

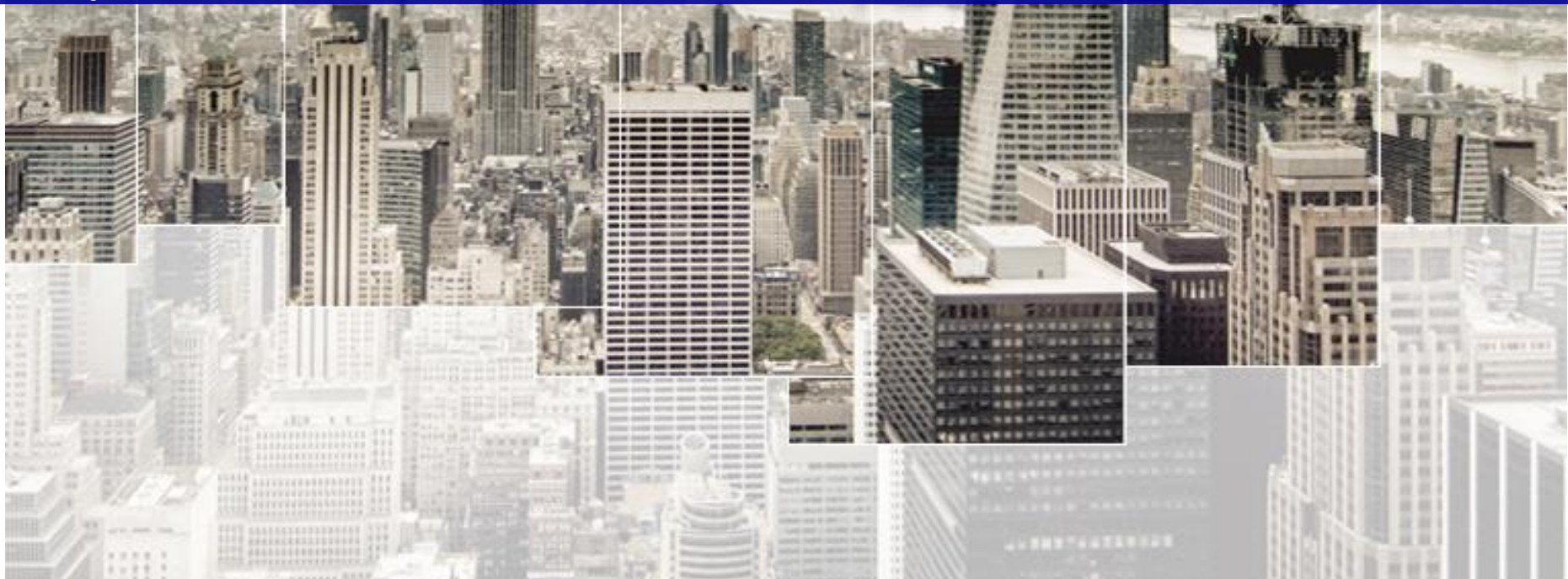
STOXX



EURO STOXX 50[®] ESG Index

Overview

August 2019



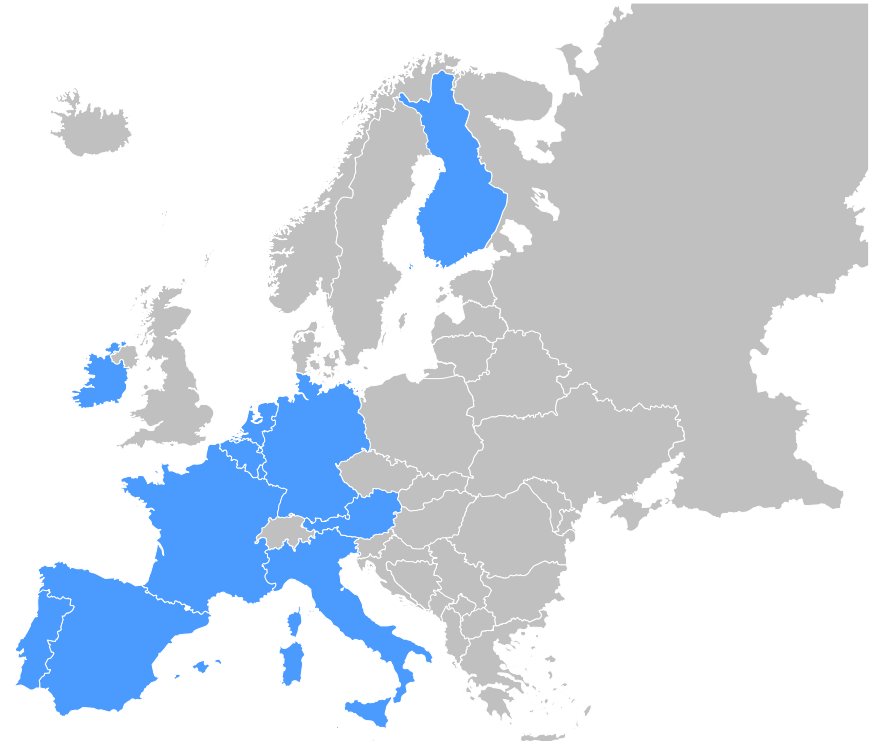
EURO STOXX 50

Liquid, diversified access to the Eurozone

Features

- **Comprehensive and transparent:** completely rules-based coverage of the Eurozone
- **Balanced:** selection mechanism ensures balanced representation of supersectors using Industry Classification Benchmark (ICB)
- **Representative and liquid:** coverage of about 60% of total free-float through liquid supersector leaders. Components ranked and weighted by free-float subject to 10% cap
- **Continuous pulse on market changes:** quarterly rebalancing, annual review
- **Established:** launched on Feb. 26, 1998

