

DEUTSCHE BÖRSE AG

# THE DAX INDEX WORLD.



**DAX**

Marketed & distributed by **STOXX**



# THE INDEX WORLD OF DEUTSCHE BÖRSE.

The Deutsche Börse index offering comprises an innovative range of indices that stand for maximum transparency, reliability, and precision. The index range is continuously expanded and provides a variety of options open to investors to react to specific market situations, or to make systematic investments based on individual requirements. The product development activities focus in particular on the use of innovative concepts for index design, in order to ensure the optimum implementation of market demands.

Since January 2010, Deutsche Börse AG and SIX Group AG became the sole shareholder of STOXX Ltd. In July 2015, STOXX has been fully taken over by Deutsche Börse Group. For our customers this means one single point of contact for all index brands and access to an innovative, transparent, and truly global index world – ranging from equity to bond and commodity indices.

STOXX and DAX indices are used globally as underlyings for Exchange Traded Funds (ETFs), futures and options, structured products and passively managed investment funds.

## DAX INDEX UNIVERSE – INDICES OF DEUTSCHE BÖRSE

**German Indices****BLUE-CHIP INDICES**

- » DAX®
- » MDAX®
- » SDAX®
- » TecDAX®

**SELECTION INDICES**

- » RX REIT®/Real Estate
- » ÖkoDAX®
- » GEX®
- » Entry Standard

**ALL SHARE INDICES**

- » Technology All Share®
- » Classic All Share®
- » Prime All Share

**SECTOR INDICES**

- » DAXsupersector
- » DAXsector (18)
- » DAXsubsector (64)

**Strategy Indices****INVESTMENT STRATEGIES**

- » DivDAX®
- » DivMSDAX®
- » DAXplus® Seasonal Strategy
- » DAXplus® Maximum Dividend
- » DAXplus® Risk Trigger
- » DAX® Dividend Points indices

**MARKOWITZ INDICES**

- For D, CH, F, US, JAP
- » DAXplus® Minimum Variance indices
- » DAXplus® Maximum Sharpe Ratio indices

**DERIVATIVE STRATEGIES**

- » ShortDAX® (1x, 2x, 4x)
- » Short TecDAX®
- » LevDAX® (2x, 4x)
- » DAXplus® Covered Call
- » DAXplus® Protective Put

**Global Indices****SINGLE COUNTRIES**

- » DBIX India Index®
- » DAXglobal® Russia (2x)
- » DAXglobal®
- » DAXglobal® China/Sector
- » DAXglobal® Austria

**REGIONS**

- » DAXglobal® Asia/Sectors
- » DAXglobal® Africa
- » DAXglobal® Lat. Am.
- » DAXglobal® GCC
- » DAXglobal® BRIC
- » DAXglobal® Emerging-11
- » DAXglobal® Short indices

**GLOBAL INDUSTRIES**

- » DAXglobal® Alt. Energy
- » DAXglobal® Nucl. Power
- » DAXglobal® Agribusiness
- » DAXglobal® Water
- » DAXglobal® Sarasin Sustainability (D, CH)

**Alternative Indices****COMMODITY INDICES**

- » CX® Commodity
- » CX® Energy
- » CX® Industrial Metals
- » CX® Agriculturals
- » CX® Livestock

**VOLATILITY INDICES**

- » VDAX-NEW®
- » VDAX®

**LONGEVITY INDICES**

- » Xpect® Indices

**Fixed Income Indices****TRADABLE INDICES**

- » eb.rexx® Government indices
- » eb.rexx® Jumbo Pfandbriefe® indices
- » eb.rexx® Money Market
- » Deutsche Börse EUROGOV® indices

**CORPORATE BONDS**

- » RDAX®

**SYNTHETIC INDICES**

- » REX®



# HIGHLIGHTS OF THE DAX INDEX UNIVERSE.

On the following pages more detailed information is provided for selected DAX® indices.

# GERMAN INDICES.

## BLUE-CHIP INDICES

All equity indices are capital-weighted, and calculated as both price and total return indices. Admission to Prime Standard is one of the prerequisites for the acceptance of companies in the selection indices. To achieve that, specific rules apply that are based on free float market capitalization as well as order book turnover.

