SCOPE AND OBJECTIVE

The objective of the DAX ESG Target Index is to reflect the DAX Index while maximizing its ESG score and at the same time reducing its carbon intensity by at least 30%. The predicted tracking error is constrained with respect to the parent index. The index uses Sustainalytics’ Global Standards Screening as well as ESG exclusion filters for Severe Controversies, Weapons (Controversial Weapons, Military Contracting, Small Arms), Tobacco, Thermal Coal, Nuclear Power and Oil Sands.

KEY FACTS

- The index consists of 40 large ESG screened German securities listed on the Frankfurt Stock Exchange (FSE).
- The screens applied are based on responsible policies and aim to reduce reputational and idiosyncratic risks.
- Screening is provided by award winning ESG data provider Sustainalytics.
- The component weights are derived through an optimization process with the goal of maximizing the portfolio ESG score and reducing carbon intensity relative to the DAX Index by at least 30%.
- The Index is aligned with the SFDR® Article 8 and is considered as an ESG-Product (3) under the German associations concept.
- The index is suitable as underlying for ETFs, mandates, passive funds, structured products, and listed derivatives.

INDEX METHODOLOGY

The universe for the DAX ESG Target Index is defined by all stocks included in the HDAX®, which comprises the joint set of companies included in DAX, MDAX® and TecDAX®.

Companies identified as non-compliant based on Sustainalytics’ Global Standards Screening assessment, or which are involved in Weapons (Controversial Weapons, Military Contracting, Small Arms), Tobacco, Thermal Coal, Nuclear Power and Oil Sands are not eligible for selection.

The selection is a twostep approach: First, companies from the DAX Index that pass ESG screens are selected. Secondly, to reach the same number of constituents as in DAX Index, the largest companies from the HDAX with suitable ESG scores are selected. The weights are derived through an optimization process with the goal of maximizing the portfolio ESG Score. Securities are capped at 10% on a component level.

VERSIONS AND SYMBOLS

**DAX ESG TARGET**

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<th>ISIN</th>
<th>Symbol</th>
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1 Based on SFDR principal-based Level 1 requirements as of 10 March 2021
2 Pre-final, as of Q4 2021
ANNUAL RETURNS

KEY FIGURES

Name | DAX ESG®TARGET (NR) EUR | DAX ESG®TARGET (PR) EUR
--- | --- | ---
Performance YTD | 10.9% | 8.2%
Performance 1 Y | 28.2% | 25.1%
Performance 3 Y (annualized) | 5.3% | 2.9%
Performance 5 Y (annualized) | 4.3% | 1.8%
Volatility 30 D (annualized) | 9.9% | 9.9%
Volatility 1 Y (annualized) | 15.0% | 14.9%
Sharpe ratio 1 Y | 1.57 | 1.41
Market capitalization (EUR bn) | 99.1 | 99.1
Market capitalization (USD bn) | 104.9 | 104.9
ADTV (3 months, EUR mn) | 107 | 107
P/E (trailing) | 15.3 | 15.3
P/E (projected) | 11.5 | 11.5
Dividend yield 1 Y | 3.0% | -
Price/Book | 1.4 | 1.4

1 Capped free-float market cap

ABOUT STOXX

Qontigo’s index provider STOXX Ltd. is part of Deutsche Börse Group and the administrator of the DAX indices under the European Benchmark Regulation. STOXX Ltd. is an independent, leading index specialist. STOXX Ltd. is providing innovative index solutions for global markets and across all asset classes. The indices are licensed to the world’s largest issuers of financial products, capital owners and asset managers as well as to more than 500 companies around the world.

CUSTOMISATION

The index can be used as basis for the definition of customized indices, which can be tailored to specific client or mandate needs. STOXX Ltd. offers customization in almost unlimited forms for example in terms of component selection, weighting schemes and personalized calculation methodologies.

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BACKTESTED PERFORMANCE ASSESSMENT

This document contains index performance data based on back testing, 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.

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