Regional coverage



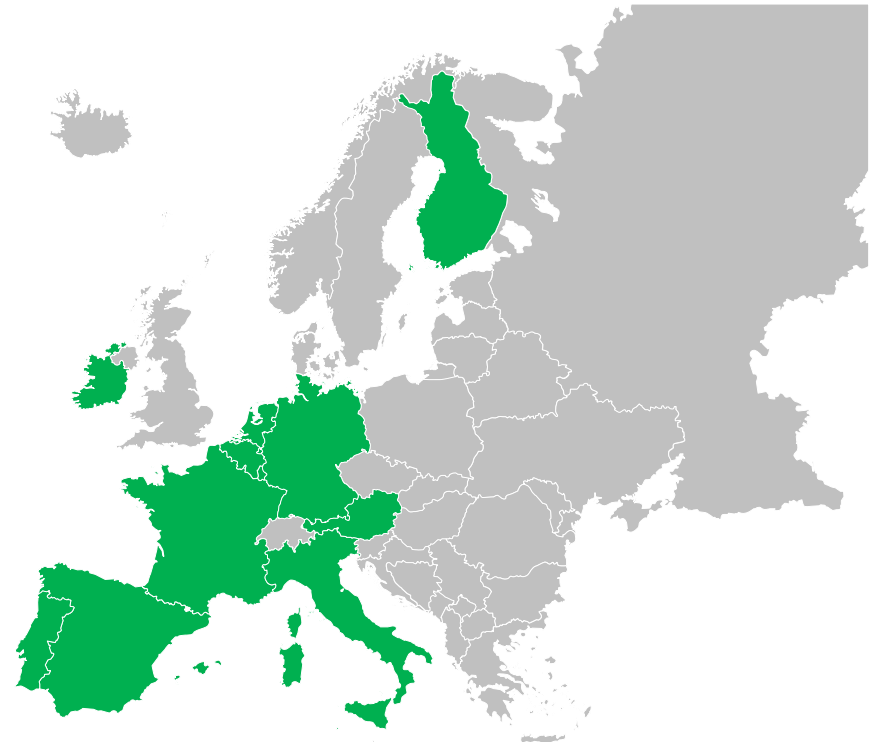
EURO STOXX 50 ESG

ESG version of Europe's most traded benchmark

Features

- **Comprehensive and transparent:** completely rules-based coverage of the Eurozone
- **Balanced:** selection mechanism ensures balanced representation of supersectors using Industry Classification Benchmark (ICB)
- **Representative and liquid:** coverage of about 60% of total free-float through liquid supersector leaders. Components ranked and weighted by free-float subject to 10% cap
- **Sustainability:** Integrating environmental, social and governance values
- **Continuous pulse on market changes:** quarterly rebalancing, annual review
- **Established:** launched on April 30, 2019

