FTSE North America Minimum Variance Indices

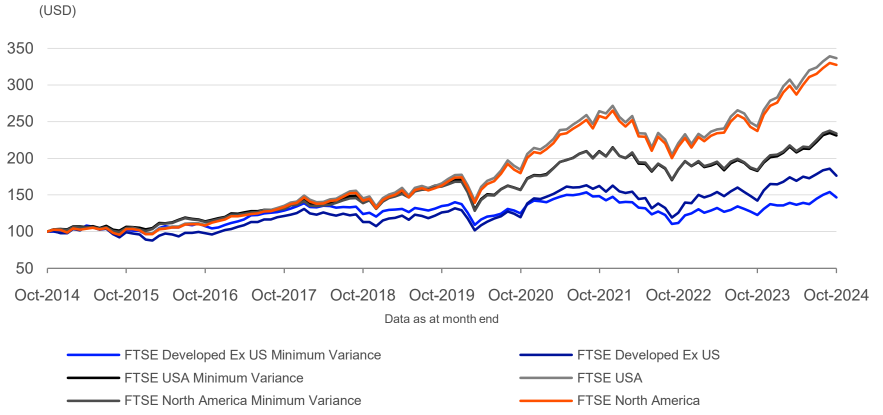
Data as at: 31 October 2024

The FTSE North American Minimum Variance indices aim to deliver reduced index volatility based on historical return information, thereby offering potential improvements to the risk reward trade-off, whilst maintaining full allocation to the equity market.

Reduced volatility is achieved by applying a transparent rules-based approach which minimizes historical variance subject to additional constraints on the weight of individual stocks within the index, and, at aggregate level on the weight of industries represented in the index.

Constituents of the relevant index are selected from the underlying index at the time of the bi-annual review. Aspects such as index reviews and company classification are governed by the FTSE All-World Index Series Ground Rules.

10-Year Performance - Total Return



Performance and Volatility - Total Return

Index (USD)	Return %						Return pa %*		Volatility %**		
	3M	6M	YTD	12M	3YR	5YR	3YR	5YR	1YR	3YR	5YR
FTSE Developed Ex US Minimum Variance	1.1	7.3	6.5	19.3	-1.4	8.4	-0.5	1.6	9.9	12.7	15.2
FTSE Developed Ex US	-1.3	4.1	6.8	23.7	8.5	39.7	2.8	6.9	11.9	16.2	18.1
FTSE USA Minimum Variance	3.9	11.1	14.5	26.2	10.1	40.9	3.3	7.1	8.8	14.6	16.8
FTSE USA	3.8	14.2	20.8	38.2	27.4	102.8	8.4	15.2	12.1	18.1	18.3
FTSE North America Minimum Variance	3.9	11.4	14.7	27.1	12.0	44.8	3.8	7.7	8.7	14.5	16.9
FTSE North America	3.9	14.1	20.5	38.0	27.0	101.2	8.3	15.0	11.9	17.9	18.3

* Compound annual returns measured over 3 and 5 years respectively
** Volatility – 1YR based on 12 months daily data. 3YR based on weekly data (Wednesday to Wednesday). 5YR based on monthly data

FEATURES

Methodology

The approach applies a rules-based strategy to minimise volatility. Some constraints are applied, for example, to avoid over concentration in any particular stock or sector.

Objective

The indices are designed for the creation of index tracking funds, derivatives and as a performance benchmark.

Investability

Stocks in the underlying universe are free-float weighted to ensure that only the investable opportunity set is included.

Liquidity

Stocks are screened to ensure that the index is tradable.

Transparency

The indices use a transparent, rules-based construction process. Index Rules are freely available on the FTSE website.

Availability

The indices are calculated based on price and total return methodologies, both real time (US index only) and end-of-day.

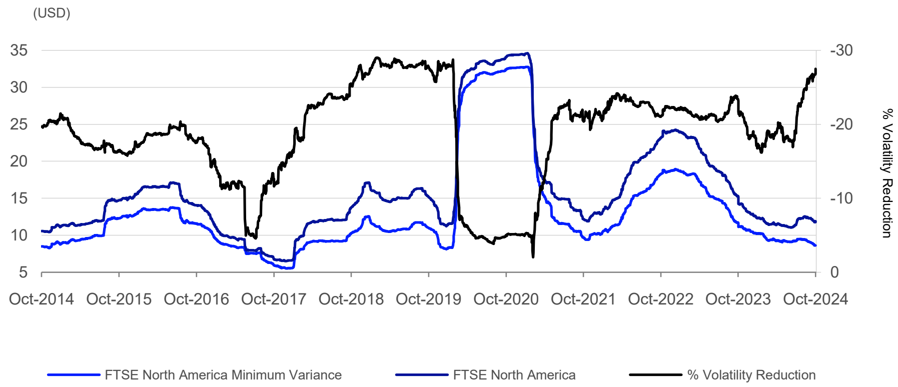
Industry Classification Benchmark

Index constituents are categorized in accordance with the Industry Classification Benchmark (ICB), the global standard for industry sector analysis.

