



BNP Paribas Low Vol Europe Index



MARKETING COMMUNICATION | FOR PROFESSIONAL CLIENTS ONLY | MAY 2026

INVEST IN EUROPEAN COMPANIES WITH A LOW-RISK PROFILE

Strategy Objective

- Benefit from potential **strong returns** of **low risk European stocks**.
- Selection of stocks based on a unique combination of criteria to identify those who will be **less volatile in the future**.
- Provide a portfolio with **high ESG standards**.
- Stringent control of the risk through the investment process.

Measuring The Low Vol Factor

3-Year Historical Volatility:

Measures the historical volatility of the stocks over the last 3 years.

Earnings Per Share Dispersion:

Calculates the ratio of the standard deviation between the Earnings per Share (EPS) analyst estimates, and the latest available closing price of such share.

WHY HAVE INVESTORS BEEN USING LOW VOL?

Low Vol focuses on providing returns by investing on stocks with lower volatility, meaning it tends to benefit from periods of economic contraction. This factor contradicts the economic theory that stocks with higher risk will have potential higher returns.

WHY ESG TODAY?

The benefit of ESG integration* is the ability to improve the extra financial characteristics of the portfolio, which can lead to potential improvement of returns, by considering not only companies' financial related metrics, but also non-financial metrics. The key reasons are:

- ESG practices are an indicator of companies' ability to adapt and plan ahead.
- ESG can be seen as an asset class: many pension funds, insurers and asset managers are now required to allocate a portion of their investments into ESG themes.
- ESG investments tend to have a positive impact and are aligned with BNP Paribas' commitment to combat climate change.
- Underperformance of some non ESG sectors, such as Tobacco.
- Increasing regulatory pressure.

METHODOLOGY



European stocks

with an average daily trading volume above 10 Mio EUR.



Scoring

Stocks are rated according to two low correlated metrics that best represent the Low Vol factor. The Final Score of each stock is its Low Vol Score adjusted by its ESG score compared to its peers.



ESG screening

- Exclusion:** At least 20% exclusion based on BNP Paribas Global Markets Do No Significant Harm (DNSH), Corporate and Social Responsibility filters
- Integration:** The ESG score of each company impacts its expected return & allocation
- Guarantee:** Improved ESG characteristics vs. the investment universe



Optimization process

Implemented at the end to maximize the exposure to the Low Vol Factor under certain constraints for example having the **maximum volatility of alpha below 4%**.

*The integration of ESG factors into the investment decision making process. There are risks linked to this integration namely high valuation of ESG companies or dependency of ESG data providers.



PERFORMANCE AND STATISTICS



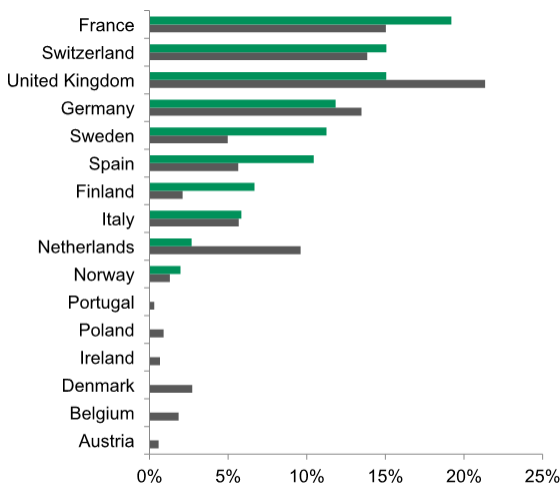
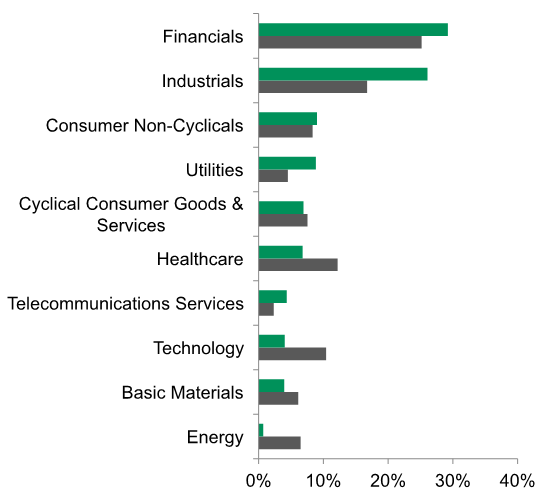
	Jan 04 - May 26	Low Vol Europe	STOXX Europe 600 NR
Cumulative Performance		722.62%	393.09%
Annualised Return		9.87%	7.39%
Annualised Volatility		14.28%	17.69%
Sharpe Ratio		0.69	0.42
Max Drawdown		-46.51%	-58.69%

