



DEUTSCHE BÖRSE  
GROUP

# DAXplus Maximum Sharpe Ratio Indices

Deutsche Börse AG

August 2007, Frankfurt am Main

Neue Börse

# Agenda



## Overview:

A DAXplus Maximum Sharpe Ratio Germany

B DAXplus Maximum Sharpe Ratio France

C DAXplus Maximum Sharpe Ratio Japan

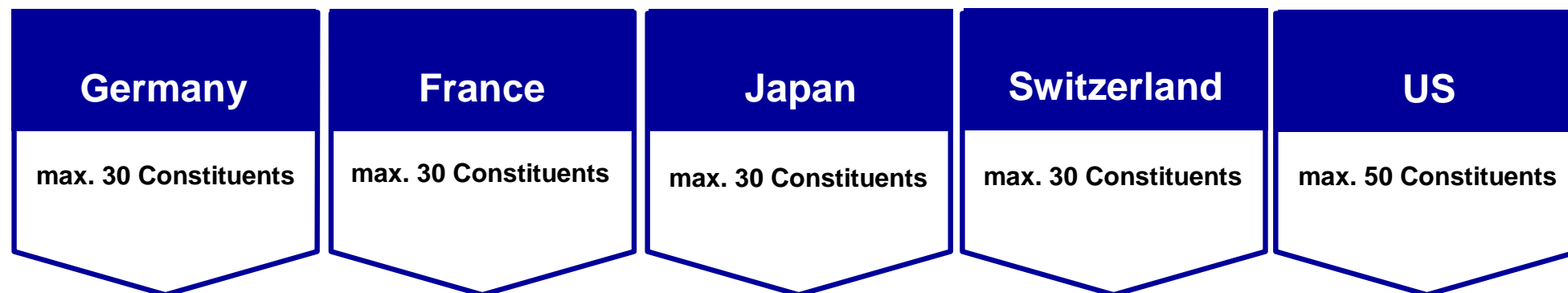
D DAXplus Maximum Sharpe Ratio Swiss

E DAXplus Maximum Sharpe Ratio US

# DAXplus Maximum Sharpe Ratio indices provide transparent and liquid access to 5 different country sectors

## Overview

### DAXplus Maximum Sharpe Ratio Index Family



- n Currently 5 country indices replications optimized portfolios
- n Strongly rule-based, transparent and liquid
- n Investable access for complex portfolio strategy
- n Calculated in 3 currencies (EUR, USD, GBP)

