STOXX® EUROPE 600 INDUSTRY NEUTRAL AX VALUE INDEX

Index description

STOXX Industry Neutral Single and Multi-Factor Indices aim to harvest the risk premia of several academically validated style factors — Value, Momentum, Quality, Size and Low Risk within each ICB Industry. At the same time the rules ensure tradability and diversification as well as limit untargeted systematic exposures.

STOXX uses Axioma's risk model and optimizer to construct the industry neutral factor indices. The STOXX industry neutral single and multi-factor indices are based on the respective STOXX country or regional benchmark indices.
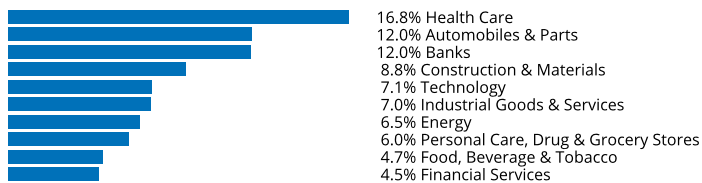
Key facts

»Invest in targeted factor exposures with managed liquidity and risk profiles across various regions

»Use of Axiomas factor risk models and portfolio construction expertise to define the factors based on extensive validation from research and having a clear economic rationale

»Factor family consists of 5 single factor indices (Value, Momentum, Quality, Low Risk, and Size) and one multi-factor index

»Same index construction rules applied across the factor family

»Strict neutrality imposed on ICB Industries to remove industry bets relative to the respective benchmarks

»Single factor indices maximize the target factor while constraining the exposure to other factors

»Multi-factor index employs a bottom-up approach by maximizing the exposure to an equally weighted aggregated multi-factor score

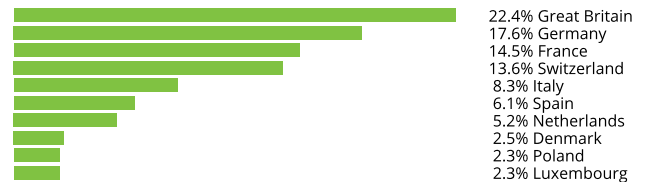»Ensures tradability by managing turnover and exposure to illiquid positions

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 Europe 600 Industry Neutral Ax Value Index	N/A	95.2	1.0	0.6	5.7	0.0	6.0	0.0	49.8
STOXX Europe 600 Index	12,330.3	9,680.5	16.1	5.6	304.5	0.4	3.1	0.0	3.4

Supersector weighting (top 10)

16.8% Health Care
12.0% Automobiles & Parts
12.0% Banks
8.8% Construction & Materials
7.1% Technology
7.0% Industrial Goods & Services
6.5% Energy
6.0% Personal Care, Drug & Grocery Stores
4.7% Food, Beverage & Tobacco
4.5% Financial Services

Country weighting

22.4% Great Britain
17.6% Germany
14.5% France
13.6% Switzerland
8.3% Italy
6.1% Spain
5.2% Netherlands
2.5% Denmark
2.3% Poland
2.3% Luxembourg

Risk and return figures[1]

Index returns						Return (%)				Annualized return (%)
	Last month	YTD	1Y	3Y	5Y	Last month	YTD	1Y	3Y	5Y
STOXX Europe 600 Industry Neutral Ax Value Index	-2.8	6.7	-1.2	47.0	16.5	N/A	N/A	-1.2	13.8	3.1
STOXX Europe 600 Index	-2.3	8.8	5.3	41.2	37.4	N/A	N/A	5.3	12.3	6.6
Index volatility and risk					Annualized volatility (%)				Annualized Sharpe ratio[2]	
STOXX Europe 600 Industry Neutral Ax Value Index	13.8	15.0	17.0	18.0	20.7	N/A	N/A	-0.2	0.7	0.2
STOXX Europe 600 Index	11.6	12.9	15.5	16.3	17.9	N/A	N/A	0.2	0.7	0.4
Index to benchmark					Correlation				Tracking error (%)	
STOXX Europe 600 Industry Neutral Ax Value Index	0.9	0.9	0.9	0.9	1.0	5.5	5.6	5.7	5.9	6.2
Index to benchmark					Beta				Annualized information ratio	
STOXX Europe 600 Industry Neutral Ax Value Index	1.1	1.1	1.0	1.0	1.1	-1.0	-0.8	-1.1	0.2	-0.5