Regional coverage



Index Characteristics

Methodology Constituents & Market Cap

Weighting

Universe




EURO STOXX 50[®]

EURO STOXX

50
2,524 (EUR Billions)

Free Float Market Cap

Weight constituents by free-float market cap subject to 10% weight cap

EURO STOXX 50[®] ESG

EURO STOXX

Controversial and low sustainable companies are replaced based on ESG Integration criteria

50
2,413 (EUR Billions)

Free Float Market Cap

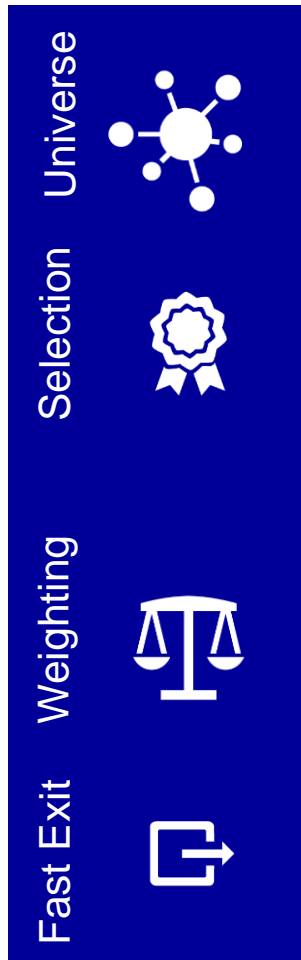
Weight constituents by free-float market cap subject to 10% weight cap

ESG Integration Replacement Criteria

	Exclusion	Inclusion
UN Global Compact	Non compliance with UN Global Compact Principles: Human rights, Labour rights, Environment, Anti-Corruption	
Controversial Weapons	Cluster weapons, anti-personal mines, biological and chemical weapons, depleted uranium, nuclear weapons and white phosphorus	
Tobacco	Tobacco producers (0% revenue threshold)	
Thermal Coal	>25% revenue threshold from thermal coal mining and exploration >25% coal power generating capacity	
ESG Scores	Bottom 10% based on ESG score	All excluded companies are replaced by companies with a higher ESG score in the same ICB Supersector. Ranked based on market capitalization

EURO STOXX 50 ESG index

Index Methodology



- EURO STOXX 50 index
- ESG Integration Replacement criteria:
 - Exclusion least sustainable companies - lowest 10% based on ESG score
 - UN Global Compact Compliance Principles
 - Involvement in Controversial Weapons
 - Anti-personnel mines, biological and chemical weapons, cluster weapons, depleted uranium, nuclear weapons and white phosphorus
 - Tobacco Producers (0% revenue threshold)
 - Thermal Coal
 - >25% revenue threshold from thermal coal mining and exploration
 - >25% power generating capacity (coal-fired electricity, heat or steam generation capacity / thermal coal electricity production)
 - All excluded companies are replaced by companies with a higher ESG score in the same ICB Supersector. Ranked based on market capitalization
- Free Float Market Cap
- A company is deleted from the index (t+2) if Sustainalytics raises the ESG-controversy risk level to level 5 (“Severe Risk”)

Fast-exit rule protects against ESG-incidents

ESG Corporate Action

Fast-exit rule

- In case a company's ESG risk level is raised to level 5, the respective company will be deleted from the index
- The deletion takes place two trading days after the announcement. The company will be replaced by companies with a higher ESG score in the same ICB supersector. Ranked based on market capitalization
- A fast entry is not applicable

Practice example: Volkswagen scandal

- Due to this fast-exit rule, STOXX was the first index provider to delete Volkswagen from its ESG indices.