# DAXplus Maximum Sharpe Ratio Germany



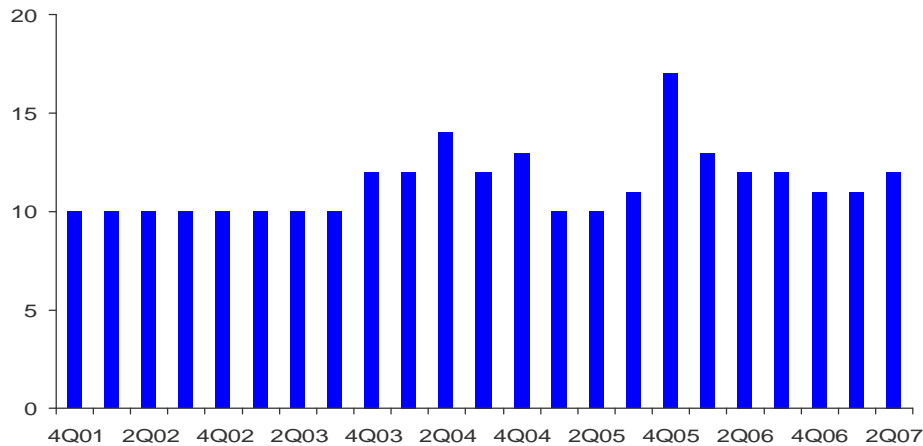
## Constituents

Name	ISIN	BB Ticker	Market Cap (Bn EUR)
BASF AG O.N.	DE0005151005	BAS GY Equity	10,90
BAYER AG O.N.	DE0005752000	BAY GY Equity	10,29
DAIMLERCHRYSLER AG NA O.N	DE0007100000	DCX GY Equity	10,02
DEUTSCHE BOERSE NA O.N.	DE0005810055	DB1 GY Equity	10,18
HENKEL KGAA VZO O.N.	DE0006048432	HEN3 GY Equity	10,48
LUFTHANSA AG VNA O.N.	DE0008232125	LHA GY Equity	10,23
MAN AG ST O.N.	DE0005937007	MAN GY Equity	10,67
METRO AG ST O.N.	DE0007257503	MEO GY Equity	9,80
RWE AG ST O.N.	DE0007037129	RWE GY Equity	3,88
SIEMENS AG NA	DE0007236101	SIE GY Equity	6,67
VOLKSWAGEN AG ST O.N.	DE0007664005	VOW GY Equity	11,05

# Quick facts – DAXplus Maximum Sharpe Ratio Germany



## Amount Index Constituents [2001 - 2007]



## Methodology

- n **Weighting:** Cap: 10 %
- n **Component Number:** 10 - 30
- n **Review Frequency:** Quarterly review
- n **Re-balancing Frequency:** Quarterly rebalancing
- n **Base Value / Base Date:** 100 / Sept. 21th, 2001

## Annual Performance

	DAXplus Maximum Sharpe Ratio	DAX
2002	-21.37%	-43.77%
2003	27.08%	37.08%
2004	16.42%	7.32%
2005	42.06%	27.07%
2006	33.31%	22.05%
Average	22.37%	11.95%

## Technical Figures

	DAXplus Maximum Sharpe Ratio	DAX
Annual volatility	20.04%	24.79%
Beta	0.7381	1
Sharpe ratio	0.9832	0.3744

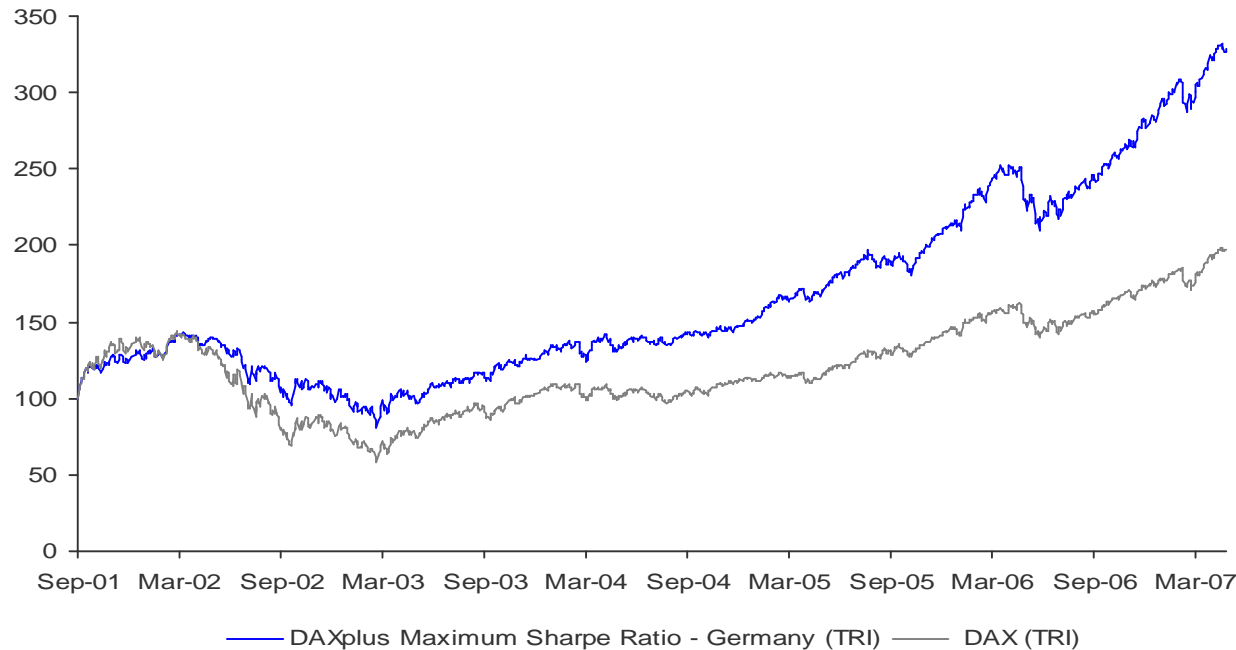
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# Historical simulation shows outperformance compared to DAX



