EURO STOXX LOW CARBON DIVERSIFICATION SELECT 50

Index description

The STOXX Low Carbon Diversification Select family of indices, derived from established STOXX benchmark indices, captures the performance of top industry leaders with the lowest carbon emissions that display low correlation and volatility and generate high dividends. The component selection process first selects all stocks

with the lowest carbon intensity relative to other stocks from the same industry, and then excludes all stocks with the highest 12-month average correlation with all other remaining stocks. Next, it excludes all stocks whose 3- and 12-month historical volatilities are the highest, and among the remaining stocks, those with the highest 12-month historical dividend yield are selected to be included in the index. The percentage of exclusion/inclusion at each step is the same.

Those constituents are weighted according to the inverse of their volatility, with a cap at 10%. The indices are reviewed quarterly.

STOXX uses CDP and ISS ESG as reliable data sources for reported and estimated carbon data respectively. Data considered comprise of Scope 1 (all direct GHG emissions) and Scope 2 (indirect GHG emissions from consumption of purchased electricity, heat or steam) emissions.

Key facts

»Stocks with the lowest carbon intensity within each ICB Industry are selected

»Diversification brought by excluding highly correlated stocks

»Balanced approach between the different screenings

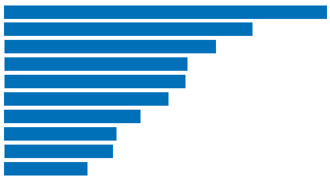
»Lower volatility stocks get the highest weight

»Liquid benchmark

Descriptive statistics

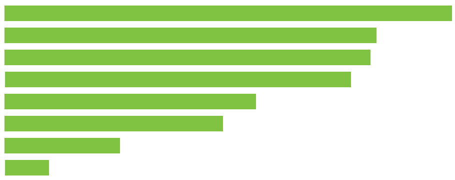
Index	Market cap (EUR bn.)		Components (EUR bn.)				Component weight (%)		Turnover (%)
	Full	Free-float	Mean	Median	Largest	Smallest	Largest	Smallest	Last 12 months
EURO STOXX Low Carbon Diversification Select 50	N/A	1.0	0.0	0.0	0.0	0.0	3.4	1.3	101.7
EURO STOXX	7,032.4	5,017.5	17.2	6.9	245.1	1.5	4.9	0.0	3.0

Supersector weighting (top 10)



15.5% Telecommunications
11.9% Utilities
10.1% Insurance
8.8% Energy
8.7% Personal Care, Drug and Grocery Stores
7.9% Health Care
6.5% Real Estate
5.4% Industrial Goods and Services
5.2% Food, Beverage and Tobacco
4.0% Media

Country weighting



20.7% France
17.2% Finland
16.9% Germany
16.0% Spain
11.6% Netherlands
10.1% Belgium
5.3% Italy
2.0% Portugal

Risk and return figures[1]

Index returns	Return (%)					Annualized return (%)				
	Last month	YTD	1Y	3Y	5Y	Last month	YTD	1Y	3Y	5Y
EURO STOXX Low Carbon Diversification Select 50	-1.5	3.9	4.9	20.7	13.1	N/A	N/A	4.9	6.5	2.5
EURO STOXX	-3.1	22.4	20.8	37.8	38.8	N/A	N/A	21.0	11.4	6.9
Index volatility and risk	**Annualized volatility (%)**					**Annualized Sharpe ratio**				
EURO STOXX Low Carbon Diversification Select 50	N/A	N/A	12.2	12.5	15.5	N/A	N/A	0.1	0.5	0.1
EURO STOXX	N/A	N/A	15.9	17.8	19.9	N/A	N/A	1.0	0.6	0.3
Index to benchmark	**Correlation**					**Tracking error (%)**				
EURO STOXX Low Carbon Diversification Select 50	0.9	0.9	0.9	0.9	0.9	5.9	7.5	8.0	9.0	8.5
Index to benchmark	**Beta**					**Annualized information ratio**				
EURO STOXX Low Carbon Diversification Select 50	0.7	0.6	0.7	0.6	0.7	3.0	-2.0	-1.9	-0.6	-0.6