Year-on-Year Performance - Total Return

Index % (USD)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
FTSE Developed Ex US Minimum Variance	1.6	2.4	4.4	27.3	-10.3	16.1	1.6	3.8	-15.3	10.1
FTSE Developed Ex US	-4.0	-1.9	3.4	26.3	-14.1	22.6	10.2	11.8	-14.6	18.7
FTSE USA Minimum Variance	18.9	1.6	12.2	16.9	-3.3	27.6	3.9	21.4	-11.9	6.5
FTSE USA	13.3	1.0	11.8	22.1	-4.5	31.6	20.8	26.8	-19.3	27.1
FTSE North America Minimum Variance	18.0	-0.7	13.5	17.1	-4.1	28.3	4.7	21.6	-11.4	7.4
FTSE North America	12.6	-0.4	12.4	21.8	-5.1	31.5	20.2	27.0	-19.0	26.6

Annualised Rolling 252 Volatility - Total Return



Return/Risk Ratio and Drawdown - Total Return

Index (USD)	Return/Risk Ratio				Drawdown (%)			
	1YR	3YR	5YR	10YR	1YR	3YR	5YR	10YR
FTSE Developed Ex US Minimum Variance	1.9	0.0	0.1	0.3	-5.7	-28.3	-32.3	-32.3
FTSE Developed Ex US	1.9	0.2	0.4	0.4	-8.5	-28.3	-34.7	-34.7
FTSE USA Minimum Variance	2.9	0.2	0.4	0.6	-5.1	-20.9	-37.1	-37.1
FTSE USA	3.0	0.5	0.8	0.8	-8.4	-25.3	-34.1	-34.1
FTSE North America Minimum Variance	3.0	0.3	0.5	0.7	-5.0	-20.3	-36.9	-36.9
FTSE North America	3.1	0.5	0.8	0.8	-8.3	-25.1	-34.4	-34.4

Return/Risk Ratio – based on compound annual returns and volatility in Performance and Volatility table
Drawdown - based on daily data

Top 10 Constituents -FTSE Developed ex USA Minimum Variance

Constituent	Country/Market	ICB Sector	FTSE Developed Ex US Minimum Variance (Wgt %)	FTSE Developed Ex US (Wgt %)	Diff %
Argenx S.E	Belgium	Pharmaceuticals and Biotechnology	0.37	0.17	0.20
Dollarama Inc	Canada	Retailers	0.36	0.14	0.22
Elbit Systems	Israel	Aerospace and Defense	0.33	0.03	0.31
Waste Connections Inc	Canada	Waste and Disposal Services	0.33	0.22	0.11
Jardine Matheson Holdings	Hong Kong	General Industrials	0.31	0.04	0.28
Loblaw Companies	Canada	Personal Care Drug and Grocery Stores	0.31	0.09	0.22
Thomson Reuters	Canada	Finance and Credit Services	0.31	0.11	0.20
Metro Inc.	Canada	Personal Care Drug and Grocery Stores	0.31	0.06	0.25
BAE Systems	UK	Aerospace and Defense	0.30	0.24	0.06
Restaurant Brands International	Canada	Travel and Leisure	0.29	0.11	0.19
Totals			**3.22**	**1.21**	

INFORMATION

Index Universe
FTSE All-World Index Series

Index Launch
July 2012 (US), May 2013 (North America), May 2015 (Developed ex US)

Base Date
15 June 2012

Base Value
100

Investability Screen
Actual free float applied and liquidity screened

Index Calculation
Real time (US only) and end of day

End-of-Day Distribution
Via FTP and email

Currency
USD, EUR, GBP, JPY, AUD

Review Dates
March and September

History
Available from September 2001 (US), December 2003 (North America), September 2003 (Developed ex US)