Historical Simulation

Historical Performance [Sep. 01 – June 07]



- n Since 2002 DAXplus® Maximum Sharpe Ratio Germany generated a continuous outperformance compared to DAX®
- n has remarkable performance increase in the bull market of 2006

# DAXplus Maximum Sharpe Ratio France



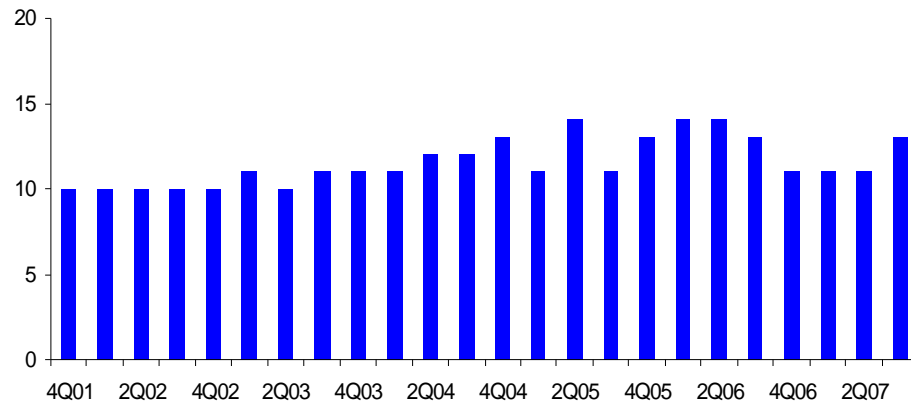
## Constituents

Name	ISIN	BB Ticker	Market Cap (Bn EUR)
ACCOR SA	FR0000120404	AC FP Equity	15,79
AGF - ASSUR GEN DE FRANCE	FR0000125924	AGF FP Equity	23,99
ALSTOM	FR0010220475	ALO FP Equity	17,54
CARREFOUR SA	FR0000120172	CA FP Equity	37,70
VINCI SA	FR0000125486	DG FP Equity	26,72
ELECTRICITE DE FRANCE	FR0010242511	EDF FP Equity	145,21
BOUYGUES	FR0000120503	EN FP Equity	21,66
FRANCE TELECOM SA	FR0000133308	FTE FP Equity	52,94
GAZ DE FRANCE	FR0010208488	GAZ FP Equity	37,37
PERNOD-RICARD SA	FR0000120693	RI FP Equity	17,71
COMPAGNIE DE SAINT-GOBAIN	FR0000125007	SGO FP Equity	31,17
SUEZ SA	FR0000120529	SZE FP Equity	54,16
VEOLIA ENVIRONNEMENT	FR0000124141	VIE FP Equity	27,10

# Quick facts – DAXplus Maximum Sharpe Ratio France



## Amount Index Constituents [2001 - 2007]



## Methodology

- n **Weighting:** Cap: 10 %
- n **Component Number:** 10 - 30
- n **Review Frequency:** Quarterly review
- n **Re-balancing Frequency:** Quarterly rebalancing
- n **Base Value / Base Date:** 100 / Sept. 21th, 2001

## Annual Performance

	DAXplus Maximum Sharpe Ratio	CAC40
2002	-21.55%	-34.25%
2003	23.58%	16.90%
2004	13.63%	8.68%
2005	37.80%	24.71%
2006	31.33%	15.98%
Average	10.67%	5.97%

