

# ISTOXX® EUROPE QUALITY INCOME UH INDEX

## Index description

The iSTOXX Europe Quality Income UH Index aims to capture the performance of shares that offer attractive and sustainable dividend yields. The index is a fundamental driven concept to obtain sustainable dividend yields through a sophisticated screening and calculation algorithm. It selects companies that may offer lower risk and higher quality by including a large number of fundamental ratios.

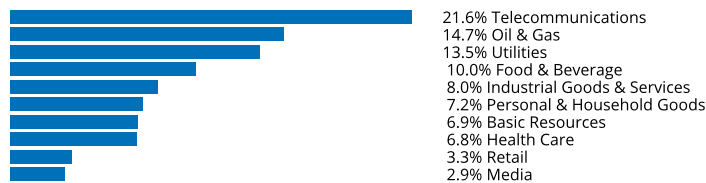
## Key facts

» The quality income strategy is based on two principles. The first is that historically, dividend yield has been the dominant component of equity returns. The second is that equity investors are not rewarded for buying higher risk stocks. The index aims to identify a universe of assets that may offer lower risk and higher quality. A set of measures aims to reduce the overall volatility, beta and drawdown of the portfolio and also reduces the probability of dividend cuts. None of the quality measures incorporate any forecasts and are solely based on reported information.

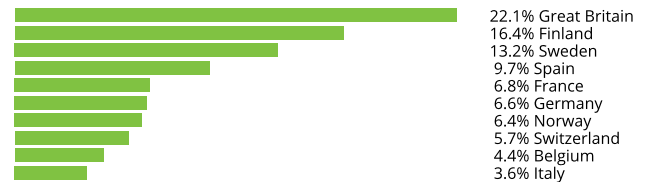
## Descriptive statistics

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 Quality Income UH Index	0.0	3.2	0.1	0.1	0.1	0.1	3.9	1.7	86.1
STOXX Europe 600 Index	10,305.9	8,238.0	13.7	6.3	201.7	1.2	2.4	0.0	3.0

## 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 Quality Income UH Index	1.4	1.9	-4.6	-6.7	28.2	N/A	N/A	-4.6	-2.3	5.2
STOXX Europe 600 Index	0.1	0.3	1.0	4.1	46.0	N/A	N/A	1.0	1.4	8.0
Index volatility and risk	Annualized volatility (%)					Annualized Sharpe ratio <sup>2</sup>				
iSTOXX Europe Quality Income UH Index	7.8	11.8	9.9	14.9	13.7	N/A	N/A	-0.5	-0.2	0.4
STOXX Europe 600 Index	8.9	12.5	10.4	16.8	15.5	N/A	N/A	0.1	0.1	0.5
Index to benchmark	Correlation					Tracking error (%)				
iSTOXX Europe Quality Income UH Index	0.9	0.9	0.9	0.9	0.9	4.4	5.5	5.5	6.9	6.3
Index to benchmark	Beta					Annualized information ratio				
iSTOXX Europe Quality Income UH Index	0.8	0.9	0.8	0.8	0.8	3.2	0.7	-1.1	-0.6	-0.5

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

<sup>2</sup> Based on EURIBOR1M

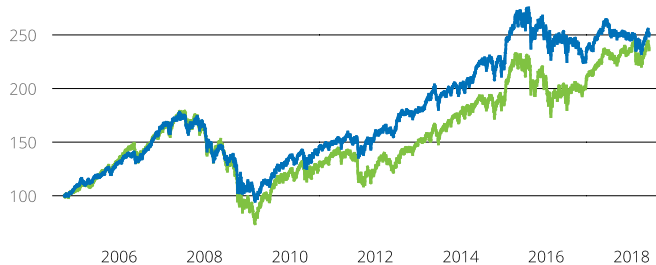
(EUR, net return), all data as of May 31, 2018

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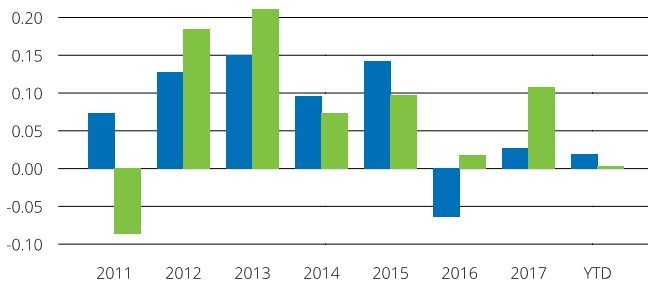
## Fundamentals (for last 12 months)

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
iSTOXX Europe Quality Income UH Index	15.8	14.8	15.8	14.8	2.3	4.6	1.4	17.8
STOXX Europe 600 Index	15.7	14.0	14.8	14.0	1.8	2.8	1.1	8.0

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



— iSTOXX® Europe Quality Income UH Index — STOXX® Europe 600 Index



■ iSTOXX® Europe Quality Income UH Index ■ STOXX® Europe 600 Index

## Methodology

The index universe is the STOXX® Europe 600 ex Financials Index.

Components are selected based on the following criteria:

- » Quality score: is a set of measures based on fundamental ratios, such as return on assets, cash flow from operations, leverage etc.
- » Balance sheet risk score: measures the credit quality of a company
- » Expected dividend yield
- » Liquidity: measured by the average daily traded volume and free-float market cap of a component.

The detailed methodology including the calculation formula can be found in our rulebook: <http://www.stoxx.com/indices/rulebooks.html>

## Versions and symbols

Index	ISIN	Symbol	Bloomberg	Reuters
Gross Return EUR	CH0245691461	SXEQIG		.SXEQIG
Net Return EUR	CH0245691354	SXEQIN		.SXEQIN
Price EUR	CH0245672800	SXEQIP	SXEQIP INDEX	.SXEQIP
Gross Return USD	CH0246177825	SXEQIV		.SXEQIV
Net Return USD	CH0246177643	SXEQIK		.SXEQIK
Price USD	CH0246177288	SXEQUI		.SXEQUI

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

## Quick facts

Weighting	Price weighted with a weight factor to achieve equal weighting
No. of components	Variable (between 25 and 75)
Review frequency	Quarterly in March, June, September and December
Calculation/distribution	Price, Net Return, Gross Return in EUR, USD Realtime, End-of-day
Base value/base date	100 as of Dec. 31, 2004
History	Available daily back until Dec. 31, 2004
Inception date	Jul. 17, 2014

## 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> Net dividend yield is calculated as net return index return minus price index return

<sup>4</sup> STOXX data from Sep. 20, 2004 to May 31, 2018

(EUR, net return), all data as of May 31, 2018

## ISTOXX® EUROPE QUALITY INCOME UH INDEX

Top 10 Components<sup>5</sup>

<b>Company</b>	<b>Supersector</b>	<b>Country</b>	<b>Weight (%)</b>
BP	Oil & Gas	GB	3.90
TATE & LYLE	Food & Beverage	GB	3.90
ROYAL DUTCH SHELL A	Oil & Gas	GB	3.67
GLAXOSMITHKLINE	Health Care	GB	3.64
ENI	Oil & Gas	IT	3.61
HUGO BOSS	Personal & Household Goods	DE	3.60
PERSIMMON	Personal & Household Goods	GB	3.58
TOTAL	Oil & Gas	FR	3.55
UPM KYMMENE	Basic Resources	FI	3.49
FORTUM	Utilities	FI	3.47

<sup>5</sup> Based on the composition as of May 31, 2018

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