

# STOXX JAPAN 600 MINIMUM VARIANCE

## Index description

The STOXX Japan 600 Minimum Variance index weights the components of the underlying STOXX Japan 600 index so that portfolio variance is minimized. STOXX uses Axioma's factor model for the optimization process. The Constrained version creates a portfolio similar to the underlying benchmark index, but with a more attractive risk profile. This is achieved by applying a range of factors, country and industry exposure constraints to ensure that components have no high allocation bias.

## 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.).

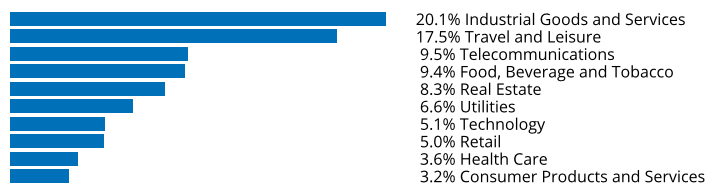
»Capping constraints are applied in accordance with the Undertakings for Collective Investment in Transferable Securities (UCITS) directive to ensure that funds can easily track the index.

»Constraints on diversification and security, country, industry and factor exposure are applied.

## Descriptive statistics

Index	Market cap (JPY bn.)		Components (JPY bn.)				Component weight (%)		Turnover (%)
	Full	Free-float	Mean	Median	Largest	Smallest	Largest	Smallest	Last 12 months
STOXX Japan 600 Minimum Variance	N/A	15,864.8	106.5	38.3	1217.1	5.4	7.7	0.0	30.3
STOXX Japan 600	782,559.5	664,289.8	1107.1	385.0	31,118.9	94.4	4.7	0.0	2.5

## Supersector weighting (top 10)



## Country weighting



## 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 Japan 600 Minimum Variance	4.2	18.2	17.3	27.8	31.1	N/A	N/A	17.4	8.6	5.6
STOXX Japan 600	0.3	40.0	21.1	53.6	51.7	N/A	N/A	21.3	15.5	8.8
Index volatility and risk	Annualized volatility (%)					Annualized Sharpe ratio				
	Last month	YTD	1Y	3Y	5Y	Last month	YTD	1Y	3Y	5Y
STOXX Japan 600 Minimum Variance	N/A	N/A	9.2	10.8	12.5	N/A	N/A	1.4	0.7	0.4
STOXX Japan 600	N/A	N/A	14.0	15.6	16.9	N/A	N/A	1.2	0.9	0.5
Index to benchmark	Correlation					Tracking error (%)				
	Last month	YTD	1Y	3Y	5Y	Last month	YTD	1Y	3Y	5Y
STOXX Japan 600 Minimum Variance	0.8	0.8	0.9	0.9	0.9	8.3	8.0	7.9	7.9	7.9
Index to benchmark	Beta					Annualized information ratio				
	Last month	YTD	1Y	3Y	5Y	Last month	YTD	1Y	3Y	5Y
STOXX Japan 600 Minimum Variance	0.5	0.5	0.6	0.6	0.7	5.1	-1.1	-0.5	-0.9	-0.5

<sup>1</sup> For information on data calculation, please refer to [STOXX calculation reference guide](#).

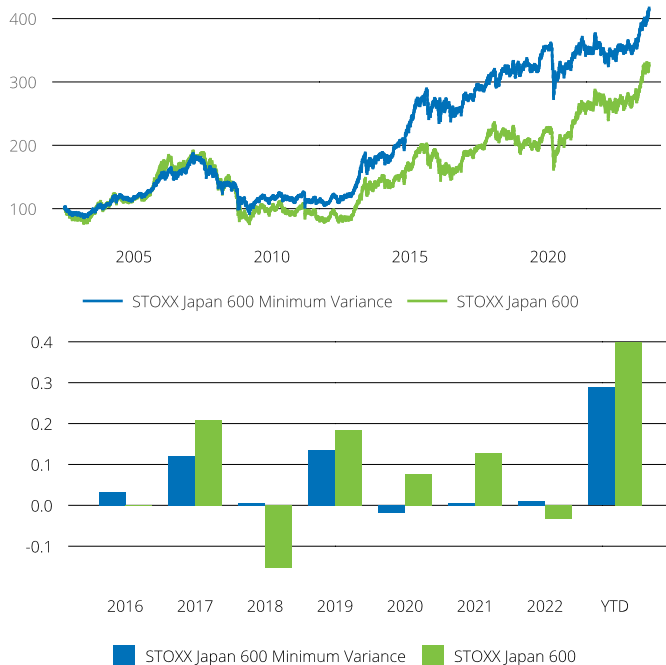
(JPY, gross return), all data as of Aug. 31, 2023

## STRATEGY INDICES

## STOXX JAPAN 600 MINIMUM VARIANCE

## Fundamentals (for last 12 months)

Index	Price/earnings incl. negative		Price/earnings excl. negative		Price/ book	Dividend yield (%) <sup>3</sup>	Price/ sales	Price/ cash flow
	Trailing	Projected	Trailing	Projected	Trailing	Trailing	Trailing	Trailing
STOXX Japan 600 Minimum Variance	15.7	16.0	13.6	16.0	1.4	2.9	0.8	12.0
STOXX Japan 600	15.2	14.7	14.4	14.6	1.4	2.7	1.0	15.3

Performance and annual returns<sup>4</sup>

## 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 capping, effective number of assets, rebalancing and turnover, country/industry exposure and other factor exposures, such as growth, value, short-/mid-term momentum, leverage, etc. 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>

## Versions and symbols

Index	ISIN	Symbol	Bloomberg	Reuters
Gross Return JPY	CH0225791828	SA6JMVGF		.SA6JMVGF
Price EUR	CH0180138080	SA6JMVP		.SXA6JMVP
Net Return EUR	CH0180138247	SA6JMVR		.SXA6JMVR
Gross Return EUR	CH0180138403	SA6JMVGR		.XA6JMVGR
Price USD	CH0180138569	SA6JML		.SXA6JML
Net Return USD	CH0180138726	SA6JMVV		.SXA6JMVV
Gross Return USD	CH0180138882	SA6JMVG		.XA6JMVG
Price JPY	CH0225791786	SA6JMVK		.SA6JMVK
Net Return JPY	CH0225791802	SA6JMV	SA6JMV INDEX	.SA6JMV

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

## Quick facts

Weighting	Optimization
Cap factor	4.5% / 8% / 35%
No. of components	Variable
Review frequency	Quarterly (Mar., Jun., Sep., Dec.)

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

## CONTACT DETAILS

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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.

<sup>3</sup> gr. div. yield is calculated as gr. return index return minus price index return

<sup>4</sup> STOXX data from Jun. 28, 2002 to Aug. 31, 2023

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Top 10 Components<sup>5</sup>

Company	Supersector	Country	Weight (%)
MCDONALD'S HOLDINGS	Travel and Leisure	Japan	7.67
SOFTBANK	Telecommunications	Japan	7.17
SKYLARK HOLDINGS	Travel and Leisure	Japan	6.52
Secom Co. Ltd.	Industrial Goods and Services	Japan	5.07
Tobu Railway Co. Ltd.	Industrial Goods and Services	Japan	2.96
YAMADA HOLDINGS	Retail	Japan	2.59
Chubu Electric Power Co. Inc.	Utilities	Japan	2.43
Japan Real Estate Investment C	Real Estate	Japan	2.28
FUJIFILM Holdings Corp.	Technology	Japan	2.14
Mitsui O.S.K. Lines Ltd.	Industrial Goods and Services	Japan	2.14

<sup>5</sup> Based on the composition as of Aug. 31, 2023