

# STOXX Europe 600 and Derived Indices

June 2024

# Agenda

01. **Introduction**
02. **STOXX Europe 600**
03. **STOXX Europe 600 ESG-X**
04. **STOXX Europe 600 SRI**

# Introduction



The STOXX® Europe 600 Index was launched in June 1998 as a broad and liquid measure of the European market.



The index offers comprehensive coverage across country and industry allocations to Europe's developed economies, replicating almost 90% of the underlying investable market.



In addition to large cap exposure, the STOXX Europe 600 also covers mid- and small-cap securities capturing their historical return premia.



The STOXX Europe 600 Index has evolved to be used as the universe to measure specific market segments such as region, size, ICB sectors, Factors, ESG, Low Carbon, PAB & CTB and most recently Biodiversity.



There is a strong ecosystem supporting the index family with many ETFs and passive funds available as well as a vast portfolio of exchange-traded derivatives.

01.

# STOXX Europe 600

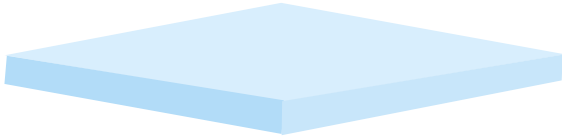
# Key Index Features

<b>Universe</b>	Developed Europe
<b>Weighting scheme</b>	Free-float market capitalization
<b>Weighting cap factors</b>	20% on a component level
<b>Base value and date</b>	100 on December 31, 1991
<b>Index types and currencies</b>	Price, net return and gross return in EUR and USD
<b>Review frequency</b>	Quarterly on third Friday of March, June, September and December
<b>Selection list</b>	Most liquid security considered, 3M-ADTV > EUR 1m
<b>Fast exit, Fast entry</b>	Not applicable

# STOXX Europe 600

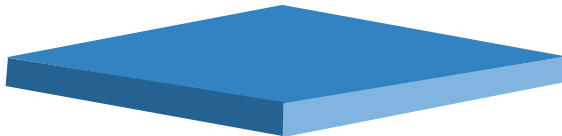
## Index Construction

### Step 1: STOXX TMI's for developed countries in Europe



- Generate STOXX Total Market Index (“TMI”) for all developed markets in Europe. For each country
  - **Rank** stocks by free-float market cap
  - **Select** 95% largest<sup>1)</sup>
  - **Weight** selected stocks by free-float market cap

### Step 2: STOXX Europe 600



- Aggregate Country TMIs for developed Europe
  - **Rank** stocks by free-float market cap
  - **Select** largest 600<sup>1)</sup> having a minimum liquidity
  - **Weight** selected stocks by free-float market cap<sup>2)</sup>

**Simple, transparent, fully rules-based** index construction

STOXX Europe 600 consists of stocks from **17 developed European countries**

Ranking and weighting by **free-float market cap**

Stocks must have a **minimum liquidity** of greater than one million EUR measured over 3-month average daily trading volume

<sup>1)</sup> Simple buffer rule applies upon quarterly rebalancing

<sup>2)</sup> Technically, there is a cap of 20% at component level. Yet with a largest stock weight of typically around 2% this cap has no practical relevance

# STOXX Europe 600

## Buffer Rule

Index Name	Components	Upper Buffer	Lower Buffer
<b>STOXX Europe 600 Index</b>	600	550	750

- For the STOXX Europe 600 Index the largest 550 stocks (upper buffer) on the selection list qualify for selection
- The remaining 50 stocks (components needed minus the upper buffer) are selected from the largest remaining current components ranked between 551 and 750 (lower buffer)
- If the number of stocks selected is still below 600, the largest remaining stocks are selected until there are enough stocks

# STOXX Europe Index Family

## STOXX® Europe 600 – Barometer for Overall European Market Sentiment

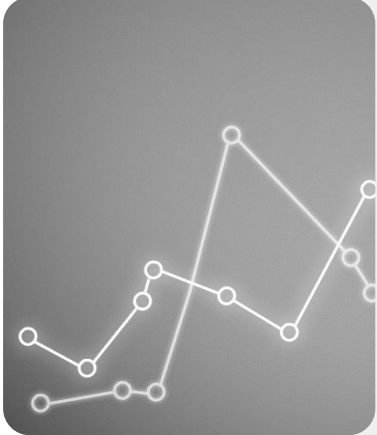


1) Effective September 2020 review, ICB 2 is replaced by ICB 5 consisting of 11 Industries, 20 Super sectors, 45 Sectors, 173 subsectors. See STOXX Index Methodology Guide for details.



# STOXX Europe 600

## Subsets<sup>1)</sup>



### Benchmarks

- STOXX® Europe 600 Equal Weight
- STOXX® Europe 600 ex Financials
- STOXX® Europe 600 Real Estate
- STOXX® Europe 600 Banks
- ...



### Sustainability

- STOXX® Europe 600 ESG-X
- STOXX® Europe 600 SRI
- STOXX® Europe 600 Paris Aligned Benchmark
- STOXX® Europe 600 Climate Transition Benchmark
- STOXX® Europe ESG Leaders 50
- ...



### Strategy and Themes

- STOXX® Europe 600 Factor
- STOXX® Europe Low Risk Weighted
- STOXX® Europe Private Equity 20
- STOXX® Europe 600 Minimum Variance
- STOXX® Europe Maximum Dividend 40
- STOXX® Europe Select Dividend 30
- STOXX® Europe Strong Quality 30
- STOXX® Europe 600 EM Exposed
- STOXX® Europe 600 Optimised Banks
- ...

1) Representative list, not exhaustive.

# STOXX Europe 600

## Risk and Return Overview<sup>1)2)3)</sup>

### Risk and Return Characteristics

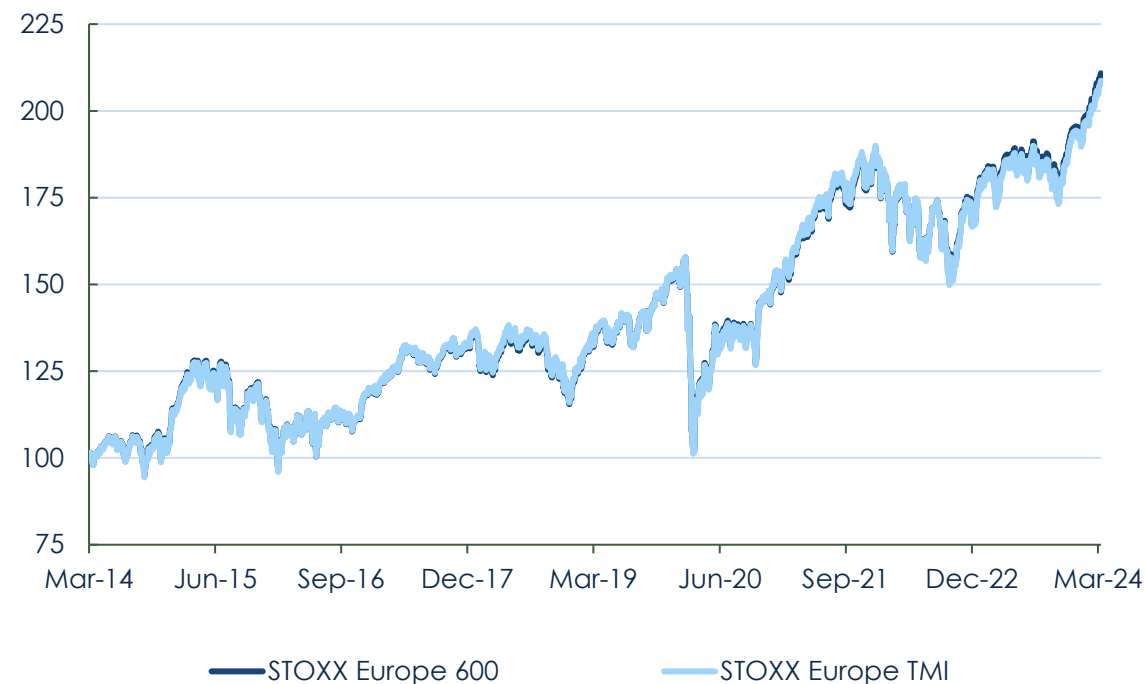
	STOXX Europe 600	STOXX Europe TMI
Overall return (ann.)	7.85%	7.74%
1Y return (ann.)	19.56%	19.17%
3Y return (ann.)	9.68%	9.14%
5Y return (ann.)	9.76%	9.47%
Overall volatility (ann.)	16.66%	16.61%
1Y volatility (ann.)	10.05%	10.10%
3Y volatility (ann.)	14.59%	14.65%
5Y volatility (ann.)	17.69%	17.71%
Overall Sharpe ratio	0.53	0.52
5Y Sharpe ratio	0.59	0.57
Overall tracking error (ann.)	0.46%	
5Y tracking error (ann.)	0.54%	
Overall dividend yield (ann.)	4.71%	4.65%
Overall maximum drawdown	35.34%	35.90%
Number of constituents	600	1902

