

EURO STOXX 50[®]

Europe's Leading Blue-Chip Index
June 2020

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STOXX is now Part of Qontigo...

A new financial intelligence driver, modernizing investment management



Index

STOXX & DAX

World-class indices that are licensed to more than 500 companies, including the world's largest financial product issuers, capital owners and asset managers.



Analytics

AXIOMA

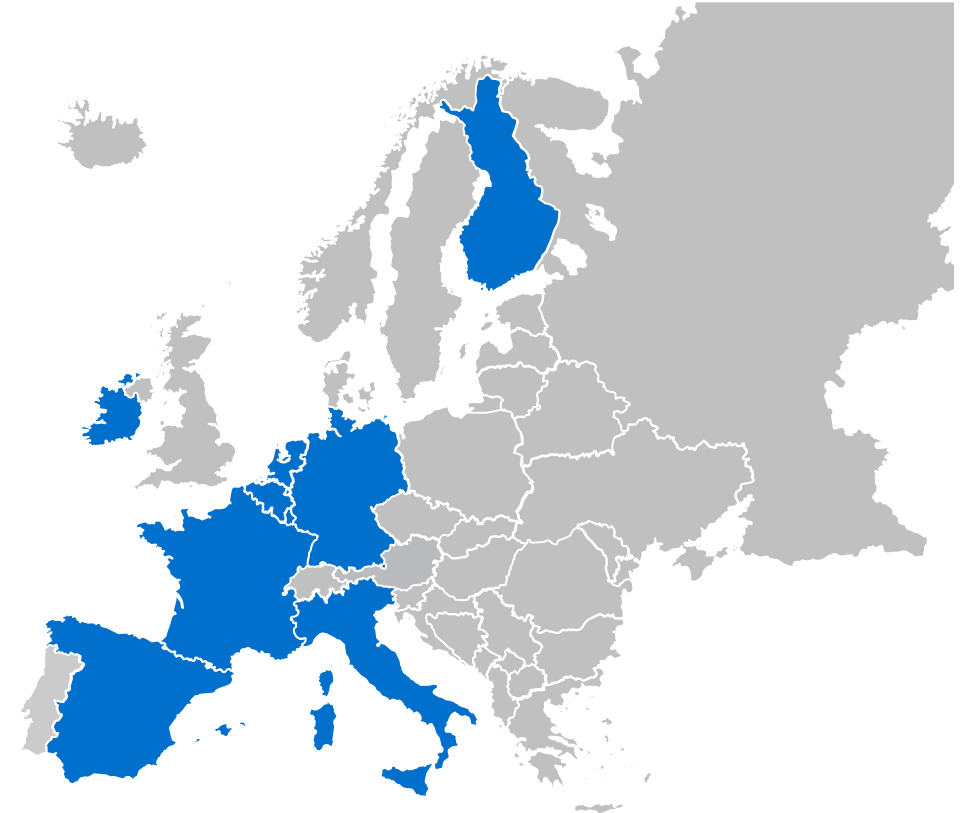
Best of breed portfolio construction and risk analytics tools.

EURO STOXX 50® - A Unique Offering for Liquid, Diversified Access to the Eurozone

Features

- **Comprehensive and transparent:** completely rules-based coverage of the Eurozone¹⁾
- **Balanced:** selection mechanism ensures balanced representation of supersectors using Industry Classification Benchmark (ICB)
- **Representative and liquid:** coverage of about 60% of total free-float through liquid supersector leaders. Components ranked and weighted by free-float subject to 10% cap
- **Continuous pulse on market changes:** quarterly rebalancing, annual review
- **Established:** launched on Feb. 26, 1998

Regional Coverage¹⁾



1) Country composition as of March 2020: Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands and Spain

Methodology Leads to Balanced Representation of Eurozone Supersector Leaders



EURO STOXX®
(covers approximately
95% of Eurozone free-
float)

Within each of the 19
supersectors ...

... rank stocks by free-
float and select largest
stocks jointly
accounting for 60%¹⁾ of
supersector free-float.

