

# ISTOXX® EUROPE LOW VARIANCE WEIGHTED 120 INDEX

## Index description

Two indices are calculated: the iSTOXX Europe Low Variance Weighted 120 Index and the iSTOXX Europe Low Variance Beta Adjusted Index. The iSTOXX Europe Low Variance Weighted 120 Index is designed to track the 120 least volatile stocks from the STOXX Europe 600 using a liquidity filter (six-month average daily trading volume above EUR3 million). The iSTOXX Europe Low Variance Adjusted Beta Index is based on the iSTOXX Europe Low Variance Weighted 120 (Net EUR) Index and aims to leverage its beta exposure. Hence, the index can help investors improve their return versus risk profile.

## Key facts

» Concept is based on the well-known STOXX Europe 600 Index which provides a broad yet liquid representation of large-, mid- and small-cap companies in Europe. The liquidity of the index constituents improves tradability.

» Leverage is defined as inverse of the beta and can be between 50% and 200%. Thus, negative equity exposure is explicitly forbidden.

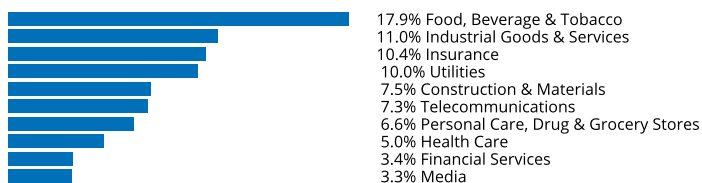
» Investors have an additional choice to access a low volatility index whose systematic exposure is reviewed monthly to achieve superior return performance

» By reviewing the index monthly, the risk and return profile is adjusted continuously and can help achieve superior returns

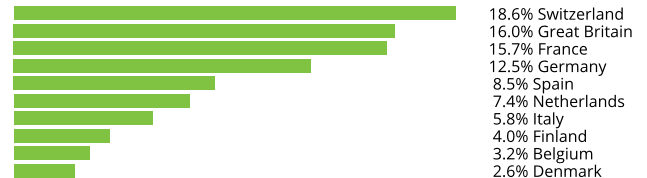
## Descriptive statistics

Index	Market cap (USD bn.)		Components (USD bn.)				Component weight (%)		Turnover (%)
	Full	Free-float	Mean	Median	Largest	Smallest	Largest	Smallest	Last 12 months
iSTOXX Europe Low Variance Weighted 120 Index	N/A	123.5	1.0	1.0	1.2	0.9	1.0	0.7	152.4
STOXX Europe 600 Index	13,145.5	10,320.5	17.2	6.0	324.6	0.4	3.1	0.0	3.4

## 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
iSTOXX Europe Low Variance Weighted 120 Index	-6.1	8.0	-1.4	19.7	17.8	N/A	N/A	-1.4	6.2	3.4
STOXX Europe 600 Index	-5.9	8.1	4.1	33.1	22.0	N/A	N/A	4.2	10.1	4.1
Index volatility and risk	Annualized volatility (%)					Annualized Sharpe ratio <sup>2</sup>				
iSTOXX Europe Low Variance Weighted 120 Index	10.7	14.3	18.0	15.7	17.0	N/A	N/A	-0.2	0.4	0.2
STOXX Europe 600 Index	13.5	17.3	21.6	19.9	20.5	N/A	N/A	0.1	0.5	0.2
Index to benchmark	Correlation					Tracking error (%)				
iSTOXX Europe Low Variance Weighted 120 Index	0.9	0.9	1.0	0.9	0.9	5.7	5.8	6.6	7.7	7.1
Index to benchmark	Beta					Annualized information ratio				
iSTOXX Europe Low Variance Weighted 120 Index	0.7	0.8	0.8	0.7	0.8	-0.6	-0.2	-1.0	-0.6	-0.2

