

EUROPEAN EQUITIES

Attractive Valuations Offer Opportunities

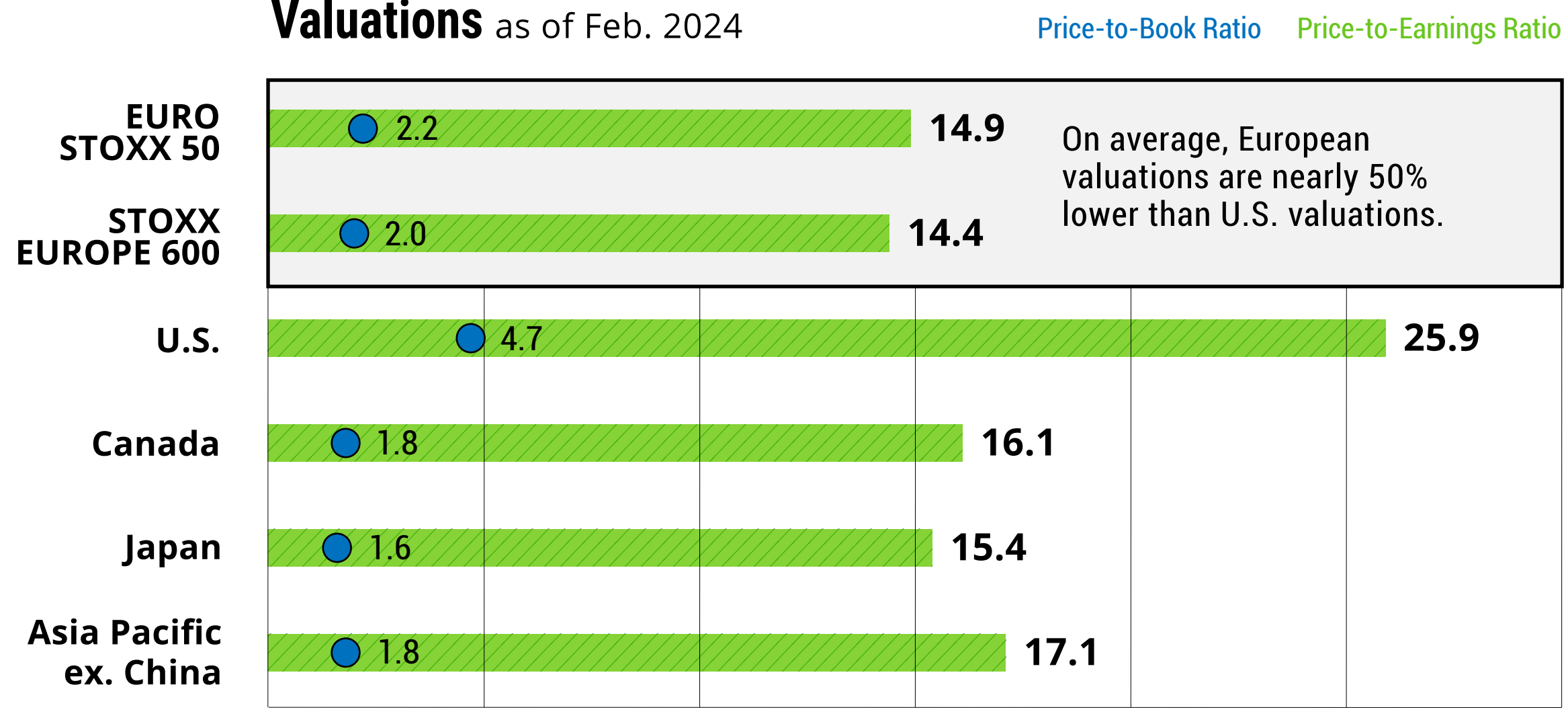
While Europe is known for some of the world's most iconic brands, its stock universe offers additional opportunities that may be lesser known.



ATTRACTIVE VALUATIONS

European equities offer lower or comparable valuations to most North American and Asian markets.

Valuations as of Feb. 2024



Source: STOXX, February 29, 2024. The U.S. is represented by the STOXX USA Index. Canada is represented by the STOXX Canada Index. Japan is represented by the STOXX Japan Index. Asia Pacific ex. China is represented by the STOXX Asia Pacific AC ex. China Index. Ratios based on trailing 12 month financials. The price to earnings ratio excludes companies with negative earnings. European valuations are 49% lower than American valuations on average when comparing both ratios for the STOXX Europe 600, the EURO STOXX 50, and the STOXX USA Index.