Select 50 largest
stocks as measured
by free-float from all
stocks thus selected

Weight by free-float
subject to 10% cap

1) More concisely, the maximum number of largest stocks as measured by free-float is selected such that the supersector market coverage still remains below 60%

Risk and Return Characteristics

Key Figures¹⁾³⁾

	EURO STOXX 50® (EUR GR)	EURO STOXX® (EUR GR)
Perf. overall (annualized)	3.50%	4.50%
Perf. (1Y)	-14.09%	-14.82%
Perf. (3Y) (annualized)	-4.15%	-3.84%
Perf. (5Y) (annualized)	-2.13%	-1.25%
Vol. overall (annualized)	20.93%	19.59%
Volatility (1Y) (annualized)	26.05%	25.00%
Volatility (3Y) (annualized)	18.23%	17.54%
Volatility (5Y) (annualized)	19.78%	18.78%
Sharpe ratio (Overall) ²⁾	0.27	0.32
Sharpe ratio (5Y) ²⁾	0.01	0.05
Tracking error (overall)	2.71%	
Tracking error (5Y)	2.34%	
Dividend yield (overall)	3.86%	3.83%
Maximum drawdown	38.23%	37.88%
Constituents	50	300

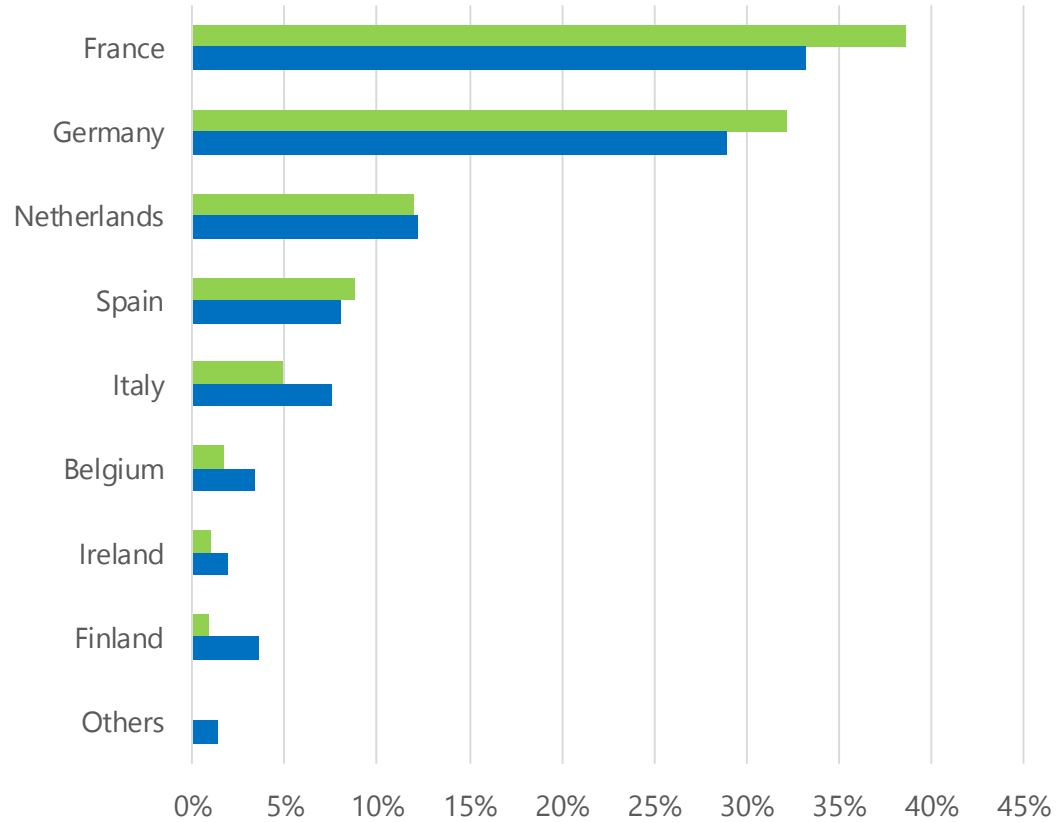
Performance EURO STOXX 50®¹⁾³⁾



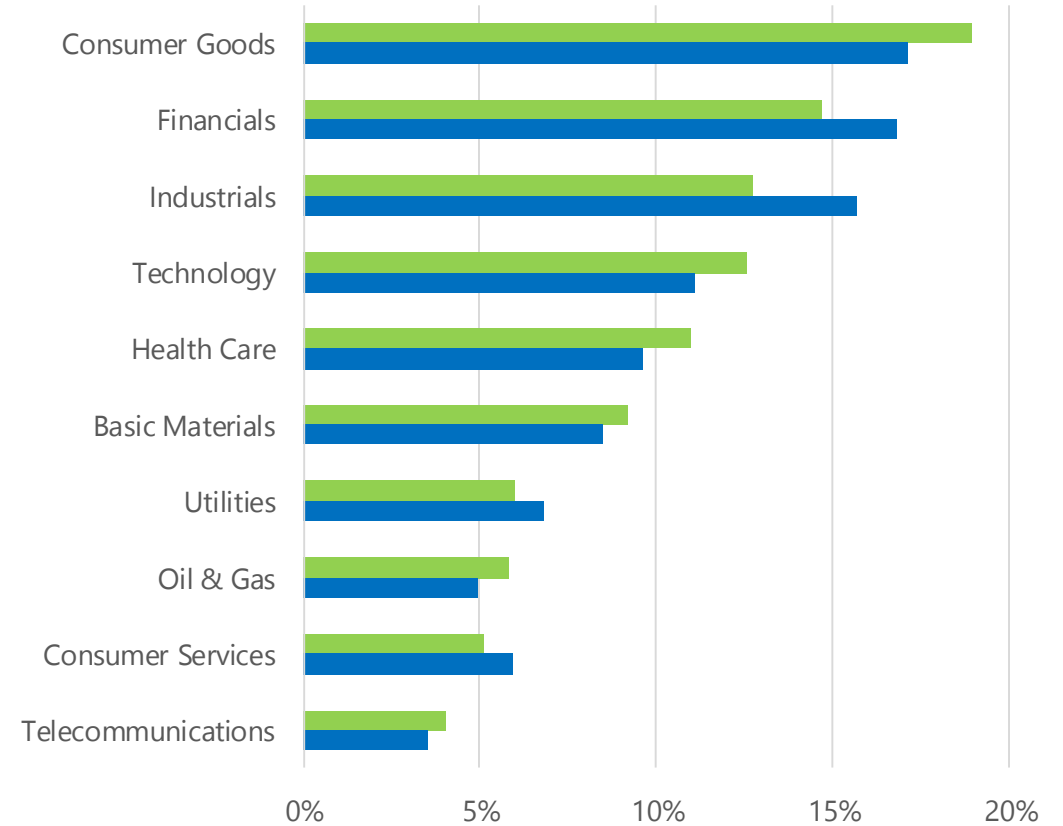
- 1) Source: STOXX, daily data. Relative figures calculated against Benchmark
- 2) EONIA used as a proxy for riskless returns
- 3) STOXX Data Mar 31, 2010 – March 31, 2020

Well Diversified Across Sectors and Countries ...

Country Allocation¹⁾



Industry Allocation¹⁾



 EURO STOXX 50[®]

 EURO STOXX[®]

1) STOXX data as of Mar. 31, 2020

... and thus Represents many of Europe's Best Known Brands

Top 10 Constituents¹⁾

Name	Country	Weight
SAP	Germany	5.63%
ASML Holding	Netherlands	5.18%
Total	France	4.62%
Sanofi	France	4.56%
LVMH Moet Hennessy	France	4.51%
Linde	Germany	4.45%
Allianz	Germany	3.28%
Siemens	Germany	3.10%
Unilever	Netherlands	3.08%
L'Oreal	France	2.91%
Sum		41.32%