### **DAX®**

Being an extremely well-known index, it is often seen as the benchmark index for the German equity market. The equity index measures the share performance of the 30 largest German companies in terms of exchange turnover and market capitalization, and is thus an established indicator for the performance of the German economy as a whole. In addition, the index is frequently used as an underlying instrument for derivatives and structured products. The 30 stocks contained in DAX® represent around 80 percent of the market capitalization listed in Germany.

### **MDAX®**

MDAX® reflects the price development of the 50 largest companies – known as mid-caps – from classic sectors in Prime Standard ranking directly below the DAX® shares. The index mainly comprises stocks from the following sectors: pharmaceuticals, chemistry, machinery, and finance.

### **SDAX®**

SDAX® comprises 50 companies from classic sectors in the Prime Standard segment that rank directly below the MDAX® shares in terms of size.

### **TECDAX®**

TecDAX® reflects the price development of the 30 largest technology shares in Prime Standard below DAX®. As with MDAX®, foreign technology companies that operate predominately in Germany can also be admitted to TecDAX®. The stocks are selected based on market capitalization and order book turnover, and no stock can account for more than 10 percent of the index. TecDAX® serves as an underlying for a whole range of derivatives (from ETFs to futures and options).

## SELECTION INDICES

### ÖKODAX®

The index replicates the performance of the ten biggest companies from the German renewable energy sector. All companies from ÖkoDAX® are related to the following subsectors: solar, wind, hydropower, and bioenergy. The index offers a strictly rule-based, transparent, and liquid underlying for renewable energy investments in Germany.

### ENTRY STANDARD

The index reflects the performance of 30 companies, which are selected for inclusion to the index based on their exchange turnover. The index comprises primarily established, but young, SMEs.

### GENERAL STANDARD

The index includes the 200 most liquid issues of the General Standard segment. Blue-chip issues, which are listed in the General Standard segment, are not considered in the index in order to avoid a too dominant position.

### GEX® – GERMAN ENTREPRENEURIAL INDEX

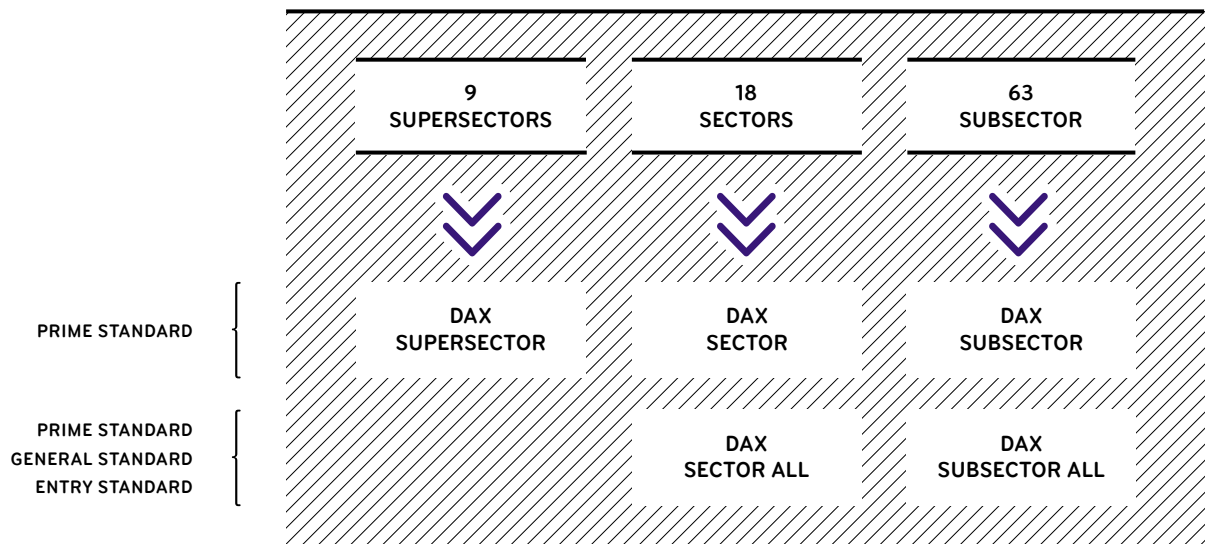
Between 25 percent and 75 percent of the companies represented by GEX® are owned by the companies' current managers, and have been listed on the stock exchange for no more than 10 years. This means that they act as a peer group for companies that are not yet listed on the stock exchange.

