

# FTSE Emerging Minimum Variance Index

Data as at: 29 March 2024

The FTSE Global Minimum Variance Index Series aims 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 relevant 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 an index, and, at aggregate level on the weight of countries and industries represented in the index.

The FTSE Emerging Minimum Variance Index is part of the FTSE Global Minimum Variance Index Series, which offers global, regional and country indices. Minimum Variance versions of selected Shariah, ESG and Domestic indices are also available. Constituents are selected from the corresponding underlying universe at the time of the review and aspects such as index reviews and company classification are governed by the corresponding Ground Rules of the universe index.

## 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 Emerging Minimum Variance	2.0	6.8	2.0	9.9	11.4	26.2	3.7	4.8	7.0	10.0	14.6
FTSE Emerging	2.4	9.2	2.4	8.5	-9.6	17.2	-3.3	3.2	11.2	15.6	18.2

\* 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

## Year-on-Year Performance - Total Return

Index % (USD)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
FTSE Emerging Minimum Variance	4.8	-12.6	6.3	24.8	-10.1	10.8	6.5	14.0	-11.1	11.3
FTSE Emerging	1.6	-15.2	13.5	32.5	-13.0	20.6	15.5	0.1	-16.9	9.1

## 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, sector or country.

### Objective

The index is designed for use in 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 in the underlying universe are screened to ensure that the indices are tradable.

### Transparency

Index rules are freely available on the FTSE website.

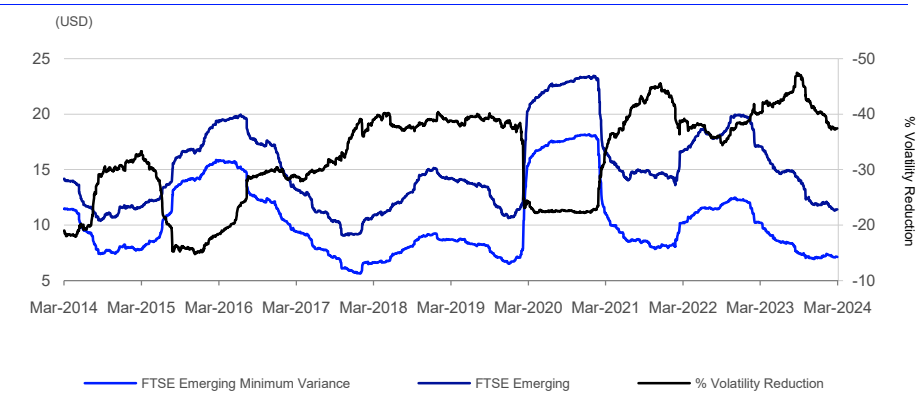
### Availability

The index is calculated based on price and total return methodologies, available 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.

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 Emerging Minimum Variance	1.4	0.3	0.3	0.3	-10.1	-18.6	-30.8	-33.4
FTSE Emerging	0.8	-0.2	0.2	0.2	-11.3	-32.9	-34.8	-35.7

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

Top 10 Constituents

Constituent	Country	ICB Sector	FTSE Emerging Minimum Variance (Wgt %)	FTSE Emerging (Wgt %)	Diff %
Chunghwa Telecom	Taiwan	Telecommunications Service Providers	0.31	0.22	0.09
Far EasTone Telecommunications	Taiwan	Telecommunications Service Providers	0.30	0.07	0.24
Taiwan Mobile	Taiwan	Telecommunications Service Providers	0.30	0.09	0.21
Arabian Centres	Saudi Arabia	Real Estate Investment and Services Development	0.30	0.02	0.28
Saudi Dairy & Foodstuff Co	Saudi Arabia	Food Producers	0.29	0.02	0.27
Embassy Office Parks REIT	India	Real Estate Investment Trusts	0.28	0.06	0.23
San Miguel	Philippines	General Industrials	0.28	0.01	0.27
Alpha Dhabi Holding	UAE	General Industrials	0.28	0.09	0.19
President Chain Store	Taiwan	Personal Care Drug and Grocery Stores	0.27	0.07	0.21
WPG Holdings	Taiwan	Technology Hardware and Equipment	0.27	0.06	0.20
Totals			2.88	0.71	

