

MV Index Solutions Launches Suite of Equal Weight Indices

Frankfurt (1 June 2017) – MV Index Solutions (MVIS) today launched a suite of equal weight indices: In the MVIS Germany Equal Weight Index, MVIS Japan Equal Weight Index, MVIS South Korea Equal Weight Index, MVIS United Kingdom Equal Weight Index, and MVIS Mexico Equal Weight Index, all holdings receive the same weight regardless of their size. “Equal weighting reduces concentration risk as it results in a more balanced diversification among index components. It can also lead to a more diversified sector exposure,” says Thomas Kettner, Managing Director at MV Index Solutions.

Equal weight strategies work particularly well in markets where few companies would otherwise dominate an index. “By assigning each index component an equal weight, the index provides higher exposure to previously underrepresented stocks. Equal weight strategies tend to outperform market capitalization, especially when markets are rising,” Kettner points out. As defined by the MVIS pure-play concept, non-local companies generating at least 50 % of their revenues in those countries are included in the equal weight indices as well.

Additionally, market capitalisation-weighted versions for the respective markets have been added to regular MVIS country index line-up. The MVIS Germany Index, MVIS United Kingdom Index, MVIS Japan Index, and MVIS South Korea Index are weighted by float market cap, applying the MVIS 8% capping scheme. That way, the index reflects the size of its components without the risk of overweighting. Both the market capitalisation-weighted and the equal-weighted indices follow the standard MVIS index methodology regarding universe and selection, including the MVIS pure-play concept.

MVIS offers broad range of country indices focusing on emerging markets such as Russia, India, and Brazil. “The new indices are expanding our exposure to developed markets and our suite of equal weight indices. Our first equal weight strategy, the MVIS Australia Equal Weight Index that already serves as underlying for an successful ETF, has outperformed the traditional market capitalization weighted Australia Index in most years since its inception.”

The new suite of market cap-weighted indices and equal weight indices are calculated in US Dollar as price and total return net indices. All indices are reviewed quarterly. More information on the new indices and the full range of MVIS Indices is available at www.mvis-indices.com.

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Note to Editors:

MV Index Solutions (MVIS) develops, monitors and licenses the MVIS Indices, a selection of focused, investable and diversified benchmark indices which are especially designed to underlie financial products. MVIS Indices cover several asset classes, including hard assets and international equity markets as well as fixed income markets. Approximately USD 13.3 billion in assets under management are currently invested in financial products based on MVIS Indices. MVIS is a VanEck company.

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