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

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

STRATEGY INDICES

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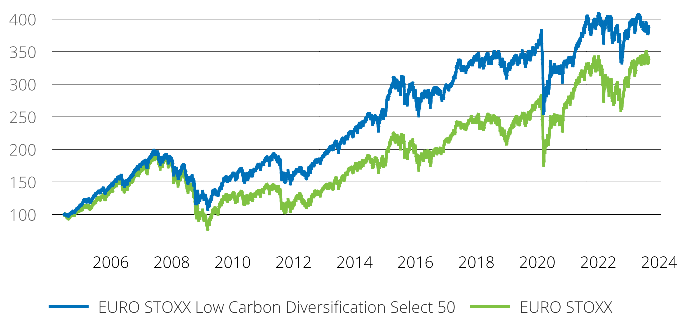
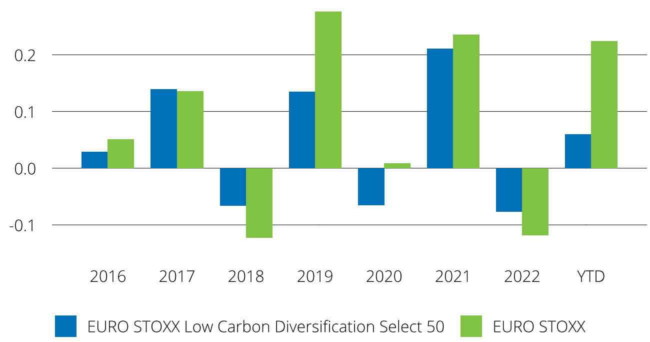
Fundamentals (for last 12 months)

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
EURO STOXX Low Carbon Diversification Select 50	16.1	12.8	13.8	12.8	1.5	4.8	0.8	3.3
EURO STOXX	14.7	12.1	12.7	11.7	1.6	3.8	1.0	4.3

Performance and annual returns[4]





Methodology

The base universe is taken as all stocks in the relevant benchmark index excluding ICB Subsector 60101040 Coal. Those stocks are screened for reported or estimated carbon emission data, 12-month historical daily pricing data and 12-month historical dividend yield, and if any one of the values is not available for a stock, the company is removed from the base universe.

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

Versions and symbols

Index		ISIN	Symbol	Bloomberg	Reuters
Gross Return	EUR	CH0321941046	SXXCDSGT		.SXXCDSGT
Price	EUR	CH0321940386	SXXCDSE	SXXCDSE INDEX	.SXXCDSE
Net Return	EUR	CH0321940394	SXXCDST	SXXCDST INDEX	.SXXCDST

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

Quick facts

Weighting	Volatility weighted
Cap factor	10%
No. of components	Fixed
Review frequency	Qarterly
Calculation/distribution	Price: real-time (every 15 seconds); Net and Gross Return: end-of-
Calculation hours	Please see data vendor codes sheet on
Base value/base date	100 as of Jun. 21, 2004
History	Available from Jun. 21, 2004
Inception date	Apr. 29, 2016

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 Jun. 21, 2004 to Aug. 31, 2023

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

STRATEGY INDICES

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Top 10 Components[5]

Company	Supersector	Country	Weight (%)
KPN	Telecommunications	Netherlands	3.42
DEUTSCHE TELEKOM	Telecommunications	Germany	3.19
DANONE	Food, Beverage and Tobacco	France	2.92
ELISA CORPORATION	Telecommunications	Finland	2.91
AHOLD DELHAIZE	Personal Care, Drug and Grocery	Netherlands	2.62
SAMPO	Insurance	Finland	2.43
MUENCHENER RUECK	Insurance	Germany	2.37
FREENET	Telecommunications	Germany	2.35
TELEFONICA	Telecommunications	Spain	2.31
PERNOD RICARD	Food, Beverage and Tobacco	France	2.26

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