

Description

The S&P Southern Europe Low Volatility Index measures the performance of the 25 least-volatile, locally listed stocks from Spain, Portugal and Italy that make up the S&P Southern Europe BMI. Constituents are weighted relative to the inverse of their corresponding volatility, with the least-volatile stocks receiving the highest weights.

Index Attributes

Historically, it has been shown that, both in the U.S. and other markets, lower-volatility stocks have generally outperformed higher-volatility stocks over a medium- to long-term period on a risk-adjusted basis. This index tries to capture this "low volatility anomaly" by including low-volatility stocks from Spain, Portugal, and Italy—the major Southern European markets. The objective of the index is to achieve lower volatility than the overall market-cap-weighted benchmark representing these three markets—the S&P Southern Europe BMI.

Methodology Construction

- **Universe.** All companies must be constituents of the S&P Spain BMI, S&P Portugal BMI or S&P Italy BMI.
- **Constituent Selection.** Each stock must have been issued and trading for at least one calendar year before becoming an index constituent. There is no minimum number of days that each stock must have actually traded. The volatilities of the constituents within each eligible universe are calculated and then ranked in descending order, based on the inverse of the realized volatility. Volatility is defined as the standard deviation of the security's daily price returns over the prior calendar year. The 25 stocks with the lowest realized volatility are selected for the index.
- **Liquidity.** As of the rebalancing reference date, stocks must have a minimum three-month average daily value traded (ADVT) of EUR 5 million. Current constituents must have a minimum ADVT of EUR 4 million.

Quick Facts

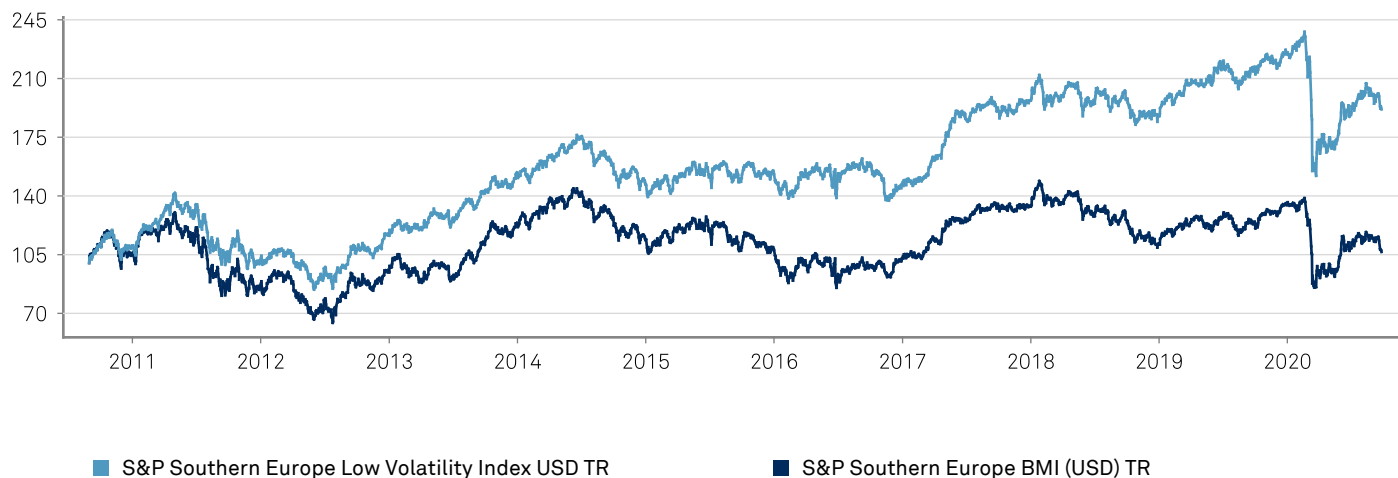
| | |
|--------------------------|---|
| WEIGHTING METHOD | Volatility-driven |
| REBALANCING FREQUENCY | Quarterly in March, June, September, and December |
| CALCULATION FREQUENCY | End of day |
| CALCULATION CURRENCIES | USD |
| LAUNCH DATE | February 28, 2014 |
| FIRST VALUE DATE | December 17, 1999 |
| REGULATORY AUTHORIZATION | European Union |

For more information, including the complete methodology document, please visit:
<https://www.spglobal.com/spdji/en/>

All information for an index prior to its Launch Date is back-tested, based on the methodology that was in effect on the Launch Date. Back-tested performance, which is hypothetical and not actual performance, is subject to inherent limitations because it reflects application of an Index methodology and selection of index constituents in hindsight. No theoretical approach can take into account all of the factors in the markets in general and the impact of decisions that might have been made during the actual operation of an index. Actual returns may differ from, and be lower than, back-tested returns.

