ISTOXX EUROPE LOW VARIANCE ADJUSTED BETA

Index description

Two indices are calculated: the iSTOXX Europe Low Variance Weighted 120 Index and the iSTOXX Europe Low Variance Beta Adjusted Index. The iSTOXX Europe Low Variance Weighted 120 Index is designed to track the 120 least volatile stocks from the STOXX Europe 600 using a liquidity filter (six-month average daily trading volume above EUR3 million). The iSTOXX Europe Low Variance Adjusted Beta Index is based on the iSTOXX Europe Low Variance Weighted 120 (Net EUR) Index and aims to leverage its beta exposure. Hence, the index can help investors improve their return versus risk profile.

Key facts

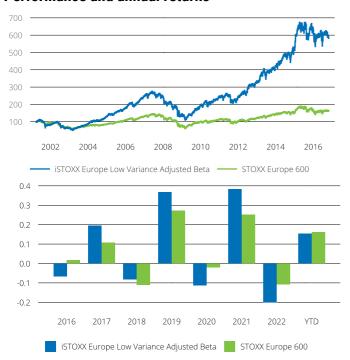
- » Concept is based on the well-known STOXX Europe 600 Index which provides a broad yet liquid representation of large-, mid- and small-cap companies in Europe. The liquidity of the index constituents improves tradability.
- » Leverage is defined as inverse of the beta and can be between 50% and 200%. Thus, negative equity exposure is explicitly forbidden.
- » Investors have an additional choice to access a low volatility index whose systematic exposure is reviewed monthly to achieve superior return performance
- » By reviewing the index monthly, the risk and return profile is adjusted continuously and can help achieve superior returns

Risk and return figures¹

Index returns				R	eturn (%)			An	nualized ret	:urn (%)
	Last month	YTD	1Y	3Y	5Y	Last month	YTD	1Y	3Y	5Y
iSTOXX Europe Low Variance Adjusted Beta	-2.4	9.8	4.9	28.4	30.7	N/A	N/A	5.0	8.8	5.6
STOXX Europe 600	-2.5	16.1	13.4	34.6	35.8	N/A	N/A	13.5	10.5	6.4
Index volatility and risk	Annualized volatility (%) Annualized Sharpe ratio ²									
iSTOXX Europe Low Variance Adjusted Beta	N/A	N/A	16.0	17.4	20.1	N/A	N/A	0.1	0.5	0.3
STOXX Europe 600	N/A	N/A	14.0	15.6	18.0	N/A	N/A	0.7	0.6	0.3
Index to benchmark		Correlation Tracking error (%)								
iSTOXX Europe Low Variance Adjusted Beta	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Index to benchmark		Beta Annualized information ratio								
iSTOXX Europe Low Variance Adjusted Beta	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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Performance and annual returns4



Methodology

STOXX Europe Low Variance Weighted 120 Index: selection of the 120 least volatile stocks from the STOXX Europe 600 Index on a monthly basis with the cut-off date on the first Friday of the month. To be eligible for selection, the components must have a six-month average daily trading volume (ADTV) of more than 3 million euros. The remaining stocks are then ranked in ascending order by their volatility, i.e. the 120 least volatile stocks are selected.

iSTOXX Europe Low Variance Adjusted Beta Index: the beta of the above described iSTOXX Europe Low Variance Weighted 120 Index (LVI) which is the sensitivity of Low Variance index log returns relative to the STOXX Europe 600 Net Return EUR log returns is calculated on the trading day following each review cut-off date and is implemented on the third Friday of the month. The detailed methodology, including calculation formula and full requirements, can be found in our rulebook:

www.stoxx.com/indices/rulebooks.html

Versions and symbols

Index		ISIN	Symbol	Bloomberg	Reuters	
Net Return	EUR	CH0198784164	SXLABR	SXLABR INDEX	.SXLABR	

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

Quick facts

Weighting	Equally weighted for Low Variance Weighted (LVI)	
Cap factor	No	
No. of components	120 for Low Variance Weighted Index	
Review frequency	Monthly	
Calculation/distribution	Both indices: net return (EUR): realtime (every 15 seconds)	
Calculation hours	Realtime (15 sec.): iSTOXX Europe Low Variance Beta Adjusted:	
Base value/base date	1,000 at Dec. 31, 2007	
History	Available daily back to Mar. 30, 2001	
Inception date	Feb. 4, 2013	

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.

4STOXX data from Mar. 30, 2001 to Oct. 31, 2016 (EUR), all data as of Aug. 31, 2023