FACTOR & STRATEGY

STOXX EUROPE 600 AX LOW RISK

Index description

STOXX single and multi-factor indices aim to harvest the risk premia of several academically validated style factors - Value, Momentum, Quality, Size and Low Risk. At the same time the rules ensure tradability and diversification as well as limit untargeted systematic exposures.

STOXX uses Axioma's risk model and optimizer to construct the factor indices. The STOXX single and multi-factor indices are based on the respective STOXX country or regional benchmark indices.

Key facts

»Invest in targeted factor exposures with managed liquidity and risk profiles across various regions

»Use of Axioma's factor risk models and portfolio construction expertise to define the factors based on extensive validation from research and having a clear economic rationale

»Factor family consists of 5 single factor indices (Value, Momentum, Quality, Low Risk, and Size) and one multi-factor index

»Same index construction rules applied across the factor family

»Single factor indices maximize the target factor while constraining the exposure to other factors

»Multi-factor index employs a bottom-up approach by maximizing the exposure to an equally weighted aggregated multi-factor score

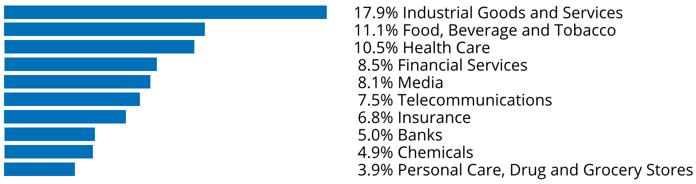
»Ensures tradability by managing turnover and exposure to illiquid positions

»Ensures diversification using country and industry controls

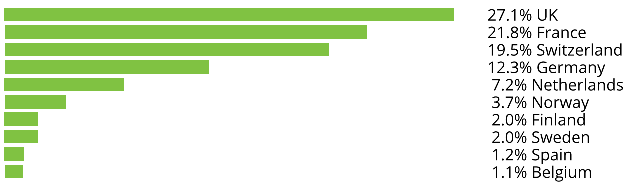
Descriptive statistics

Index	Market cap (EUR bn.)		Components (EUR bn.)				Component weight (%)		Turnover (%)
	Full	Free-float	Mean	Median	Largest	Smallest	Largest	Smallest	Last 12 months
STOXX Europe 600 Ax Low Risk	N/A	99.7	1.2	0.7	7.5	0.0	7.5	0.0	49.6
STOXX Europe 600	12,480.3	9,795.9	16.3	5.9	296.4	1.5	3.0	0.0	3.4

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 Ax Low Risk	-1.2	10.9	9.7	32.1	39.4	N/A	N/A	9.8	9.8	7.0
STOXX Europe 600	-2.5	17.0	14.1	36.8	39.7	N/A	N/A	14.2	11.1	7.0
Index volatility and risk	**Annualized volatility (%)**					**Annualized Sharpe ratio**				
STOXX Europe 600 Ax Low Risk	N/A	N/A	11.0	11.8	14.3	N/A	N/A	0.5	0.7	0.5
STOXX Europe 600	N/A	N/A	14.0	15.6	18.0	N/A	N/A	0.7	0.6	0.4
Index to benchmark	**Correlation**					**Tracking error (%)**				
STOXX Europe 600 Ax Low Risk	0.9	0.9	0.9	0.9	0.9	4.6	6.1	5.9	6.6	6.6
Index to benchmark	**Beta**					**Annualized information ratio**				
STOXX Europe 600 Ax Low Risk	0.7	0.6	0.7	0.7	0.8	3.3	-0.1	-0.8	-0.3	-0.1

