

INDEX RULE BOOK

Euronext World Hedged EUR

Version 23-01

Effective from 2024-01-29

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1. GENERAL

The Euronext World Hedged EUR index aim to represent the return resulting from hedging the currency exposures of the Euronext World Index using 1-Month Forwards.

This document is applicable to the Euronext World Hedged EUR, which consists of all the Indices as mentioned in the Reference Table.

Euronext Amsterdam is the Administrator of this Index Family.

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VERSION NOTES

Version	Effective date	New or changed parts	Reference/announcement
24-01	29-12-2024	Launch Date	

2. INDEX METHODOLOGY

2.1 RELEVANT DATES DEFINITION

Trading Day	Any day on which the index is scheduled to be published
ACT(t)	The number of calendar days in the month of day t
Rebalancing Date, "t₀"	last calculation day of preceding month (reset date)
Publication Date	Live date of the Index: 29 th of January 2024
Base date, "T₀"	29 th of December 2009

2.2 INDEX TERMS DEFINITION

Underlying Index Level, "UIL"	Euronext world Index (mnemo = ENWP)
C	Number of foreign currencies in the unhedged index
HR_{c,t}	Hedge ratio of currency C for day t
FX_{c,t}	Spot currency rate for Trading day t
FF_{c,t}	1-month forward currency rate for Trading day t
IFF_{c,t}	Interpolated forward currency rate for Trading day t
R_t	Return from hedging for Trading day t
w_i	Weight of the stock "i" in the underlying index
HI_t	Hedge impact for Trading day t

2.3 INDEX LEVEL CALCULATION

The interpolated forward currency rate $IFF_{c,t}$ adjusts the 1-month forward rate to account for the increasing proximity of the hedge's expiration date " $t = ACT(t)$ ". In other words, the interpolated 1-month forward rate gradually approaches the spot rate as the time to maturity " $t = ACT(t)$ " decreases.

$$IFF_{c,t} = FX_{c,t} + \left(1 - \frac{t}{ACT(t)}\right) * (FF_{c,t} - FX_{c,t})$$

To fully hedge a multi-currency portfolio the hedge ratio for each currency is determined by adding up the weights of all securities denominated in that particular currency.

$$HR_{c,t} = \sum_{i=1}^n w_{i,t} \text{ where } n \text{ is the number of stocks for currency } c$$

The return on the forward trade can be expressed as:

$$R_t = \sum_{c=1}^C HR_{c,t-1} * FX_{c,0} * \left(\frac{1}{IFF_{c,t-1}} - \frac{1}{IFF_{c,t}} \right)$$

We define the hedge impact s.t :

$$HI_t = \sum_{j=1}^t UIL_{j-1} * R_j$$

For each Trading Day t, The index Level "IL(t)" will be calculated following the formula below:

For $t > T_0$:

$$IL_t = \frac{IL_{t0}}{UIL_{t0}} * (UIL_t + HI_t)$$

For $t = T_0$:

$$IL_{T_0} = UIL_{T_0}$$

REFERENCES

2.4 REFERENCE TABLE

Index name	Isin code	Mnemo	Bloom- berg Code	Reuters code	Index Type
Euronext World Hedged EUR	NLIX00001569	ENWPE	ENWPE	.ENWPE	EUR Daily Hedged

2.5 BASE CURRENCY

The Base Currency of this index is Euro.

2.6 PUBLICATION

The levels of the Indices are in principle published daily at the end of day, when Euronext Markets are open for trading.