1) Source: STOXX, daily data. Relative figures calculated against benchmark

2) €STR used as a proxy for riskless returns

3) STOXX Data, Mar 31, 2014 – Mar 28, 2024

### Performance (EUR GR): Mar 31, 2014 – Mar 28, 2024

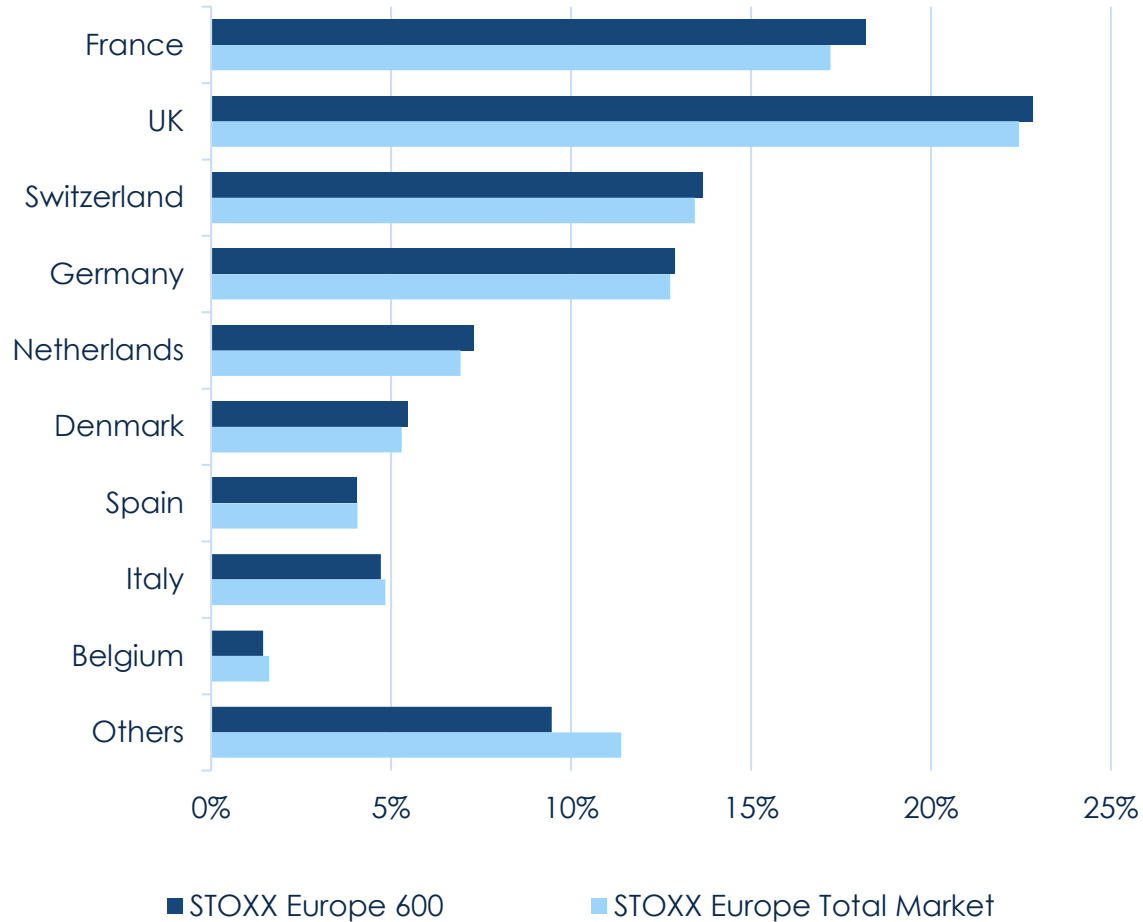


Past returns are no guarantee of future performance. Please visit the Disclaimer for further information.

