECFEGR |
| Gross Return EUR | CH0316370201 | ISECFEGR | | .ISECFEGR |
| Net Return EUR | CH0316370193 | ISECFER | ISECFER INDEX | .ISECFER |
| Net Return EUR | CH0316370193 | ISECFER | ISECFER INDEX | .ISECFER |
| Net Return EUR | CH0316370193 | ISECFER | ISECFER INDEX | .ISECFER |
| Price EUR | CH0316370185 | ISECFEP | | .ISECFEP |
| Price EUR | CH0316370185 | ISECFEP | | .ISECFEP |
| Price EUR | CH0316370185 | ISECFEP | | .ISECFEP |
| Price EUR | CH0316370185 | ISECFEP | | .ISECFEP |

Complete list available here: www.stoxx.com/data/vendor_codes.html

Quick facts

| | |
|--------------------------|--|
| Weighting | Optimizer: maximize the index factor exposure under a set of |
| Cap factor | 10% on a component level |
| No. of components | Variable |
| Review frequency | Monthly |
| Calculation/distribution | realtime 15 sec |
| Calculation hours | 09:00 CET 18:00 CET |
| Base value/base date | 100 as of Apr. 4, 2016 |
| History | Available daily back to Oct. 1, 2004 |
| Inception date | Apr. 4, 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.

³ Net dividend yield is calculated as net return index return minus price index return

⁴ STOXX data from Oct. 01, 2004 to May 31, 2023

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Top 10 Components⁵

| Company | Supersector | Country | Weight (%) |
|----------------|--------------------|----------------|-------------------|
| null | Oil & Gas | null | null |
| null | Oil & Gas | null | null |
| null | Oil & Gas | null | null |
| null | Oil & Gas | null | null |
| null | Oil & Gas | null | null |
| null | Oil & Gas | null | null |
| null | Oil & Gas | null | null |
| null | Oil & Gas | null | null |
| null | Oil & Gas | null | null |
| null | Oil & Gas | null | null |

⁵ Based on the composition as of May 31, 2023
