STOXX® USA 500 INDUSTRY NEUTRAL AX QUALITY INDEX

Index description

STOXX Industry Neutral Single and Multi-Factor Indices aim to harvest the risk premia of several academically validated style factors — Value, Momentum, Quality, Size and Low Risk within each ICB Industry. 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 industry neutral factor indices. The STOXX industry neutral 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 Axiomas 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

»Strict neutrality imposed on ICB Industries to remove industry bets relative to the respective benchmarks

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

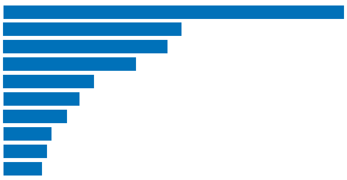
»Multi-factor index employs a bottom-up approach by maximizing the exposure to an equally weighted aggregated multi-factor score

»Ensures tradability by managing turnover and exposure to illiquid positions

Descriptive statistics

Index	Market cap (USD bn.)		Components (USD bn.)				Component weight (%)		Turnover (%)
	Full	Free-float	Mean	Median	Largest	Smallest	Largest	Smallest	Last 12 months
STOXX USA 500 Industry Neutral Ax Quality Index	N/A	106.3	2.1	1.5	8.3	0.1	7.8	0.1	49.7
STOXX USA 500 Index	34,903.6	33,569.5	67.1	31.1	2,218.2	8.5	6.6	0.0	3.6

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 USA 500 Industry Neutral Ax Quality Index	-3.5	3.8	-6.8	35.2	58.0	N/A	N/A	-6.8	10.6	9.6
STOXX USA 500 Index	-2.4	3.7	-10.0	33.1	45.6	N/A	N/A	-10.0	10.0	7.8
Index volatility and risk	**Annualized volatility (%)**					**Annualized Sharpe ratio[2]**				
STOXX USA 500 Industry Neutral Ax Quality Index	15.4	16.1	24.7	26.2	22.9	N/A	N/A	-0.3	0.4	0.4
STOXX USA 500 Index	16.0	15.9	24.1	25.6	22.0	N/A	N/A	-0.5	0.4	0.3
Index to benchmark	**Correlation**					**Tracking error (%)**				
STOXX USA 500 Industry Neutral Ax Quality Index	1.0	1.0	1.0	1.0	1.0	4.7	4.5	4.9	5.2	4.9
Index to benchmark	**Beta**					**Annualized information ratio**				
STOXX USA 500 Industry Neutral Ax Quality Index	0.9	1.0	1.0	1.0	1.0	-3.0	0.1	0.7	0.1	0.4

[1] For information on data calculation, please refer to STOXX calculation reference guide.
[2] Based on EURIBOR1M

(USD, price), all data as of Feb. 28, 2023

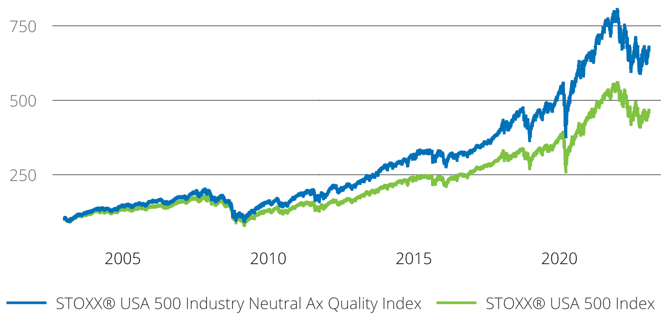
FACTOR & STRATEGY

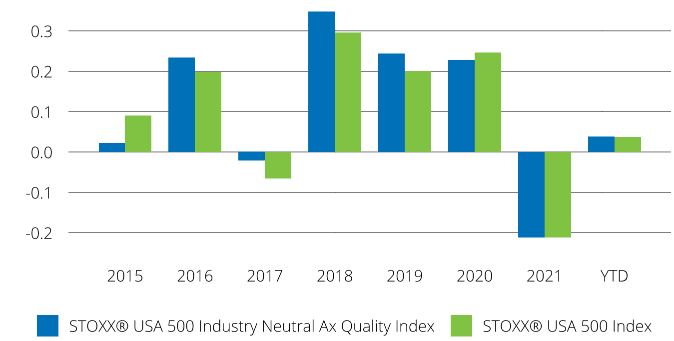
STOXX® USA 500 INDUSTRY NEUTRAL AX QUALITY INDEX

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 USA 500 Industry Neutral Ax Quality Index	25.3	20.1	19.1	19.2	4.8	0.9	1.2	25.1
STOXX USA 500 Index	26.3	18.8	20.3	18.4	0.1	1.0	2.3	12.3

Performance and annual returns[4]





Methodology

Bringing together the powerful indexing and analytics capabilities of Qontigo, the STOXX Industry Neutral 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 Axiomas 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 country controls and industry neutrality constraints, 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
Gross Return	EUR	CH0462360121	SA5UNQUU		.SA5UNQUU
Net Return	EUR	CH0462360113	SA5UNQUR		.SA5UNQUR
Price	EUR	CH0462360105	SA5UNQUP		.SA5UNQUP
Gross Return	USD	CH0462360154	SA5UNQUS	SA5UNQUS INDEX	.SA5UNQUS
Net Return	USD	CH0462360147	SA5UNQUV	SA5UNQUV INDEX	.SA5UNQUV
Price	USD	CH0462360139	SA5UNQUL		.SA5UNQUL

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

Quick facts

Weighting	Optimization
Cap factor	4.5%/ 8% / 35%
No. of components	Variable
Review frequency	Quarterly (Mar.,Jun.,Sep.,Dec.)
Calculation/distribution	realtime 15 sec
Calculation hours	15:30:00 22:15:00
Base value/base date	100 as of Mar. 19, 2012
History	Available since 31 Dec 2002
Inception date	Feb. 17, 2021

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

CONTACT DETAILS

STOXX customer support | P +41 43 430 7272 | customersupport@stoxx.com | https://qontigo.com/support/

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] Net dividend yield is calculated as net return index return minus price index return
[4] STOXX data from Dec. 31, 2002 to Jan. 31, 2023

(USD, price), all data as of Feb. 28, 2023

FACTOR & STRATEGY

STOXX® USA 500 INDUSTRY NEUTRAL AX QUALITY INDEX

Top 10 Components[5]

Company	Supersector	Country	Weight (%)
Costco Wholesale Corp.	Retail	United States	7.84
Texas Instruments Inc.	Technology	United States	7.81
Apple Inc.	Technology	United States	7.70
RAYTHEON TECHNOLOGIES	Industrial Goods & Services	United States	6.20
S&P GLOBAL	Financial Services	United States	5.24
SERVICENOW	Technology	United States	4.90
REGENERON PHARMS.	Health Care	United States	4.29
META PLATFORMS CLASS A	Technology	United States	3.20
MODERNA	Health Care	United States	3.19
McKesson Corp.	Personal Care, Drug & Grocery Stores	United States	2.97

[5] Based on the composition as of Feb. 28, 2023