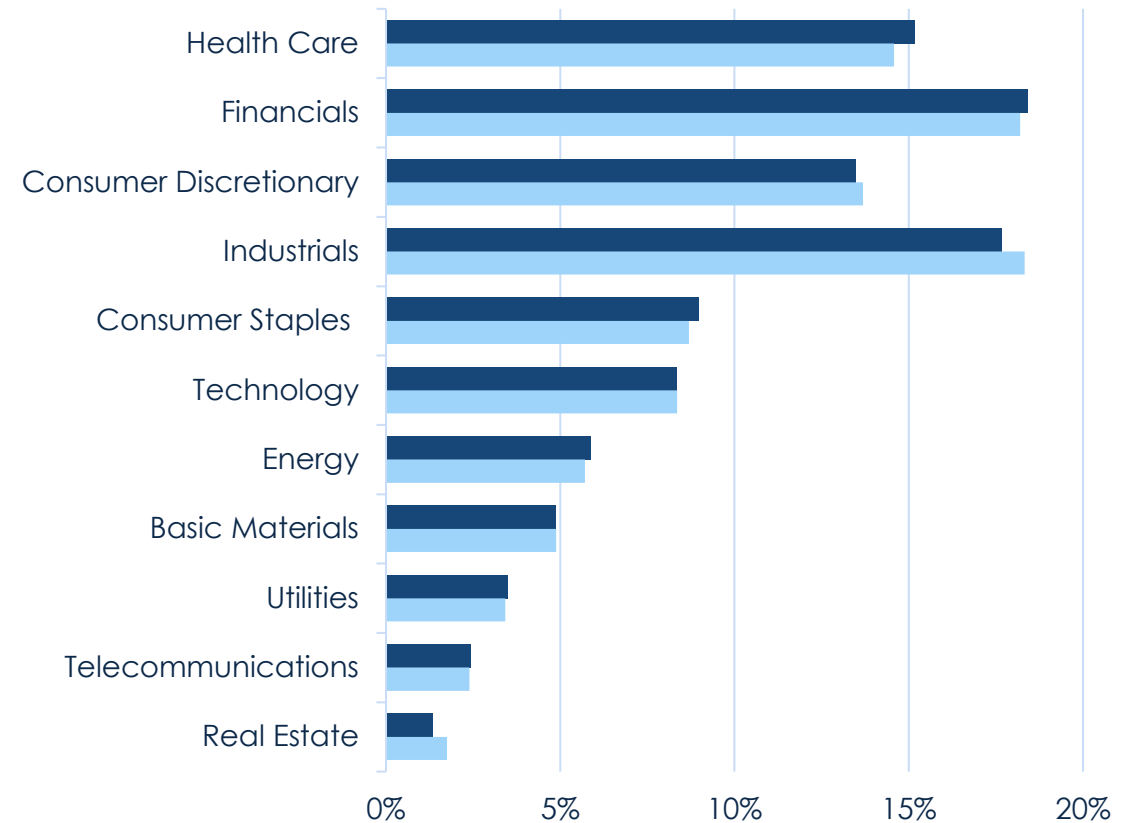
# STOXX Europe 600

## Country and Industry Allocation

### Country Allocation



### Industry Allocation

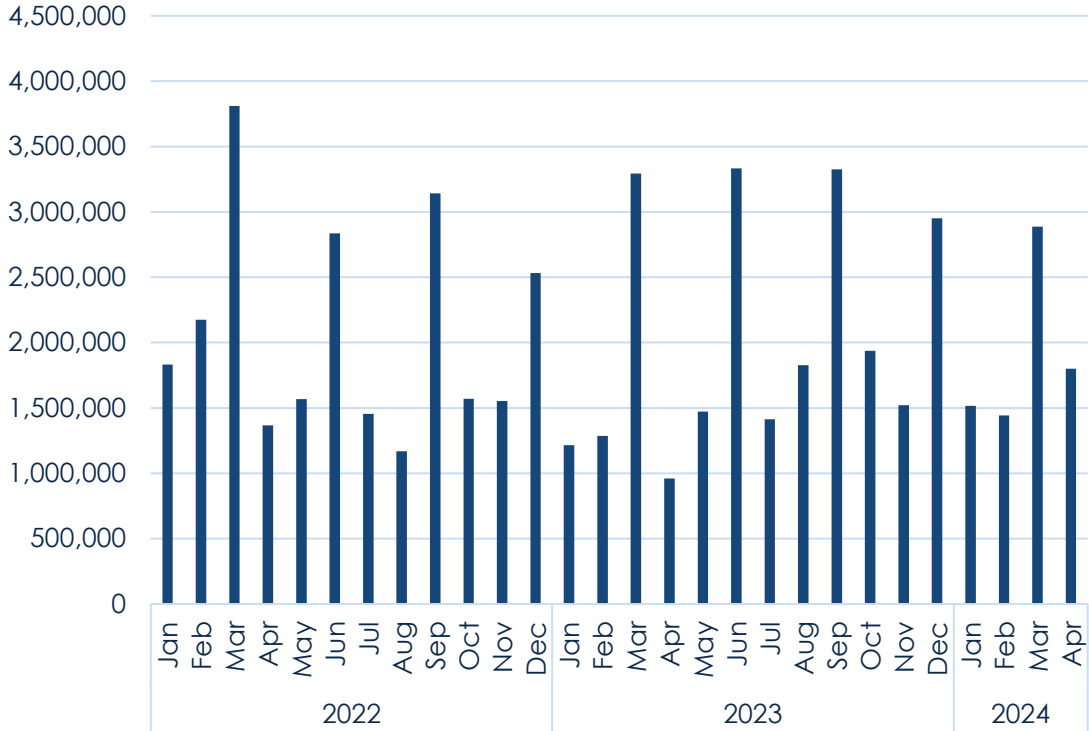


Source: STOXX. Data as of March 28, 2024

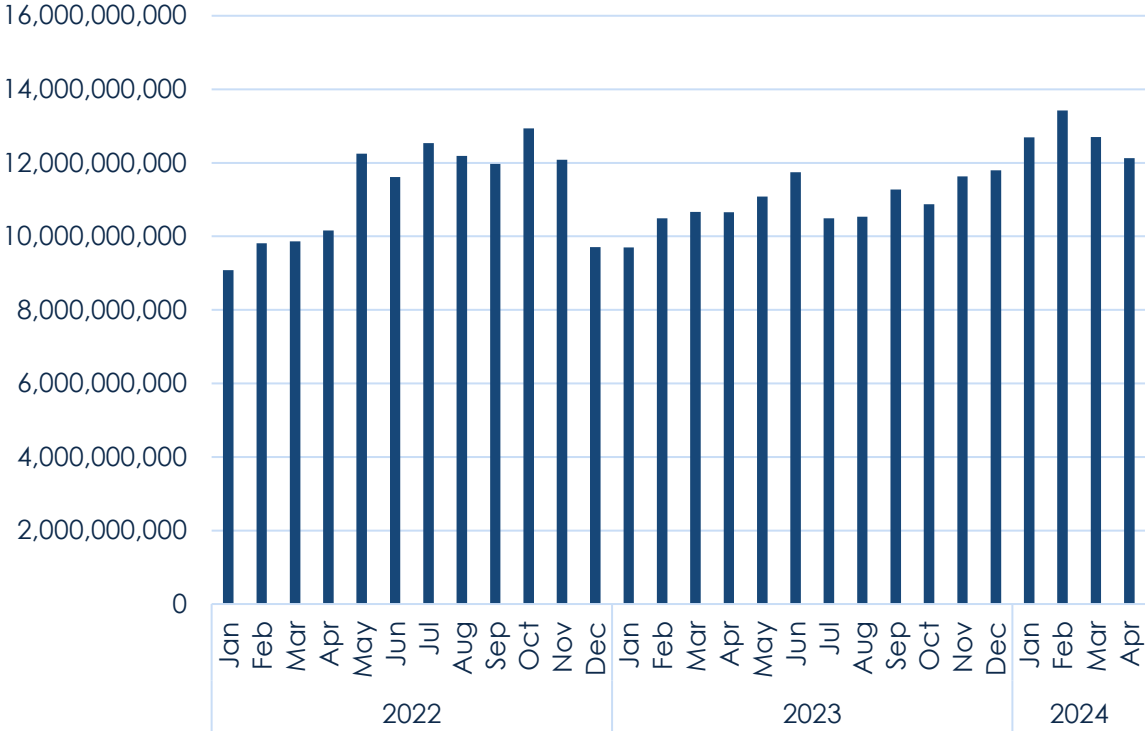
# STOXX Europe 600 Index Futures

## Traded Contracts & Open Interest

**Traded Contracts**



**Open Interest (EUR)**



STOXX Europe 600 Index Futures Inception Date: July 28, 2010

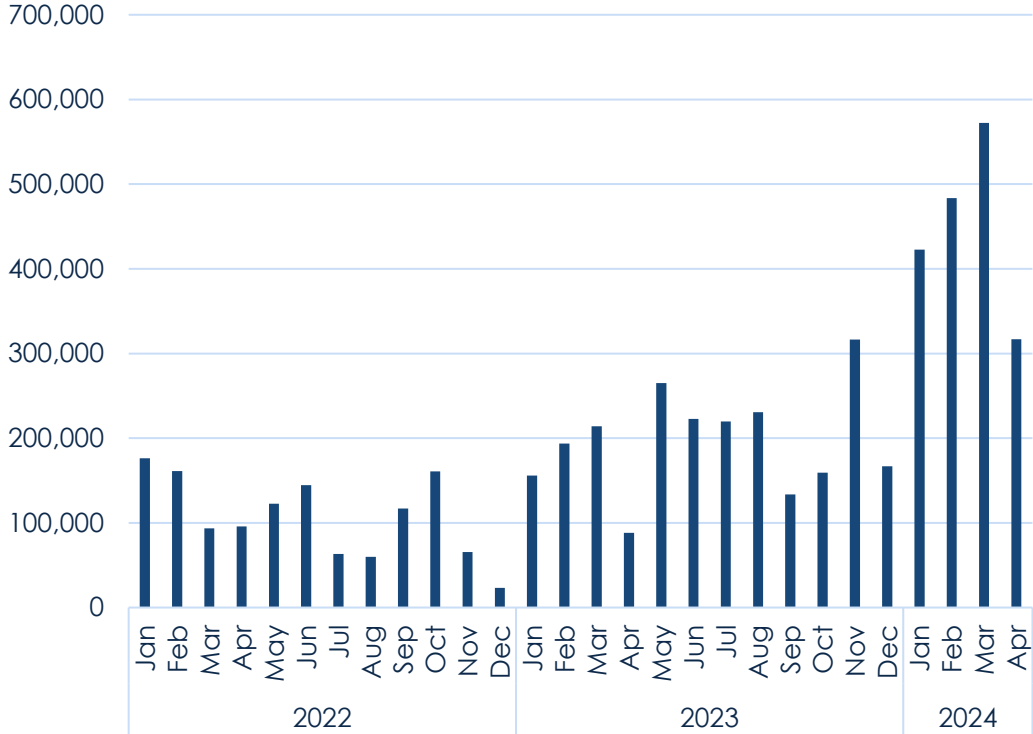
Source: STOXX. Data as of May 8, 2024



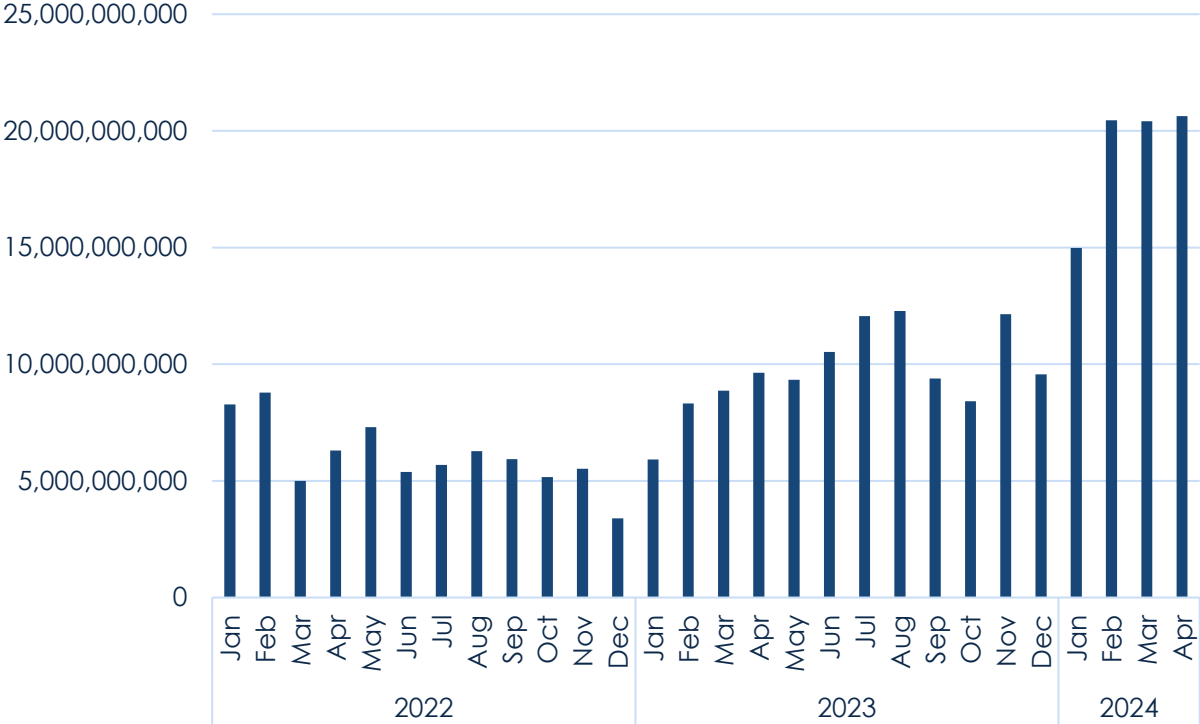
# STOXX Europe 600 Index Options

## Traded Contracts & Open Interest

**Traded Contracts**



**Open Interest (EUR)**



STOXX Europe 600 Index Options Inception Date: July 28, 2010

Source: STOXX. Data as of May 8, 2024



02.