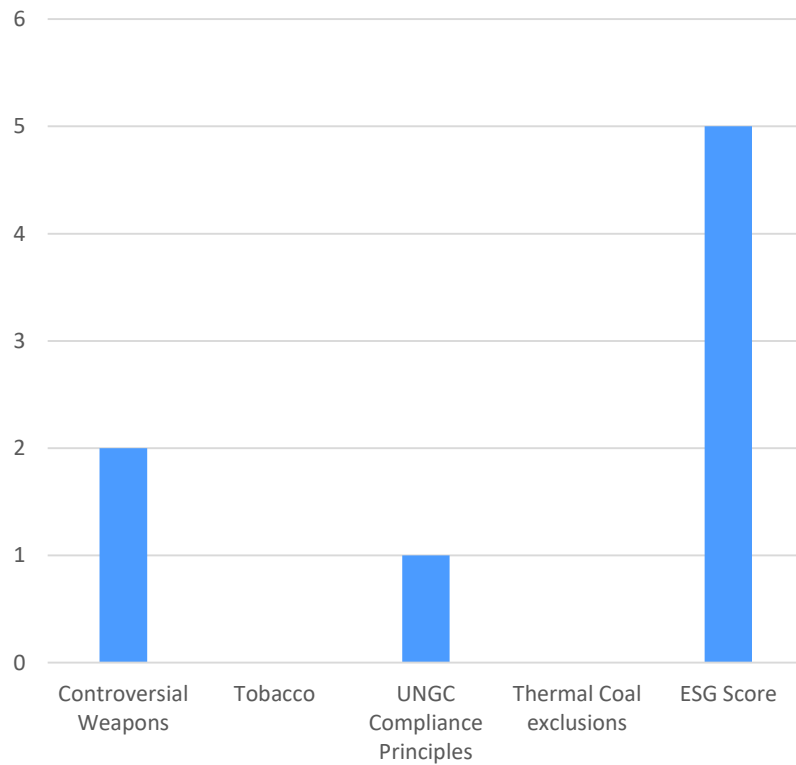
Timeline:

- » Friday, Sep. 18, 2015: the United States Environmental Protection Agency (EPA) issues a notice of violation of the Clean Air Act to Volkswagen Group, after it was found that the automaker had intentionally programmed diesel engines to activate certain emissions controls only during laboratory emissions testing
- » Wednesday, Sep. 23: Sustainalytics changes rating on VW and STOXX announces the deletion of Volkswagen from all STOXX ESG indices
- » Friday, Sep. 25: Deletion of Volkswagen from all STOXX ESG indices becomes effective

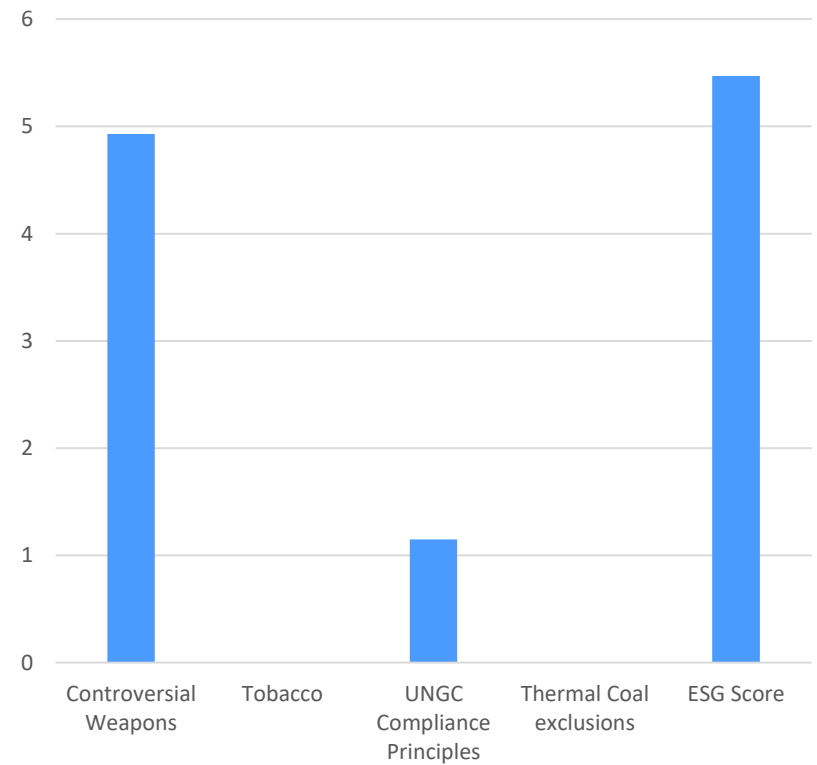
EURO STOXX 50 ESG

Overview per ESG Criteria¹⁾²⁾

No. of exclusions



Weight (%) in Euro STOXX 50



1) Source: STOXX. Data as of data as of July 24, 2019.

