STOXX® EUROPE 600 OPTIMISED TRAVEL & LEISURE INDEX

Stated objective

The STOXX Europe 600 Optimised Supersector Indices are derived from the STOXX Europe 600 Index, which comprises 600 of the largest European stocks by free-float market cap. Index components are selected by equity turnover value (three-month average daily turnover value - 3-month ADTV) and availability to borrow (based on the average data over seven trading days, as provided by data explorers in EUR). The EURO STOXX Optimised Banks is derived from the STOXX Europe 600 Optimised Banks Index and covers Eurozone companies.

Key facts

» Indices which use liquidity and stock borrowing as explicit factors in constituent selection to ensure tradability for long and short positions. Filters based on liquidity and availability to borrow are applied at the supersector level.

» A sector-dependent liquidity factor reduces the weighting of those components whose average daily turnover, as a fraction of the free-float market cap, is above the supersector average. This liquidity weighting methodology enhances the tradability of each index while retaining the free-float market cap weighting across the larger, more liquid stocks.

» Single stock weighting caps produce hedging tools that reduce idiosyncratic single-stock exposures, decrease volatility and improve diversification. These percentage weighting caps are defined based on the number of index components to ensure relevance across a heterogeneous group of supersectors.

Descriptive statistics

Index	Market cap (USD bn.)		Components (USD bn.)				Component weight (%)		Turnover (%)
	Full	Free-float	Mean	Median	Largest	Smallest	Largest	Smallest	Last 12 months
STOXX Europe 600 Optimised Travel & Leisure Index	196.2	152.2	6.7	5.3	18.9	2.0	14.1	1.5	28.6
STOXX Europe 600 Index	9,572.6	7,771.2	13.0	5.3	218.6	1.1	2.8	0.0	2.8

Supersector weighting (top 10)

Country weighting

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 Optimised Travel & Leisure Index	3.1	8.6	8.6	57.5	75.5	41.2	8.3	8.3	15.9	11.6
STOXX Europe 600 Index	-5.0	9.6	9.6	41.9	53.3	-44.4	9.3	9.3	12.1	8.7
Index volatility and risk	**Annualized volatility (%)**					**Annualized Sharpe ratio[2]**				
STOXX Europe 600 Optimised Travel & Leisure Index	13.7	16.8	16.8	15.8	19.4	3.2	0.5	0.5	0.9	0.5
STOXX Europe 600 Index	22.0	19.7	19.7	15.4	16.8	-2.3	0.5	0.5	0.7	0.5
Index to benchmark	**Correlation**					**Tracking error (%)**				
STOXX Europe 600 Optimised Travel & Leisure Index	0.7	0.6	0.6	0.6	0.8	11.3	13.1	13.1	12.0	12.2
Index to benchmark	**Beta**					**Annualized information ratio**				
STOXX Europe 600 Optimised Travel & Leisure Index	0.7	0.8	0.8	1.0	1.1	5.7	0.7	0.7	0.5	0.3

[1] For information on data calculation, please refer to STOXX calculation reference guide.
[2] Based on Euribor1m