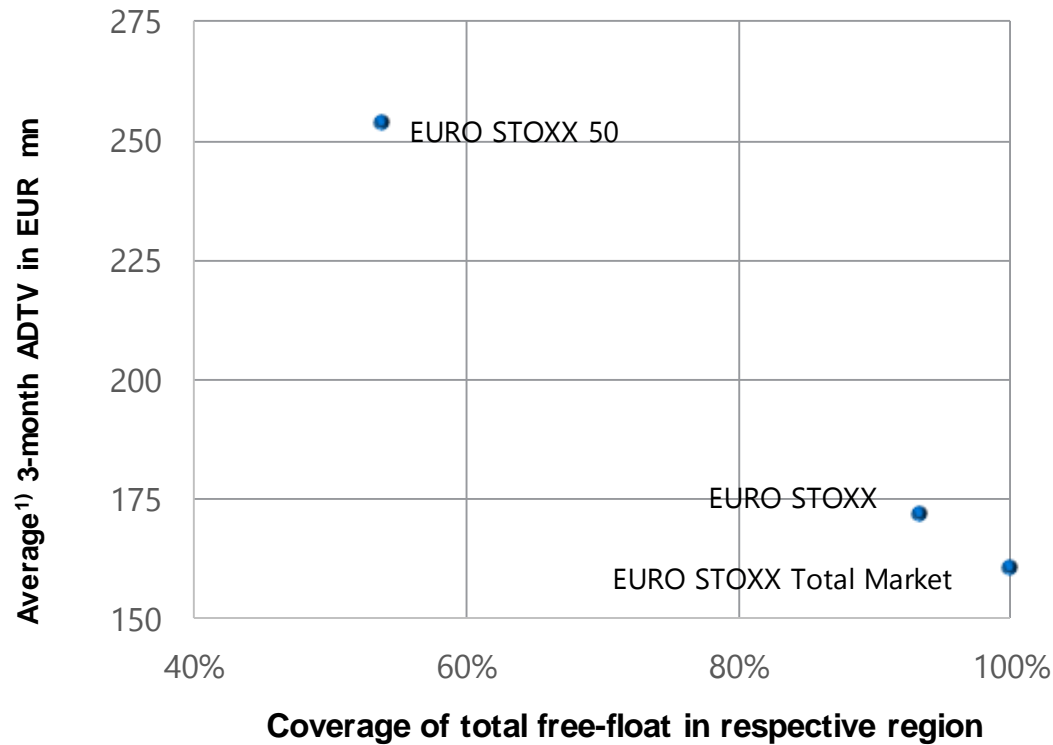
Other Constituents¹⁾



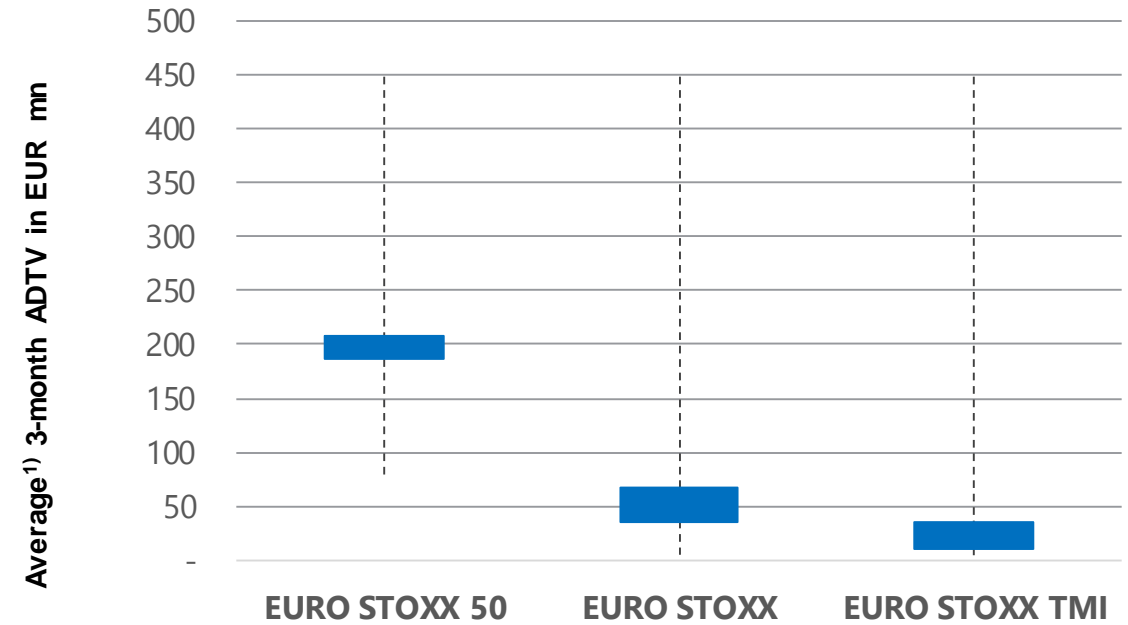
1) STOXX data as of Mar. 31, 2020

Liquidity of EURO STOXX 50[®] is Three Times that of the EURO STOXX[®]

Market Coverage vs. Liquidity



Distribution of Component Liquidity²⁾



1) STOXX data. ADTV: weighted average daily trading value as of March 31, 2020

2) STOXX data as of March. 31, 2020 (composition) and March. 31, 2020 (ADTVs)