2) There are some overlaps between the reasons of exclusion, i.e. some companies breach one or more of the ESG-X type filters and/or are in the bottom 10% ESG scores

EURO STOXX 50 ESG

Risk and return characteristics

Risk and return characteristics ¹⁾²⁾		
	EURO STOXX 50 ESG	EURO STOXX 50
Perf. overall (annualized)	8.4%	8.4%
Perf. (1Y)	6.7%	7.1%
Perf. (3Y) (annualized)	11.2%	12.0%
Perf. (5Y) (annualized)	5.0%	5.2%
Vol. overall (annualized)	17.8%	17.9%
Volatility (1Y) (annualized)	13.2%	13.3%
Volatility (3Y) (annualized)	12.6%	12.7%
Volatility (5Y) (annualized)	17.8%	17.9%
Sharpe ratio (Overall)	0.55	0.55
Tracking Error (Overall)	0.9%	0.0%
Maximum drawdown	-27.1%	-27.8%
Constituents	50	50

Index performance¹⁾



1) Source: STOXX, daily data. Relative figures calculated against EURO STOXX 50 ESG EUR GR

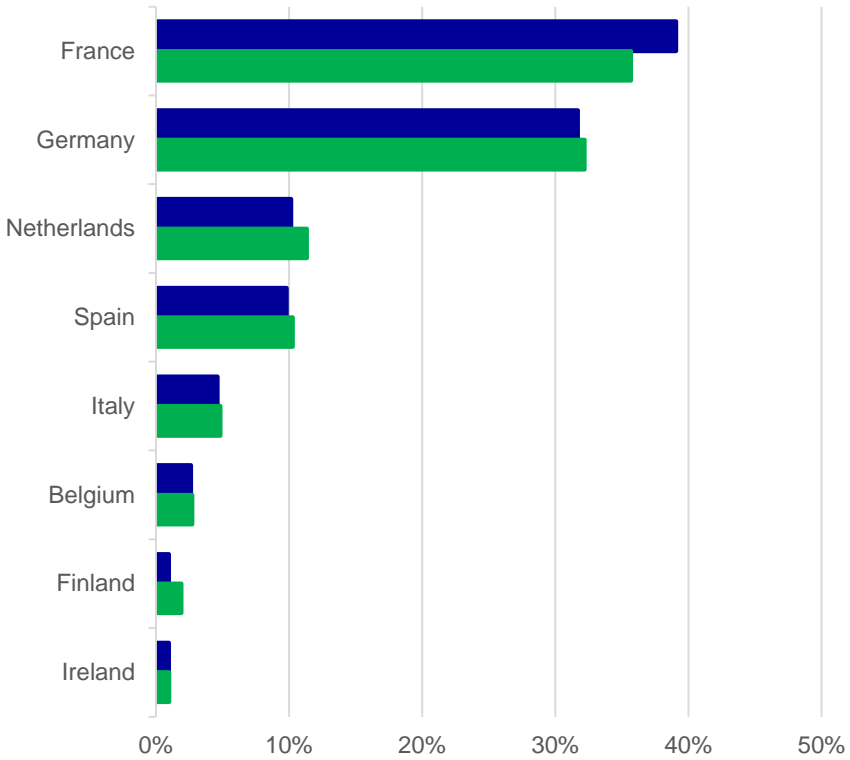
2) EONIA used as a proxy for riskless returns