# STOXX Europe 600 ESG-X

# STOXX Europe 600 ESG-X

## Methodology Summary

Universe	STOXX Europe 600
Selection	<ul style="list-style-type: none"><li>• Apply baseline and product involvement screens<sup>1)</sup>:<ul style="list-style-type: none"><li>• Global Standards Screening</li><li>• ESG Controversy</li><li>• ESG Risk Ratings</li><li>• Controversial weapons</li><li>• Tobacco</li><li>• Thermal coal</li><li>• Unconventional oil &amp; gas</li><li>• Military contracting</li><li>• Small arms</li></ul></li></ul>
Weighting	<ul style="list-style-type: none"><li>• Free-float market cap weighted</li><li>• Component capping of 20%</li></ul>
Maintenance	Quarterly review (Mar, Jun, Sep, Dec)

1) Based on Sustainalytics data

# STOXX Europe 600 ESG-X

## Risk and Return Overview<sup>1)2)3)</sup>

### Risk and Return Characteristics

	STOXX Europe 600 ESG-X	STOXX Europe 600
Overall return (ann.)	7.78%	7.85%
1Y return (ann.)	19.75%	19.56%
3Y return (ann.)	9.55%	9.68%
5Y return (ann.)	9.77%	9.76%
Overall volatility (ann.)	16.67%	16.66%
1Y volatility (ann.)	10.08%	10.05%
3Y volatility (ann.)	14.65%	14.59%
5Y volatility (ann.)	17.66%	17.69%
Overall Sharpe ratio	0.52	0.53
5Y Sharpe ratio	0.59	0.59
Overall tracking error (ann.)	0.49%	
5Y tracking error (ann.)	0.50%	
Overall dividend yield (ann.)	4.67%	4.71%
Overall maximum drawdown	35.24%	35.34%
Number of constituents	563	600

1) Source: STOXX, daily data. Relative figures calculated against benchmark

2) €STR used as a proxy for riskless returns

3) STOXX Data, Mar 31, 2014 – Mar 28, 2024

### Performance (EUR GR): Mar 31, 2014 – Mar 28, 2024



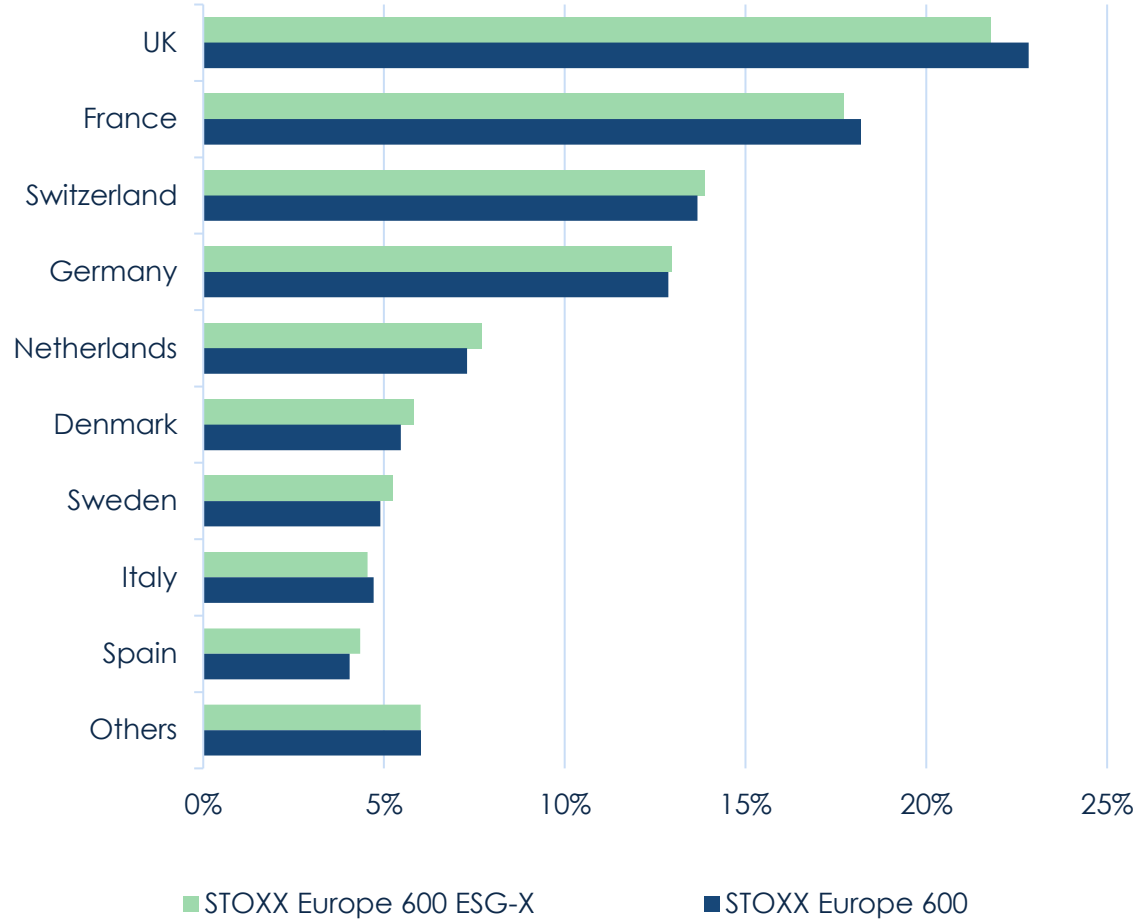
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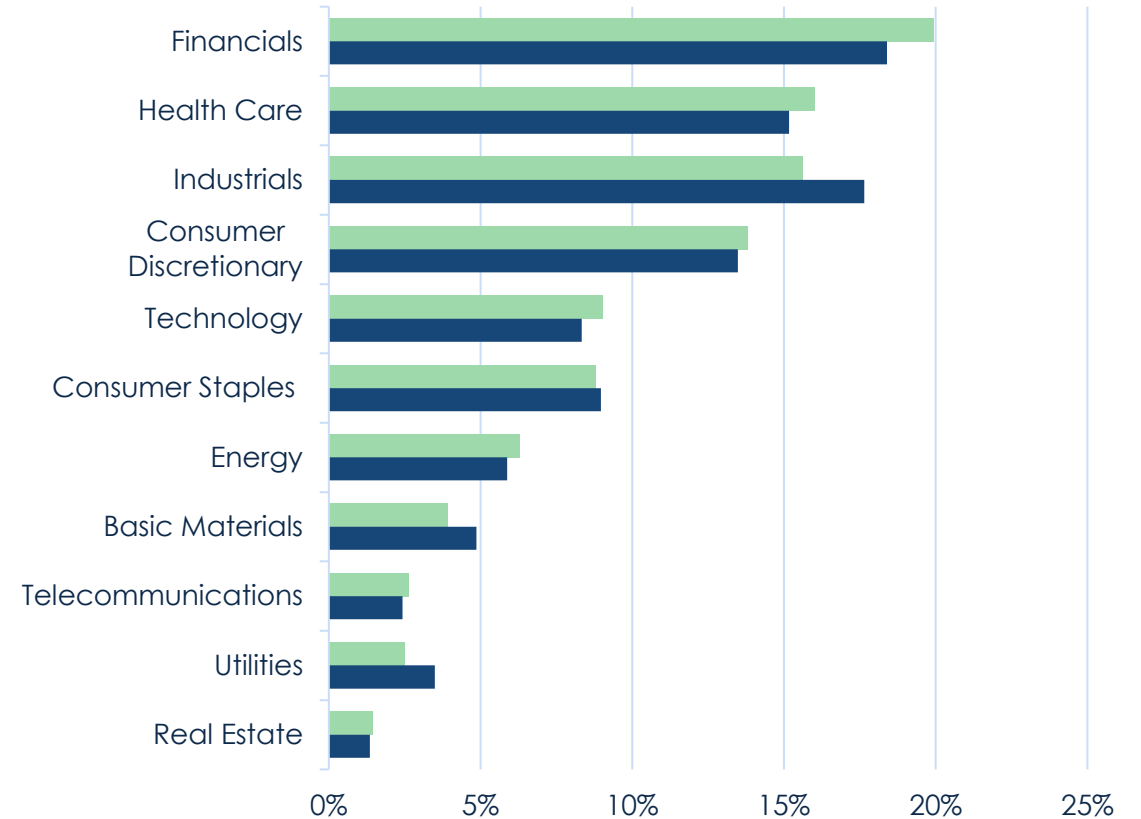
# STOXX Europe 600 ESG-X