The EURO STOXX 50[®] has Attracted Strong Asset Inflows

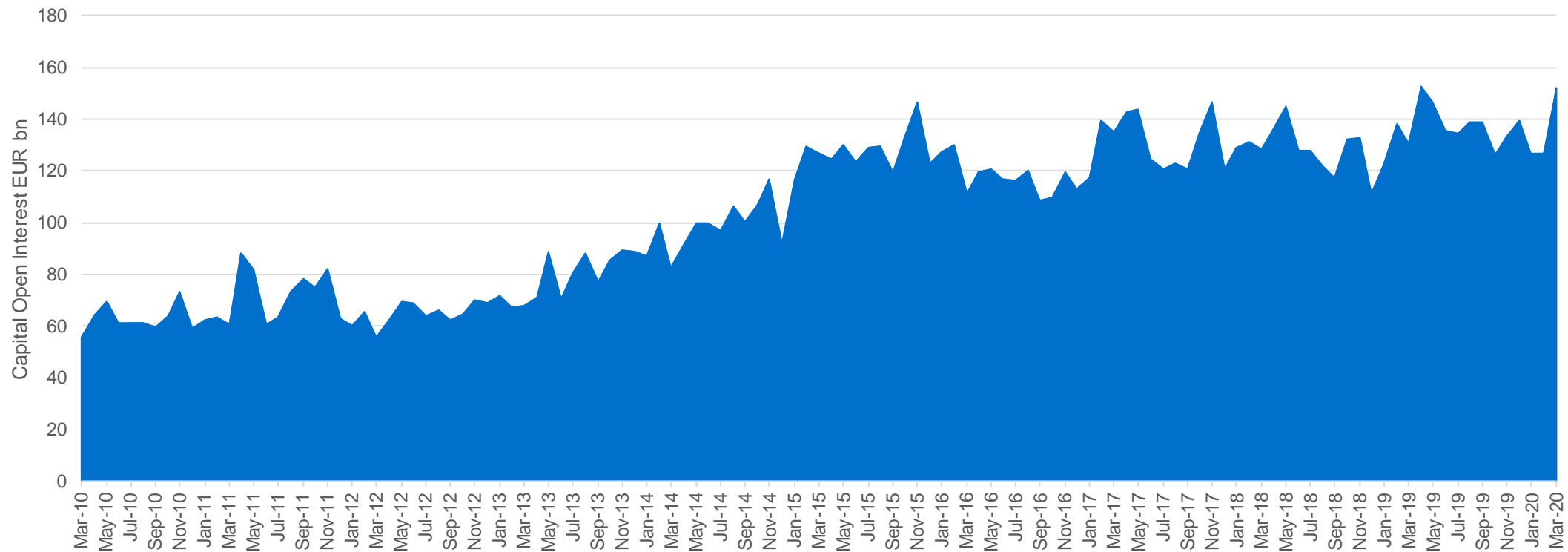
Diverse Product Range

- First ETF on the EURO STOXX 50[®] was launched 20 years ago
- Has since grown with over 40 different products available across a range of providers that includes variants:
 - EURO STOXX 50[®] Daily Leverage
 - EURO STOXX 50[®] Futures Roll
 - EURO STOXX 50[®] Daily Hedged
 - EURO STOXX 50[®] Daily Short
- Almost EUR 30bn in ETF assets under management (AuM)¹⁾ which is the largest of any Eurozone based underlying
- ESG version that incorporates sustainability measures whilst maintaining similar risk and return profile was launched April 2019:
 - EURO STOXX 50[®] ESG

1) STOXX Ltd. March 2020

EURO STOXX 50® Index Futures are Amongst the Most Liquid Globally

- EURO STOXX 50® Futures traded on Eurex are among the most liquid exchange-traded derivatives in the world (Top 10)¹. They consistently demonstrate high open interest and attract a significant network of global market participants.
- Capital Open Interest - EUR 152bn²)



1) <https://www.fia.org/articles/2019-market-data-derivatives-volume-grows-bric-bric>