## ALL SHARE INDICES

The All Share indices measure the performance of the entire segments such as for the Prime, the General Standard, or the Entry Standard segments.

## SECTOR INDICES

The sector classification is designed to match the specific structure of the German economy. Its nine sectors are aggregated in nine supersectors: Utilities, Telecommunications, Financials, Industrials, Information Technology, Pharma & Healthcare, Basic Materials, Consumer Goods, and Consumer Services with a daily exchange turnover of at least €1 million. Sector allocation is based on the companies' respective sales focus. The supersector indices meet the statutory requirements for fund investments (UCITS) and are specifically geared to the tradability of the index portfolio.



# STRATEGY INDICES.

## INVESTMENT STRATEGIES

The strategy indices are marketed under the DAXplus® brand and are adaptable for different investment profiles and, due to their diversity and sophistication, are ideal underlying instruments for structured products. By employing selective investment strategies in certain market or economic trends, investors can outperform the overall markets.

### **DIVDAX® & DIVMSDAX®**

DivDAX® is based on DAX® and DivMSDAX® on MDAX® and SDAX®. The indices comprise the 15 companies with the highest dividend yield.

The dividend yield is calculated by dividing the dividend paid by the closing price of the share on the day before distribution.

### **DAXPLUS® EXPORT STRATEGY**

DAXplus® Export Strategy reflects the performance of the ten DAX® and MDAX® companies with the strongest export activities, enabling investors to profit from global economic growth by investing in those German companies with a high share of revenues generated abroad. The high liquidity of the stocks included in the index makes it an attractive underlying for derivative products.

### **DAXPLUS® MAXIMUM DIVIDEND**

The index consists of the 20 companies that will pay a dividend in the next six months and which have the highest expected dividend returns. This return is determined from the announced or estimated dividend amount and the closing price of the share at the time of selection. Index universe is the HDAX®, which comprises all stocks from DAX®, MDAX®, and TecDAX®.

### **DIVIDEND POINTS**

The DAX® Dividend Points and DivDAX® Dividend Points measure the dividend component of the underlying indices DAX® and DivDAX®. The Dividend Points reflect the absolute income of the portfolio and not the performance of the portfolio itself as conventional indices do. With these indices, it is possible to separate the dividend component and the resulting risk and hedge the dividend effect on short equity positions in DAX® and DivDAX®.

## MARKOWITZ INDICES

### **DAXPLUS® MINIMUM VARIANCE**

The aim of the strategy is to develop a risk-optimized portfolio that involves weighting the constituents in such a way as to minimize risk (variance). DAXplus® Minimum Variance Germany tracks a DAX®-based minimum-variance portfolio. On a quarterly basis, the index invests in a portfolio of DAX® stocks that has the lowest risk (variance).

### **DAXPLUS® MAXIMUM SHARPE RATIO**

The index offers investors an optimum risk-adjusted investment opportunity. The best portfolio in terms of risk is one that maximizes the risk-adjusted performance, which is also known as the Sharpe Ratio. By weighting the companies in the index differently, a better performance can be achieved with the same level of risk.