## Country and Industry Allocation

### Country Allocation



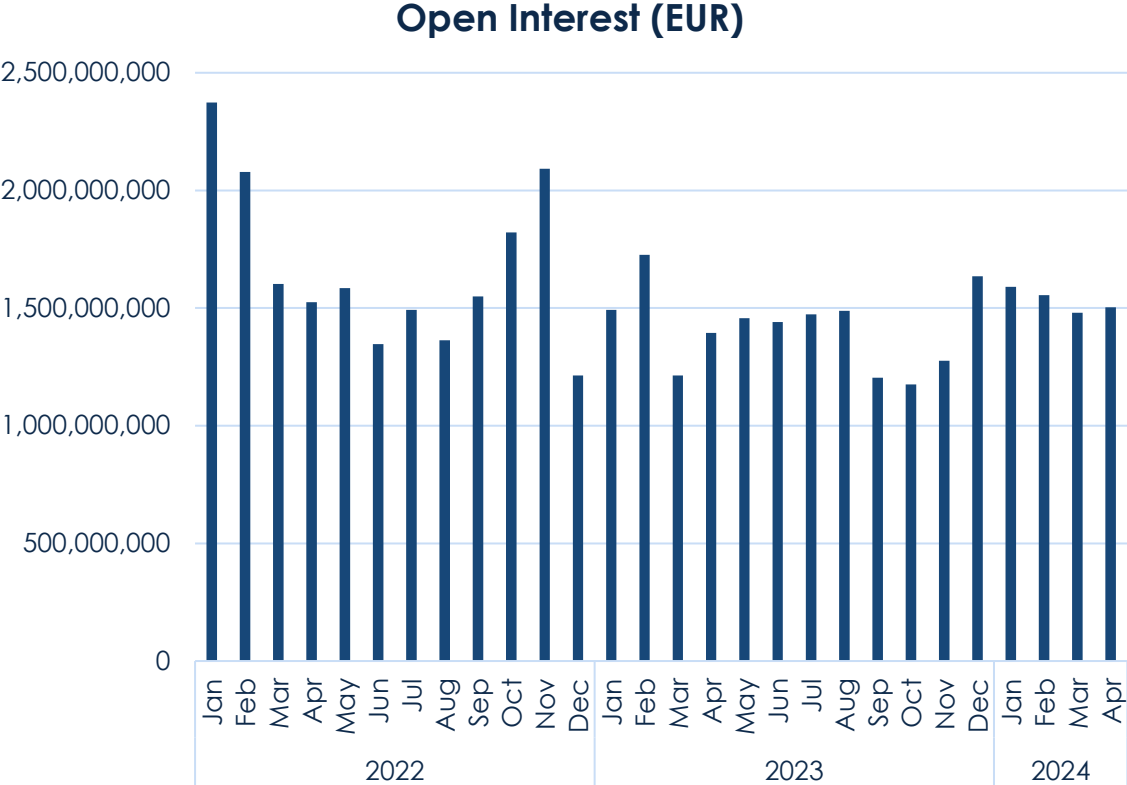
### Industry Allocation



Source: STOXX. Data as of March 28, 2024

# STOXX Europe 600 ESG-X Index Futures

## Traded Contracts & Open Interest



STOXX Europe 600 ESG-X Index Futures Inception Date: February 18, 2019

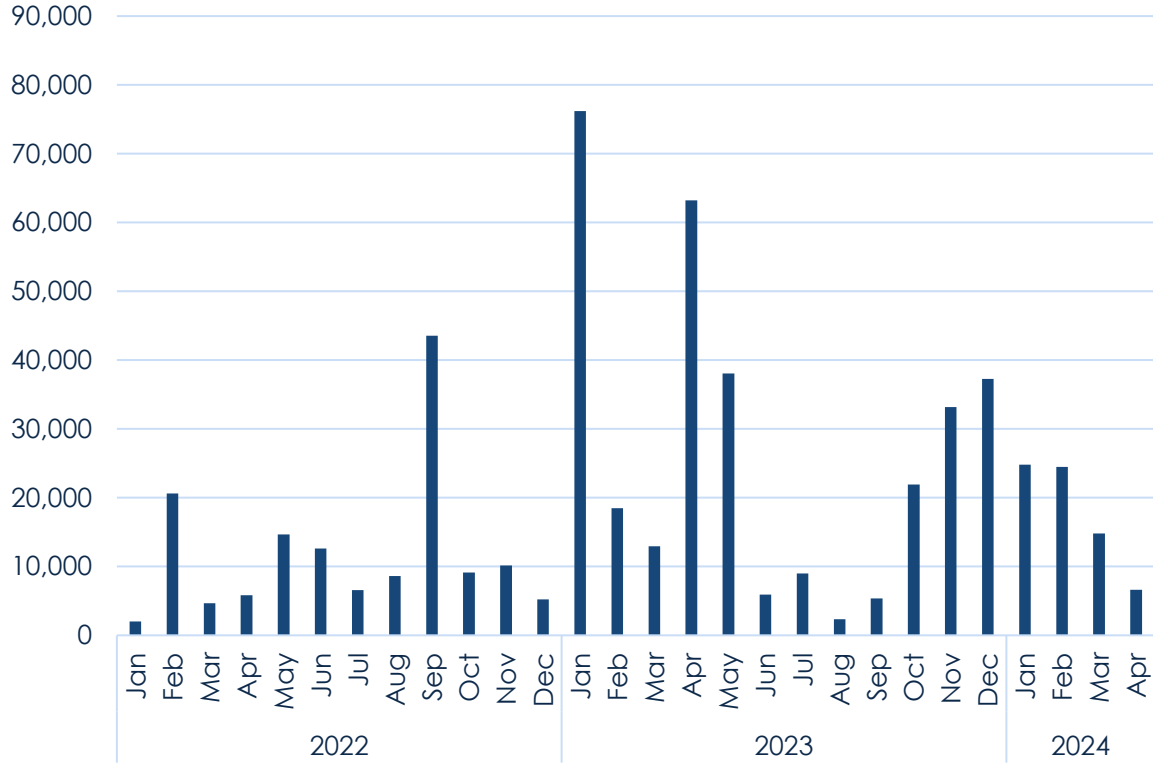
Source: STOXX. Data as of May 8, 2024



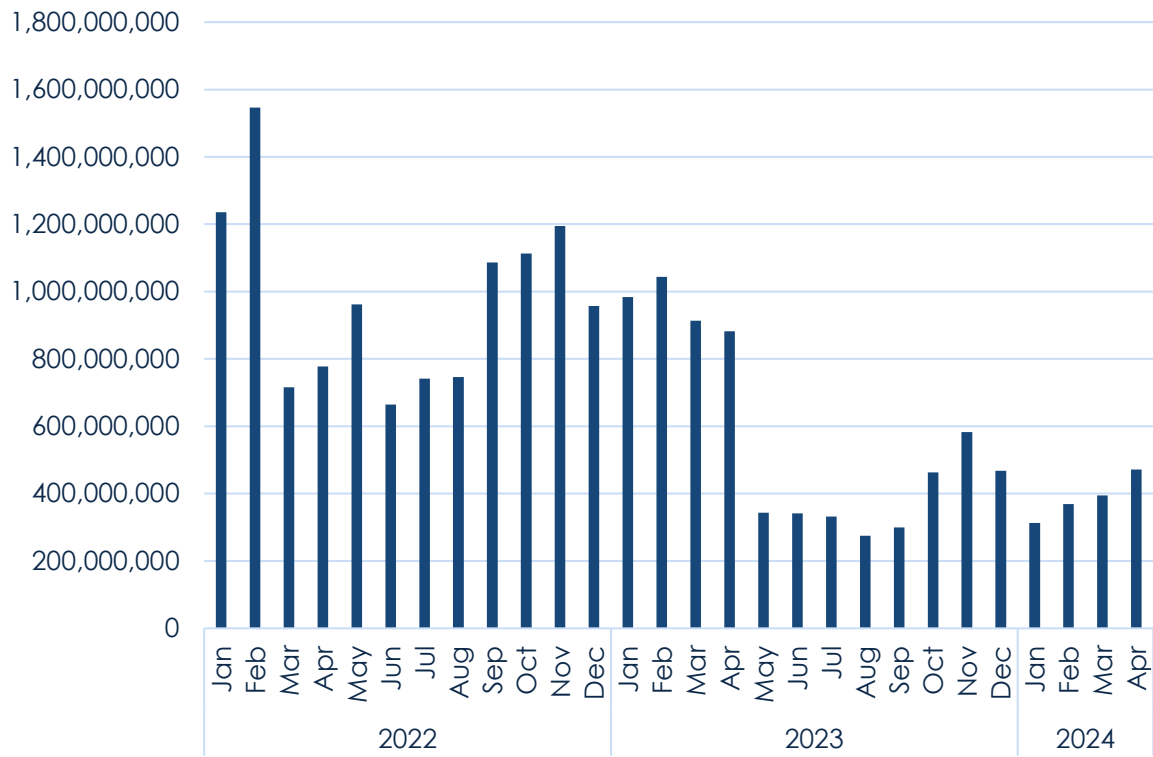
# STOXX Europe 600 ESG-X Index Options

## Traded Contracts & Open Interest

**Traded Contracts**



**Open Interest (EUR)**



STOXX Europe 600 ESG-X Index Options Inception Date: October 21, 2019

Source: STOXX. Data as of May 8, 2024



03.

# STOXX Europe 600 SRI

# STOXX Europe 600 SRI

## Methodology Summary

Universe	STOXX Europe 600
Selection	<ul style="list-style-type: none"> <li>• 10% of the highest emitters<sup>1)</sup> within their regional group are not eligible for selection</li> <li>• Apply baseline and product involvement screens<sup>2)</sup>:             <ul style="list-style-type: none"> <li>• Global Standards Screening</li> <li>• Controversial weapons</li> <li>• ESG Controversy</li> <li>• ESG Risk Ratings</li> <li>• Adult entertainment</li> <li>• Alcohol</li> <li>• Gambling</li> <li>• Tobacco</li> <li>• Military contracting</li> <li>• Small arms</li> <li>• Conventional oil &amp; gas</li> <li>• Unconventional oil &amp; gas</li> <li>• Thermal coal</li> <li>• Nuclear power</li> </ul> </li> <li>• Companies with ESG score<sup>2)</sup> below 50 or no ESG score available are not eligible for selection</li> <li>• Within each of the 11 ICB Industry groups, securities are ranked in descending order of their ESG scores, and the top-ranking securities are selected until the number of selected securities reaches one third of the number of companies in the underlying index</li> </ul>
Weighting	<ul style="list-style-type: none"> <li>• Free-float market cap weighted</li> <li>• Component capping of 10%</li> </ul>
Maintenance	Quarterly review (Mar, Jun, Sep, Dec)

1) Companies are screened for their Scope 1 and Scope 2 emission intensities based on the ISS ESG emissions data

2) Based on Sustainalytics data

# STOXX Europe 600 SRI

## Risk and Return Overview<sup>1)2)3)</sup>

### Risk and Return Characteristics

	STOXX Europe 600 SRI	STOXX Europe 600
Overall return (ann.)	8.35%	7.85%
1Y return (ann.)	23.71%	19.56%
3Y return (ann.)	11.81%	9.68%
5Y return (ann.)	11.02%	9.76%
Overall volatility (ann.)	15.97%	16.66%
1Y volatility (ann.)	10.11%	10.05%
3Y volatility (ann.)	13.91%	14.59%
5Y volatility (ann.)	16.46%	17.69%
Overall Sharpe ratio	0.57	0.53
5Y Sharpe ratio	0.69	0.59
Overall tracking error (ann.)	2.80%	
5Y tracking error (ann.)	3.20%	
Overall dividend yield (ann.)	4.88%	4.71%
Overall maximum drawdown	32.29%	35.34%
Number of constituents	200	600