## Technical Figures

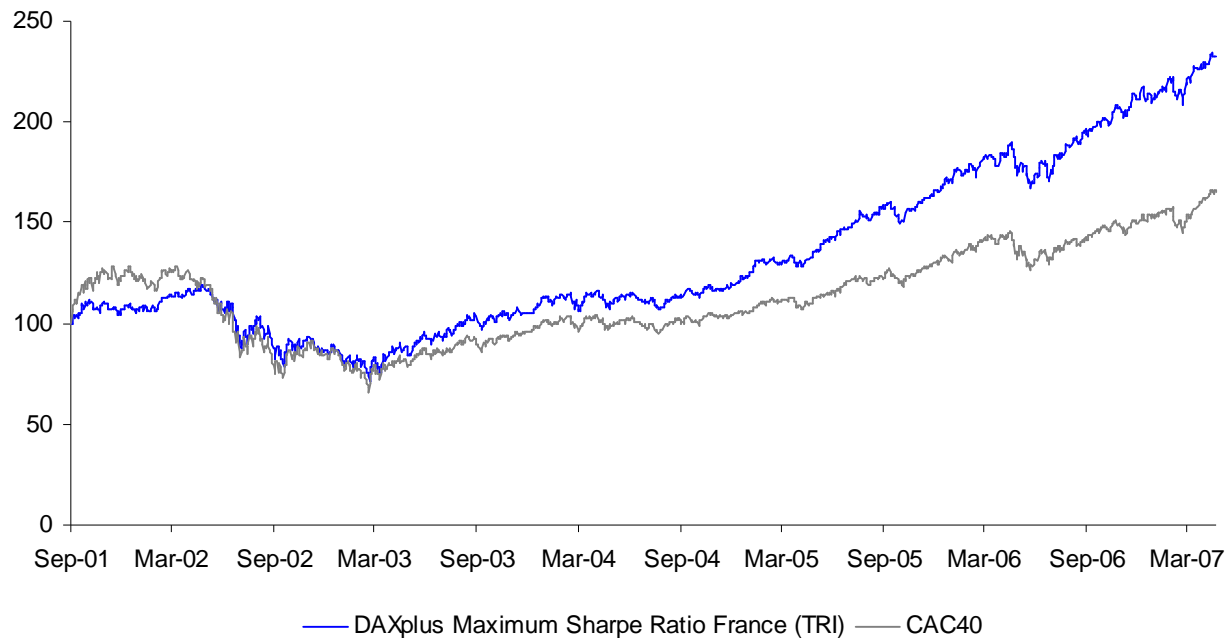
	DAXplus Maximum Sharpe Ratio	CAC40
Annual volatility	20.20%	21.88%
Beta	-0.0273	1
Sharpe ratio	0.3957	0.1509

# Historical simulation shows outperformance compared to CAC40



## Historical Simulation

### Historical Performance [Sep. 01 – June 07]



- n Since 2005 DAXplus® Maximum Sharpe Ratio generated outperformance compared to CAC40
- n Underperformance of risk optimized portfolios in end sideways markets

# DAXplus Maximum Sharpe Ratio Japan



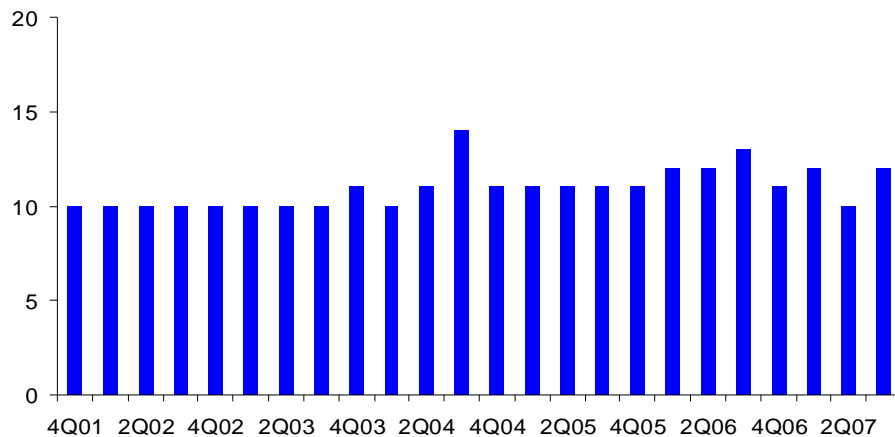
## Constituents

Name	ISIN	BB Ticker	Market Cap (Bn EUR)
CANON INC	JP3242800005	7751 JT Equity	58,22
JAPAN TOBACCO INC	JP3726800000	2914 JT Equity	38,74
JFE HOLDINGS INC	JP3386030005	5411 JT Equity	28,32
KDDI CORP	JP3496400007	9433 JT Equity	24,66
MITSUBISHI ESTATE CO LTD	JP3899600005	8802 JT Equity	28,36
mitsui & CO LTD	JP3893600001	8031 JT Equity	27,36
NINTENDO CO LTD	JP3756600007	7974 JO Equity	40,99
NIPPON STEEL CORP	JP3381000003	5401 JT Equity	35,19
NTT DOCOMO INC	JP3165650007	9437 JT Equity	53,93
SHIN-ETSU CHEMICAL CO LTD	JP3371200001	4063 JT Equity	23,43
SONY CORP	JP3435000009	6758 JT Equity	38,87
TOKYO ELECTRIC POWER CO INC	JP3585800000	9501 JT Equity	32,53