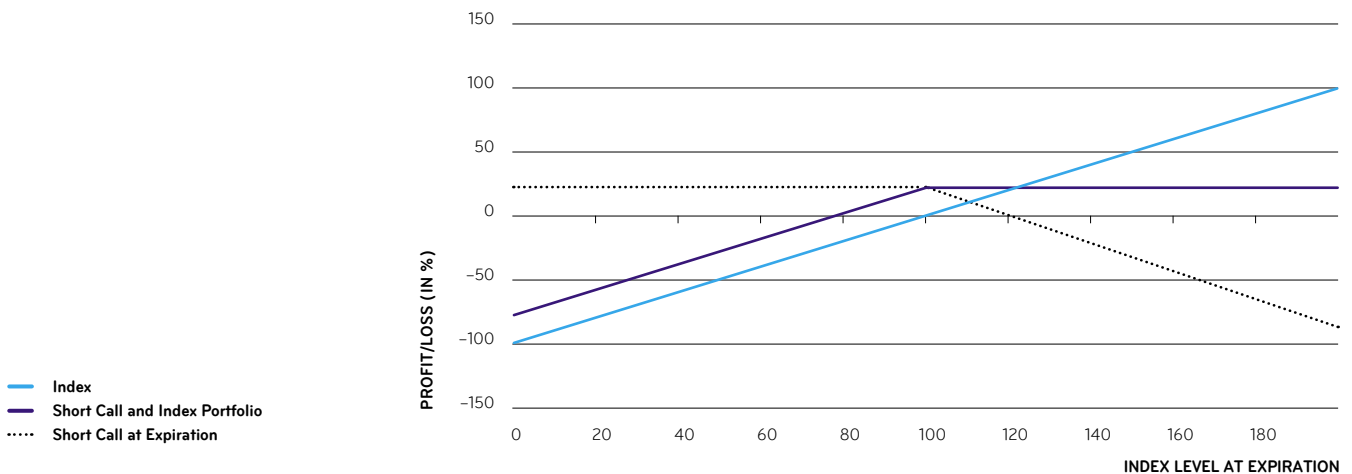
## DERIVATIVE STRATEGIES

### DAXPLUS® COVERED CALL AND DAXPLUS PROTECTIVE PUT

DAXplus® Covered Call Index combines a passive index investment with an options position. The entire DAX® is thus purchased while a call option is simultaneously sold. The premium from the sale of the option provides a risk buffer compared with a pure DAX® investment. The high liquidity of the DAX® options traded on Eurex® makes the index an attractive underlying for structured products, such as certificates and warrants, as well as passive investment and index funds.

With DAXplus® Protective Put a Eurex®-traded put option is purchased in addition to a DAX® portfolio. The index thus hedges the entire DAX® portfolio with a 5 percent “out of the money” put option. This type of combination strategy for risk-averse investors limits losses to the amount of the put premium. The aim of this strategy is to hedge a portfolio against price losses without sacrificing potential price gains.

### PAY-OFF PROFILE



### DAILY LEVERAGE AND SHORT

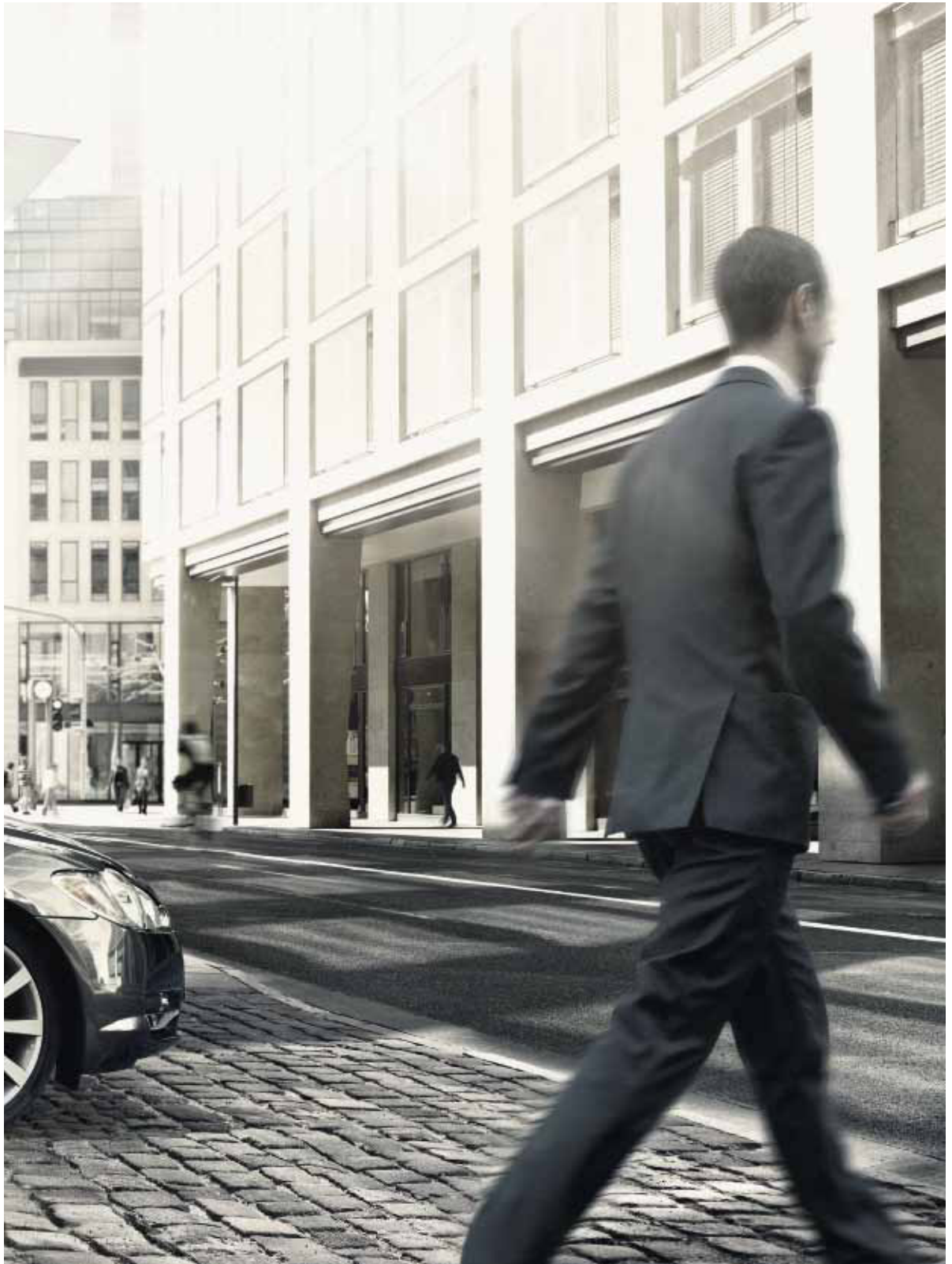
Leverage indices are linked to the changes of the reference index, applying a positive leverage factor to underlying index movements. Therefore, investing in leveraged indices yields x-fold the performance of this underlying index, compared to the closing level from the last day of calculation. Short indices are linked to the inverse movement of the underlying reference index. Short indices are calculated for many DAXglobal® indices with a leverage factor of -1.