(USD, net return), all data as of Dec. 31, 2015

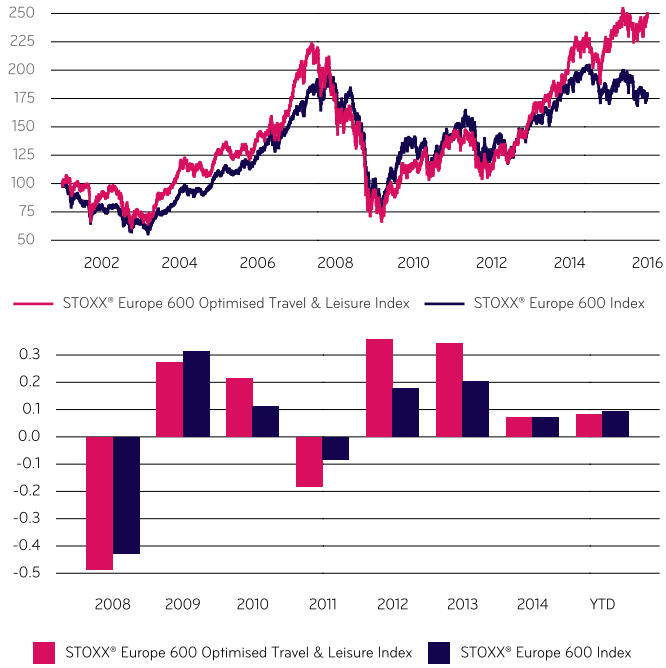
OPTIMISED INDICES

STOXX® EUROPE 600 OPTIMISED TRAVEL & LEISURE INDEX

Fundamentals (for last 12 months)

Index	Price/earnings incl. negative		Price/earnings excl. negative		Price/ book	Dividend yield (%) [4]	Price/ sales	Price/ cash flow
	Trailing	Projected	Trailing	Projected	Trailing	Trailing	Trailing	Trailing
STOXX Europe 600 Optimised Travel & Leisure Index	16.2	15.2	16.2	15.2	3.9	1.7	1.0	16.5
STOXX Europe 600 Index	52.6	15.6	16.8	15.5	1.7	2.8	1.0	7.0

Performance and annual returns[3]



Methodology

All STOXX Europe 600 stocks, excluding stocks from Greece and Iceland, are eligible. Equity turnover and the availability of funds to borrow are calculated for each eligible company:
Equity turnover: 3-month ADTV in EUR.
Availability of funds to borrow: based on averaged data over seven trading days, as provided by Data Explorers in EUR. The 30 least liquid and the 30 hardest to borrow stocks are deleted, starting with the smallest, considering the following conditions:
» At least 10 stocks must remain in the relevant supersector
» The combined free-float market cap of the excluded stocks from a particular supersector must not exceed 20%.
The detailed methodology, including calculation formula and full requirements, can be found in our rulebook:
www.stoxx.com/indices/rulebooks.html

Versions and symbols

Index		ISIN	Symbol	Bloomberg	Reuters
Net Return	EUR	CH0100461315	SXOTR	SXOTR INDEX	.SXOTR
Price	EUR	CH0100461307	SXOTP	SXOTP INDEX	.SXOTP
Net Return	USD	CH0100461323	SXOTV	SXOTV INDEX	.SXOTV
Price	USD	CH0100461299	SXOTL	SXOTL INDEX	.SXOTL

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

Quick facts	
Weighting	Free-float market cap, subject to liquidity factor (ADTV) and cap factor
Cap factor	Cap factor of 10%, 15% or 20% depending on the number of components in the relevant index
No. of components	Variable
Review frequency	Quarterly (Mar., Jun., Sep., Dec.)
Calculation/distribution	Price and net return (EUR): realtime (every 15 seconds) Price and net return (USD): end-of-day
Calculation hours	Realtime: 9:00 am - 6:00 pm CET End-of-day: 6:00 pm CET
Base value/base date	1,000 as of Dec. 31, 2000
History	Available daily back to Dec. 31, 2000
Inception date	Jul. 14, 2009

[3] STOXX data from Jan. 02, 2001 to Dec. 31, 2015
[4] Net dividend yield is calculated as net return index return minus price index return (USD, net return), all data as of Dec. 31, 2015

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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.

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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.

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Top 10 Components[5]

Company	Supersector	Country	Weight (%)
COMPASS GRP	Travel & Leisure	GB	14.06
WHITBREAD	Travel & Leisure	GB	8.78
CARNIVAL	Travel & Leisure	GB	7.99
RYANAIR	Travel & Leisure	IE	7.98
INTERCONTINENTAL HOTELS GRP	Travel & Leisure	GB	7.20
IAG	Travel & Leisure	GB	6.81
SODEXO	Travel & Leisure	FR	6.75
ACCOR	Travel & Leisure	FR	6.75
TUI	Travel & Leisure	GB	4.15
PADDY POWER	Travel & Leisure	IE	4.08

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