STOXX GLOBAL 1800 MINIMUM VARIANCE

Index description

The STOXX Global 1800 Minimum Variance index weights the components of the underlying STOXX Global 1800 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.).

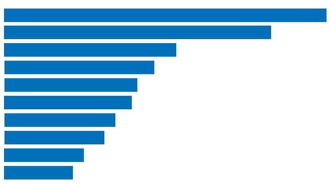
»Capping constraints are applied in accordance with the Undertakings for Collective Investment in Transferable Securities (UCITS) directive to ensure that funds can easily track the index.

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

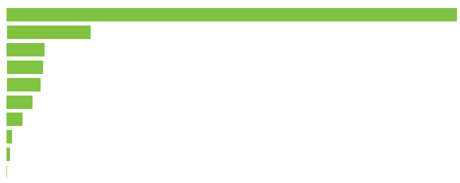
Descriptive statistics

Index	Market cap (USD bn.)		Components (USD bn.)				Component weight (%)		Turnover (%)
	Full	Free-float	Mean	Median	Largest	Smallest	Largest	Smallest	Last 12 months
STOXX Global 1800 Minimum Variance	N/A	108.6	0.8	0.5	7.4	0.0	6.8	0.0	30.2
STOXX Global 1800	63,153.7	57,308.2	31.8	11.1	2,811.7	1.2	4.9	0.0	3.1

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 Global 1800 Minimum Variance	-1.1	5.9	6.8	28.1	46.9	N/A	N/A	6.9	8.7	8.1
STOXX Global 1800	-2.4	25.1	16.0	27.2	51.0	N/A	N/A	16.2	8.4	8.7
Index volatility and risk	Annualized volatility (%)					Annualized Sharpe ratio				
STOXX Global 1800 Minimum Variance	N/A	N/A	10.5	10.8	13.9	N/A	N/A	0.3	0.7	0.6
STOXX Global 1800	N/A	N/A	15.7	15.6	18.2	N/A	N/A	0.8	0.5	0.5
Index to benchmark	Correlation					Tracking error (%)				
STOXX Global 1800 Minimum Variance	0.9	0.8	0.9	0.9	0.9	5.6	6.8	7.6	7.9	8.0
Index to benchmark	Beta					Annualized information ratio				
STOXX Global 1800 Minimum Variance	0.6	0.6	0.6	0.6	0.7	2.5	-2.1	-1.2	-0.1	-0.2

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

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

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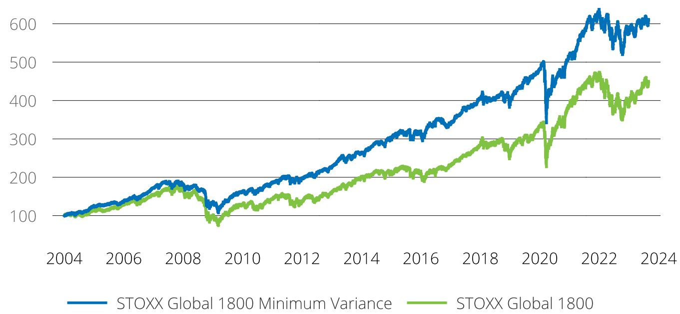
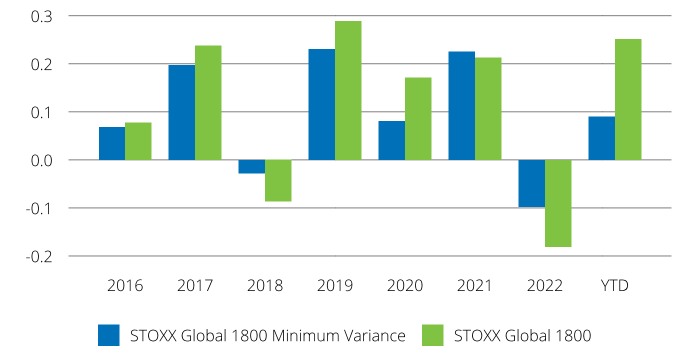
Fundamentals (for last 12 months)

Index	Price/earnings incl. negative		Price/earnings excl. negative		Price/ book	Dividend yield (%) [3]	Price/ sales	Price/ cash flow
	Trailing	Projected	Trailing	Projected	Trailing	Trailing	Trailing	Trailing
STOXX Global 1800 Minimum Variance	22.2	18.6	21.8	18.4	2.6	2.7	1.8	13.8
STOXX Global 1800	20.8	17.7	18.7	17.4	0.1	2.5	1.9	10.8

Performance and annual returns[4]





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	USD	CH0180138825	SAW1MVGV	SAW1MVGV	.SAW1MVGV
Price	EUR	CH0180138023	SAW1MVP	SAW1MVP INDEX	.SAW1MVP
Net Return	EUR	CH0180138189	SAW1MVR	SAW1MVR INDEX	.SAW1MVR
Gross Return	EUR	CH0180138346	SAW1MVGR	SAW1MVGR	.SAW1MVGR
Price	USD	CH0180138502	SAW1MVL	SAW1MVL INDEX	.SAW1MVL
Net Return	USD	CH0180138668	SAW1MVV	SAW1MVV INDEX	.SAW1MVV
Gross Return	JPY	CH0225159604	SAW1MVJG		.SAW1MVJG
Net Return	JPY	CH0225159612	SAW1MVJN		.SAW1MVJN
Price	JPY	CH0225159620	SAW1MVJP		.SAW1MVJP

Complete list available here: 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.

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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.

[3] gr. div. yield is calculated as gr. return index return minus price index return
[4] STOXX data from Jan. 02, 2004 to Aug. 31, 2023

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

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Top 10 Components[5]

Company	Supersector	Country	Weight (%)
ARTHUR J GALLAGHER	Insurance	USA	6.85
Costco Wholesale Corp.	Retail	USA	4.01
HENKEL PREF	Consumer Products and Services	Germany	3.55
SWISSCOM	Telecommunications	Switzerland	3.41
Oracle Corp.	Technology	USA	3.18
Marsh & McLennan Cos.	Insurance	USA	3.07
CADENCE DESIGN SYS.	Technology	USA	2.71
Amgen Inc.	Health Care	USA	2.54
Japan Tobacco Inc.	Food, Beverage and Tobacco	Japan	2.20
Canon Inc.	Technology	Japan	2.17

[5] Based on the composition as of Aug. 31, 2023