### LEV DAX® OPTIMAL

The LevDAX® Optimal Index does not apply a static leverage factor, but a variable one, which is adjusted monthly based on the risk-return profile of the reference index. Thus, the influence of more volatile market cycles (especially bullish cycles) is reduced.

### RISK CONTROL

These indices combine an investment into DAX® and an investment into the money market (measured by EONIA). If the realized volatility of the DAX® Risk Control Index is below the target volatility, the allocation will be adjusted towards the risky asset. If the realized volatility of the Risk Control Index is above the target volatility, the allocation will be adjusted towards the risk-free component (EONIA).





DAXGLOBAL –  
EASY ACCESS  
TO GLOBAL  
MARKETS.

# INTERNATIONAL INDICES.

The DAXglobal® indices not only make new markets tradable and investable, they offer investors solvent access into the new and interesting international indices of the emerging markets. The indices may be purely equity-based, or comprise several different asset classes. Their design and liquidity make them ideal underlying instruments for structured products and exchange-traded funds (ETFs). All indices are calculated in real time in EUR, USD, and GBP.

## GLOBAL INDUSTRIES

### **DAXGLOBAL® AGRIBUSINESS**

The index tracks the performance of 40 of the world's leading agricultural companies. The index comprises the subsectors livestock husbandry and processing, seed and fertilizer production, the food industry, and the production and marketing of ethanol and biodiesel.

### **DAXGLOBAL® SARASIN SUSTAINABILITY**

The index tracks German and Swiss companies that meet the sustainability criteria of the Sarasin Sustainability Matrix.

### **DAXGLOBAL® WATER**

The index contains companies involved in water technology and are traded on international stock exchanges. The index includes the key subsectors water supply, irrigation, and sewage disposal.

### **DAXGLOBAL® ALTERNATIVE ENERGY**

The index is a sector-based concept and comprises 15 international companies whose revenue is based on technology and services designed to promote and generate alternative energy sources such as wind, solar power, biogas, ethanol, and geothermal power/hydropower/batteries.

### **DAXGLOBAL® GOLD MINERS**

The index tracks the performance of companies operating around the world primarily in the areas of gold mining and processing. The constituents are exclusively companies that generate at least 50 percent of their income from this sector.

### **DAXGLOBAL® COAL**

The index contains companies from all key areas of coal mining.

### **DAXGLOBAL® SHIPPING**

The index tracks the performance of companies operating around the world in the freight and shipbuilding industries.

### **DAXGLOBAL® STEEL**

The index tracks the performance of companies in the global steel, iron, and mining industries.

