STOXX® GLOBAL ESG LEADERS DIVERSIFICATION SELECT 50 EUR INDEX

Stated objective

The STOXX Diversification Select family of indices captures the performance of stocks with low correlation, low volatility and high dividends, derived from established STOXX benchmark indices. The component selection process first excludes all stocks with the highest 12-months average correlation with all other stocks of the benchmark, then excludes stocks whose previous 3- and 12-month historical volatilities are the highest. Among the remaining stocks, the stocks with the highest 12-month historical dividend yields are selected to be included in the index. The percentage of exclusion/inclusion at each step is the same.
Those constituents are weighted according to the inverse of their volatility, with a cap at 10%. The indices are reviewed quarterly

Key facts

» Diversification brought by excluding highly correlated stocks

» Balanced approach between the different screenings

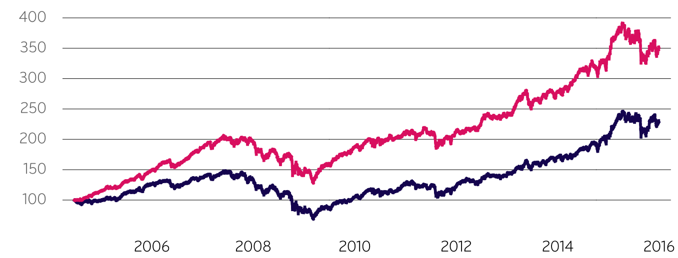
» Lower volatility stocks get the biggest weight

» Liquid benchmark

Risk and return figures[1]

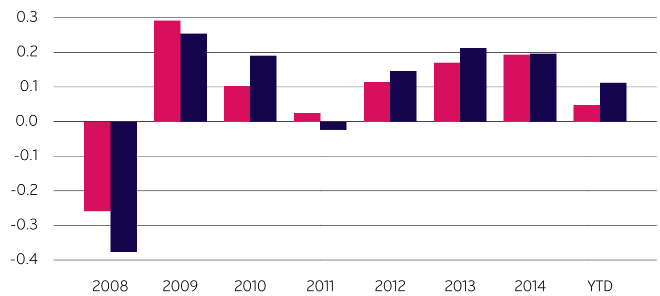
Index returns					Return (%)					Annualized return (%)
	Last month	YTD	1Y	3Y	5Y	Last month	YTD	1Y	3Y	5Y
STOXX Global ESG Leaders Diversification Select 50 EUR Index	-3.2	4.9	4.9	47.6	68.8	-30.7	4.8	4.8	13.5	10.7
STOXX Global 1800 Index	-4.3	11.5	11.5	63.1	83.1	-39.4	11.2	11.2	17.3	12.5
Index volatility and risk					**Annualized volatility (%)**					**Annualized Sharpe ratio[2]**
STOXX Global ESG Leaders Diversification Select 50 EUR Index	16.5	15.3	15.3	11.5	11.1	-2.1	0.3	0.3	1.1	0.9
STOXX Global 1800 Index	19.7	17.9	17.9	13.3	13.3	-2.4	0.6	0.6	1.2	0.9
Index to benchmark					**Correlation**					**Tracking error (%)**
STOXX Global ESG Leaders Diversification Select 50 EUR Index	0.9	0.9	0.9	0.9	0.9	6.8	7.7	7.7	6.3	6.7
Index to benchmark					**Beta**					**Annualized information ratio**
STOXX Global ESG Leaders Diversification Select 50 EUR Index	0.8	0.8	0.8	0.8	0.7	1.9	-0.9	-0.9	-0.6	-0.3

Performance and annual returns[3]



STOXX® Global ESG Leaders Diversification Select 50 EUR Index

STOXX® Global 1800 Index



STOXX® Global ESG Leaders Diversification Select 50 EUR Index   STOXX® Global 1800 Index

[1] For information on data calculation, please refer to STOXX calculation reference guide.
[2] Based on Euribor1m
[3] STOXX data from Jun. 21, 2004 to Dec. 31, 2015

(EUR, gross return), all data as of Dec. 31, 2015

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Methodology

All stocks in the relevant base universe are screened for 12-month historical daily pricing data and 12-month historical dividend yield. If one or both values are not available for a stock, the company is removed from the base universe.
For all remaining stocks, a correlation number is calculated as the average of the 12-month correlation of daily logarithmic returns in the currency of the Diversification Select index with all other stocks in the base universe. Those stocks are then ranked according to this number in ascending order and the bottom 1-x% is excluded (x% being calculated as the cubic root of the number of stocks in the base universe divided by the target number of stocks in the Diversification Select index).
All remaining stocks are then ranked in ascending order in terms of volatility (maximum between the 3-months and 12-months historical volatility calculated in the currency of the Diversification Select index) and all stocks which do not belong to the top x% are excluded.
All remaining stocks are then ranked in descending order in terms of 12-month historical dividend yield and the top x% are selected to be included in the Diversification Select index. Those constituents are weighted according to the inverse of their volatility, with a cap at 10%.

Quick facts

Weighting	Volatility weighted
Cap factor	10%
No. of components	Variable
Review frequency	Quarterly
Calculation/distribution	Price: real-time (every 15 seconds). Net and gross return: end-of-day
Calculation hours	Please see data vendor codes sheet on www.stoxx.com/data-vendor-codes
Base value/base date	100 as of Jun. 21, 2004
History	Available from Jun. 21, 2004
Inception date	Oct. 14, 2015

To learn more about the inception date, the currency, the calculation hours and historical values, please see our data vendor code sheet.

Versions and symbols

Index		ISIN	Symbol	Bloomberg	Reuters
Gross Return	EUR	CH0298437085	SGESGDSG	SGESGDSG	.SGESGDSG
Net Return	EUR	CH0298437077	SGESGDSR		.SGESGDSR
Price	EUR	CH0298437069	SGESGDSP	SGESGDSP	.SGESGDSP

Complete list available here: www.stoxx.com/data/vendor_codes.html

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STRATEGY INDICES

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Top 10 Components[4]

Company	Supersector	Country	Weight (%)
MAN	Industrial Goods & Services	DE	6.18
NN GROUP	Insurance	NL	2.40
ABERTIS INFRAESTRUCTURAS	Industrial Goods & Services	ES	2.40
Pinnacle West Capital Corp.	Utilities	US	2.32
RED ELECTRICA CORPORATION	Utilities	ES	2.31
HCP Inc.	Real Estate	US	2.25
Telstra Corp. Ltd.	Telecommunications	AU	2.21
PG&E Corp.	Utilities	US	2.20
TELUS	Telecommunications	CA	2.18
Rogers Communications Inc. Cl	Telecommunications	CA	2.14

[4] Based on the composition as of Dec. 31, 2015