



# MSCI World Factor Futures

Global Factor Futures based on MSCI Indices

October 2023

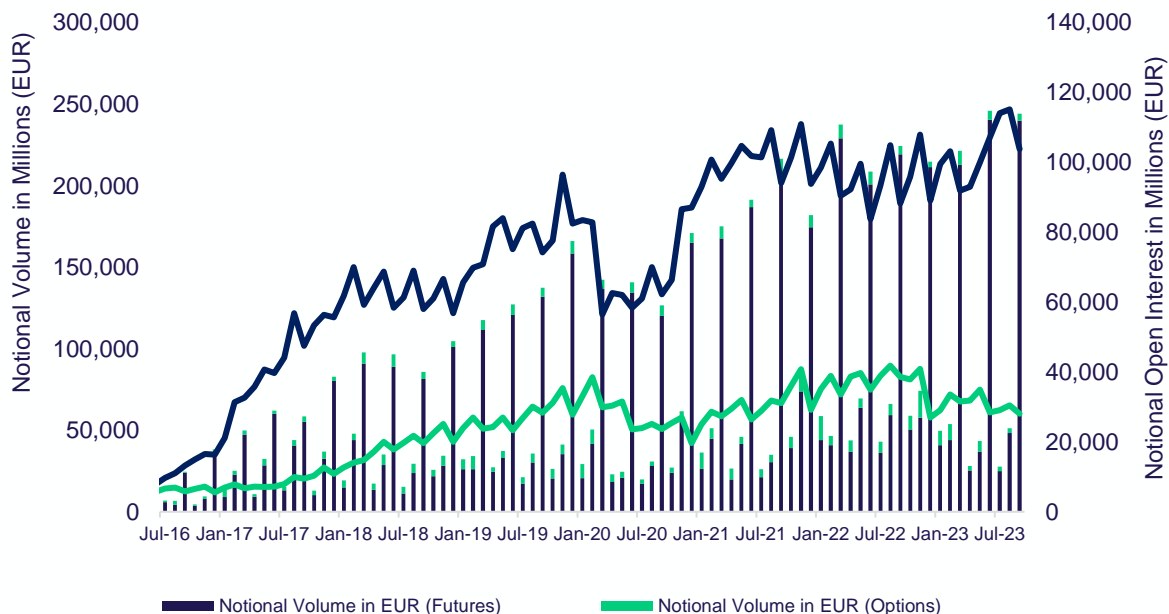
# Eurex is the Global Home of MSCI Derivatives



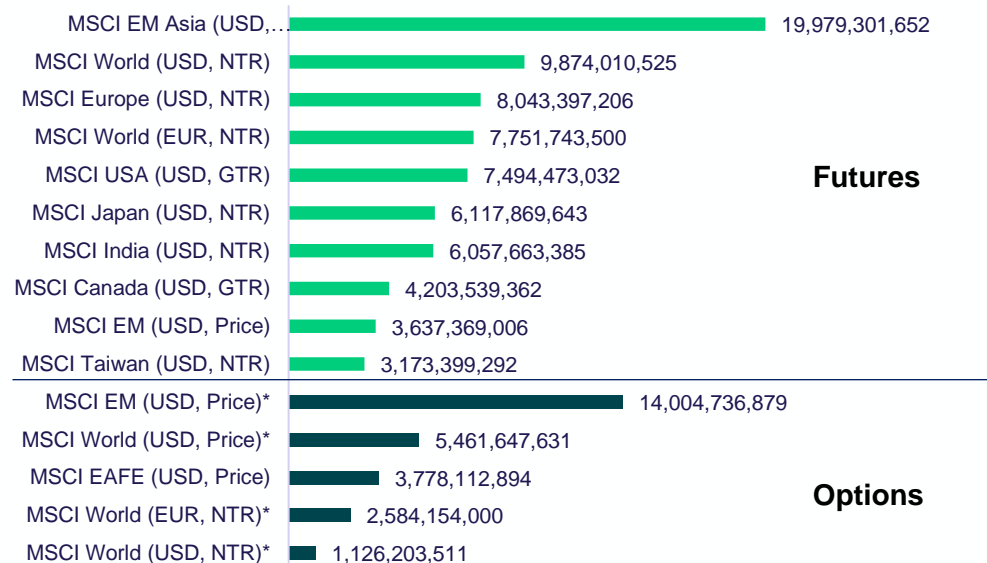
**# 1**  
 by Open Interest with 57% market share  
**# 2**  
 by Trading volumes with 27% market share