# COUNTRY AND REGIONAL INDICES.

## Global

### **DAXGLOBAL® BRIC**

The index contains the 40 largest companies in Brazil, Russia, India, and China. The composition of ADRs<sup>1</sup>/GDRs<sup>2</sup> for Brazil, Russia, and India, and H-shares and red chips for China makes tracking this index easy for investors.

### **DAXGLOBAL® GCC**

The index contains up to 40 top companies from the emerging markets of Bahrain, Kuwait, Oman, Qatar, and the United Arab Emirates.

### **DAXGLOBAL® EMERGING11**

The index comprises up to 40 top companies from Vietnam, Indonesia, Pakistan, South Korea, Turkey, Mexico, and the Philippines.

## Europe

### **DAXGLOBAL® AUSTRIA INDEX FAMILY**

The DAXglobal® Austria Eastern Europe Exposure index comprises companies in Austria that traditionally generate a major part of their business in Eastern Europe. DAXglobal® Austria Mid-Cap contains the largest companies after the blue chips, mainly from the fields of finance, industry, and consumer goods. DAXglobal® Austria Dividend contains the 10 Austrian blue chips with the highest dividend yield.

### **DAXGLOBAL® RUSSIA/ DAXGLOBAL® RUSSIA+**

DAXglobal® Russia tracks the performance of the 30 largest and most liquid ADRs and GDRs on Russian companies. And DAXglobal® Russia+ contains 30 Russian ADRs, GDRs, and local shares enabling a broader diversification of listed Russian companies.

## Asia

### **DAXGLOBAL® CHINA**

The index tracks China's 40 largest companies and allows investors to track this market through its composition of H-shares and red chips for China.

### **DAXGLOBAL® ASIA**

The index tracks the performance of the 40 largest stocks from China, Hong Kong, India, Indonesia, Malaysia, the Philippines, Singapore, South Korea, Thailand, and Taiwan. The components are weighted according to economic standing. For both indices 8 sector indices are calculated.

### **DAXGLOBAL® VIETNAM**

The index tracks Vietnam's 20 largest companies in terms of market capitalization.

## Americas

### **DAXGLOBAL® LATIN AMERICA**

The index comprises up to 40 top companies from Argentina, Brazil, Chile, Columbia, Mexico, and Peru. The index is composed of ADRs on stock corporations in Latin America, which are traded internationally on various stock exchanges.

## Africa

### **DAXGLOBAL® AFRICA**

The index contains 35 companies from the growth regions of Africa and 15 companies listed in South Africa and G7 countries (with sales focus in Africa).

1) ADR = American Depository Receipts

2) GDR = Global Depository Receipts

# ALTERNATIVE INDICES.

## COMMODITY INDICES

### **CX<sup>®</sup> COMMODITY**

CX<sup>®</sup> Commodity indices are a simple, liquidity-based commodity index family. It aims to represent the global commodity markets using a fully transparent and rule-based quantitative analysis. CX<sup>®</sup> Commodity indices are weighted by the liquidity of the underlying single commodity future contracts. This means that the most liquid underlying contract has the strongest influence on the index performance.

The overall index, the CX<sup>®</sup> Commodity Index, represents all commodity future contracts that fulfill the minimum liquidity criterion. At the review, all exchange-listed commodity future contracts that have an average open interest over 100,000 contracts over a period of 12 months prior to the review, and an average daily trading volume of over 100,000 contracts per day, are included in the index. Beside the CX<sup>®</sup> Commodity Index five sub-indices are calculated. These are Energy, Industry Metals, Agricultural, Precious Metals, and Livestocks.

A dynamic roll mechanism is coordinated to maximum liquidity and tradability. A futures contract held in an investment portfolio must routinely be sold before the end of its term to avoid physical delivery of the respective commodity. The proceeds from the sale are then invested in another futures contract on the same commodity with a longer term.

The liquidity-based index concept also ensures that the indices function as ideal underlying for derivative products such as futures, options, certificates, and warrants.