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

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

STOXX Ltd. is part of Qontigo

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STOXX® EUROPE 600 INDUSTRY NEUTRAL AX VALUE 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 Europe 600 Industry Neutral Ax Value Index	7.0	6.9	6.4	6.9	0.7	4.0	0.5	0.2
STOXX Europe 600 Index	15.2	12.7	13.4	12.5	1.8	3.4	1.2	1.7

Performance and annual returns[4]

— STOXX® Europe 600 Industry Neutral Ax Value Index

— STOXX® Europe 600 Index

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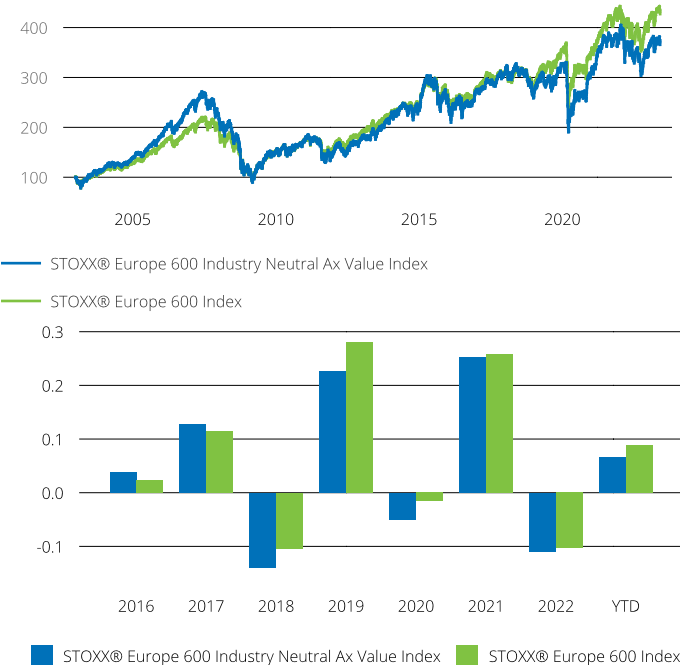
Methodology

Bringing together the powerful indexing and analytics capabilities of Qontigo, the STOXX Industry Neutral Factor Index suite delivers more clarity to the market for factor investors by relying on the institutionally tested analytics of Axioma Factor Risk Models and advanced portfolio construction techniques. The use of Axiomas risk models ensures strong exposure to the respective target factor (Value, Momentum, Quality, Low Risk, Size, Multi-Factor) while allowing for ease of control over unintended exposures. The inclusion of constraints targets benchmark tracking with country controls and industry neutrality constraints, and ensures tradability by limiting exposure to less liquid names and turnover while controlling for effective number of names and weights.

Versions and symbols

Index		ISIN	Symbol	Bloomberg	Reuters
Gross Return	EUR	CH0462360360	SAXPNVAU	SAXPNVAU INDEX	.SAXPNVAU
Net Return	EUR	CH0462360352	SAXPNVAR	SAXPNVAR INDEX	.SAXPNVAR
Price	EUR	CH0462360345	SAXPNVAP		.SAXPNVAP
Gross Return	USD	CH0462360394	SAXPNVAS		.SAXPNVAS
Net Return	USD	CH0462360386	SAXPNVAV		.SAXPNVAV
Price	USD	CH0462360378	SAXPNVAL		.SAXPNVAL

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.)
Calculation/distribution	dayend
Calculation hours	18:00:00 18:00:00
Base value/base date	100 as of Mar. 19, 2012
History	Available since 31 Dec 2002
Inception date	Feb. 17, 2021

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] gr. div. yield is calculated as gr. return index return minus price index return
[4] STOXX data from Jan. 02, 2003 to May 31, 2023

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

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STOXX® EUROPE 600 INDUSTRY NEUTRAL AX VALUE INDEX

Top 10 Components[5]

Company	Supersector	Country	Weight (%)
STELLANTIS	Automobiles & Parts	Italy	5.97
BARCLAYS	Banks	Great Britain	5.73
NOVARTIS	Health Care	Switzerland	4.52
DEUTSCHE BANK	Banks	Germany	3.79
Holcim	Construction & Materials	Switzerland	3.78
BRITISH AMERICAN TOBACCO	Food, Beverage & Tobacco	Great Britain	3.27
TELEFONICA	Telecommunications	Spain	3.14
SANOFI	Health Care	France	3.12
Prosus	Technology	Netherlands	2.47
ARCELORMITTAL	Basic Resources	Luxembourg	2.30

[5] Based on the composition as of May 31, 2023