<b>2023 Traded volume</b> EUR 965 Billion 19.1 million contracts  CAGR 2016 – 2023: <b>23%</b>	<b>Open Interest</b> EUR 132 Billion 2.7 million contracts  CAGR 2016 – 2023: <b>17%</b>
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## Evolution of Notional Volume and Notional Open Interest



## Open Interest for top MSCI Products

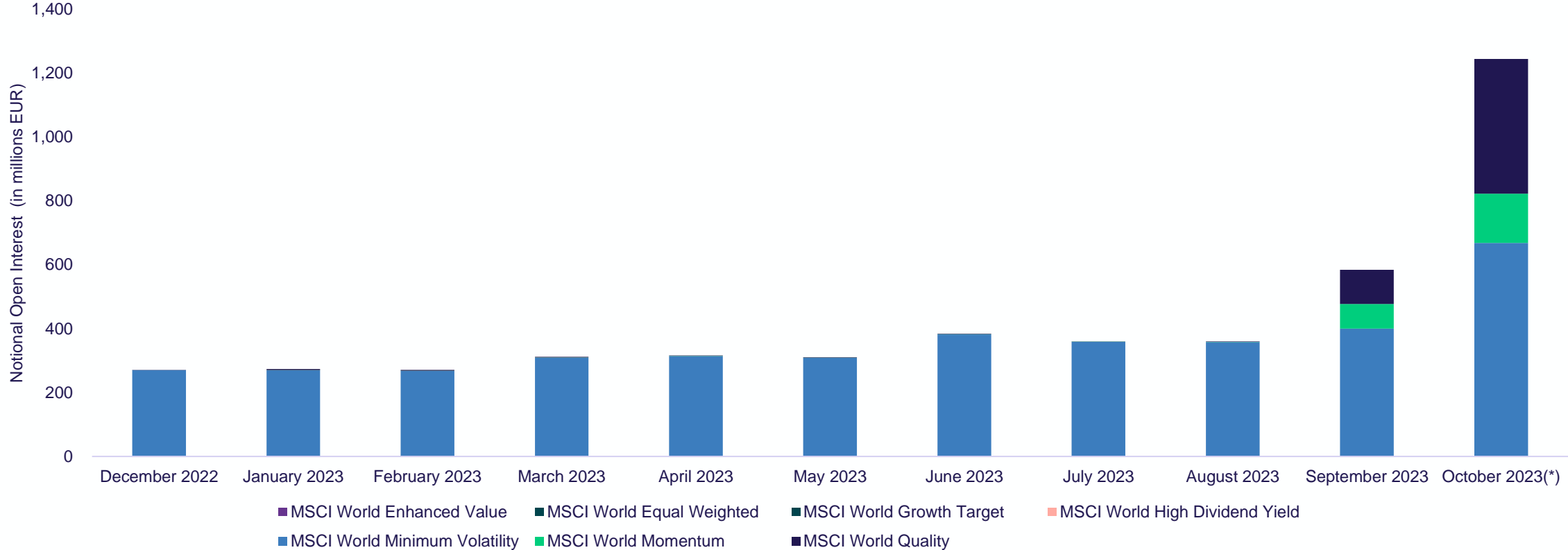


\*Open Interest Market Share as of Feb 2023 **Source:** FIA  
 Open Interest as of September 30, 2023

Statistics do not include Open Interest and Traded Volumes for MSCI ESG & Dividend Products  
 \* Options not eligible under SEC no-action relief as of July 31, 2023. For eligible options, visit : [MSCI Options Snapshot.pdf \(eurex.com\)](https://www.eurex.com/MSCI_Options_Snapshot.pdf)

