

DYNAMIC VSTOXX ALPHA INDEX

Index description

The Dynamic VSTOXX and Dynamic VSTOXX Net Of Costs indices are constructed as a combination of two indices, the VSTOXX Short-Term Futures and the VSTOXX Mid-Term Futures indices. To better represent an actual replication process, execution costs for 0.10% and replication costs for 1.00% per year are included in the calculation. The rationale behind dynamic allocation is to exploit in a timely manner the superior performance of short-term futures when the volatility forward curve is in backwardation (stressed markets) and of mid-term futures when the volatility forward curve is in contango (normal markets). To achieve this in a convenient time-to-market manner, the allocation can be changed on a daily basis, although a buffer is provided to avoid excessive and unnecessary turnover. The indices are available in standard, long-only and alpha versions, according to the different allocation split triggered between the VSTOXX Short-Term Futures and VSTOXX Mid-Term Futures indices. Dynamic VSTOXX Net of Costs Index additionally accounts for average market costs which are typically associated with the replication of an index for a financial product.

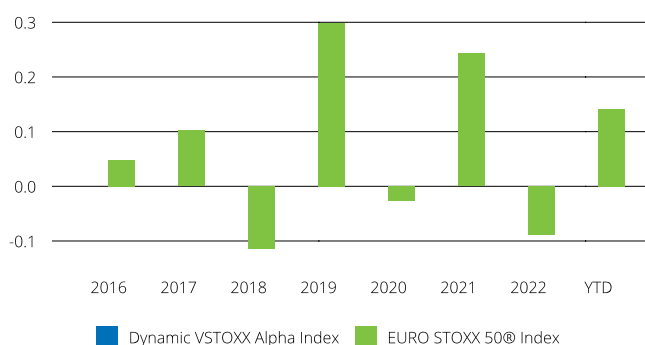
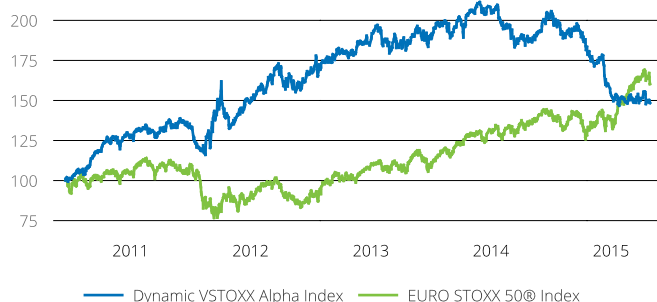
Key facts

- » Transparent methodology which solely relies on publicly available data
- » All costs are clearly identified in the index formulas, ensuring transparency
- » Relies on EUREX traded and highly liquid VSTOXX futures as basic components
- » Constituent's weights are capped at 5% to avoid excessive daily turnover changes
- » To comply with investor's needs, three versions with the following ranges of weights (VSTOXX Short-Term Futures/VSTOXX Mid-Term Futures indices) are available: standard version: -30%/70% to 50%/50%; long-only version: 0%/0% to 50%/50%; alpha version: -50%/50% to 50%/50%

Risk and return figures¹

Index returns	Return (%)					Annualized return (%)				
	Last month	YTD	1Y	3Y	5Y	Last month	YTD	1Y	3Y	5Y
Dynamic VSTOXX Alpha Index	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
EURO STOXX 50 Index	-1.9	14.2	15.1	52.2	44.5	N/A	N/A	15.2	15.2	7.7
Index volatility and risk	Annualized volatility (%)					Annualized Sharpe ratio ²				
	Last month	YTD	1Y	3Y	5Y	Last month	YTD	1Y	3Y	5Y
Dynamic VSTOXX Alpha Index	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
EURO STOXX 50 Index	13.7	16.1	18.5	20.0	21.1	N/A	N/A	0.6	0.7	0.3
Index to benchmark	Correlation					Tracking error (%)				
	Last month	YTD	1Y	3Y	5Y	Last month	YTD	1Y	3Y	5Y
Dynamic VSTOXX Alpha Index	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Index to benchmark	Beta					Annualized information ratio				
	Last month	YTD	1Y	3Y	5Y	Last month	YTD	1Y	3Y	5Y
Dynamic VSTOXX Alpha Index	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Performance and annual returns³



¹ For information on data calculation, please refer to STOXX calculation reference guide.

² Based on EURIBOR1M

³ STOXX data from Jun. 17, 2010 to Apr. 30, 2015

(EUR, total return), all data as of May 31, 2023

ISTOXX INDICES

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Methodology

Specific values of the ratio of the VSTOXX 30 days Index and the VSTOXX 120 days Index may trigger, on a daily basis, a rebalancing of the Dynamic VSTOXX Net of Costs. Conversion tables are used to derive from this ratio the target weights of VSTOXX Short-Term Futures and VSTOXX Mid-Term Futures indices, according to the specific Dynamic VSTOXX Net of Costs Index version (standard, long-only or alpha). Execution and replication costs are included in the index formulas. The detailed methodology, including calculation formula and full requirements, can be found in our rulebook: www.stoxx.com/indices/rulebooks.html

Quick facts

Weighting	Daily
Calculation/distribution	Total and excess return (EUR): realtime (every 15 seconds)
Calculation hours	Realtime: 9:15 am 5:30 pm CET
Base value/base date	100 as of Jun. 17, 2010
History	Available daily back to Jun. 17, 2010
Inception date	Jan. 16, 2013

Versions and symbols

Index	ISIN	Symbol	Bloomberg	Reuters
Excess Return EUR	CH0189468272	DVSTXLE	DVSTXLE INDEX	.DVSTXLE
Excess Return EUR	CH0189468199	DVSTXNE	DVSTXNE INDEX	.DVSTXNE
Excess Return EUR	CH0189468322	DVSTXAE	DVSTXAE INDEX	.DVSTXAE
Excess Return EUR	CH0189468231	DVSTXLNE	DVSTXLNE INDEX	.DVSTXLNE
Excess Return EUR	CH0189468231	DVSTXLNE	DVSTXLNE INDEX	.DVSTXLNE
Excess Return EUR	CH0189468322	DVSTXAE	DVSTXAE INDEX	.DVSTXAE
Excess Return EUR	CH0189468272	DVSTXLE	DVSTXLE INDEX	.DVSTXLE
Excess Return EUR	CH0189468199	DVSTXNE	DVSTXNE INDEX	.DVSTXNE
Excess Return EUR	CH0189468306	DVSTXANE	DVSTXANE INDEX	.DVSTXANE
Excess Return EUR	CH0189468306	DVSTXANE	DVSTXANE INDEX	.DVSTXANE

Complete list available here: 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.

