

# FTSE4Good Developed Minimum Variance Index

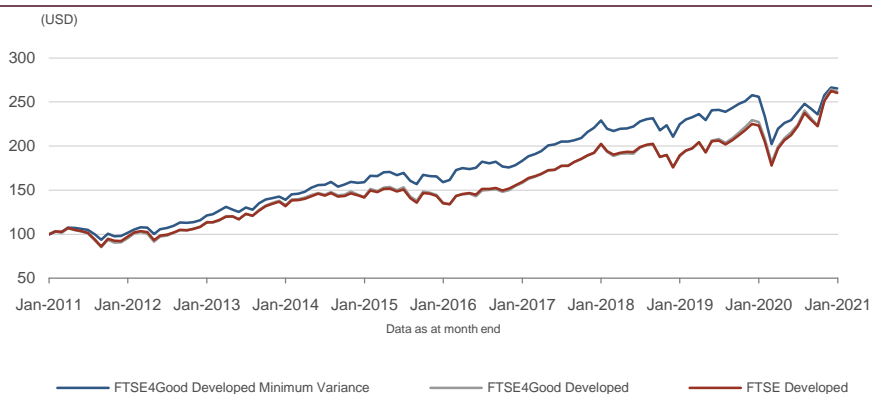
Data as at: 29 January 2021

The FTSE Developed 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 FTSE4Good Developed Minimum Variance Index is based on the FTSE4Good Developed Index, which is designed to objectively measure the performance of companies that meet globally recognised environmental, social and governance (ESG) standards, and to facilitate investment in those companies. 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
FTSE4Good Developed Minimum Variance	12.4	11.0	-0.4	3.6	15.9	66.7	5.0	10.8	22.8	16.1	12.8
FTSE4Good Developed	17.3	16.8	-0.9	15.2	29.7	92.7	9.1	14.0	28.6	19.3	14.8
FTSE Developed	17.0	17.0	-0.9	16.5	28.5	92.8	8.7	14.0	28.5	19.4	14.9

\* 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, sector or country.

### Objective

The indexes 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 in the underlying universe are screened to ensure that the indexes are tradable.

### Transparency

Index methodologies are freely available on the FTSE Russell website.

### Availability

The indexes are calculated based on price and total return methodologies.

### Industry Classification Benchmark (ICB)

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

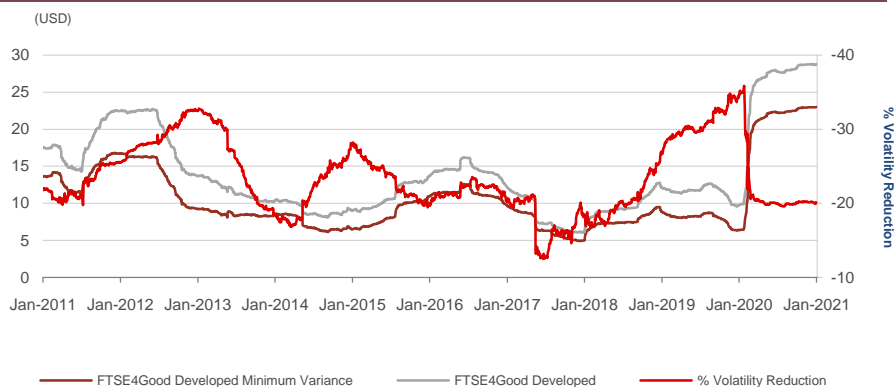
### Criteria

The ESG criteria is based on the underlying FTSE4Good Index which is overseen by the independent FTSE Russell ESG Advisory Committee.

**Year-on-Year Performance - Total Return**

Index % (USD)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
FTSE4Good Developed Minimum Variance	0.0	18.0	23.3	11.0	4.6	7.7	23.8	-4.6	22.3	3.5
FTSE4Good Developed	-6.8	19.8	27.0	5.1	-0.3	7.1	24.1	-8.2	30.1	15.2
FTSE Developed	-5.5	17.0	26.8	5.1	-0.3	8.2	23.9	-8.6	28.0	16.7

**Annualised Rolling 252 Day Volatility - Total Return**



**Return/Risk Ratio and Drawdown - Total Return**

Index (USD)	Return/Risk Ratio				Drawdown (%)			
	1YR	3YR	5YR	10YR	1YR	3YR	5YR	10YR
FTSE4Good Developed Minimum Variance	0.1	0.4	0.8	0.9	-32.7	-33.0	-33.0	-33.0
FTSE4Good Developed	0.5	0.5	0.9	0.7	-33.9	-33.9	-33.9	-33.9
FTSE Developed	0.5	0.5	0.9	0.7	-34.0	-34.0	-34.0	-34.0