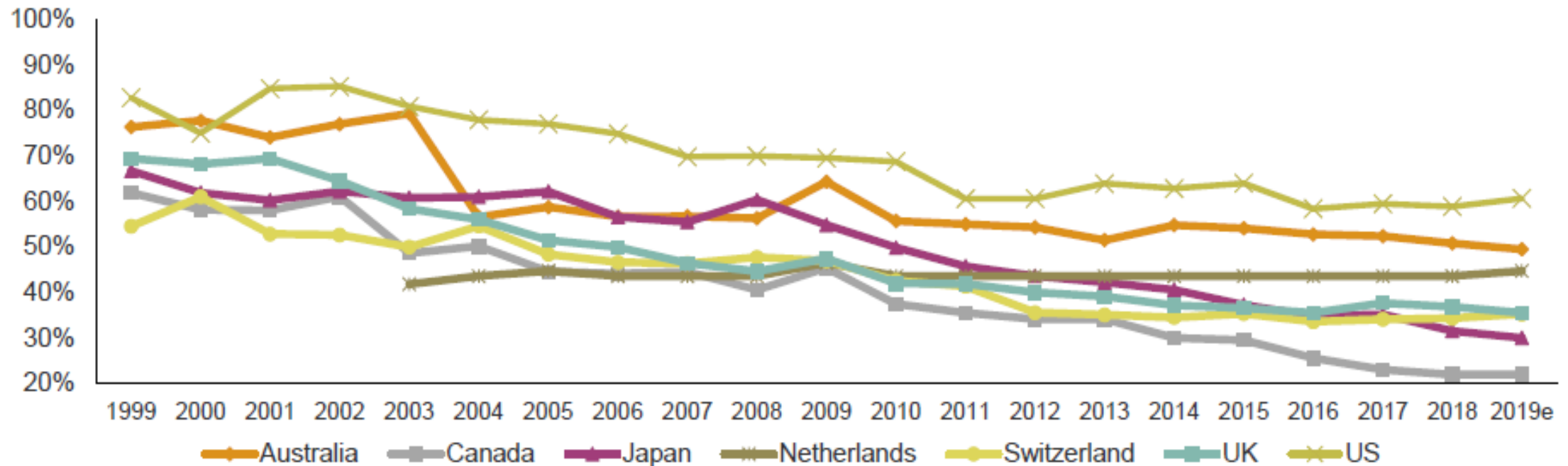
2) Eurex data as of Mar. 1, 2020

Drivers of Strategic and Tactical Allocations to the Eurozone

Home Market Biases are being Reduced Globally

Pension asset allocation: domestic equity in % of total equity by country¹⁾

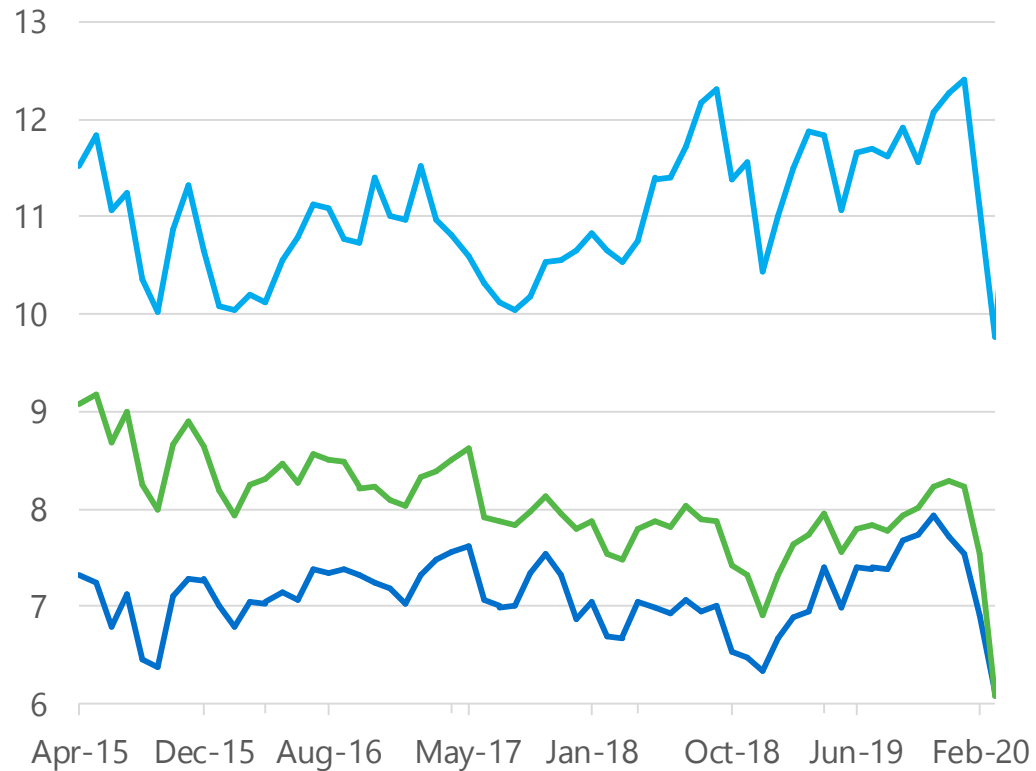
Domestic equity over total equity exposure



1) Towers Watson, Global Pension Assets Study 2020

Eurozone Equities are Moderately Priced in a Regional Context...