1) Source: STOXX, daily data. Relative figures calculated against benchmark

2) €STR used as a proxy for riskless returns

3) STOXX Data, Mar 31, 2014 – Mar 28, 2024

### Performance (EUR GR): Mar 31, 2014 – Mar 28, 2024

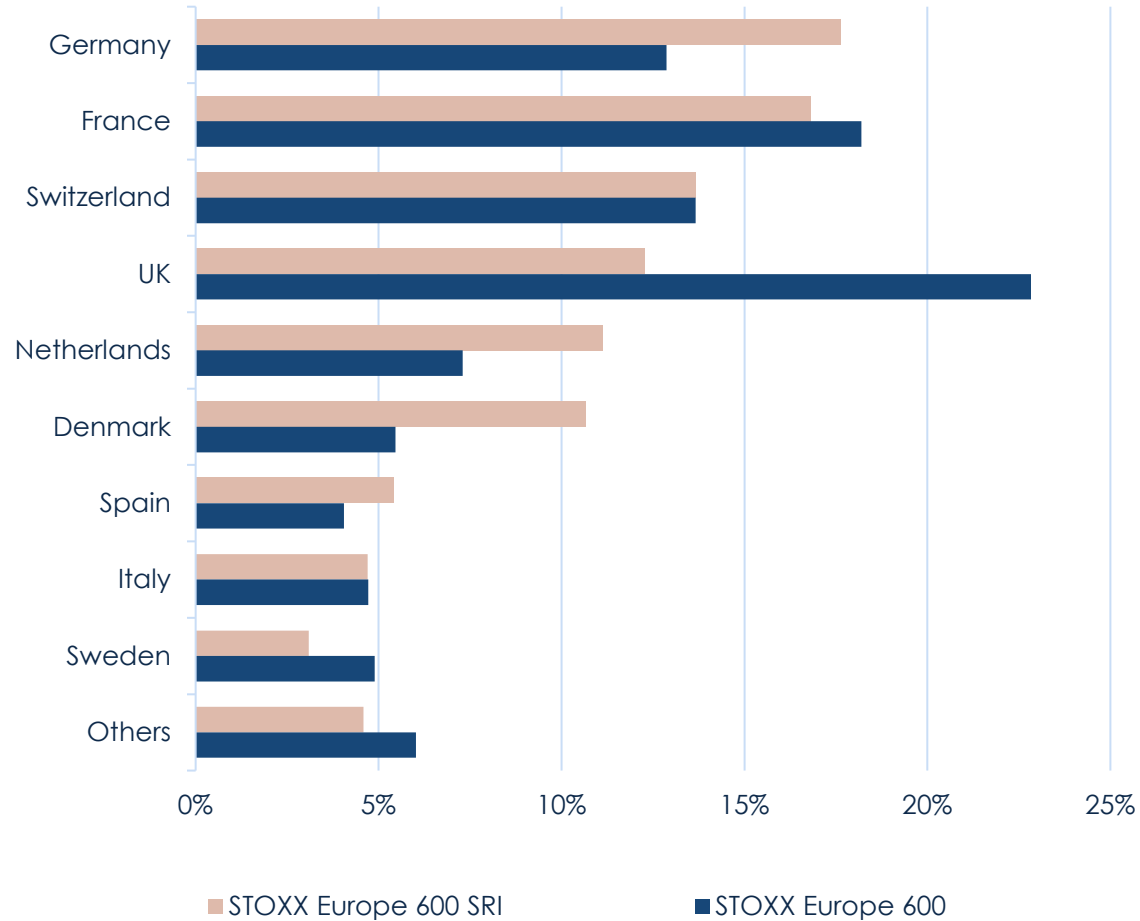


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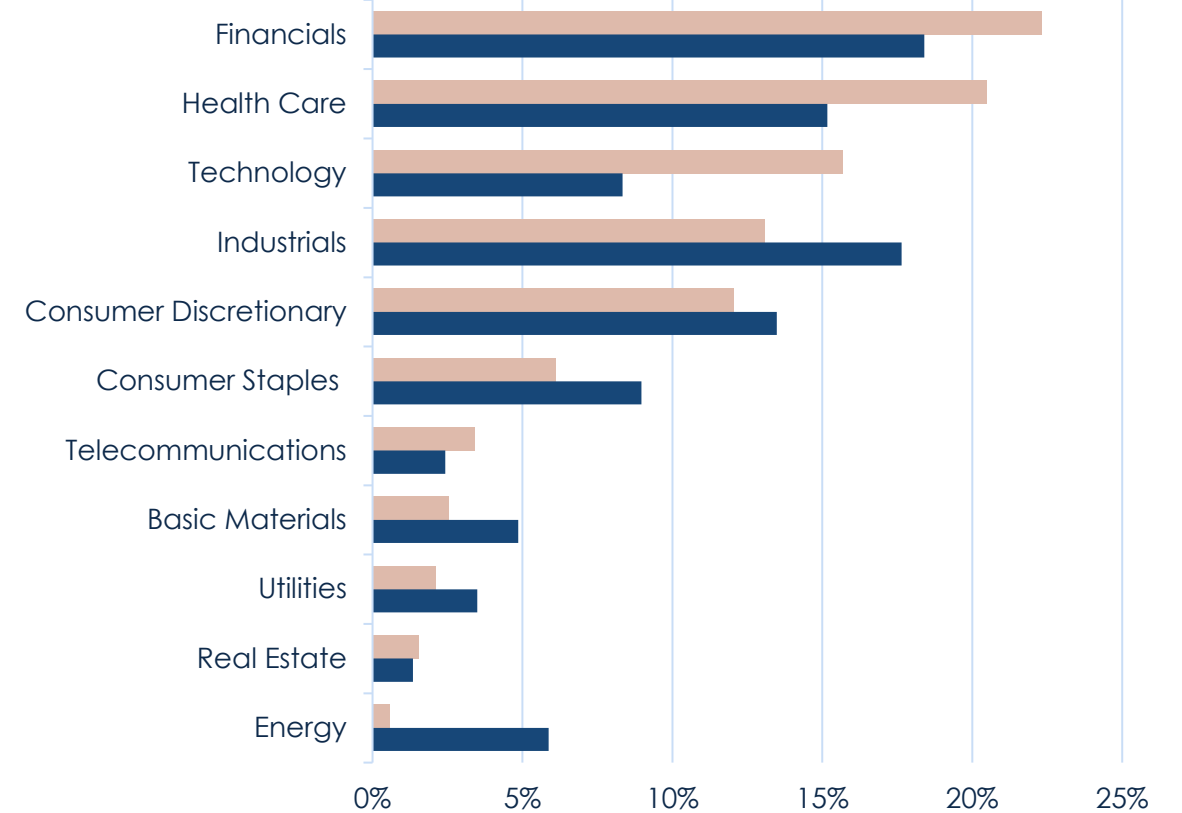
# STOXX Europe 600 SRI

## Country and Industry Allocation

### Country Allocation



### Industry Allocation

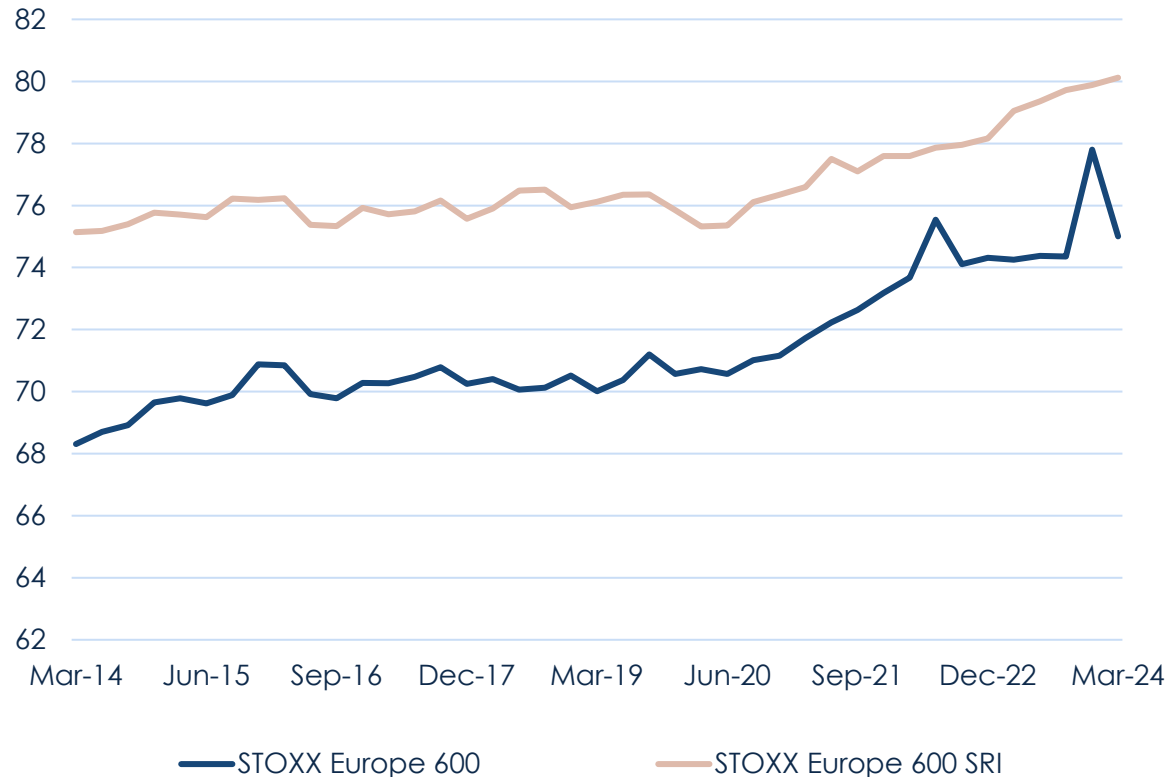


Source: STOXX. Data as of March 28, 2024

# STOXX Europe 600 SRI

## Average ESG Score and Carbon Emission Intensity

### ESG Performance<sup>1)</sup>



### Emission Intensity (as % of STOXX Europe 600 Emissions)<sup>2)</sup>



\* Higher ESG Score indicates better ESG performance.