# MSCI World Factor Futures

MSCI World Factor Futures - Open Interest Development



(\*) Data as of 10 October 2023

# Factor Futures at Eurex – focus on regional exposure

Launch	Index provider	Region	# Futures	Background
Dec 15	MSCI	USA	4	Four MSCI factor futures in the US region were Eurex's first factor products
Apr 17	STOXX	Europe	6	In 2017 Eurex launched European factor futures in cooperation with Alpha Centauri
Apr 21	STOXX	Europe	6	After Axioma became part of DBG, Eurex launched factor futures based on Stoxx Axioma factor indices in Europe and US.
Apr 21	STOXX	USA	6	After Axioma became part of DBG, Eurex launched factor futures based on Stoxx Axioma factor indices in Europe and US.
Nov 22	MSCI	World	7	<b>In November 2022 Eurex expanded the offering with global factor futures based on MSCI indices</b>



# Global Factor Futures - natural addition to offering



## MSCI Factors

- MSCI Factors Indexes are designed to capture the return of factors which have historically demonstrated excess market returns over the long run
- These rules-based and transparent indices are backed by robust academic findings and empirical results



## MSCI World Factor Futures at Eurex

- On 7th November 2022, Eurex added seven factor-based futures within the MSCI World Universe: Enhanced Value, Quality, Momentum, Growth Target, Low Size, Low Volatility and High Dividend Yield



## MSCI US Factor Futures at Eurex

- In 2015, Eurex listed futures on four factors within the MSCI US Universe: Value, Momentum, Quality and Low Size.



## Motivation

- Many factor portfolios (and equity portfolios in general) are global and buy-side as well as sell-side have expressed a wish for global factor futures
- Eurex already has a leading position in MSCI World futures
- MSCI factors are well-established within the investment community - approximately USD 354 billion in institutional, retail and exchange-traded fund assets are benchmarked to MSCI Factor Indexes\*

\*Total assets benchmarked to MSCI indexes comprised of (1) actively managed assets under management (AUM) as of December 31, 2021, reported on or before March 31, 2022, using data from eVestment for active institutional funds, Morningstar for active retail funds and internal MSCI data; (2) indexed non-ETF AUM as of December 31, 2021 using data directly collected by MSCI; and (3) indexed ETF AUM as of December 2021, ETF AUM based on data from Refinitiv and MSCI for periods on or after April 26, 2019 and from Bloomberg and MSCI for periods prior to April 26, 2019.

# MSCI World Factors capture a wide range of risk premia



Factor	Index	Description	Indicator	Weighting <sup>1)</sup>	Rebalancing Frequency	Methodology	# Stocks <sup>2)</sup>
Value	MSCI World Enhanced Value	Captures excess return from stocks with low price relative to their fundamental value	Forward Price to Earnings, Enterprise Value/ Operating Cash Flows <sup>3)</sup> , Price to Book Value	Value Score x Weight in Parent Index rescaled to obtain sector neutrality	Semi-annual	Simple ranking based on z-score. Fixed number of constituents. For details see <a href="#">Index Methodology</a>	400
Quality	MSCI World Quality	Captures excess return from stable quality stocks	ROE, Debt-to-Equity, Earnings variability	Quality Score x Weight in Parent Index	Semi-annual	Simple ranking based on z-score. Fixed number of constituents. For details see <a href="#">Index Methodology</a>	303
Momentum	MSCI World Momentum	Captures excess returns from stocks by following positive momentum	Risk adjusted 6-month and 12 month momentum <sup>4)</sup>	Momentum Score x Weight in Parent Index	Semi-annual	Simple ranking based on z-score. Fixed number of constituents. For details see <a href="#">Index Methodology</a>	346
Growth	MSCI World Growth Target	Captures excess return from the Growth Factor	Long-Term Earnings Groth (EGRLF), Earnings Per Share Growth Rate (EGRO), Sales Per Share Growth Rate (SGRO)	See Methodology	Semi-annual	Constrained optimisation to achieve a high factor exposure to the Growth Factor as defined in the Barra Equity Model: $Growth_i = 0.7 * EGRLF_i + 0.1 * EGRO_i + 0.2 * SGRO_i$ For details see <a href="#">Index Methodology</a>	208
Low Size	MSCI World Equal Weighted	Captures the Size Factor by overweighting smaller companies relative to larger companies	NA	1/N	Quarterly	Equal Weights. For details see <a href="#">Index Methodology</a>	1516
Dividend Yield	MSCI World High Dividend Yield	Captures excess return from stocks with high, stable dividends	Dividends (with screening criteria)	Free Float Market Cap	Semi-annual	Universe is screened for sustainability, persistence, quality, price performance. The remaining securities are included if dividend yield > 1.3 dividend yield of the parent index. For details see <a href="#">Index Methodology</a>	349
Low Volatility	MSCI World Minimum Volatility	Captures excess return from the Minimum Volatility Premium	Covariance matrix	See Methodology	Semi-annual	Constrained optimisation to achieve the lowest volatility using an estimated covariance matrix. For details see <a href="#">Index Methodology</a>	288