# Quick facts – DAXplus Maximum Sharpe Ratio Japan



## Amount Index Constituents [2001 - 2007]



## Methodology

- n **Weighting:** Cap: 10 %
- n **Component Number:** 10 - 30
- n **Review Frequency:** Quarterly review
- n **Re-balancing Frequency:** Quarterly rebalancing
- n **Base Value / Base Date:** 100 / Sept. 21th, 2001

## Annual Performance

	DAXplus Maximum Sharpe Ratio	Nikkei
2002	-26.70%	-35.55%
2003	8.57%	5.57%
2004	12.24%	0.68%
2005	60.13%	18.50%
2006	-0.43%	2.16
Average	6.06%	-0.15%

## Technical Figures

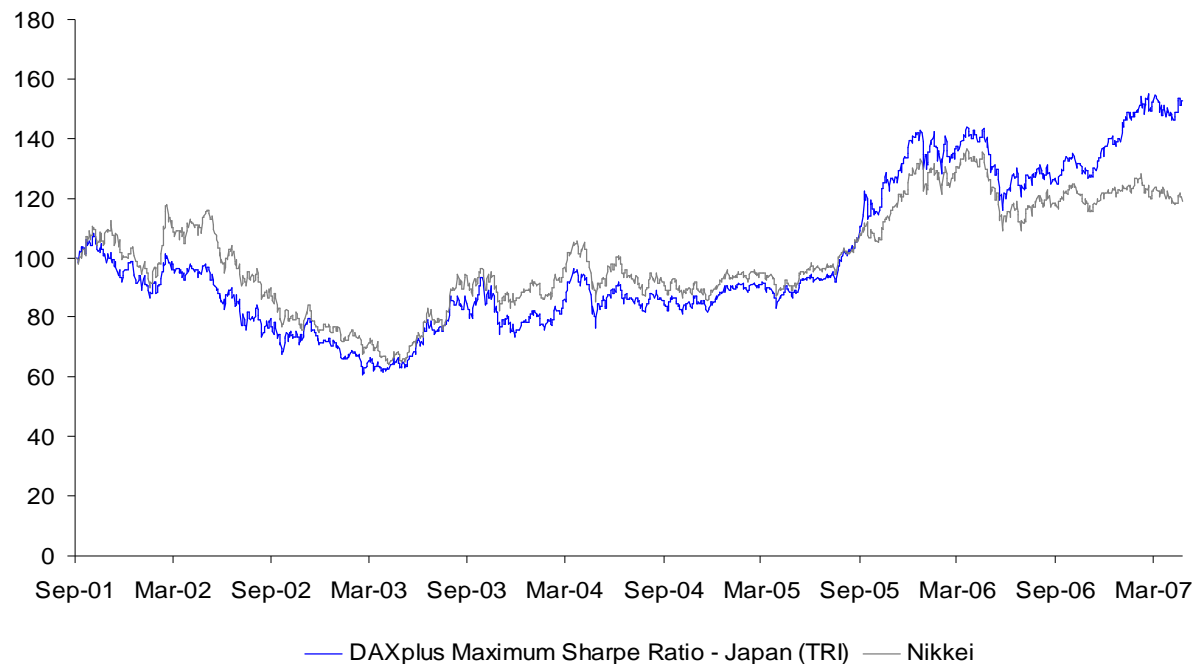
	DAXplus Maximum Sharpe Ratio	Nikkei
Annual volatility	22.87%	19.44%
Beta	0.3537	1
Sharpe ratio	0.1483	-0.1452

# Historical simulation shows outperformance compared to Nikkei



## Historical Simulation

### Historical Performance [Sep. 01 – June 07]



- n Maximum Sharpe Ratio Japan generated outperformance in bear and sideways markets
- n Underperformance in bull markets