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

**Top 10 Constituents (by Wgt %) - FTSE4Good Developed Minimum Variance Index**

Constituent	Country	ICB Sector	FTSE4Good Developed Minimum Variance (Wgt %)	FTSE4Good Developed (Wgt %)	Diff %
Clorox	USA	Household Goods & Home Construction	0.80	0.08	0.72
Newmont Corporation	USA	Mining	0.69	0.15	0.54
J M Smucker	USA	Food Producers	0.67	0.04	0.63
Hormel Foods	USA	Food Producers	0.67	0.04	0.63
NortonLifeLock Inc	USA	Software & Computer Services	0.63	0.04	0.59
General Mills	USA	Food Producers	0.63	0.11	0.52
Kellogg	USA	Food Producers	0.60	0.05	0.55
Church & Dwight	USA	Household Goods & Home Construction	0.60	0.07	0.53
Campbell Soup	USA	Food Producers	0.59	0.03	0.57
ConAgra Brands Inc	USA	Food Producers	0.59	0.05	0.54
<b>Totals</b>			<b>6.47</b>	<b>0.66</b>	

**INFORMATION**

**Index Universe**

FTSE4Good Developed Index

**Index Launch**

May 2013

**Base Date**

15 May 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 June and December

**History**

From 19 March 2004

## Country Breakdown

Country	FTSE4Good Developed Minimum Variance		FTSE4Good Developed		Diff %
	No. of Cons	Wgt %	No. of Cons	Wgt %	
Australia	30	3.70	70	3.34	0.36
Austria	2	0.12	7	0.09	0.02
Belgium	4	0.64	7	0.34	0.30
Canada	6	0.97	29	2.76	-1.80
Denmark	10	2.31	14	1.00	1.30
Finland	7	1.26	14	0.56	0.70
France	23	3.18	66	4.50	-1.32
Germany	12	1.58	42	3.29	-1.70
Hong Kong	20	4.73	21	1.09	3.64
Ireland	1	0.26	2	0.07	0.19
Israel	6	0.70	7	0.13	0.57
Italy	13	1.19	23	0.93	0.26
Japan	119	14.10	184	8.14	5.96
Korea	30	3.62	35	0.85	2.78
Netherlands	10	1.52	21	1.65	-0.13
New Zealand	6	1.29	6	0.10	1.19
Norway	2	0.26	11	0.27	-0.01
Poland	1	0.11	6	0.07	0.03
Portugal	3	0.49	4	0.10	0.40
Singapore	14	2.46	15	0.33	2.12
Spain	8	0.99	22	1.18	-0.19
Sweden	7	0.76	36	1.48	-0.72
Switzerland	18	4.16	34	4.31	-0.16
UK	32	4.10	96	6.29	-2.19
USA	179	45.52	239	57.13	-11.60
<b>Totals</b>	<b>563</b>	<b>100.00</b>	<b>1011</b>	<b>100.00</b>	

## ICB Supersector Breakdown

ICB Code	ICB Supersector	FTSE4Good Developed Minimum Variance		FTSE4Good Developed		Diff %
		No. of Cons	Wgt %	No. of Cons	Wgt %	
0500	Oil & Gas	9	0.94	38	2.50	-1.56
1300	Chemicals	26	3.10	45	2.88	0.22
1700	Basic Resources	10	1.72	37	1.84	-0.12
2300	Construction & Materials	13	1.18	29	1.16	0.02
2700	Industrial Goods & Services	68	9.46	145	10.78	-1.32
3300	Automobiles & Parts	8	0.89	30	1.60	-0.72
3500	Food & Beverage	42	11.03	47	3.61	7.43
3700	Personal & Household Goods	34	7.26	52	5.42	1.85
4500	Health Care	67	15.30	72	11.94	3.36
5300	Retail	37	7.57	48	4.47	3.11
5500	Media	18	2.87	30	1.95	0.92
5700	Travel & Leisure	21	3.28	40	1.55	1.73
6500	Telecommunications	26	5.87	32	2.99	2.88
7500	Utilities	33	5.49	41	1.98	3.50
8300	Banks	24	2.89	72	7.07	-4.18
8500	Insurance	25	4.17	61	3.91	0.26
8600	Real Estate	24	4.16	42	1.55	2.61
8700	Financial Services	27	3.37	66	5.94	-2.56
9500	Technology	51	9.45	84	26.87	-17.42
<b>Totals</b>		<b>563</b>	<b>100.00</b>	<b>1011</b>	<b>100.00</b>	

## Index Characteristics

Attributes	FTSE4Good Developed Minimum Variance	FTSE4Good Developed	FTSE Developed
Number of constituents	563	1011	2130
Dividend Yield %	2.45	2.06	1.90
Constituent (Wgt %)			
Average	0.18	0.10	0.05
Largest	0.80	6.70	4.11
Median	0.14	0.03	0.02
Top 10 Holdings (Wgt %)	6.47	21.84	16.78

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