1) Source: STOXX, Sustainalytics

2) Source: STOXX, ISS ESG



# STOXX Europe 600 SRI

## Top 10 Holdings

STOXX Europe 600 SRI			STOXX Europe 600 ESG-X		STOXX Europe 600	
Name	Weight	Rank SXXP	Name	Weight	Name	Weight
NOVO NORDISK B	8.71%	1	NOVO NORDISK B	3.97%	NOVO NORDISK B	3.67%
ASML HLDG	7.59%	2	ASML HLDG	3.46%	ASML HLDG	3.20%
SAP	4.13%	7	NESTLE	2.67%	NESTLE	2.47%
NOVARTIS	4.04%	8	LVMH MOET HENNESSY	2.24%	LVMH MOET HENNESSY	2.07%
UNILEVER PLC	2.51%	14	SHELL	1.97%	SHELL	1.82%
L'OREAL	2.38%	15	ASTRAZENECA	1.89%	ASTRAZENECA	1.74%
ALLIANZ	2.31%	16	SAP	1.88%	SAP	1.74%
SANOFI	2.24%	19	NOVARTIS	1.84%	NOVARTIS	1.70%
HERMES INTERNATIONAL	1.86%	22	ROCHE HLDG P	1.70%	ROCHE HLDG P	1.57%
GSK	1.84%	23	TOTALENERGIES	1.51%	TOTALENERGIES	1.39%

# STOXX Europe 600 SRI

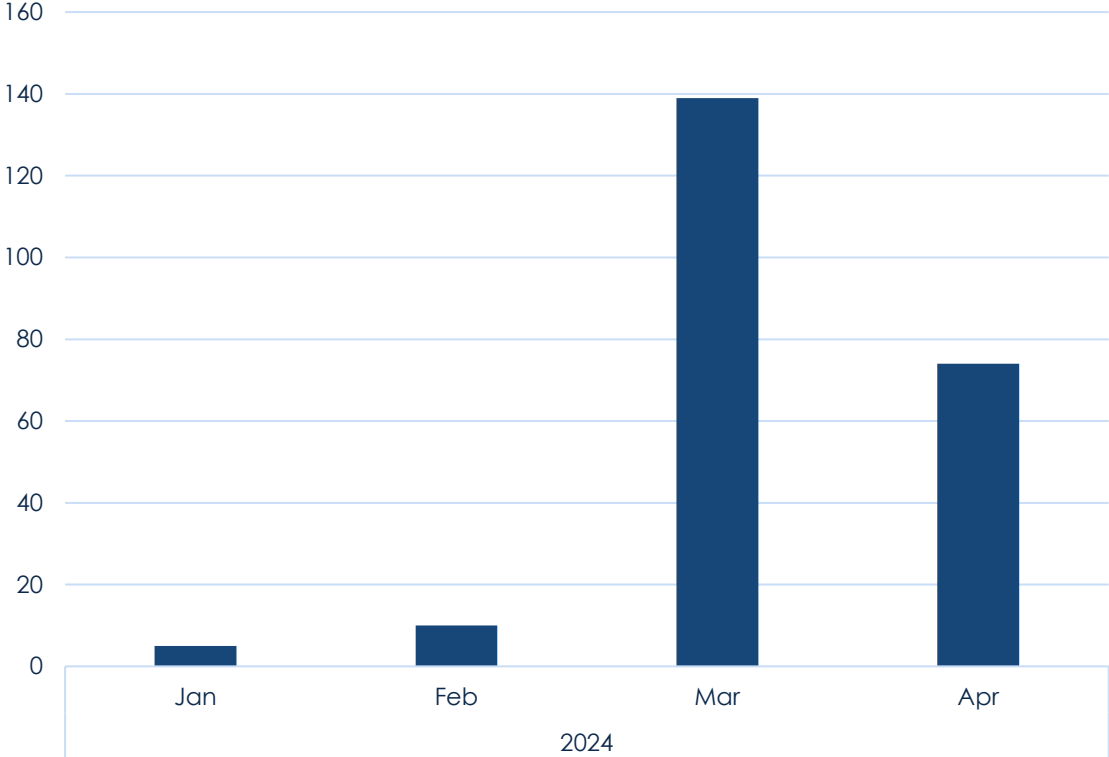
## Top 10 Holdings from the STOXX Europe 600 Not Held in SRI Index & Reasons for Exclusions

Name	Currency	Weight in STOXX Europe 600	Reason for Exclusion from STOXX Europe 600 SRI Index
NESTLE	CHF	2.47%	The security is eligible but not part of top 200
LVMH MOET HENNESSY	EUR	2.07%	Security is rejected due to Product Involvement
SHELL	EUR	1.82%	Security is rejected due to Product Involvement
ASTRAZENECA	GBP	1.74%	The security is eligible but not part of top 200
ROCHE HLDG P	CHF	1.57%	The security is eligible but not part of top 200
TOTALENERGIES	EUR	1.39%	Security is rejected due to Product Involvement
SIEMENS	EUR	1.29%	The security is eligible but not part of top 200
HSBC	GBP	1.25%	The security is eligible but not part of top 200
SCHNEIDER ELECTRIC	EUR	1.15%	Security is rejected due to Product Involvement
AIR LIQUIDE	EUR	0.96%	Security breaches ISS threshold

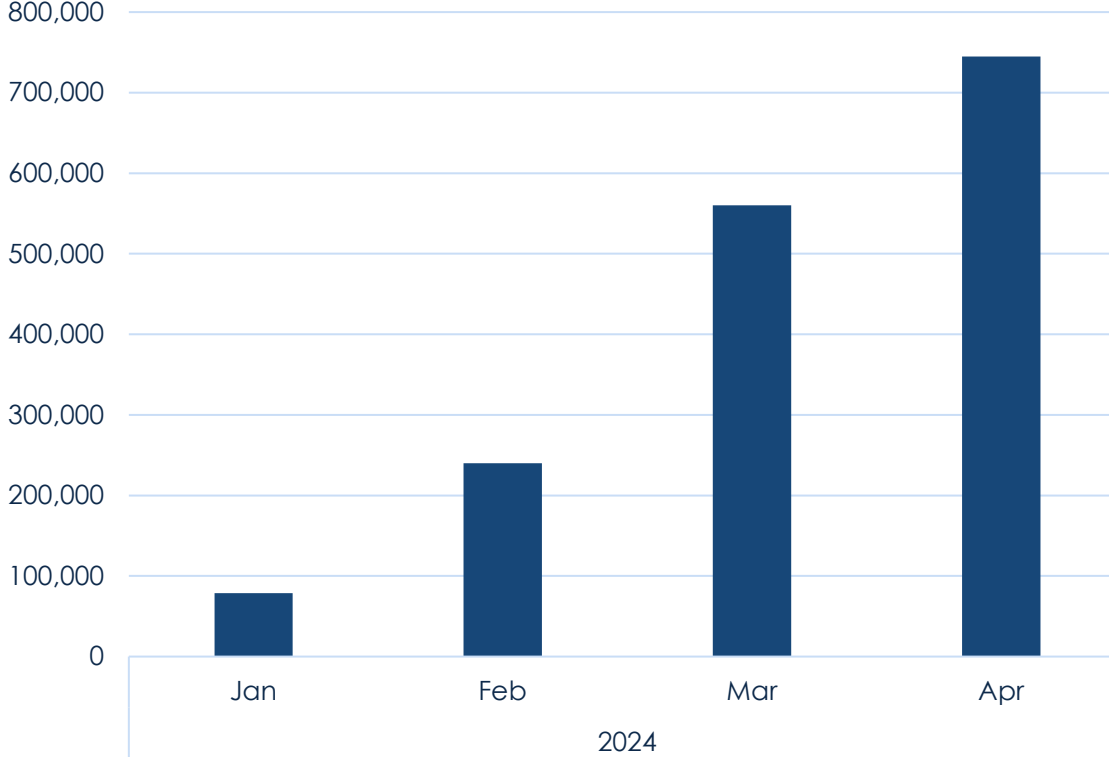
# STOXX Europe 600 SRI Index Futures

## Traded Contracts & Open Interest

### Traded Contracts



### Open Interest (EUR)



STOXX Europe 600 SRI Index Futures Inception Date: January 22, 2024

Source: STOXX. Data as of May 8, 2024



# Offices and Contacts

Learn more about STOXX & DAX Indices on [stoxx.com](https://www.stoxx.com)

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# About STOXX & Disclaimer

## **About STOXX**

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