With these lower valuations in mind, European equities may offer an affordable entry point for investors.

Research shows that lower price ratios have historically led to higher long-term returns.

Source: JP Morgan Asset Management, December 31, 2023; Knowledge at Wharton, August 29, 2023. Research based on U.S. stocks.

MARKET MOVEMENTS NOT CLOSELY CONNECTED

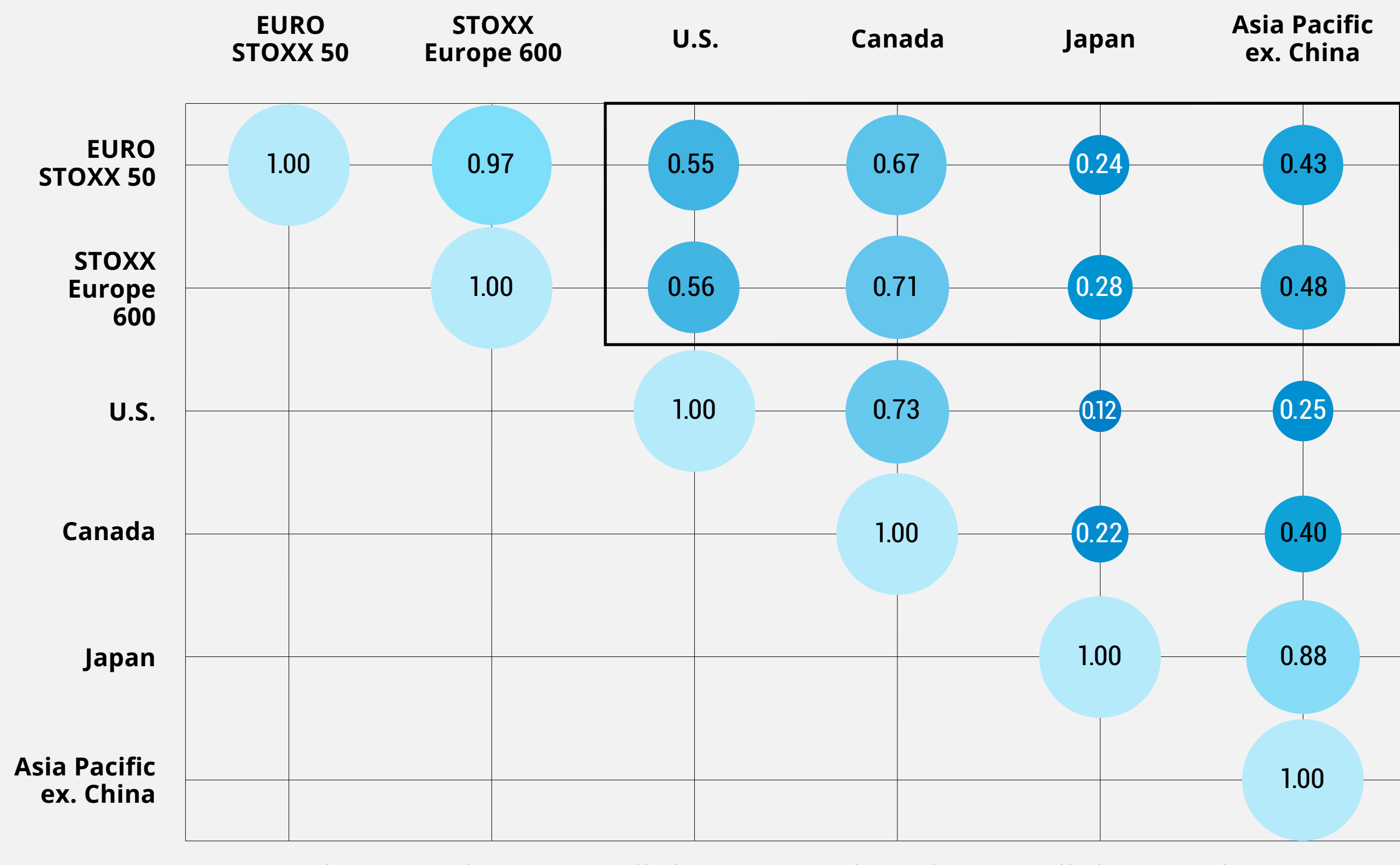
Over the last decade, European equities have had low-to-moderate correlation with North American and Asian equities.