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

<sup>2</sup> Based on EURIBOR1M

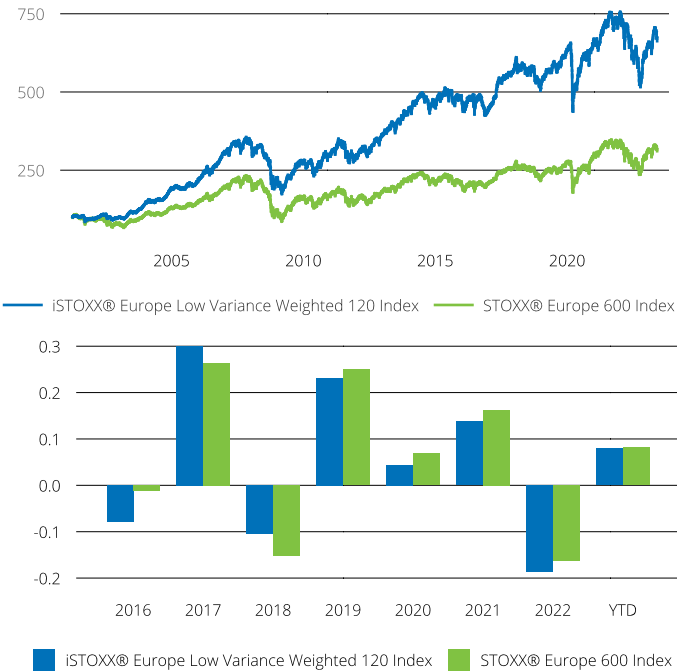
(USD, net return), all data as of May 31, 2023

## ISTOXX INDICES

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## Fundamentals (for last 12 months)

Index	Price/earnings incl. negative		Price/earnings excl. negative		Price/ book	Dividend yield (%)	Price/ sales	Price/ cash flow
	Trailing	Projected	Trailing	Projected	Trailing	Trailing	Trailing	Trailing
iSTOXX Europe Low Variance Weighted 120 Index	17.4	14.5	15.6	14.5	1.8	N/A	1.0	0.4
STOXX Europe 600 Index	15.2	12.7	13.4	12.5	1.8	2.7	1.2	1.7

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

## Methodology

STOXX Europe Low Variance Weighted 120 Index: selection of the 120 least volatile stocks from the STOXX Europe 600 Index on a monthly basis with the cut-off date on the first Friday of the month. To be eligible for selection, the components must have a six-month average daily trading volume (ADTV) of more than 3 million euros. The remaining stocks are then ranked in ascending order by their volatility, i.e. the 120 least volatile stocks are selected.

iSTOXX Europe Low Variance Adjusted Beta Index: the beta of the above described iSTOXX Europe Low Variance Weighted 120 Index (LVI) which is the sensitivity of Low Variance index log returns relative to the STOXX Europe 600 Net Return EUR log returns is calculated on the trading day following each review cut-off date and is implemented on the third Friday of the month. The detailed methodology, including calculation formula and full requirements, can be found in our rulebook:

[www.stoxx.com/indices/rulebooks.html](http://www.stoxx.com/indices/rulebooks.html)

## Versions and symbols

Index	ISIN	Symbol	Bloomberg	Reuters
Net Return EUR	CH0198375807	ISLVIR	ISLVIR INDEX	.ISLVIR
Net Return USD	CH0198784123	ISLVIV		.ISLVIV

Complete list available here: [www.stoxx.com/data/vendor\\_codes.html](http://www.stoxx.com/data/vendor_codes.html)

## Quick facts

Weighting	Equally weighted for Low Variance Weighted (LVI)
Cap factor	No
No. of components	120 for Low Variance Weighted Index
Review frequency	Monthly
Calculation/distribution	Both indices: net return (EUR): realtime (every 15 seconds)
Calculation hours	Realtime (15 sec.): iSTOXX Europe Low Variance Beta Adjusted:
Base value/base date	1,000 at Dec. 31, 2007
History	Available daily back to Mar. 30, 2001
Inception date	Feb. 4, 2013

## 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 a wide range of customization, in terms of component selection, weighting schemes and personalized calculation methodologies.

<sup>4</sup> STOXX data from Mar. 30, 2001 to May 31, 2023

## ISTOXX® EUROPE LOW VARIANCE WEIGHTED 120 INDEX

Top 10 Components<sup>4</sup>

<b>Company</b>	<b>Supersector</b>	<b>Country</b>	<b>Weight (%)</b>
TALANX	Insurance	Germany	0.97
COMPASS GRP	Consumer Products & Services	Great Britain	0.91
HANNOVER RUECK	Insurance	Germany	0.91
FLUGHAFEN ZURICH	Industrial Goods & Services	Switzerland	0.90
TELEFONICA	Telecommunications	Spain	0.89
HELVETIA HLDG	Insurance	Switzerland	0.89
MUENCHENER RUECK	Insurance	Germany	0.89
EDENRED	Industrial Goods & Services	France	0.88
SCOTTISH & SOUTHERN ENERGY	Utilities	Great Britain	0.88
ROCHE HLDG P	Health Care	Switzerland	0.88

<sup>4</sup> Based on the composition as of May 31, 2023

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