# DAXplus Maximum Sharpe Ratio Switzerland



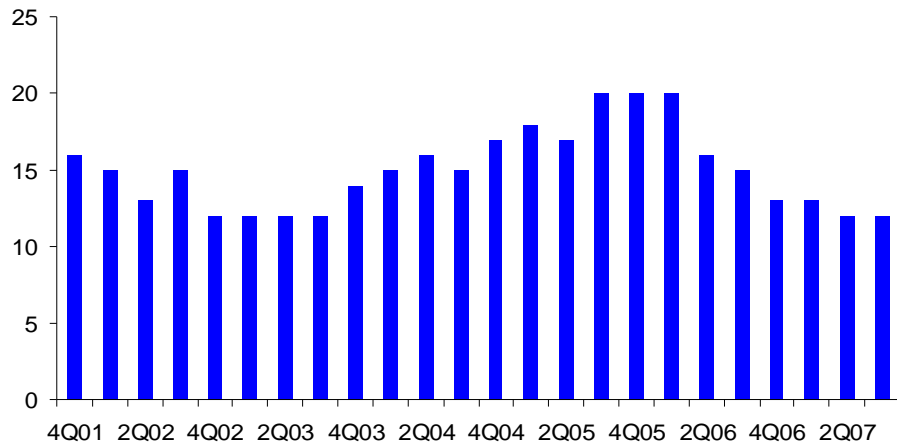
## Constituents

Name	ISIN	BB Ticker	Market Cap (Bn EUR)
ACTELION LTD-REG	CH0010532478	ATLN SW Equity	4,28
GEBERIT AG-REG	CH0030170408	GEBN SW Equity	5,29
JULIUS BAER HOLDING AG-REG	CH0029758650	BAER VX Equity	11,96
LONZA GROUP AG-REG	CH0013841017	LONN VX Equity	3,43
MERCK SERONO SA-BR	CH0010751920	SEO VX Equity	10,07
NESTLE SA-REG	CH0012056047	NESN VX Equity	114,43
NOBEL BIOCARE HOLDING AG-BR	CH0014030040	NOBE VX Equity	6,57
OC OERLIKON CORP AG-REG	CH0000816824	OERL VX Equity	5,85
PHONAK HOLDING AG-REG	CH0012549785	PHBN SW Equity	4,64
SWISS RE-REG	CH0012332372	RUKN VX Equity	25,24
THE SWATCH GROUP AG-BR	CH0012255151	UHR VX Equity	12,37

# Quick facts – DAXplus Maximum Sharpe Ratio Switzerland



## Amount Index Constituents [2001 - 2007]



## Methodology

- n **Weighting:** Cap: 10 %
- n **Component Number:** 10 - 30
- n **Review Frequency:** Quarterly review
- n **Re-balancing Frequency:** Quarterly rebalancing
- n **Base Value / Base Date:** 100 / Sept. 21th, 2001

## Annual Performance

	DAXplus Maximum Sharpe Ratio	SMI
2002	-7.58%	-26.39%
2003	20.52%	10.43%
2004	21.13%	4.75%
2005	39.17%	32.23%
2006	36.51%	12.08%
Average	17.60%	6.92%

## Technical Figures

	DAXplus Maximum Sharpe Ratio	SMI
Annual volatility	15.51%	17.91%
Beta	0.6790	1
Sharpe ratio	0,9628	0.2373