INFORMATION

Index Universe

FTSE Emerging Index

Index Launch

May 2013

Base Date

15 June 2012

Base Value

100

Investability Screen

Actual free float applied and liquidity screened

Index Calculation

End of day

End-of-Day Distribution

Via FTP and email

Currency

USD, EUR, GBP, JPY, AUD

Review Dates

Semi-annually in March and September

History

Available from September 2003

Country Breakdown

	FTSE Emerging Minimum Variance		FTSE Emerging		
Country	No. of Cons	Wgt %	No. of Cons	Wgt %	Diff %
Brazil	56	4.08	82	6.09	-2.01
Chile	18	1.22	21	0.60	0.63
China	414	20.89	1241	27.88	-6.99
Colombia	2	0.11	3	0.13	-0.01
Czech Rep.	3	0.27	4	0.15	0.13
Egypt	3	0.24	3	0.06	0.18
Greece	22	1.78	28	0.65	1.14
Hungary	3	0.17	4	0.27	-0.10
Iceland	11	1.08	11	0.11	0.97
India	167	16.24	228	22.00	-5.77
Indonesia	37	4.76	42	2.14	2.62
Kuwait	8	1.53	8	0.89	0.64
Malaysia	35	4.46	39	1.78	2.68
Mexico	31	3.79	38	3.29	0.51
Pakistan	1	0.08	1	0.00	0.08
Philippines	23	3.20	24	0.76	2.45
Qatar	14	1.87	17	0.95	0.92
Romania	6	0.71	7	0.16	0.55
Saudi Arabia	56	8.72	60	4.88	3.84
South Africa	12	0.60	40	3.07	-2.47
Taiwan	89	11.92	122	19.19	-7.27
Thailand	33	2.56	50	1.97	0.59
Turkiye	88	5.55	109	1.24	4.31
UAE	26	4.14	31	1.75	2.40
Totals	1158	100.00	2213	100.00	

ICB Supersector Breakdown

		FTSE Emerging Minimum Variance		FTSE Emerging		
ICB Code	ICB Supersector	No. of Cons	Wgt %	No. of Cons	Wgt %	Diff %
1010	Technology	78	6.32	231	24.72	-18.40
1510	Telecommunications	44	5.32	73	3.86	1.46
2010	Health Care	90	6.62	179	3.40	3.22
3010	Banks	132	13.52	165	17.37	-3.86
3020	Financial Services	37	2.32	114	3.06	-0.73
3030	Insurance	25	2.23	44	2.59	-0.37
3510	Real Estate	52	4.27	102	2.16	2.11
4010	Automobiles and Parts	27	2.19	70	2.74	-0.55
4020	Consumer Products and Services	35	2.94	82	2.83	0.11
4030	Media	7	0.46	31	0.34	0.12
4040	Retailers	28	2.62	52	4.24	-1.62
4050	Travel and Leisure	22	1.78	42	1.67	0.11
4510	Food Beverage and Tobacco	81	8.21	114	3.97	4.24
4520	Personal Care Drug and Grocery Stores	37	3.91	49	1.77	2.15
5010	Construction and Materials	56	4.77	88	2.20	2.56
5020	Industrial Goods and Services	155	12.26	283	6.11	6.15
5510	Basic Resources	38	2.16	136	4.33	-2.17
5520	Chemicals	52	4.56	108	2.01	2.54
6010	Energy	64	5.33	111	6.75	-1.42
6510	Utilities	98	8.22	139	3.87	4.35
Totals		1158	100.00	2213	100.00	

Index Characteristics

Attributes	FTSE Emerging Minimum Variance	FTSE Emerging
Number of constituents	1158	2213
Dividend Yield %	3.40	3.05
Constituent (Wgt %)		
Average	0.09	0.04
Largest	0.31	8.49
Median	0.07	0.01
Top 10 Holdings (Wgt %)	2.88	21.86

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info@ftserussell.com

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

**EMEA**  
+44 (0) 20 7866 1810

**North America**  
+1 877 503 6437

**Asia-Pacific**  
Hong Kong +852 2164 3333  
Tokyo +81 3 6441 1430  
Sydney +61 (0) 2 7228 5659