Historical Performance

* Data has been re-based at 100



Performance

| INDEX LEVEL | RETURNS | | | ANNUALIZED RETURNS | | | | |
|-----------------------------|---------|-------|--------|--------------------|--------|--------|--------|--------|
| | 1 MO | 3 MOS | YTD | 1 YR | 3 YRS | 5 YRS | 10 YRS | |
| Total Return | 447.5 | 0.65% | 9.46% | -10.89% | -4.55% | 0.86% | 5.49% | 7.19% |
| Price Return | 193.19 | 0.65% | 7.58% | -13.92% | -8.73% | -3.72% | 1.07% | 2.75% |
| Net Total Return | 371.6 | 0.65% | 9.04% | -11.61% | -5.52% | -0.16% | 4.51% | 6.21% |
| BENCHMARK* Total Return | 156.21 | 2.91% | 11.52% | -14.64% | -4.73% | -4.56% | -0.11% | 1.4% |
| BENCHMARK* Price Return | 74.68 | 2.91% | 10.34% | -16.58% | -7.75% | -7.97% | -3.77% | -2.18% |
| BENCHMARK* Net Total Return | 132.84 | 2.91% | 11.26% | -15.08% | -5.4% | -5.32% | -0.93% | 0.61% |

* The index benchmark is the S&P Southern Europe BMI (USD)

Calendar Year Performance

| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
|------------------------------------|--------|---------|--------|--------|--------|---------|--------|--------|---------|---------|
| Total Return | 19.54% | -4.52% | 33.82% | -3.88% | 4.13% | -4.37% | 32.13% | 14.87% | -8.25% | -8.45% |
| Price Return | 14.15% | -8.79% | 28.83% | -7.83% | 0.48% | -7.58% | 27.19% | 9.57% | -12.65% | -12.23% |
| Net Total Return | 18.36% | -5.47% | 32.75% | -4.73% | 3.31% | -5.07% | 31.08% | 13.73% | -9.29% | -9.29% |
| BENCHMARK* Total Return | 20.64% | -16.53% | 30.19% | -4.7% | -5.31% | -7.99% | 30.81% | 9.77% | -18.6% | -17.21% |
| BENCHMARK* Price Return | 15.72% | -19.58% | 25.86% | -8.69% | -8.35% | -10.12% | 27.41% | 5.81% | -22.53% | -20.93% |
| BENCHMARK* Net Total Return | 19.52% | -17.21% | 29.22% | -5.59% | -6% | -8.45% | 30.1% | 8.94% | -19.49% | -18.04% |

* The index benchmark is the S&P Southern Europe BMI (USD)

Risk

| | ANNUALIZED RISK | | | ANNUALIZED RISK-ADJUSTED RETURNS | | |
|------------------------------------|-----------------|--------|--------|----------------------------------|-------|--------|
| | 3 YRS | 5 YRS | 10 YRS | 3 YRS | 5 YRS | 10 YRS |
| Total Return | 16.36% | 16.07% | 18.26% | 0.05 | 0.34 | 0.39 |
| Price Return | 15.95% | 15.92% | 18.43% | -0.23 | 0.07 | 0.15 |
| Net Total Return | 16.26% | 16.03% | 18.29% | -0.01 | 0.28 | 0.34 |
| BENCHMARK* Total Return | 20.48% | 19.99% | 22.84% | -0.22 | -0.01 | 0.06 |
| BENCHMARK* Price Return | 20.3% | 19.93% | 22.99% | -0.39 | -0.19 | -0.09 |
| BENCHMARK* Net Total Return | 20.45% | 19.98% | 22.88% | -0.26 | -0.05 | 0.03 |

Risk is defined as standard deviation calculated based on total returns using monthly values.

* The index benchmark is the S&P Southern Europe BMI (USD)

Fundamentals

| P/E (TRAILING) | P/E (PROJECTED) | P/B | INDICATED DIV YIELD | P/SALES | P/CASH FLOW |
|----------------|-----------------|-----|---------------------|---------|-------------|
| N/A | N/A | N/A | N/A | N/A | N/A |

As of October 31, 2018. Fundamentals are updated on approximately the fifth business day of each month.