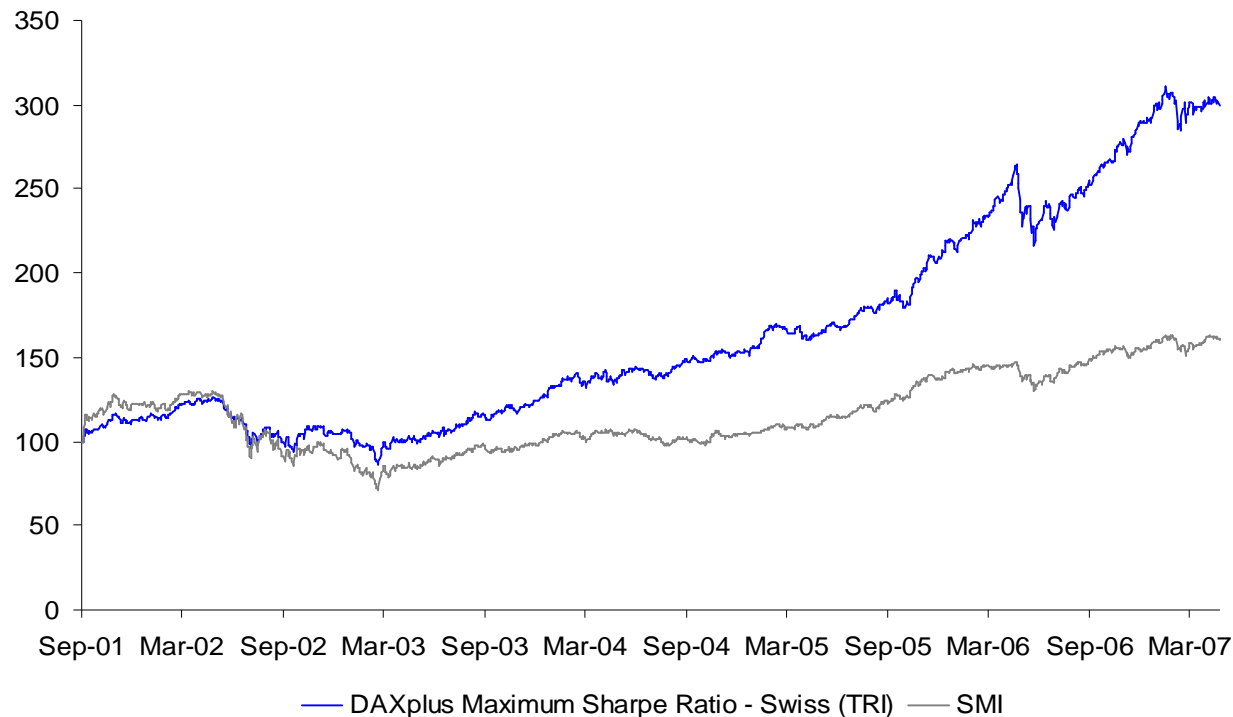
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# Historical simulation shows continuous outperformance compared to SMI



## Historical Simulation

### Historical Performance [Sep. 01 – June 07]



- n Since 2002 DAXplus® Maximum Sharpe Ratio Switzerland generated an impressive Outperformance compared to SMI
- n DAXplus® Maximum Sharpe Ratio Switzerland has shown a remarkable performance

# DAXplus Maximum Sharpe Ratio US



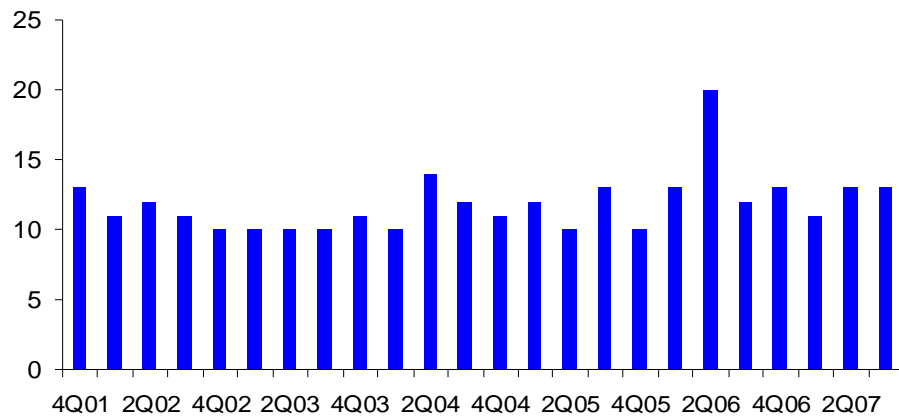
## Constituents (currently)