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

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

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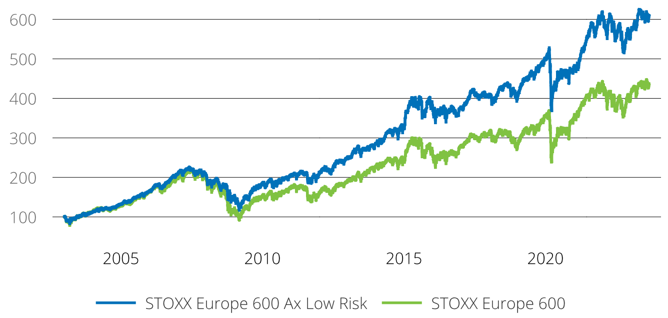
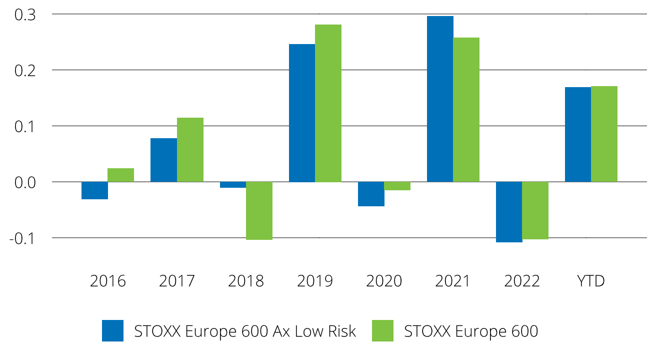
Fundamentals (for last 12 months)

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 Europe 600 Ax Low Risk	18.7	14.5	17.6	14.5	2.0	3.7	1.5	11.2
STOXX Europe 600	13.9	12.3	12.3	12.1	1.8	3.7	1.2	11.3

Performance and annual returns[4]





Methodology

Bringing together the powerful indexing and analytics capabilities of Qontigo, the STOXX Factor Index suite delivers more clarity to the market for factor investors by relying on the institutionally tested analytics of Axioma Factor Risk Models and advanced portfolio construction techniques. The use of Axioma's risk models ensures strong exposure to the respective target factor (Value, Momentum, Quality, Low Risk, Size, Multi-Factor) while allowing for ease of control over unintended exposures. The inclusion of constraints targets benchmark tracking with industry and country controls, and ensures tradability by limiting exposure to less liquid names and turnover while controlling for effective number of names and weights.

Versions and symbols

Index		ISIN	Symbol	Bloomberg	Reuters
Price	EUR	CH0512260248	SAXPLRP		.SAXPLRP
Gross Return	EUR	CH0512260230	SAXPLRGR	SAXPLRGR INDEX	.SAXPLRGR
Gross Return	USD	CH0512260172	SAXPLRGV		.SAXPLRGV
Price	USD	CH0512260404	SAXPLRL		.SAXPLRL
Net Return	EUR	CH0512260842	SAXPLRR		.SAXPLRR
Net Return	USD	CH0512260131	SAXPLRV		.SAXPLRV

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

Quick facts

Weighting	Optimization
Cap factor	4.5% / min (20x parent index weight, 8%) / 35%
No. of components	Variable
Review frequency	Quaterly
Calculation/distribution	dayend
Calculation hours	18:00:00 18:00:00
Base value/base date	100 as of Mar. 19, 2012
History	Dec. 31, 2002
Inception date	Jan. 24, 2020

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 customization in almost unlimited forms for example 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, 2003 to Aug. 31, 2023

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

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Top 10 Components[5]

Company	Supersector	Country	Weight (%)
NESTLE	Food, Beverage and Tobacco	Switzerland	7.53
BAE SYSTEMS	Industrial Goods and Services	UK	4.72
ORANGE	Telecommunications	France	4.32
WOLTERS KLUWER	Media	Netherlands	4.18
AIR LIQUIDE	Chemicals	France	4.04
LONDON STOCK EXCHANGE	Financial Services	UK	3.74
DEUTSCHE BOERSE	Financial Services	Germany	3.55
SWISSCOM	Telecommunications	Switzerland	2.90
ALLIANZ	Insurance	Germany	2.84
THALES	Industrial Goods and Services	France	2.83

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