

# FTSE Emerging Minimum Variance Index

Data as at: 31 March 2020

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	-23.6	-19.8	-23.6	-21.2	-12.8	-13.4	-4.5	-2.8	15.5	13.9	14.8
FTSE Emerging	-24.2	-15.2	-24.2	-17.2	-4.4	-0.5	-1.5	-0.1	20.3	19.1	17.6

\* 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)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
FTSE Emerging Minimum Variance	33.1	-14.2	23.6	2.9	4.8	-12.6	6.3	24.8	-10.1	10.8
FTSE Emerging	19.8	-19.0	17.9	-3.5	1.6	-15.2	13.5	32.5	-13.0	20.6

## 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.

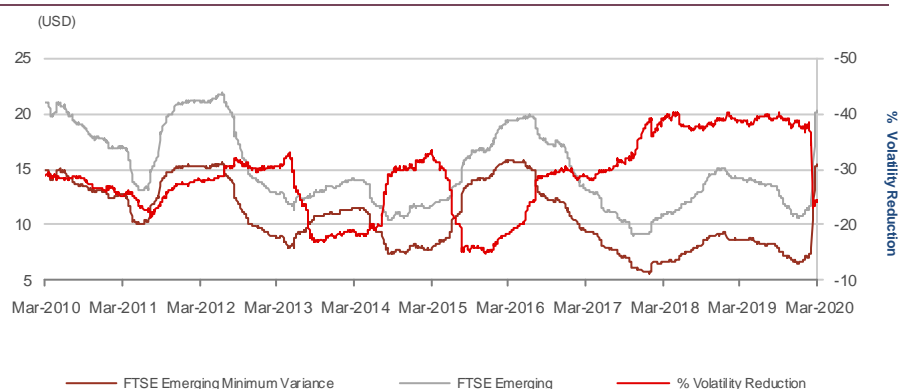
### Availability

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	-1.3	-0.4	-0.2	0.2	-30.8	-33.4	-33.4	-33.4
FTSE Emerging	-0.8	-0.1	0.0	0.1	-33.4	-35.1	-35.1	-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 %
Tbea (A) (SC SH)	China	Electronic & Electrical Equipment	0.68	0.00	0.68
Inner Mongolia First Machinery Group (A) (SC SH)	China	Industrial Engineering	0.63	0.00	0.63
Youngor Group (A) (SC SH)	China	Personal Goods	0.62	0.01	0.62
Wanda Film Holding (A) (SC SZ)	China	Travel & Leisure	0.62	0.01	0.61
Jiangsu Yuyue Medical Equipment & Supply (A) (SC SZ)	China	Health Care Equipment & Services	0.55	0.01	0.54
Guangdong Hec Technology Holding (A) (SC SH)	China	Industrial Metals & Mining	0.51	0.00	0.51
Shenzhen Agricultural Products Group (A) (SC SZ)	China	Food Producers	0.46	0.00	0.46
Shenzhen Neptunus Bioengineering (A) (SC SZ)	China	Pharmaceuticals & Biotechnology	0.43	0.00	0.43
Wingtech Technology (A) (SC SH)	China	Technology Hardware & Equipment	0.42	0.02	0.41
Dian Diagnostics Group (A) (SC SZ)	China	Health Care Equipment & Services	0.39	0.00	0.38
<b>Totals</b>			<b>5.31</b>	<b>0.05</b>	

## 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

Country	FTSE Emerging Minimum Variance		FTSE Emerging		Diff %
	No. of Cons	Wgt %	No. of Cons	Wgt %	
Brazil	80	4.15	91	6.06	-1.91
Chile	19	0.98	22	0.74	0.23
China	449	46.20	992	44.62	1.58
Colombia	11	0.66	11	0.33	0.33
Czech Rep.	4	0.46	4	0.13	0.33
Egypt	5	0.71	6	0.17	0.54
Greece	6	0.41	9	0.25	0.17
Hungary	4	0.33	4	0.29	0.04
India	122	8.92	153	9.33	-0.41
Indonesia	17	0.71	32	1.61	-0.90
Kuwait	11	2.06	11	0.84	1.22
Malaysia	45	5.23	45	2.53	2.70
Mexico	37	2.52	37	2.28	0.23
Pakistan	4	0.47	4	0.03	0.44
Peru	1	0.11	1	0.04	0.07
Philippines	23	2.18	25	1.06	1.12
Qatar	17	2.38	18	1.16	1.22
Russia	31	2.50	32	3.63	-1.13
Saudi Arabia	43	5.64	45	2.68	2.95
South Africa	8	0.73	67	4.26	-3.54
Taiwan	71	6.51	95	13.84	-7.33
Thailand	41	3.46	47	2.72	0.74
Turkey	19	1.08	26	0.59	0.48
UAE	14	1.61	15	0.79	0.81
<b>Totals</b>	<b>1082</b>	<b>100.00</b>	<b>1792</b>	<b>100.00</b>	

## ICB Supersector Breakdown

ICB Code	ICB Supersector	FTSE Emerging Minimum Variance		FTSE Emerging		Diff %
		No. of Cons	Wgt %	No. of Cons	Wgt %	
0500	Oil & Gas	56	4.07	67	6.66	-2.58
1300	Chemicals	39	3.78	75	1.98	1.80
1700	Basic Resources	68	7.89	128	3.82	4.07
2300	Construction & Materials	52	4.16	72	2.18	1.98
2700	Industrial Goods & Services	144	13.12	254	5.09	8.04
3300	Automobiles & Parts	33	2.46	60	1.41	1.05
3500	Food & Beverage	69	7.84	93	3.43	4.41
3700	Personal & Household Goods	54	5.06	85	2.86	2.21
4500	Health Care	73	8.32	119	3.02	5.30
5300	Retail	50	4.57	82	13.88	-9.31
5500	Media	14	1.01	26	0.48	0.54
5700	Travel & Leisure	32	3.33	49	1.03	2.30
6500	Telecommunications	42	5.03	48	4.38	0.66
7500	Utilities	92	8.72	100	2.77	5.95
8300	Banks	117	9.83	153	16.23	-6.39
8500	Insurance	22	1.48	36	3.69	-2.21
8600	Real Estate	53	3.68	116	3.60	0.08
8700	Financial Services	26	1.36	103	3.55	-2.19
9500	Technology	46	4.28	126	19.97	-15.69
<b>Totals</b>		<b>1082</b>	<b>100.00</b>	<b>1792</b>	<b>100.00</b>	

## Index Characteristics

Attributes	FTSE Emerging Minimum Variance	FTSE Emerging
Number of constituents	1082	1792
Dividend Yield %	3.92	3.48
Constituent (Wgt %)		
Average	0.09	0.06
Largest	0.68	8.06
Median	0.08	0.01
Top 10 Holdings (Wgt %)	5.31	28.53

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info@ftserussell.com

To learn more, visit [www.ftserussell.com](http://www.ftserussell.com);  
email [info@ftserussell.com](mailto:info@ftserussell.com); or  
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**EMEA**

+44 (0) 20 7866 1810

**North America**

+1 877 503 6437

**Asia-Pacific**

Hong Kong +852 2164 3333

Tokyo +81 3 4563 6346

Sydney +61 (0) 2 8823 3521