Name	ISIN	BB ticker	Market Cap (Bn EUR)
APPLE INC	US0378331005	AAPL UQ Equity	81,80
CHEVRON CORP	US1667641005	CVX UN Equity	136,28
GOLDMAN SACHS GROUP INC	US38141G1040	GS UN Equity	71,35
HEWLETT-PACKARD CO	US4282361033	HPQ UN Equity	87,67
INTL BUSINESS MACHINES CORP	US4592001014	IBM UN Equity	116,23
MERRILL LYNCH & CO INC	US5901881087	MER UN Equity	54,24
ALTRIA GROUP INC	US02209S1033	MO UN Equity	109,66
MERCK & CO. INC.	US5893311077	MRK UN Equity	79,32
MICROSOFT CORP	US5949181045	MSFT UQ Equity	211,29
AT&T INC	US00206R1023	T UN Equity	187,93
UNITEDHEALTH GROUP INC	US91324P1021	UNH UN Equity	51,32
VERIZON COMMUNICATIONS INC	US92343V1044	VZ UN Equity	89,82
EXXON MOBIL CORP	US30231G1022	XOM UN Equity	353,17

# Quick facts – DAXplus Maximum Sharpe Ratio US



## Amount Index Constituents [2001 - 2007]



## Methodology

- n **Weighting:** Cap: 10 %
- n **Component Number:** 10 - 50
- n **Review Frequency:** Quarterly review
- n **Re-balancing Frequency:** Quarterly rebalancing
- n **Base Value / Base Date:** 100 / Sept. 21th, 2001

## Annual Performance

	DAXplus Maximum Sharpe Ratio	S&P500
2002	-29.86%	-35.95%
2003	14.35%	5.45%
2004	6.62%	0.54%
2005	37.64%	18.54%
2006	8.47%	1.94%
Average	8.17%	0.17%

## Technical Figures

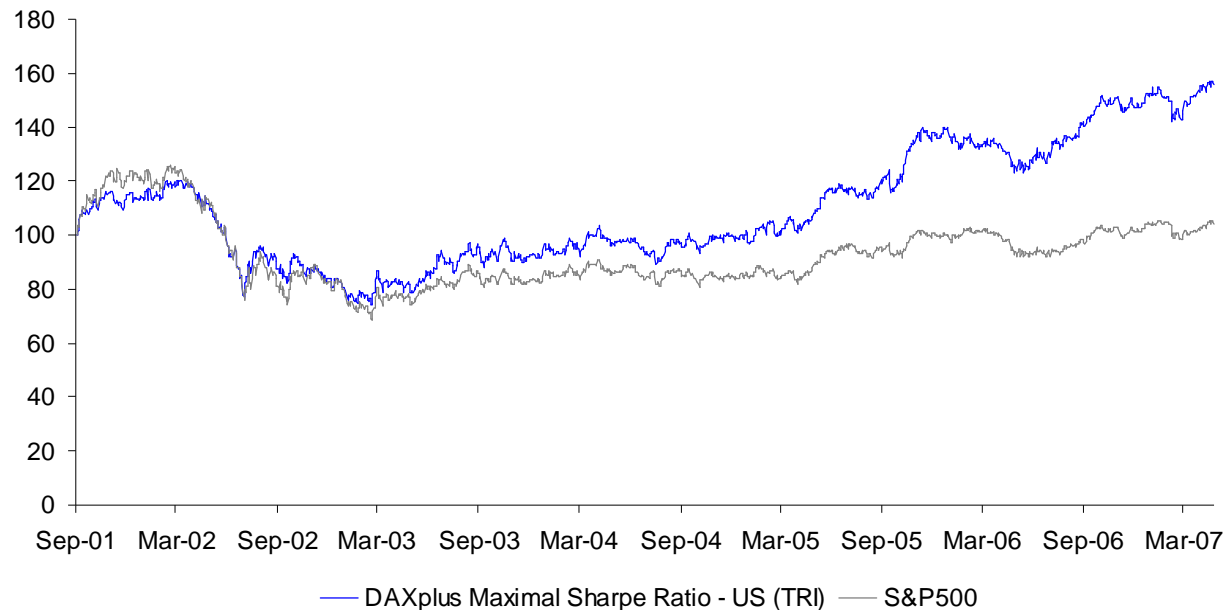
	DAXplus Maximum Sharpe Ratio	S&P500
Annual volatility	19.38%	19.45%
Beta	0.9009	1
Sharpe ratio	0.2841	-0.1286

# Historical simulation shows outperformance compared to S&P500



## Historical Simulation

### Historical Performance [Sep. 01 – June 07]



- n Since 2005 DAXplus® Minimum Variance US generated slighting outperformance compared to S&P500
- n DAXplus® Minimum Variance US has shown a remarkable performance increase in the bull market of 2006



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