Index Characteristics

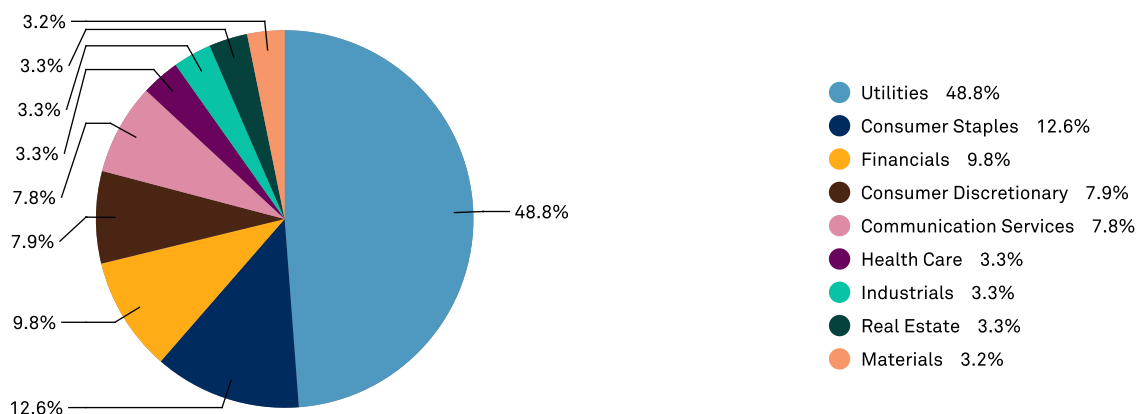
| | |
|----------------------------------|-----------|
| NUMBER OF CONSTITUENTS | 25 |
| CONSTITUENT MARKET [EUR MILLION] | |
| MEAN TOTAL MARKET CAP | 17,463.24 |
| LARGEST TOTAL MARKET CAP | 77,078.88 |
| SMALLEST TOTAL MARKET CAP | 1,745.37 |
| MEDIAN TOTAL MARKET CAP | 8,670.81 |
| WEIGHT LARGEST CONSTITUENT [%] | 5.5 |
| WEIGHT TOP 10 CONSTITUENTS [%] | 45.4 |

ESG Carbon Characteristics

| | |
|--|--------|
| CARBON TO VALUE INVESTED (METRIC TONS CO ₂ e/\$1M INVESTED)* | 296.44 |
| CARBON TO REVENUE (METRIC TONS CO ₂ e/\$1M REVENUES)* | 497.98 |
| WEIGHTED AVERAGE CARBON INTENSITY (METRIC TONS CO ₂ e/\$1M REVENUES)* | 524.44 |
| FOSSIL FUEL RESERVE EMISSIONS (METRIC TONS CO ₂ /\$1M INVESTED) | 0 |

*Operational and first-tier supply chain greenhouse gas emissions.
For more information, please visit: www.spdji.com/esg-carbon-metrics.

Sector* Breakdown



*Based on GICS® sectors

The weightings for each sector of the index are rounded to the nearest tenth of a percent; therefore, the aggregate weights for the index may not equal 100%.

Country Breakdown

| COUNTRY | NUMBER OF CONSTITUENTS | TOTAL MARKET CAP [EUR MILLION] | INDEX WEIGHT [%] |
|----------|------------------------|--------------------------------|------------------|
| Italy | 11 | 178,845.25 | 44.8 |
| Spain | 11 | 230,504.52 | 42.4 |
| Portugal | 3 | 27,231.31 | 12.8 |

Based on index constituents' country of domicile.

Tickers

| | TICKER | REUTERS |
|------------------|----------|---------|
| Net Total Return | SPSELVUN | N/A |
| Price Return | SPSELVUP | N/A |
| Total Return | SPSELVUT | N/A |

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Mumbai

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Beijing

86.10.6569.2770

Hong Kong

852 2532 8000

Tokyo

81 3 4550 8564

Sydney

61 2 9255 9802

DISCLAIMER

Source: S&P Dow Jones Indices LLC.

The launch date of the S&P Southern Europe Low Volatility Index USD was February 28, 2014. The launch date of the S&P Southern Europe BMI (USD) was March 24, 2014.

All information presented prior to the index launch date is back-tested. Back-tested performance is not actual performance, but is hypothetical. The back-test calculations are based on the same methodology that was in effect when the index was officially launched. Past performance is not an indication or guarantee of future results. Please see the Performance Disclosure at <http://www.spindices.com/regulatory-affairs-disclaimers/> for more information regarding the inherent limitations associated with back-tested performance.

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