Price to EBITDA¹⁾

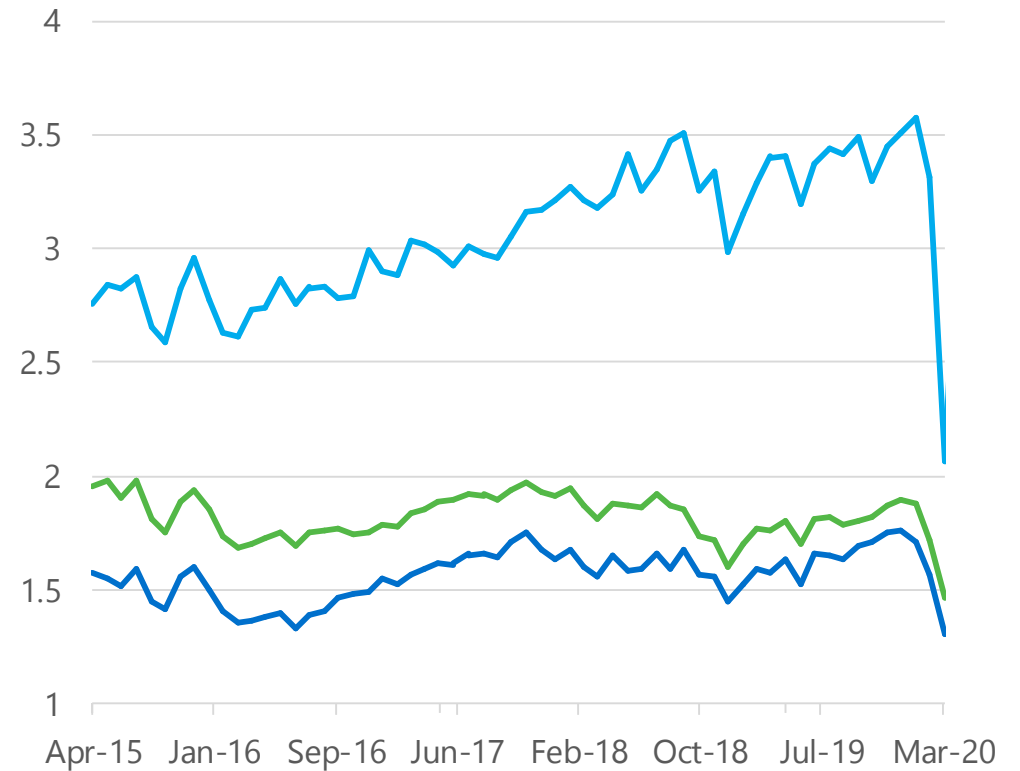


■ EURO STOXX 50®

■ STOXX® EUROPE 600

■ STOXX® USA 900

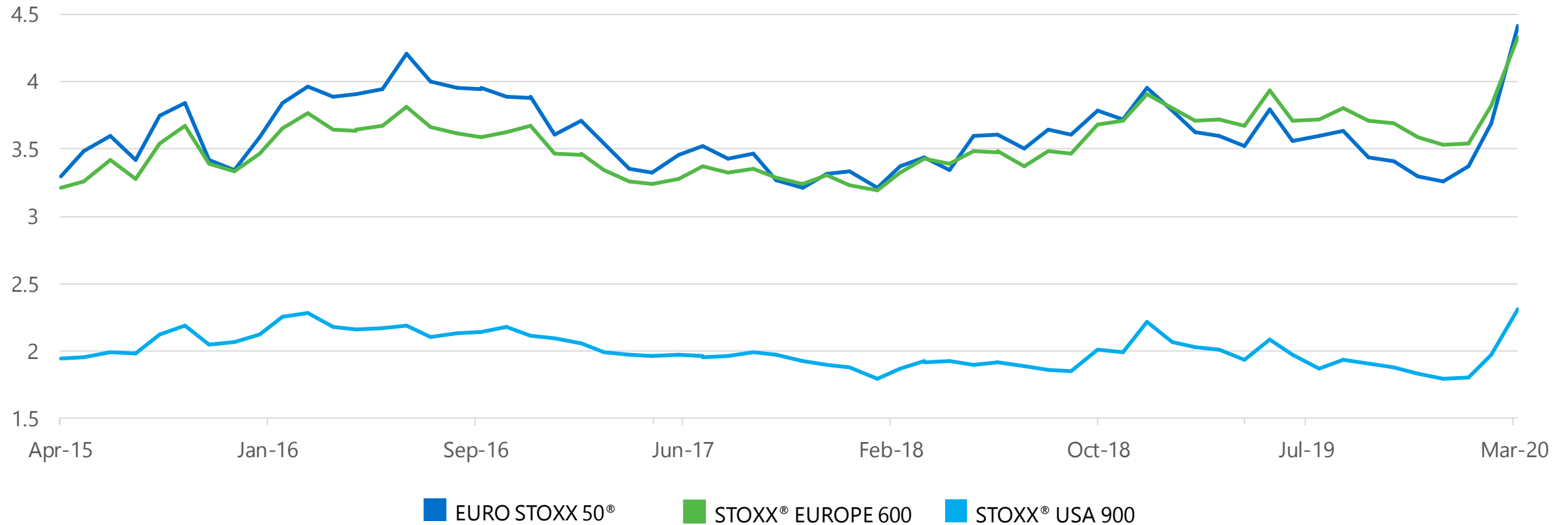
Price to Book¹⁾



1) Bloomberg monthly data from Apr. 30, 2015 to Mar. 31, 2020

... while Offering Attractive Dividend Yield

Dividend Yield¹⁾



1) Bloomberg monthly data from Apr. 30, 2015 to Mar. 31, 2020

Main Drivers of Strategic and Tactical Allocations to Europe

Globalization

Global investors increasingly apply all-country approaches to asset allocation

Size

Europe and Eurozone are among the world's largest contiguous markets

Macro-environment

Positive macroeconomic trends and continued low interest rate environment

Pricing

Eurozone equities are moderately priced in cross-sectional comparison

Appendix

Construction of the EURO STOXX 50® in a Nutshell



- All total market indices (“TMIs”) in developed Europe (18 countries)
- Largest 600 companies in developed European TMIs
- All Eurozone stocks in STOXX® Europe 600
- 50 supersector leaders from EURO STOXX®

Construction of the EURO STOXX 50[®] in Detail

Step 1: STOXX TMIs for developed Europe

- Generate STOXX Total Market Index (“TMI”) for all developed markets in Europe per STOXX country classification. For each country
 - RANK stocks by free-float market cap
 - SELECT those largest stocks that jointly account for ≤95% of total free-float¹⁾
 - WEIGHT selected stocks by free-float market cap

Step 2: STOXX[®] Europe 600

- AGGREGATE all TMI’s in developed Europe, then
- RANK these stocks by free-float market cap
- SELECT largest 600¹⁾
- WEIGHT selected stocks by free-float market cap²⁾

Step 3: EURO STOXX[®]

- SELECT all stocks in STOXX[®] Europe 600 that are listed in Eurozone countries
- WEIGHT selected stocks by free-float market cap²⁾

Step 4: EURO STOXX 50[®]

- For each of the 19 supersectors in the EURO STOXX
 - RANK these stocks by free-float market cap
 - SELECT max. number of largest stocks while maintaining <60% supersector coverage
- RANK selected stocks by free-float market cap
- SELECT largest 50¹⁾
- WEIGHT by free-float market cap subject to 10% cap at the component level

1) Buffer rules apply upon review to limit turnover

2) Technically, there is a cap of 20% at the component level. Yet this cap has no practical relevance for the STOXX Europe 600 or for the EURO STOXX, where the largest companies typically account for <5% of total free-float