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2026	Index	1.83%	7.93%	-9.07%	4.44%	1.12%								5.55%
	SXXR	3.22%	3.86%	-7.66%	5.38%	3.02%								7.47%
2025	Index	5.33%	2.74%	-2.62%	0.99%	3.45%	-2.60%	0.42%	-0.53%	-0.41%	2.37%	0.86%	1.68%	11.98%
	SXXR	6.35%	3.41%	-3.84%	-0.67%	4.82%	-1.22%	0.97%	0.94%	1.52%	2.56%	0.95%	2.80%	19.80%
2024	Index	1.97%	0.24%	2.33%	-2.34%	3.56%	0.30%	4.32%	2.90%	0.23%	-2.68%	2.23%	-1.11%	12.30%
	SXXR	1.46%	1.98%	4.04%	-0.97%	3.31%	-1.16%	1.41%	1.55%	-0.34%	-3.26%	1.13%	-0.46%	8.79%
2023	Index	5.44%	1.89%	1.50%	3.14%	-2.98%	1.10%	1.09%	-2.60%	-1.35%	-3.15%	5.14%	3.15%	12.56%
	SXXR	6.74%	1.88%	-0.32%	2.45%	-2.52%	2.41%	2.14%	-2.54%	-1.66%	-3.62%	6.62%	3.83%	15.80%
2022	Index	-5.50%	-3.50%	-14.51%	1.34%	-3.49%	-6.36%	7.70%	-4.60%	-6.25%	5.01%	4.64%	-3.68%	-13.49%
	SXXR	-3.83%	-3.25%	1.00%	-0.72%	-0.92%	-8.02%	7.74%	-5.05%	-6.47%	6.35%	6.89%	-3.38%	-10.64%
2021	Index	-1.91%	-0.32%	8.05%	2.35%	3.18%	3.31%	3.80%	1.56%	-4.32%	5.34%	0.71%	5.62%	30.26%
	SXXR	-0.75%	2.44%	6.42%	2.21%	2.59%	1.50%	2.06%	2.18%	-3.29%	4.67%	-2.53%	5.42%	24.91%
2020	Index	0.86%	-7.57%	-10.00%	6.58%	1.68%	3.02%	0.70%	2.17%	0.49%	-4.78%	8.80%	2.01%	2.34%
	SXXR	-1.18%	-8.34%	-14.51%	6.50%	3.40%	3.06%	-0.95%	3.05%	-1.41%	-5.11%	13.84%	2.58%	-1.99%
2019	Index	4.98%	3.74%	3.30%	2.88%	-1.02%	4.12%	1.11%	1.72%	2.62%	0.95%	1.82%	2.10%	32.15%
	SXXR	6.32%	4.15%	2.06%	3.76%	-4.94%	4.47%	0.31%	-1.35%	3.70%	1.04%	2.83%	2.13%	26.82%
2018	Index	-0.82%	-4.25%	-0.52%	2.80%	2.61%	1.05%	2.29%	0.71%	0.23%	-4.87%	1.71%	-4.20%	-3.63%
	SXXR	1.66%	-3.81%	-1.99%	4.49%	0.13%	-0.63%	3.14%	-2.14%	0.32%	-5.53%	-0.99%	-5.46%	-10.77%
2017	Index	-0.94%	3.54%	2.34%	2.29%	2.29%	-2.49%	-0.94%	-0.84%	2.01%	2.84%	-1.83%	0.13%	8.48%
	SXXR	-0.31%	3.05%	3.32%	1.98%	1.45%	-2.53%	-0.35%	-0.79%	3.90%	1.91%	-2.02%	0.72%	10.58%
2016	Index	-4.28%	-2.28%	1.47%	0.37%	3.28%	-2.76%	2.18%	0.49%	-0.67%	-4.03%	-1.07%	4.43%	-3.24%
	SXXR	-6.37%	-2.21%	1.40%	1.75%	2.50%	-4.83%	3.73%	0.74%	-0.11%	-1.03%	1.05%	5.75%	1.73%
2015	Index	9.64%	4.02%	2.15%	-0.77%	2.06%	-5.22%	5.13%	-6.20%	-1.40%	6.70%	1.88%	-4.15%	13.29%
	SXXR	7.25%	6.98%	1.68%	0.10%	1.67%	-4.49%	4.01%	-8.23%	-4.06%	8.08%	2.81%	-5.03%	9.60%

periods, such as in 2019, with returns of +32.15% versus +26.82% for the Stoxx Europe 600.

Source: BNP Paribas. Comparative index for illustrative purpose only.

SECTOR AND COUNTRY COMPOSITION



Source: BNP Paribas. Past performance is not a reliable indicator of future returns. Comparative index: STOXX Europe 600 index, Bloomberg SXXR Index, Comparative index: STOXX Europe 600 NR

TABLE OF CHARACTERISTICS

Currency	TYPE OF INDEX	Bloomberg Code	Reuters Code	Launch Date
EUR	Net Total Return	BNPIFELE Index	.BNPIFELE	22 June 2021

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