

# FTSE4Good Developed Minimum Variance Index

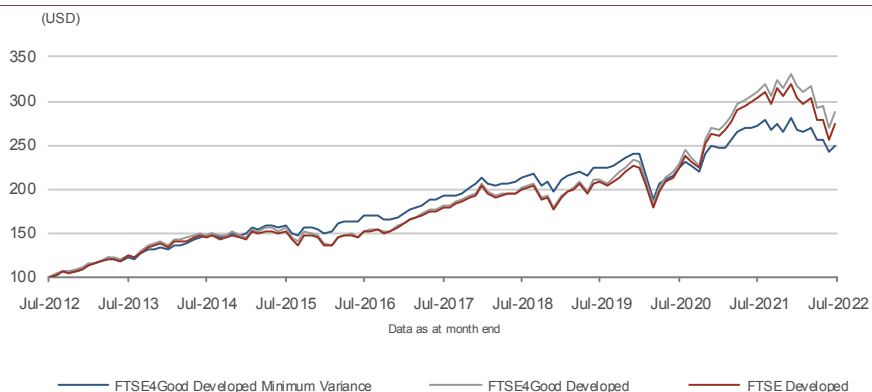
Data as at: 29 July 2022

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	-2.7	-6.4	-10.7	-8.4	11.0	30.4	3.5	5.5	11.1	16.8	13.7
FTSE4Good Developed	-1.9	-9.7	-13.5	-7.8	35.8	59.2	10.7	9.7	16.6	20.4	16.5
FTSE Developed	-1.4	-9.3	-14.1	-9.3	32.7	54.4	9.9	9.1	17.0	20.8	16.8

\* 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)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
FTSE4Good Developed Minimum Variance	18.0	23.3	11.0	4.6	7.7	23.8	-4.6	22.3	3.5	12.4
FTSE4Good Developed	19.8	27.0	5.1	-0.3	7.1	24.1	-8.2	30.1	15.2	23.6
FTSE Developed	17.0	26.8	5.1	-0.3	8.2	23.9	-8.6	28.0	16.7	21.4

**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	-0.8	0.2	0.4	0.8	-16.7	-33.0	-33.0	-33.0
FTSE4Good Developed	-0.5	0.5	0.6	0.8	-21.4	-33.9	-33.9	-33.9
FTSE Developed	-0.6	0.4	0.5	0.8	-22.6	-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	Personal Care Drug and Grocery Stores	0.73	0.05	0.68
Hormel Foods	USA	Food Producers	0.69	0.04	0.65
Kimberly-Clark	USA	Personal Care Drug and Grocery Stores	0.69	0.13	0.56
Kellogg	USA	Food Producers	0.69	0.06	0.63
Quest Diagnostics	USA	Medical Equipment and Services	0.63	0.05	0.58
Church & Dwight	USA	Personal Care Drug and Grocery Stores	0.62	0.06	0.56
J M Smucker	USA	Food Producers	0.61	0.04	0.57
General Mills	USA	Food Producers	0.60	0.13	0.47
WEC Energy Group	USA	Gas Water and Multi-utilities	0.60	0.10	0.50
Verizon Communications	USA	Telecommunications Service Providers	0.59	0.58	0.01
<b>Totals</b>			<b>6.45</b>	<b>1.24</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	35	4.66	76	3.34	1.32
Austria	1	0.05	6	0.08	-0.03
Belgium	3	0.36	8	0.28	0.09
Canada	15	2.66	30	3.42	-0.76
Denmark	8	1.14	14	1.00	0.14
Finland	4	0.54	11	0.42	0.12
France	15	2.00	63	4.14	-2.14
Germany	12	1.42	43	2.41	-0.99
Hong Kong	26	4.90	27	0.90	4.00
Ireland	1	0.21	2	0.05	0.16
Israel	7	1.01	7	0.16	0.85
Italy	8	0.94	25	0.77	0.17
Japan	114	13.76	224	7.55	6.20
Korea	32	2.50	40	0.59	1.91
Netherlands	5	0.84	23	1.51	-0.67
New Zealand	5	0.95	6	0.07	0.89
Norway	2	0.22	12	0.35	-0.12
Poland	-	-	6	0.07	-0.07
Portugal	3	0.55	4	0.10	0.46
Singapore	17	3.13	17	0.38	2.75
Spain	9	1.40	23	1.00	0.39
Sweden	4	0.50	35	1.01	-0.51
Switzerland	19	4.03	34	3.99	0.03
UK	24	3.33	93	5.89	-2.56
USA	193	48.90	264	60.52	-11.62
<b>Totals</b>	<b>562</b>	<b>100.00</b>	<b>1093</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 %	
1010	Technology	49	7.63	103	28.07	-20.44
1510	Telecommunications	36	6.95	47	3.38	3.57
2010	Health Care	60	13.81	78	12.28	1.53
3010	Banks	27	3.14	75	7.47	-4.33
3020	Financial Services	29	4.31	65	3.80	0.51
3030	Insurance	35	5.49	67	4.03	1.46
3510	Real Estate	27	5.00	52	1.63	3.37
4010	Automobiles and Parts	6	0.29	30	1.46	-1.17
4020	Consumer Products and Services	20	2.36	53	2.99	-0.63
4030	Media	10	1.60	20	1.25	0.36
4040	Retailers	14	2.29	23	2.54	-0.25
4050	Travel and Leisure	17	2.13	39	1.25	0.88
4510	Food Beverage and Tobacco	44	11.40	55	3.94	7.46
4520	Personal Care Drug and Grocery Stores	28	8.30	30	3.24	5.05
5010	Construction and Materials	9	0.72	33	0.99	-0.27
5020	Industrial Goods and Services	67	9.79	150	11.67	-1.87
5510	Basic Resources	16	2.17	39	1.57	0.60
5520	Chemicals	20	2.28	52	2.57	-0.30
6010	Energy	15	2.08	39	3.88	-1.80
6510	Utilities	33	8.27	43	1.99	6.28
<b>Totals</b>		<b>562</b>	<b>100.00</b>	<b>1093</b>	<b>100.00</b>	

## Index Characteristics

Attributes	FTSE4Good Developed Minimum Variance	FTSE4Good Developed	FTSE Developed
Number of constituents	562	1093	2222
Dividend Yield %	2.71	2.28	2.07
Constituent (Wgt %)			
Average	0.18	0.09	0.04
Largest	0.73	7.38	4.60
Median	0.14	0.03	0.01
Top 10 Holdings (Wgt %)	6.45	24.20	17.95

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