## VOLATILITY INDICES

### **VDAX-NEW<sup>®</sup>**

The VDAX-NEW<sup>®</sup> Index is an indicator of derivatives market expectations regarding potential fluctuations on the DAX<sup>®</sup> – the implied volatility. VDAX-NEW<sup>®</sup> indicates the expected volatility of DAX<sup>®</sup> over the next 30 days as an annualized percentage. The index is based on at-the-money and out-of-the-money DAX<sup>®</sup> options traded on Eurex<sup>®</sup>. In addition to the main VDAX-NEW<sup>®</sup> Index, eight sub-indices for each Eurex<sup>®</sup> DAX<sup>®</sup> options contract with a maturity of between one month and two years are calculated.

## LONGEVITY INDICES

The increasing longevity of the population poses immense financial challenges for insurance companies and pension funds, as it leads to longer payment obligations and thus also to a need to re-evaluate risk positions. Xpect<sup>®</sup> indices provide an innovative index family for longevity data and are comprised of two different index types:

- » Xpect<sup>®</sup> indices provide information on life expectancy and mortality risks in Germany and the Netherlands, broken down according to year of birth and gender.
- » Xpect<sup>®</sup> Cohort indices track cohorts, which are particular age groups in the population, defined for example by year of birth or gender. On the basis of this demographic data, the index represents a closed portfolio starting from a defined date.

# FIXED INCOME INDICES.

## TRADABLE INDICES

The bond offering comprises two families: the eb.rexx<sup>®</sup> and the EUROGOV<sup>®</sup> indices. Both families are unique in terms of transparency and ease of index replication, making them the perfect underlying for derivatives, ETFs, and structured financial instruments. The index concept is particularly useful for asset allocation, short-term cash management, risk management, trading, and arbitrage strategies. At the same time, the indices are a direct reflection of bond-market trends, and are thus used as benchmarks.

### **EB.REXX<sup>®</sup> INDEX FAMILY**

The eb.rexx<sup>®</sup> Government Germany Index tracks the 25 most liquid German government bonds with a remaining term of 1.5 to 10.5 years.

eb.rexx<sup>®</sup> Jumbo Pfandbriefe tracks the 25 most liquid Jumbo Pfandbrief issues (Jumbo Covered Bonds) with a remaining term of 1.5 to 10.5 years. For both indices, six additional sub-indices with individual maturity ranges are calculated. eb.rexx<sup>®</sup> Money Market reflects trends on the German money market and is composed of government bonds with remaining maturity under one year. Each bond is weighted in the index on the basis of its market capitalization.

### **EUROGOV<sup>®</sup> INDEX FAMILY**

The EUROGOV<sup>®</sup> bond indices are calculated for Germany and France and are based on binding quotes for bonds. Thus, the indices track the respective markets for fixed-income government bonds denominated in euros. The indices cover different maturity time periods.

EUROGOV<sup>®</sup> Germany Money Market measures the investment success for highly liquid German government bonds with remaining maturity of at least two months and a maximum of one year.

## CORPORATE BONDS

### **REX<sup>®</sup>**

REX<sup>®</sup> Index offers a representative cross section of the market for German government bonds with fixed income and residual maturity of between 0.5 and 10.5 years. Determined based on synthetic bonds with fixed maturities and fixed coupons, and divided into ten sub-indices for maturity and three sub-indices for coupon categories, it is calculated once a day using exchange-traded prices from the Frankfurt stock exchange (FWB<sup>®</sup>).

## SYNTHETIC INDICES

### **RDAX<sup>®</sup>**

RDAX<sup>®</sup> bundles the most attractive bonds from DAX<sup>®</sup> companies in a separate bond index. The high quality and liquidity of the index components is ensured due to the focus on corporate bonds issued by DAX<sup>®</sup> companies plus the strict selection criteria.

# iNAV – TRANSPARENCY FOR INVESTORS.

Under the iNAV® trademark, indicative net asset values are calculated reflecting the value of a variety of investment portfolios, thus providing transparency for investors. By order of the according issuer, iNAV® data are continuously calculated for index funds listed in the XTF® segment. The data is distributed in the same way as share prices. iNAV® data assures transparency and facilitates comparison. There is a multitude of possible applications, ranging from monitoring the market makers' calculations during trading hours and determining the price for fund shares, through to supporting the risk management departments of institutional investors. iNAV® data also supports private investors, providing price transparency for investment decisions.

Indicative net asset values are calculated for both passively and actively managed funds. It is, in fact, designed to value the most diverse portfolios, and can be used by all fund management companies, insurance companies, private banks, family offices, pension funds, and other portfolio managers.

## STOXX.

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