

# STOXX® USA 900 MINIMUM VARIANCE INDEX

## Index description

The STOXX® USA 900 Minimum Variance Index weights the components of the underlying STOXX® USA 900 Index so that portfolio variance is minimized. STOXX uses Axioma's factor model for the optimization process. The Unconstrained version applies loosely stated constraints to seek an improved risk profile. It targets investors seeking a more optimal portfolio in terms of replicated volatility.

## Key facts

» Minimized volatility is suitable for risk-averse investors. At the same time, the return of the index is higher than the benchmark

» Suitable as a liquid underlying for ETFs and structured products. It is easy to replicate as it has fewer components than the underlying Index. It also has predictable rebalancing dates and is optimized to allow tracking (low turnover, transaction costs analysis, etc.).

» Capping constraints are applied in accordance with the Undertakings for Collective Investment in Transferable Securities (UCITS) directive to ensure that funds can easily track the index

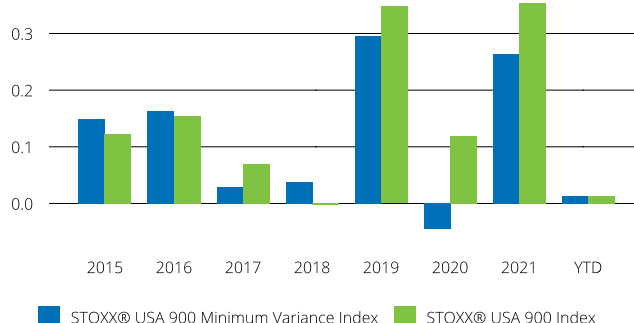
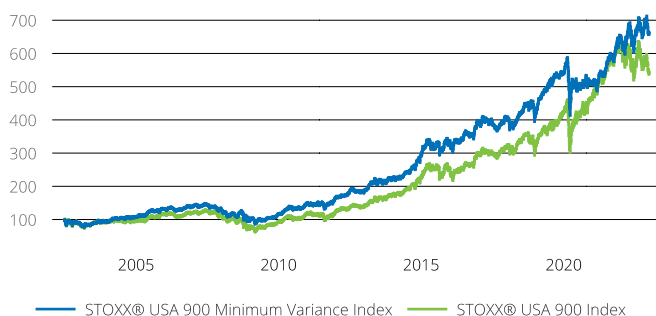
» Two versions - Constrained and Unconstrained - cater to different investor needs

» The Unconstrained version offers a first-of-its-kind index for a true minimum variance mandate

## Risk and return figures<sup>1</sup>

Index returns	Return (%)					Annualized return (%)				
	Last month	YTD	1Y	3Y	5Y	Last month	YTD	1Y	3Y	5Y
STOXX USA 900 Minimum Variance Index	-7.5	1.3	1.3	22.4	64.7	N/A	N/A	1.3	7.0	10.5
STOXX USA 900 Index	-9.1	-14.3	-14.3	29.3	73.1	N/A	N/A	-14.5	9.0	11.7
Index volatility and risk	Annualized volatility (%)					Annualized Sharpe ratio <sup>2</sup>				
	Last month	YTD	1Y	3Y	5Y	Last month	YTD	1Y	3Y	5Y
STOXX USA 900 Minimum Variance Index	16.4	17.5	17.5	20.9	17.8	-4.1	N/A	0.0	0.3	0.5
STOXX USA 900 Index	23.1	24.1	24.1	26.0	22.5	-3.1	N/A	-0.7	0.3	0.5
Index to benchmark	Correlation					Tracking error (%)				
	Last month	YTD	1Y	3Y	5Y	Last month	YTD	1Y	3Y	5Y
STOXX USA 900 Minimum Variance Index	0.9	0.9	0.9	0.9	0.9	7.3	13.3	13.3	11.6	10.1
Index to benchmark	Beta					Annualized information ratio				
	Last month	YTD	1Y	3Y	5Y	Last month	YTD	1Y	3Y	5Y
STOXX USA 900 Minimum Variance Index	0.7	0.6	0.6	0.7	0.7	2.8	1.2	1.2	-0.3	-0.2

## Performance and annual returns<sup>3</sup>



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

<sup>2</sup> Based on EURIBOR1M

<sup>3</sup> STOXX data from Jun. 28, 2002 to Dec. 30, 2022

(EUR, gross return), all data as of Dec. 30, 2022

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## Methodology

On the basis of the underlying index, a covariance matrix is set up by determining the correlation between each component and specific factors. Using Axioma's factor model, the variance-covariance structure of the components is determined, which is then minimized with respect to applicable constraints. The constraints applied cover individual capping, effective number of assets, rebalancing and turnover. The full list of factors including the requirements to be met can be accessed in our Index rulebook: <http://www.stoxx.com/indices/rulebooks.html>

## Quick facts

Weighting	Optimization
Cap factor	4.5% / 8% / 35%
No. of components	Variable
Review frequency	Monthly

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	CH0180138361	SA9UMVGR		.XA9UMVGR
Net Return EUR	CH0180138205	SA9UMVR		.XA9UMVR
Net Return EUR	CH0180138205	SA9UMVR		.XA9UMVR
Price EUR	CH0180138049	SA9UMVP		.XA9UMVP
Price EUR	CH0180138049	SA9UMVP		.XA9UMVP
Gross Return USD	CH0180138841	SA9UMGV	SA9UMGV INDEX	.XA9UMGV
Net Return USD	CH0180138684	SA9UMV	SA9UMV INDEX	.XA9UMV
Net Return USD	CH0180138684	SA9UMV	SA9UMV INDEX	.XA9UMV
Price USD	CH0180138528	SA9UMVL	SA9UMVL INDEX	.XA9UMVL
Price USD	CH0180138528	SA9UMVL	SA9UMVL INDEX	.XA9UMVL

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

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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.

## MINIMUM VARIANCE

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### Top 10 Components<sup>4</sup>

Company	Supersector	Country	Weight (%)
WALMART INC.	Oil & Gas		7.60
Johnson & Johnson	Oil & Gas		7.52
Verizon Communications Inc.	Oil & Gas		5.53
Merck & Co. Inc.	Oil & Gas		5.16
Roper Technologies Inc.	Oil & Gas		4.53
Check Point Software Technolog	Oil & Gas		4.12
Republic Services Inc.	Oil & Gas		3.91
Activision Blizzard Inc.	Oil & Gas		3.14
Costco Wholesale Corp.	Oil & Gas		2.97
Gilead Sciences Inc.	Oil & Gas		2.96

<sup>4</sup> Based on the composition as of Dec. 30, 2022