EURO ISTOXX 50 SHORT STRANGLE KWCDC

Index description

The EURO iSTOXX® 50 Short Strangle KWCDC Index is an innovative investment tool that measures the performance of a hypothetical portfolio reflecting a short strangle investment strategy based on the EURO STOXX 50® Index, Europe's leading blue-chip index for the Eurozone. The EURO iSTOXX 50 Short Strangle KWCDC Index reflects a strategy in which an investor sells a EURO STOXX 50 call and put option, both with a strike 5% out of the money, while earning the Korean 3-Month Certificate of Deposit rate on the notional.

Key facts

»A short strangle option strategy is a limited-profit, unlimited-risk options strategy

»Suitable for investors that expect the underlying to experience little volatility in the near term

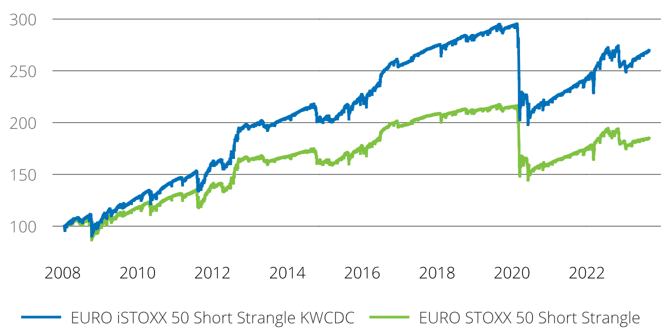
»Short strangles are credit spreads

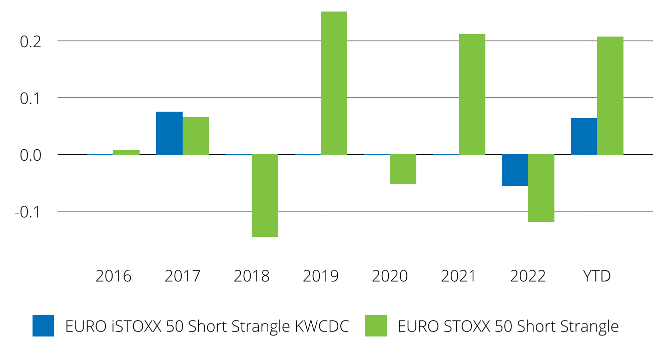
»EURO STOXX 50 Index options are among the most liquid listed options in Europe

Risk and return figures[1]

Index returns					Return (%)					Annualized return (%)
	Last month	YTD	1Y	3Y	5Y	Last month	YTD	1Y	3Y	5Y
EURO iSTOXX 50 Short Strangle KWCDC	0.9	4.2	2.5	25.5	-4.6	N/A	N/A	2.5	8.0	-1.0
EURO STOXX 50 Short Strangle	-3.9	20.7	22.2	31.3	26.7	N/A	N/A	22.4	9.6	4.9
Index volatility and risk					**Annualized volatility (%)**					**Annualized Sharpe ratio[2]**
EURO iSTOXX 50 Short Strangle KWCDC	N/A	N/A	6.7	7.9	11.6	N/A	N/A	-0.0	0.9	-0.1
EURO STOXX 50 Short Strangle	N/A	N/A	16.8	19.2	21.2	N/A	N/A	1.0	0.4	0.2
Index to benchmark					**Correlation**					**Tracking error (%)**
EURO iSTOXX 50 Short Strangle KWCDC	-0.4	0.1	0.1	0.0	0.2	2.6	6.5	8.7	11.2	15.1
Index to benchmark					**Beta**					**Annualized information ratio**
EURO iSTOXX 50 Short Strangle KWCDC	-0.4	0.1	0.1	0.0	0.2	2.6	0.6	0.3	0.1	0.1

Performance and annual returns[3]





[1] For information on data calculation, please refer to STOXX calculation reference guide.
[2] Based on EURIBOR1M
[3] STOXX data from Jan. 18, 2008 to Aug. 31, 2023

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

Methodology

The EURO iSTOXX 50 Short Strangle KWCDC combines a cash position and EURO STOXX 50 call and put options. The strategy sells a EURO STOXX 50 Index call and put option simultaneously.

The composition of the index is adjusted on a monthly basis, i.e. it requires a monthly rolling procedure on each third Friday of a month when the old EURO STOXX 50 call and put options cease trading at 12:00 CET; they are then replaced by a new EURO STOXX 50 call and put option. New one-month call options must have a remaining lifetime of one month. For the EURO iSTOXX 50 Short Strangle KWCDC the options must be 5% out of the money, i.e. the lowest (highest) strike above (below) or equal to the EURO STOXX 50 Index settlement price plus (minus) 5% for the call (put) option.

The detailed methodology including the calculation formula can be found in our rulebooks: www.stoxx.com/rulebooks

Versions and symbols

Index		ISIN	Symbol	Bloomberg	Reuters
Total Return	EUR	CH0513000841	SX5ESSKW	SX5ESSKW INDEX	.SX5ESSKW

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

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