3) STOXX Data as of June 28 2019

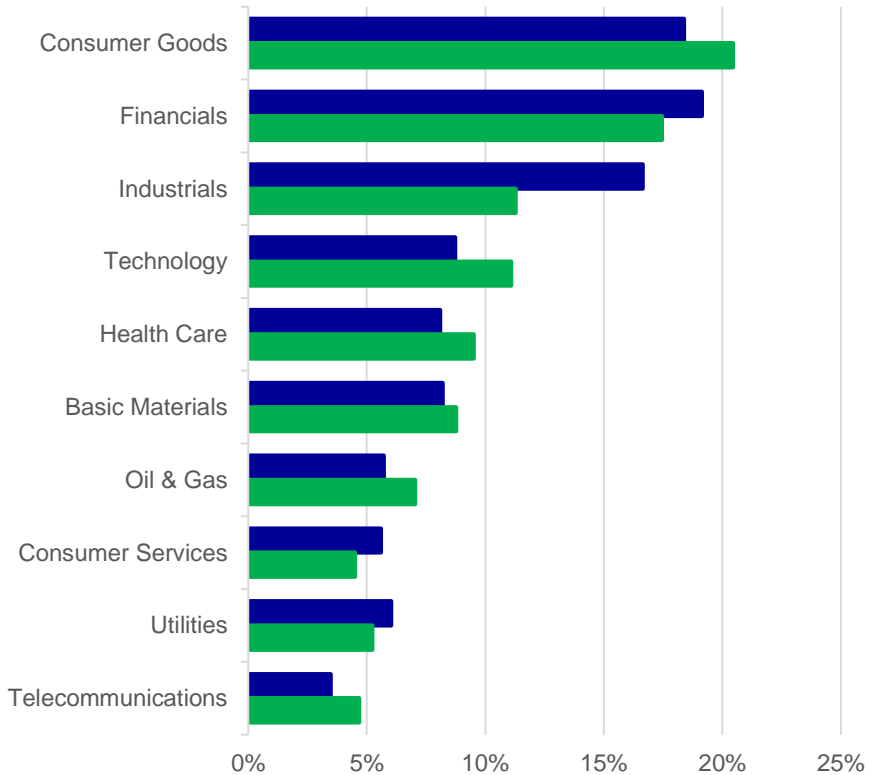
EURO STOXX 50 ESG

Maintains diversification across countries and industries

Country allocation¹⁾



Industry allocation¹⁾



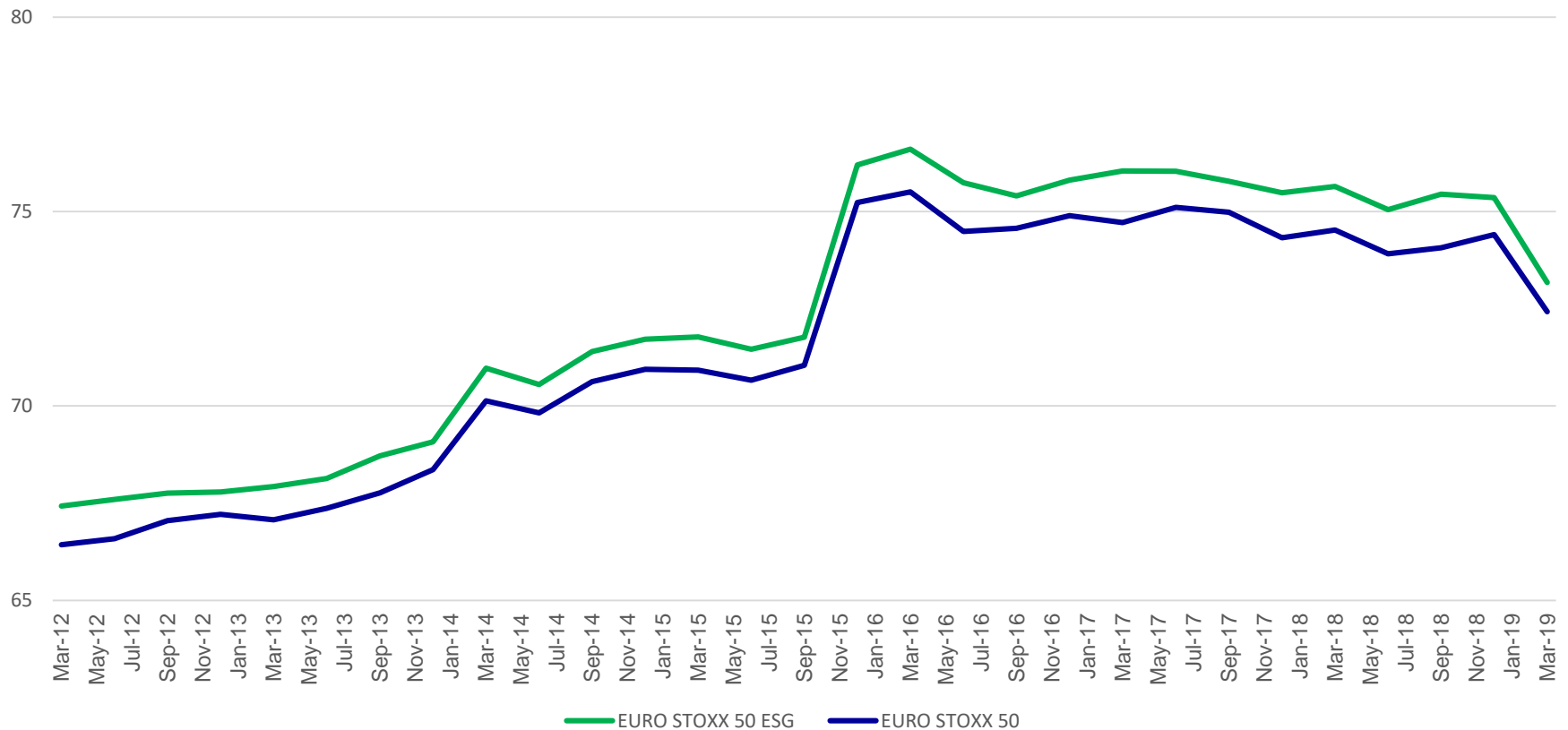
- EURO STOXX 50 ESG
- EURO STOXX 50

1) STOXX data as of June 28 2019

EURO STOXX 50 ESG

Improvement ESG Profile compared to EURO STOXX 50

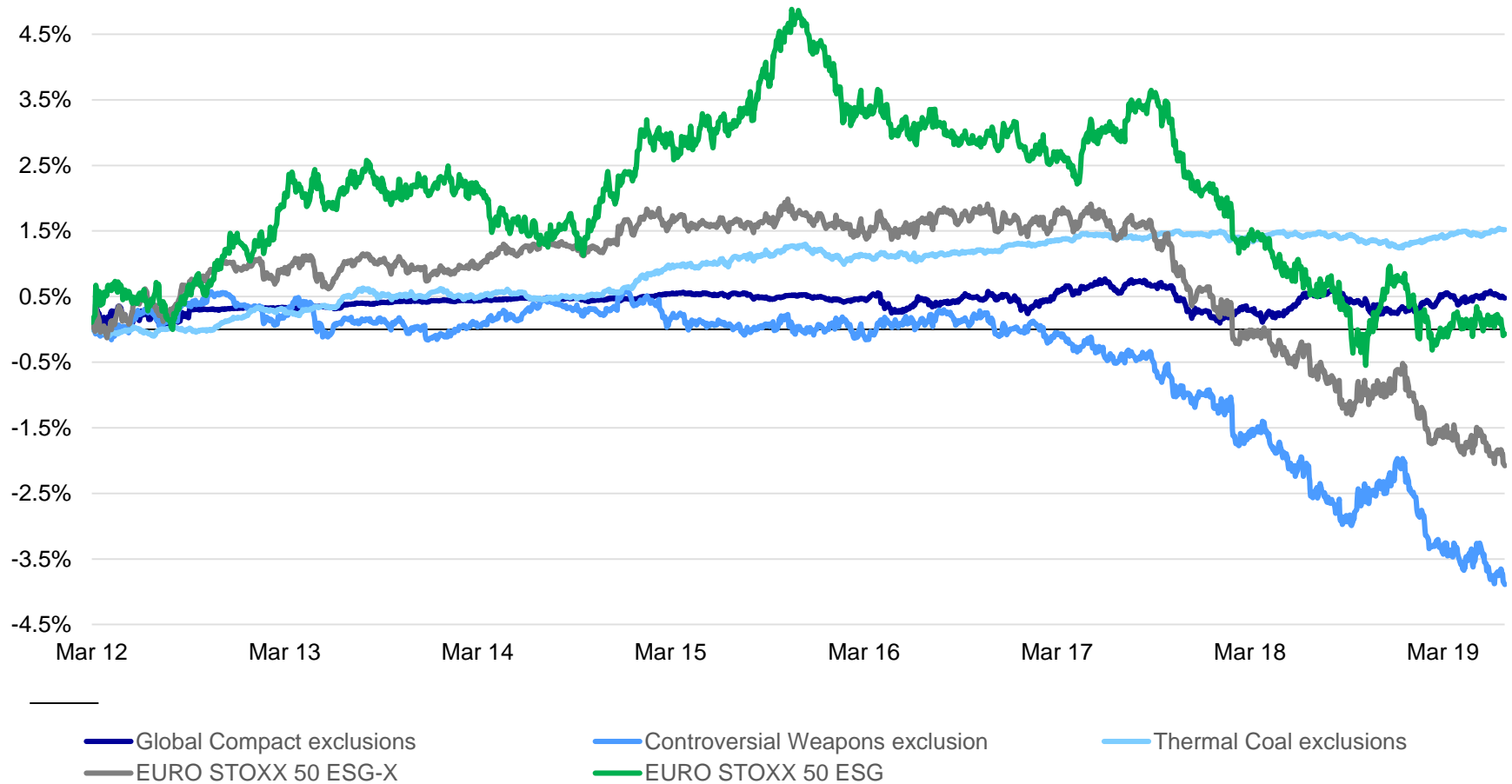
ESG Score Comparison¹⁾



¹⁾ Source: STOXX

EURO STOXX 50 ESG

Cumulative impact of ESG integration on total returns



1) Source: STOXX. EUR GR, Data as of data as of July 15, 2019.

STOXX offices and contacts

Zug (headquarters)

Theilerstrasse 1a
6300 Zug
Switzerland
P +41 43 430 71 60

London

11 Westferry Circus, 1st floor
Canary Wharf
London E14 4HE
United Kingdom
P +44 207 862 7680

Frankfurt

Mergenthalerallee 61
65760 Eschborn
Germany
P +49 69 211 0

Hong Kong

2904-7, 29/F, Man Yee Building
68 Des Voeux Road, Central
Hong Kong
P +852 2530 7862

Tokyo

Marunouchi Kitaguchi
Building 27F
1-6-1 Otemachi Chiyoda-ku
Tokyo 100-0004
Japan
P +81 3 5847 824

New York

1155 Avenue of the Americas
Suite 1950
New York, NY 10036
USA
P +1 646 876 2030