Top 10 Constituents - FTSE North America Minimum Variance

Constituent	Country/Market	ICB Sector	FTSE North America Minimum Variance (Wgt %)	FTSE North America (Wgt %)	Diff %
Cboe Global Markets	USA	Investment Banking and Brokerage Services	0.60	0.04	0.55
CME Group	USA	Investment Banking and Brokerage Services	0.55	0.16	0.39
McKesson	USA	Personal Care Drug and Grocery Stores	0.54	0.13	0.41
Kellanova	USA	Food Producers	0.52	0.04	0.48
Bristol Myers Squibb	USA	Pharmaceuticals and Biotechnology	0.51	0.22	0.29
T-Mobile US Inc.	USA	Telecommunications Service Providers	0.50	0.21	0.29
General Mills	USA	Food Producers	0.50	0.07	0.43
Walmart	USA	Retailers	0.49	0.70	-0.20
Johnson & Johnson	USA	Pharmaceuticals and Biotechnology	0.49	0.75	-0.26
Kroger	USA	Personal Care Drug and Grocery Stores	0.49	0.07	0.42
Totals			**5.19**	**2.39**	

Top 10 Constituents - FTSE USA Minimum Variance

Constituent	ICB Sector	FTSE USA Minimum Variance (Wgt %)	FTSE USA (Wgt %)	Diff %
Cboe Global Markets	Investment Banking and Brokerage Services	0.70	0.05	0.65
CME Group	Investment Banking and Brokerage Services	0.65	0.16	0.49
McKesson	Personal Care Drug and Grocery Stores	0.63	0.13	0.50
Kellanova	Food Producers	0.62	0.04	0.58
Bristol Myers Squibb	Pharmaceuticals and Biotechnology	0.59	0.23	0.36
T-Mobile US Inc.	Telecommunications Service Providers	0.58	0.22	0.36
General Mills	Food Producers	0.58	0.08	0.50
Walmart	Retailers	0.58	0.72	-0.14
Johnson & Johnson	Pharmaceuticals and Biotechnology	0.58	0.78	-0.20
Kroger	Personal Care Drug and Grocery Stores	0.57	0.08	0.49
Totals		**6.08**	**2.49**	

ICB Supersector Breakdown

		FTSE Developed Ex US Minimum Variance		FTSE Developed Ex US		
ICB Code	ICB Supersector	No. of Cons	Wgt %	No. of Cons	Wgt %	Diff %
1010	Technology	54	4.49	109	8.24	-3.75
1510	Telecommunications	35	4.77	40	3.84	0.94
2010	Health Care	68	7.65	103	11.42	-3.78
3010	Banks	67	7.05	95	12.40	-5.35
3020	Financial Services	25	2.53	59	4.00	-1.47
3030	Insurance	49	5.85	60	5.63	0.22
3510	Real Estate	76	9.38	104	2.43	6.96
4010	Automobiles and Parts	37	2.29	52	3.43	-1.15
4020	Consumer Products and Services	47	3.30	82	4.96	-1.66
4030	Media	19	1.78	23	1.18	0.60
4040	Retailers	29	2.72	40	1.79	0.93
4050	Travel and Leisure	42	4.20	52	1.42	2.79
4510	Food Beverage and Tobacco	72	9.76	75	4.33	5.43
4520	Personal Care Drug and Grocery Stores	42	5.49	43	2.57	2.92
5010	Construction and Materials	34	2.39	56	2.70	-0.32
5020	Industrial Goods and Services	135	12.67	256	15.13	-2.46
5510	Basic Resources	16	1.09	54	3.67	-2.57
5520	Chemicals	42	2.84	59	2.39	0.45
6010	Energy	36	3.85	47	5.16	-1.31
6510	Utilities	52	5.91	60	3.32	2.59
Totals		**977**	**100.00**	**1469**	**100.00**	

