

# STOXX® CANADA 240 MINIMUM VARIANCE INDEX

## Index description

The STOXX Canada 240 Minimum Variance index weights the components of the underlying STOXX Canada 240 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.).

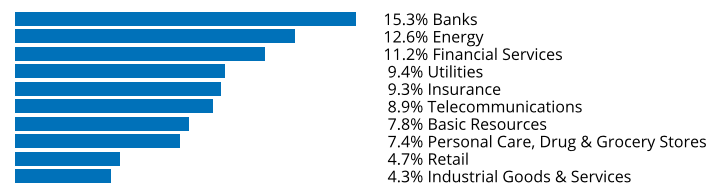
»Capping constraints are applied in accordance with the Undertakings for Collective Investment in Transferable Securities (UCITS) directive to ensure that funds can easily track the index.

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

## Descriptive statistics

Index	Market cap (CAD bn.)		Components (CAD bn.)				Component weight (%)		Turnover (%)
	Full	Free-float	Mean	Median	Largest	Smallest	Largest	Smallest	Last 12 months
STOXX Canada 240 Minimum Variance Index	N/A	148.0	2.5	2.1	9.5	0.1	6.4	0.0	30.1
STOXX Canada 240 Index	2,065.3	1,877.3	7.8	2.1	116.1	0.2	6.2	0.0	2.7

## 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 Canada 240 Minimum Variance Index	-4.1	4.8	2.1	39.7	46.3	N/A	N/A	2.1	11.9	8.0
STOXX Canada 240 Index	-2.5	0.7	-9.8	55.7	47.2	N/A	N/A	-9.8	16.0	8.1
Index volatility and risk	Annualized volatility (%)					Annualized Sharpe ratio <sup>2</sup>				
STOXX Canada 240 Minimum Variance Index	8.1	7.6	11.7	10.7	15.8	N/A	N/A	0.0	1.0	0.5
STOXX Canada 240 Index	15.2	13.1	16.5	15.9	20.2	N/A	N/A	-0.7	0.9	0.4
Index to benchmark	Correlation					Tracking error (%)				
STOXX Canada 240 Minimum Variance Index	0.7	0.7	0.8	0.8	0.9	10.8	9.1	9.2	10.0	9.5
Index to benchmark	Beta					Annualized information ratio				
STOXX Canada 240 Minimum Variance Index	0.4	0.4	0.6	0.5	0.7	-1.9	1.0	1.2	-0.5	-0.1

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

<sup>2</sup> Based on EURIBOR1M

(CAD, gross return), all data as of May 31, 2023

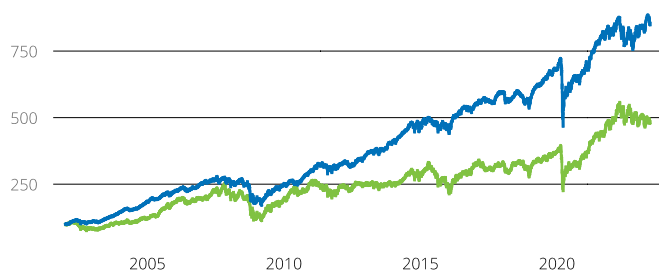
## MINIMUM VARIANCE

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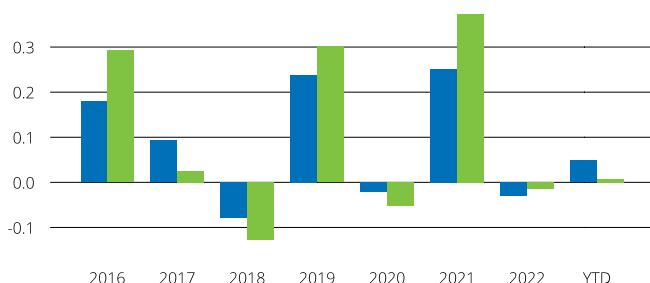
## Fundamentals (for last 12 months)

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 Canada 240 Minimum Variance Index	17.6	15.7	17.4	15.7	2.1	3.5	1.6	18.5
STOXX Canada 240 Index	15.9	13.7	14.5	13.4	1.8	2.9	1.7	19.8

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



— STOXX® Canada 240 Minimum Variance Index — STOXX® Canada 240 Index



■ STOXX® Canada 240 Minimum Variance Index ■ STOXX® Canada 240 Index

## 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 CAD	CH0180138940	SA2CMVCB	SA2CMVCB INDEX	.XA2CMVCB
Net Return CAD	CH0180138932	SA2CMVDA	SA2CMVDA INDEX	.XA2CMVDA
Price CAD	CH0180138924	SA2CMVCA	SA2CMVCA INDEX	.XA2CMVCA
Gross Return EUR	CH0180138353	SA2CMVGR		.XA2CMVGR
Net Return EUR	CH0180138197	SA2CMVR		.XA2CMVR
Net Return EUR	CH0180138197	SA2CMVR		.SXA2CMVR
Price EUR	CH0180138031	SA2CMVP		.XA2CMVP
Price EUR	CH0180138031	SA2CMVP		.SXA2CMVP
Gross Return USD	CH0180138833	SA2CMGV		.XA2CMGV
Net Return USD	CH0180138676	SA2CMVV		.SXA2CMVV

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 (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

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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>3</sup> gr. div. yield is calculated as gr. return index return minus price index return

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

(CAD, gross return), all data as of May 31, 2023

## MINIMUM VARIANCE

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### Top 10 Components<sup>5</sup>

<b>Company</b>	<b>Supersector</b>	<b>Country</b>	<b>Weight (%)</b>
BCE Inc.	Telecommunications	Canada	6.44
National Bank of Canada	Banks	Canada	5.79
Thomson Reuters Corp.	Financial Services	Canada	4.95
INTACT FINANCIAL	Insurance	Canada	4.82
HOME CAP.GP.'B'	Financial Services	Canada	4.69
Metro Inc. CIA	Personal Care, Drug & Grocery Stores	Canada	3.95
STANTEC	Construction & Materials	Canada	3.83
FRANCO-NEVADA	Basic Resources	Canada	3.63
Enbridge Inc.	Energy	Canada	3.19
ALIMENTATION CCH.TARD	Retail	Canada	2.83

<sup>5</sup> Based on the composition as of May 31, 2023