1) Most indices have issuer caps to mitigate concentration risk

2) As of 31st August 2022. For comparison MSCI Worlds included 1516 stocks

3) Does not apply to Financials

4) Both exclude the most recent month








# MSCI World Factor Performance

ELEMENTS OF PERFORMANCE  
Factors by MSCI

## MSCI Factor Performance Heat Map - World



Gross Performance as of 09/29/2023 in USD

Index Name	1D	1W	1M	3M	YTD	1Y	3Y	5Y	10Y
MSCI World Index	-0.1%	-0.8%	-3.9%	-2.3%	11.6%	22.6%	8.6%	7.8%	8.8%
 MSCI World Minimum Volatility Index	-0.3%	-1.9%	-2.8%	-2.0%	1.2%	11.4%	3.7%	4.6%	7.7%
 MSCI World High Dividend Yield Index	-0.2%	-1.3%	-2.5%	-0.7%	2.8%	17.8%	8.9%	5.8%	6.7%
 MSCI World Quality Index	0.0%	-0.3%	-4.7%	-1.7%	18.1%	30.3%	8.7%	11.0%	11.9%
 MSCI World Momentum Index	-0.2%	-0.7%	-3.8%	-1.7%	0.1%	13.2%	1.7%	5.9%	9.9%
 MSCI World Enhanced Value Index	-0.3%	-1.2%	-1.1%	0.5%	11.1%	29.2%	12.9%	4.0%	6.1%
 MSCI World Equal Weighted Index	0.2%	-1.0%	-3.7%	-2.9%	5.3%	19.0%	6.1%	3.7%	6.1%
 MSCI World Growth Target Index	-0.4%	-0.7%	-2.8%	-1.1%	11.9%	21.8%	7.1%	7.0%	9.0%

# Contract Specifications

Index Name	Currency	Dividend Reinvestment	Eurex Contract Codes	Launch Date	US Allowed	Multiplier	Minimum Block Size	Non Disclosure	Tick Size	Tick Value	Tick Size Futures (TES only)	Index Level	Notional
MSCI World Enhanced Value	USD	NTR	FMGV	Nov-22	N	10	10	1000	1	10	0.001	1,248	12,480
MSCI World Growth Target	USD	NTR	FMGT	Nov-22	N	10	10	1000	1	10	0.001	4,392	43,920
MSCI World Momentum	USD	NTR	FMGM	Nov-22	N	10	10	1000	1	10	0.001	3,165	31,650
MSCI World Equal Weighted	USD	NTR	FMGE	Nov-22	N	10	10	1000	1	10	0.001	5,062	50,620
MSCI World Quality	USD	NTR	FMGQ	Nov-22	N	10	10	1000	1	10	0.001	3,388	33,880
MSCI World High Dividend Yield	USD	NTR	FMGD	Nov-22	N	10	10	1000	1	10	0.001	2,284	22,840
MSCI World Minimum Volatility	USD	NTR	FMGO	Nov-22	N	10	10	1000	1	10	0.001	4,343	43,430



# ISINs and Tickers

Product Name	ISIN Future	BBG Ticker Future	BBG Ticker Index (at close)
MSCI World Enhanced Value	DE000A3DXF12	OAOA	M1WOEV
MSCI World Growth Target	DE000A3DXF20	OBAA	MXWDGTNU
MSCI World Momentum	DE000A3DXF38	OERA	M1WOMOM
MSCI World Equal Weighted	DE000A3DXF46	OESA	M1WOEW
MSCI World Quality	DE000A3DXF53	OEYA	M1WOQUE
MSCI World High Dividend Yield	DE000A3DXF61	OFWA	M1WDHDVD
MSCI World Minimum Volatility	DE000A3DXF79	OFYA	M1WOMVOL

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