ICB Supersector Breakdown

	FTSE North America Minimum Variance		FTSE North America			FTSE USA Minimum Variance		FTSE USA		
ICB Supersector	No. of Cons	Wgt %	No. of Cons	Wgt %	Diff %	No. of Cons	Wgt %	No. of Cons	Wgt %	Diff %
Technology	55	9.02	86	35.32	-26.29	50	9.34	83	36.29	-26.96
Telecommunications	10	3.19	11	2.10	1.09	8	3.08	9	2.14	0.94
Health Care	59	14.28	64	10.41	3.87	59	15.80	64	10.81	4.99
Banks	14	2.02	22	4.27	-2.25	8	1.07	16	3.44	-2.36
Financial Services	21	4.47	37	5.33	-0.86	17	4.32	34	5.28	-0.97
Insurance	29	7.28	29	2.37	4.91	23	6.48	23	2.11	4.36
Real Estate	28	3.42	34	2.25	1.17	27	3.48	34	2.33	1.14
Automobiles and Parts	2	0.29	8	1.67	-1.38	2	0.31	7	1.71	-1.40
Consumer Products and Services	11	1.88	19	1.53	0.35	10	2.02	19	1.59	0.43
Media	12	2.11	14	1.40	0.71	12	2.30	14	1.45	0.85
Retailers	17	4.22	20	7.04	-2.83	15	4.01	18	7.17	-3.16
Travel and Leisure	16	3.68	21	1.94	1.74	14	3.79	20	1.97	1.82
Food Beverage and Tobacco	25	9.03	25	2.55	6.49	25	10.20	25	2.64	7.55
Personal Care Drug and Grocery Stores	14	5.31	15	1.75	3.56	11	4.75	12	1.73	3.02
Construction and Materials	4	0.43	7	0.59	-0.16	4	0.41	7	0.61	-0.20
Industrial Goods and Services	70	12.50	89	10.93	1.57	66	13.26	87	11.07	2.18
Basic Resources	11	1.76	13	0.81	0.94	6	1.00	8	0.53	0.47
Chemicals	7	1.14	11	0.93	0.20	6	1.19	10	0.92	0.27
Energy	32	5.27	35	4.05	1.21	21	4.56	25	3.48	1.08
Utilities	35	8.72	36	2.77	5.95	32	8.65	33	2.72	5.93
Totals	**472**	**100.00**	**596**	**100.00**		**416**	**100.00**	**548**	**100.00**	

Country/Market Breakdown

	FTSE Developed Ex US Minimum Variance		FTSE Developed Ex US		
Country/Market	**No. of Cons**	**Wgt %**	**No. of Cons**	**Wgt %**	**Diff %**
Australia	51	3.83	104	6.83	-3.00
Austria	6	0.37	7	0.19	0.19
Belgium	10	1.27	13	0.86	0.41
Canada	46	8.78	48	9.05	-0.27
Denmark	13	1.68	19	2.64	-0.95
Finland	10	0.94	14	0.85	0.09
France	39	4.19	67	8.88	-4.69
Germany	41	3.99	67	7.39	-3.41
Hong Kong	65	7.58	70	1.94	5.64
Ireland	4	0.71	5	0.24	0.47
Israel	29	3.55	29	0.59	2.97
Italy	28	2.11	36	2.54	-0.43
Japan	334	28.17	496	21.78	6.39
Korea	95	7.51	157	4.04	3.47
Netherlands	19	2.07	29	3.55	-1.48
New Zealand	13	1.76	13	0.26	1.50
Norway	9	0.73	16	0.51	0.22
Poland	1	0.05	10	0.26	-0.21
Portugal	3	0.35	4	0.14	0.21
Singapore	35	5.92	35	1.20	4.72
Spain	18	2.03	24	2.37	-0.34
Sweden	12	0.78	53	2.74	-1.97
Switzerland	38	5.00	53	8.06	-3.06
UK	58	6.61	100	13.06	-6.45
Totals	**977**	**100.00**	**1469**	**100.00**	

Country/Market Breakdown

	FTSE North America Minimum Variance		FTSE North America		
Country/Market	**No. of Cons**	**Wgt %**	**No. of Cons**	**Wgt %**	**Diff %**
Canada	44	9.10	48	3.65	5.46
USA	428	90.90	548	96.35	-5.46
Totals	**472**	**100.00**	**596**	**100.00**	

Index Characteristics

Attributes	FTSE Developed Ex US Minimum Variance	FTSE Developed Ex US
Number of constituents	977	1469
Dividend Yield %	3.50	3.00
Constituent (Wgt %)		
Average	0.10	0.07
Largest	0.37	1.67
Median	0.09	0.02
Top 10 Holdings (Wgt %)	3.22	11.56

Index Characteristics

Attributes	FTSE North America Minimum Variance	FTSE North America	FTSE USA Minimum Variance	FTSE USA
Number of constituents	472	596	416	548
Dividend Yield %	1.97	1.34	1.89	1.28
Constituent (Wgt %)				
Average	0.21	0.17	0.24	0.18
Largest	0.60	6.43	0.70	6.67
Median	0.20	0.07	0.23	0.07
Top 10 Holdings (Wgt %)	5.19	32.04	6.08	33.27

Data definitions available from info@ftserussell.com

To learn more, visit lseg.com/ftse-russell; email info@ftserussell.com; or call your regional Client Services Team office:

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