EURO STOXX 50® Product Offering Readily Meets a Broad Range of Investor Needs

Indices derived from/closely related to EURO STOXX 50®

EURO STOXX 50 ESG-X	EURO STOXX 50 Equal Weight	EURO STOXX 50 ex. (country / sector)	EURO STOXX 50 Risk Control (level)	EURO STOXX 50 Hedged (currency)	EURO STOXX 50 BuyWrite	EURO STOXX 50 Volatility (VSTOXX)	EURO STOXX 50 DVP	EURO STOXX Islamic 50
EURO STOXX 50 ESG	EURO STOXX 50 Low Risk Weighted	EURO STOXX 50 Subindex (country)	EURO STOXX 50 Short			EURO STOXX 50 Investable Volatility		EURO STOXX ESG Leaders 50
	EURO STOXX 50 Equal Risk		EURO STOXX 50 Leverage (times x)					

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Disclaimer

About Qontigo

Qontigo is a financial intelligence innovator and a leader in the modernization of investment management, from risk to return.

The combination of the company's world-class indices and best-of-breed analytics, with its technological expertise and customer-driven innovation enables its clients to achieve competitive advantage in a rapidly changing marketplace.

Qontigo's global client base includes the world's largest financial products issuers, capital owners and asset managers.

Created in 2020 through the combination of STOXX, DAX and Axioma, Qontigo is part of Deutsche Börse Group, headquartered in Eschborn with key locations in New York, Zug and London.

About STOXX

Qontigo's index provider STOXX is part of Deutsche Börse Group, and the administrator of the DAX indices under the European Benchmark Regulation.

STOXX Ltd. is Qontigo's global index provider, currently calculating a global, comprehensive index family of over 10,000 strictly rules-based and transparent indices. Best known for the leading European equity indices EURO STOXX 50, STOXX Europe 50 and STOXX Europe 600, STOXX Ltd. maintains and calculates the STOXX Global index family which consists of total market, broad and blue-chip indices for the regions Americas, Europe, Asia/Pacific and sub-regions Latin America and BRIC (Brazil, Russia, India and China) as well as global markets.

STOXX indices are licensed to more than 600 companies around the world as underlyings for Exchange Traded Funds (ETFs), futures and options, structured products and passively managed investment funds.

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