Futures on iSTOXX® Europe Factor Indexes at Eurex Exchange

Product Offering
On 3 May 2017 Eurex Exchange launched Futures on iSTOXX® Europe Factor Indexes. For the first time European factor futures have been listed on an exchange. The tremendous growth of passive investing has created a need for more sophisticated or diversified index concepts that – in recent years – went away from market cap completely by using different selection and weighting methods. This trend has led to the development of several systematic rules based on strategies/indexes that are designed to isolate the return of factors, which have typically earned a risk premium over long periods of time. The launch of Futures on iSTOXX® Europe Factor Indexes, enables Eurex Exchange to offer instruments for institutional investors to capture factor risk premium.

The majority of index-related investing and trading is based on market cap indexes; at Eurex Exchange there are now over 100 STOXX® products listed based on this traditional index calculation concept.

One of Europe’s most liquid indexes in terms of derived products, STOXX® Europe 600, is used as a benchmark. iSTOXX® Europe Factor Indexes offer investors extraordinary transparency through historical risk statistics, monthly risk scans and scenario analytics.

The evolution of indexing has filled the gap between active and passive investing. iSTOXX® Europe Factor Indexes capture six different equity risk dimensions: Size, Value, Carry, Low Risk, Momentum and Quality.

The iSTOXX® Europe Single Factor Indexes exploit six different dimensions:

- Stocks with low market capitalization / enterprise value
- Stocks with solid financial background based on debt coverage, earnings and other metrics
- Stocks with exceptional historical price movements
- Stocks that trade for less than their intrinsic values based on cash flow and earnings per share
- Stocks with high growth potential based on earnings and dividends
- Stocks with volatility below average

Traded contracts and open interest (in thousands)

Performance of iSTOXX® Europe Factor Indexes
Eurex Trade Entry Services (TES)

Eurex Trade Entry Services enable trading participants to enter off-book transactions in the Eurex® system. TES provide additional enhanced trade types for wholesale business such as block trading, flexible contract terms and multilateral trade registration.

Eurex Clearing Prism

Eurex Clearing Prism, our portfolio-based marging approach, offers numerous benefits:
- Greater accuracy and capital efficiency: cross-product scenarios facilitate a consistent method to account for portfolio correlation, diversification and margin reduction.
- Robustness: methodology to enable stable margin requirements.
- Reliable framework: consistent risk and default management process for listed and OTC products.

For further information please visit www.eurexchange.com/istoxx-factors or contact:

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