Call a STOXX representative

Customer support
customersupport@stoxx.com
+41 43 430 72 72



Disclaimer

The indices in the presentation and the trademarks used in the index names are the intellectual property of STOXX Ltd., Deutsche Börse Group or their licensors.

The use of the STOXX® indices, DAX® indices or on any other indices supported by STOXX and of the respective index data for financial products or for other purposes requires a license from STOXX or Deutsche Börse Group. STOXX, Deutsche Börse Group and their licensors, research partners or data providers do not make any warranties or representations, express or implied, with respect to the timeliness, sequence, accuracy, completeness, currentness, merchantability, quality or fitness for any particular purpose of its index data. STOXX, Deutsche Börse Group and their licensors, research partners or data providers are not providing investment advice through the publication of indices or in connection therewith. In particular, the inclusion of a company in an index, its weighting, or the exclusion of a company from an index, does not in any way reflect an opinion of STOXX, Deutsche Börse Group or their licensors, research partners or data providers on the merits of that company. Financial instruments based on STOXX® indices, DAX® indices or on any other indices supported by STOXX are in no way sponsored, endorsed, sold or promoted by STOXX, Deutsche Börse Group and their licensors, research partners or data providers.

About STOXX

STOXX Ltd. is an established and leading index specialist, which started in Europe. The launch of the first STOXX® indices in 1998, including the EURO STOXX 50® Index, marked the beginning of a unique success story, based on the company's neutrality and independence. Since then, STOXX has been at the forefront of market developments and has continuously expanded its portfolio of innovative indices. STOXX now operates globally across all asset classes.

STOXX indices are licensed to more than 500 companies, which include the world's largest financial products issuers, capital owners and asset managers. STOXX indices are used not only as underlyings for financial products, such as ETFs, futures and options and structured products but also for risk and performance measurement. In addition, STOXX Ltd. is the marketing agent for DAX® indices.