

FTSE Emerging Minimum Variance Index

Data as at: 29 July 2022

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	-2.3	-8.2	-10.5	-5.0	10.9	17.0	3.5	3.2	11.4	15.5	13.8
FTSE Emerging	-5.9	-15.1	-15.5	-16.3	5.7	11.7	1.9	2.2	18.0	20.9	16.6

* 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)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
FTSE Emerging Minimum Variance	23.6	2.9	4.8	-12.6	6.3	24.8	-10.1	10.8	6.5	14.0
FTSE Emerging	17.9	-3.5	1.6	-15.2	13.5	32.5	-13.0	20.6	15.5	0.1

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.

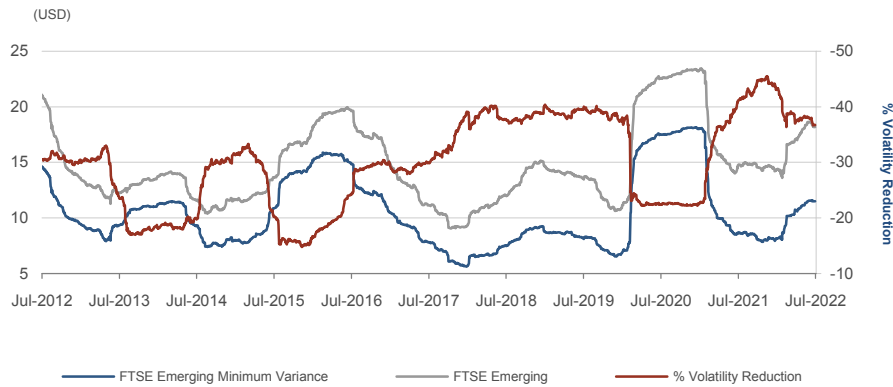
Availability

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	-0.4	0.2	0.2	0.3	-14.2	-30.8	-33.4	-33.4
FTSE Emerging	-0.9	0.1	0.1	0.2	-22.7	-33.4	-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 %
Yes Bank	India	Banks	0.56	0.04	0.52
Dr. Sulaiman Al Habib Medical Services Group	Saudi Arabia	Health Care Providers	0.37	0.08	0.29
Qatar Islamic Bank	Qatar	Banks	0.34	0.21	0.13
Chunghwa Telecom	Taiwan	Telecommunications Service Providers	0.31	0.26	0.05
Nestle (Malaysia)	Malaysia	Food Producers	0.31	0.03	0.28
Qatar International Islamic Bank	Qatar	Banks	0.29	0.04	0.25
Globe Telecom	Philippines	Telecommunications Service Providers	0.29	0.02	0.27
Qatar Fuel (Woqod) Q.S.C.	Qatar	Oil Gas and Coal	0.28	0.04	0.24
Manila Electric	Philippines	Electricity	0.28	0.03	0.25
Far EasTone Telecommunications	Taiwan	Telecommunications Service Providers	0.28	0.07	0.21
Totals			3.31	0.82	

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	19	1.45	95	6.35	-4.90
Chile	16	1.31	20	0.70	0.61
China	668	42.43	1036	34.81	7.62
Colombia	3	0.06	9	0.21	-0.16
Czech Rep.	2	0.18	3	0.17	0.01
Egypt	5	0.53	7	0.09	0.44
Greece	4	0.42	12	0.32	0.10
Hungary	3	0.30	4	0.17	0.13
India	97	9.83	198	16.91	-7.08
Indonesia	12	0.96	36	1.95	-0.99
Kuwait	11	2.11	11	1.07	1.04
Malaysia	38	6.13	42	1.86	4.27
Mexico	21	2.50	37	2.61	-0.11
Pakistan	4	0.31	4	0.02	0.29
Philippines	27	3.01	29	0.84	2.17
Qatar	18	3.63	18	1.35	2.28
Romania	3	0.38	3	0.08	0.31
Saudi Arabia	49	7.62	54	5.29	2.33
South Africa	15	1.42	60	4.17	-2.75
Taiwan	93	11.00	114	16.45	-5.45
Thailand	22	1.97	51	2.45	-0.48
Turkey	19	1.51	27	0.43	1.09
UAE	10	0.95	22	1.72	-0.77
Totals	1159	100.00	1892	100.00	

ICB Supersector Breakdown

ICB Code	ICB Supersector	FTSE Emerging Minimum Variance		FTSE Emerging		Diff %
		No. of Cons	Wgt %	No. of Cons	Wgt %	
1010	Technology	92	5.78	188	21.92	-16.15
1510	Telecommunications	60	7.09	75	4.48	2.61
2010	Health Care	116	9.10	153	4.00	5.10
3010	Banks	108	14.03	156	15.98	-1.95
3020	Financial Services	35	1.95	108	3.88	-1.93
3030	Insurance	18	1.56	38	2.57	-1.01
3510	Real Estate	58	4.40	98	2.49	1.91
4010	Automobiles and Parts	29	1.92	58	3.47	-1.54
4020	Consumer Products and Services	49	3.08	76	3.07	0.01
4030	Media	11	0.61	17	0.21	0.40
4040	Retailers	19	1.73	43	5.62	-3.89
4050	Travel and Leisure	21	1.31	36	1.05	0.25
4510	Food Beverage and Tobacco	87	8.81	112	4.55	4.26
4520	Personal Care Drug and Grocery Stores	34	3.91	44	1.98	1.93
5010	Construction and Materials	40	3.45	63	2.02	1.42
5020	Industrial Goods and Services	143	11.46	223	5.50	5.95
5510	Basic Resources	52	3.15	112	4.42	-1.27
5520	Chemicals	51	4.50	93	2.81	1.69
6010	Energy	57	4.87	95	6.50	-1.63
6510	Utilities	79	7.30	104	3.49	3.81
Totals		1159	100.00	1892	100.00	

Index Characteristics

Attributes	FTSE Emerging Minimum Variance	FTSE Emerging
Number of constituents	1159	1892
Dividend Yield %	3.86	3.51
Constituent (Wgt %)		
Average	0.09	0.05
Largest	0.56	6.75
Median	0.07	0.02
Top 10 Holdings (Wgt %)	3.31	21.96

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