Source: STOXX

Correlation from Feb. 2014 to Feb. 2024

Daily USD Returns

No Correlation 0.00 Moving in Unison 1.00



Source: STOXX, February 29, 2024. The U.S. is represented by the STOXX USA Price Index. Canada is represented by the STOXX Canada Price Index. Japan is represented by the STOXX Japan Price Index. Asia Pacific ex. China is represented by the STOXX Asia Pacific ex. China Price Index.

European equities can enhance portfolio diversification due to their relatively independent market movements from North American and Asian markets.

Ultimately, this has the potential to mitigate risk for investors.

TRACKING THE MARKET

For investors interested in European equities, STOXX offers a variety of flagship indices.



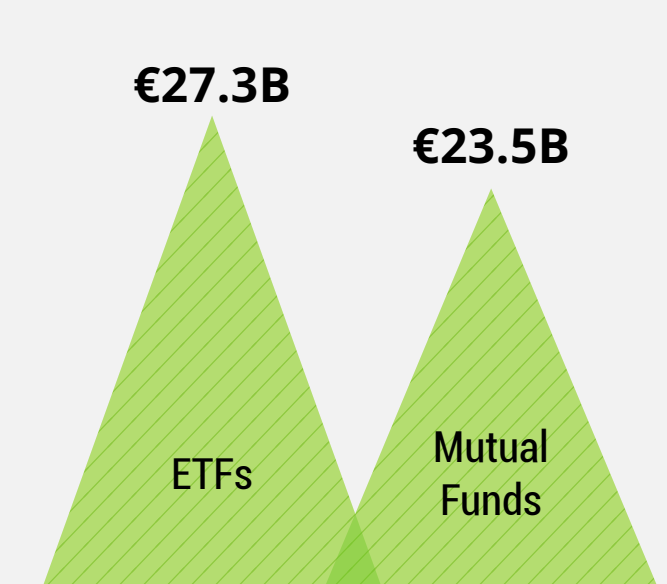
Source: STOXX, February 29, 2024. Market cap is free float, which represents the shares that are readily available for public trading on stock exchanges. STOXX Developed Europe market cap was \$10.7T USD and converted to Euros using the closing exchange rate of 0.9255 on February 29, 2024.

The EURO STOXX 50 A closer look

The EURO STOXX 50 tracks the Eurozone's biggest and most traded supersector leaders.

It underlies one of the world's largest ranges of ETFs and mutual funds.

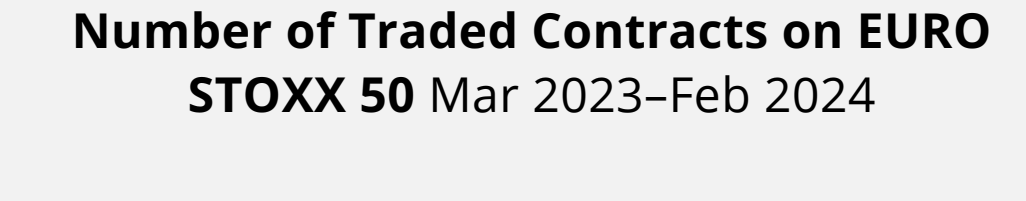
Assets under Management Tracking EURO STOXX 50



Source: STOXX, November 2023

Not only that, futures and options on the EURO STOXX 50 Index are the most actively-traded, EUR-denominated equity index derivatives at Eurex.

Number of Traded Contracts on EURO STOXX 50 Mar 2023-Feb 2024



Source: Eurex, February 29, 2024

Investors can choose from a number of EURO STOXX 50 subindices, based on their needs.



EURO STOXX 50 Volatility Index (VSTOXX)

Reflects implied volatility using the price variance of all options of a given time to expiry.

EURO STOXX 50 Dividend Points Index

Reflects gross cumulative cash dividends that are announced and paid by EURO STOXX 50 constituents.

EURO STOXX 50 ESG Index

Reflects standard ESG exclusions such as controversial weapons, and excludes the bottom 20% of the EURO STOXX 50 based on ESG scores.

Only a select number of EURO STOXX 50 subindices are shown.

Every index methodology is rules-based, transparent, and includes liquidity filters.

For the past 25 years, the EURO STOXX 50 has served as an accurate, reliable and tradable representation of the Eurozone equity market.



Axel Lomholt
General Manager, STOXX

KEY FACTS ABOUT STOXX

- Comprehensive, liquid and investable ecosystem
- European heritage, global reach
- Highly sophisticated customization capabilities
- Open architecture approach to using data
- Close partnerships with clients
- Part of ISS STOXX and Deutsche Börse Group

Find out more about European indices

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