STOXX EUROPE DIVERSIFICATION SELECT 50 RISK CONTROL 10% RV

Index description

The STOXX Diversification Select family of indices captures the performance of stocks with low correlation, low volatility and high dividends, derived from established STOXX benchmark indices. The component selection process first excludes all stocks with the highest 12-months average correlation with all other stocks of the benchmark, then excludes stocks whose previous 3- and 12-month historical volatilities are the highest.

The STOXX Europe Diversification Select 50 Risk Control 10% RV index is designed to control the risk profile of the underlying STOXX Europe Diversification Select 50 index. The risk control index reflects a volatility strategy that targets a predefined volatility level of 10%. The index shifts between a risk-free money market investment (measured by the applicable overnight rate) and a risky portfolio (measured by the underlying STOXX index). The allocations for the risk control Index is determined on the basis of the historical volatility of the underlying index (with a maximum leverage factor of 150%).

Key facts

» Provides steady returns with a much lower level of volatility than the underlying index.

» Based on very liquid instruments: money market and underlying index

» Offers full participation in less risky, booming equity markets while at the same time protecting investors when markets become turbulent.

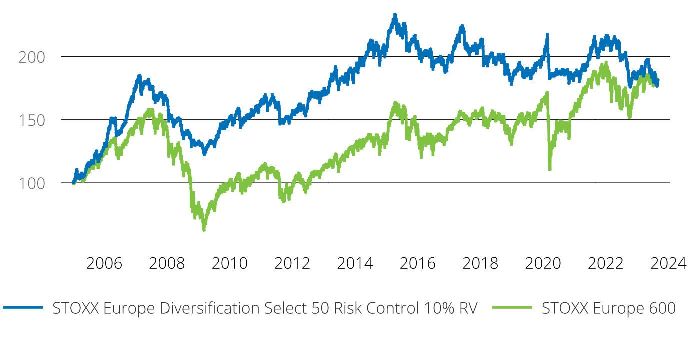
» Improved risk-return profiles for bull and bear markets

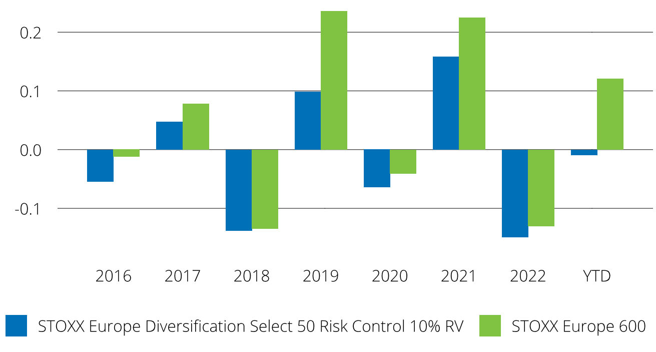
» Reacts immediately to changes in the prevailing market environment due to daily observation of volatility trigger levels.

Risk and return figures[1]

Index returns					Return (%)					Annualized return (%)
	Last month	YTD	1Y	3Y	5Y	Last month	YTD	1Y	3Y	5Y
STOXX Europe Diversification Select 50 Risk Control 10% RV	-2.3	-0.6	-6.3	-3.1	-7.9	N/A	N/A	-6.3	-1.0	-1.6
STOXX Europe 600	-2.8	12.1	10.4	25.0	19.9	N/A	N/A	10.5	7.8	3.7
Index volatility and risk					Annualized volatility (%)					Annualized Sharpe ratio[2]
STOXX Europe Diversification Select 50 Risk Control 10% RV	N/A	N/A	9.5	9.8	10.0	N/A	N/A	-1.1	-0.2	-0.2
STOXX Europe 600	N/A	N/A	14.0	15.6	18.0	N/A	N/A	0.5	0.4	0.2
Index to benchmark					Correlation					Tracking error (%)
STOXX Europe Diversification Select 50 Risk Control 10% RV	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
STOXX Europe Diversification Select 50 Risk Control 10% RV	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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. 03, 2005 to Aug. 31, 2023

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

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Methodology

The index portfolio consists of an underlying index (STOXX Europe Diversification Select 50 index) and an overnight money market investment. The rebalancing is done if the volatility changes by more than 5% since the last rebalancing to avoid high allocation turnover due to minimal deviations from the targeted risk level. In addition, a maximum exposure of 150% toward the risky asset is introduced to avoid extreme leveraged positions. The detailed methodology, including the calculation formula, can be found in our rulebook: www.stoxx.com/rulebook

Quick facts

Weighting	Rebalancing: daily
Calculation/distribution	Price: real-time, others: end of day
Calculation hours	09:00 to 22:30 (real-time), 22:30 (end of day)
Base value/base date	100 as of Jan. 3, 2005
History	Available from Jan. 3, 2005
Inception date	Oct. 21, 2015

To learn more about the inception date, the currency, the calculation hours and historical values, please see our data vendor code sheet.

Versions and symbols

Index	ISIN	Symbol	Bloomberg	Reuters
Total Return - EUR	CH0300306047	SXXDS1TG	nan	.SXXDS1TG
Total Return - EUR	CH0300305197	SXXDS1TP	SXXDS1TP INDEX	.SXXDS1TP
Total Return - EUR	CH0300306013	SXXDS1TR	nan	.SXXDS1TR

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

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.