

MSCI Japan Governance-Quality Index (USD)

The **MSCI Japan Governance-Quality Index** is based on MSCI Japan index, its parent index, which includes large and mid cap stocks across Japanese equity markets. The index aims to reflect the performance of a strategy that is seeking to capture both the financial and corporate governance aspects of Quality investing. The financial aspects of the Quality factor are captured using the same fundamental data as used in the MSCI Quality Index - return on equity, financial leverage and earnings variability. The standard of corporate governance is measured through measures such as independence and diversity of board of directors, ownership and control structure of the company, accounting practices and auditor opinions.

For a complete description of the index methodology, please see [Index methodology - MSCI](#).

CUMULATIVE INDEX PERFORMANCE – GROSS RETURNS (USD) (NOV 2009 – MAR 2024)



ANNUAL PERFORMANCE (%)

| Year | MSCI Japan Governance-Quality | MSCI Japan |
|------|-------------------------------|------------|
| 2023 | 20.52 | 20.77 |
| 2022 | -24.41 | -16.31 |
| 2021 | 0.07 | 2.04 |
| 2020 | 22.42 | 14.91 |
| 2019 | 26.14 | 20.07 |
| 2018 | -10.73 | -12.58 |
| 2017 | 25.88 | 24.39 |
| 2016 | 0.58 | 2.73 |
| 2015 | 13.22 | 9.90 |
| 2014 | 0.86 | -3.72 |
| 2013 | 21.80 | 27.35 |
| 2012 | 4.27 | 8.36 |
| 2011 | -7.02 | -14.19 |
| 2010 | 16.44 | 15.59 |

INDEX PERFORMANCE – GROSS RETURNS (%) (MAR 29, 2024)

| | 1 Mo | 3 Mo | 1 Yr | YTD | ANNUALIZED | | | | Since Nov 30, 2009 |
|-------------------------------|------|-------|-------|-------|------------|------|-------|------|--------------------|
| | | | | | 3 Yr | 5 Yr | 10 Yr | | |
| MSCI Japan Governance-Quality | 1.85 | 7.95 | 21.66 | 7.95 | 0.78 | 7.36 | 7.28 | 7.10 | |
| MSCI Japan | 3.16 | 11.16 | 26.20 | 11.16 | 4.08 | 8.16 | 7.06 | 6.83 | |

FUNDAMENTALS (MAR 29, 2024)

| Div Yld (%) | P/E | P/E Fwd | P/BV |
|-------------|-------|---------|------|
| 1.59 | 21.78 | 20.52 | 2.69 |
| 1.92 | 16.87 | 15.94 | 1.63 |

INDEX RISK AND RETURN CHARACTERISTICS (NOV 30, 2009 – MAR 29, 2024)

| | Beta | Tracking Error (%) | Turnover (%) ¹ | ANNUALIZED STD DEV (%) ² | | | SHARPE RATIO ^{2,3} | | | Since Nov 30, 2009 | MAXIMUM DRAWDOWN | |
|-------------------------------|------|--------------------|---------------------------|-------------------------------------|-------|-------|-----------------------------|------|-------|--------------------|------------------|-----------------------|
| | | | | 3 Yr | 5 Yr | 10 Yr | 3 Yr | 5 Yr | 10 Yr | | (%) | Period YYYY-MM-DD |
| MSCI Japan Governance-Quality | 0.94 | 4.91 | 18.36 | 18.83 | 17.68 | 14.92 | -0.00 | 0.38 | 0.45 | 0.48 | 39.20 | 2021-09-14–2022-10-13 |
| MSCI Japan | 1.00 | 0.00 | 3.45 | 15.68 | 15.68 | 13.99 | 0.17 | 0.45 | 0.46 | 0.47 | 33.07 | 2021-09-14–2022-10-21 |

¹ Last 12 months ² Based on monthly gross returns data ³ Based on NY FED Overnight SOFR from Sep 1 2021 & on ICE LIBOR 1M prior that date

The MSCI Japan Governance-Quality Index was launched on Jul 02, 2015. Data prior to the launch date is back-tested test (i.e. calculations of how the index might have performed over that time period had the index existed). There are frequently material differences between back-tested performance and actual results. Past performance – whether actual or back-tested – is no indication or guarantee of future performance.

INDEX CHARACTERISTICS

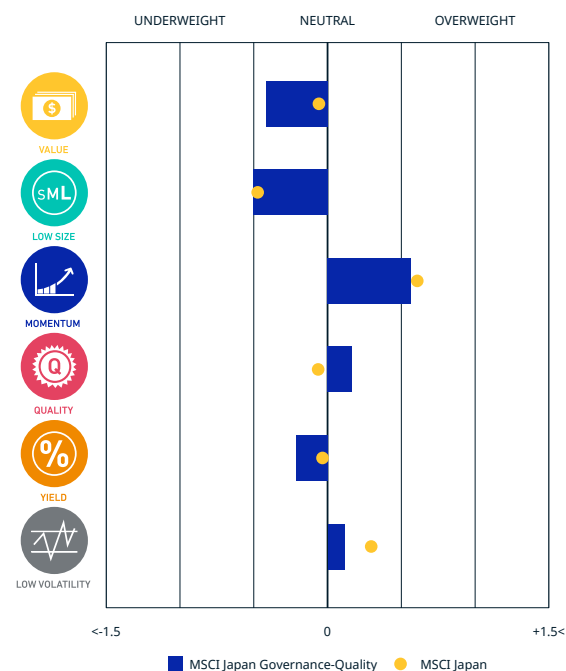
| | MSCI Japan Governance-Quality | MSCI Japan |
|-------------------------------|----------------------------------|------------|
| Number of Constituents | 121 | 218 |
| | Weight (%) | |
| Largest | 6.62 | 6.67 |
| Smallest | 0.06 | 0.04 |
| Average | 0.83 | 0.46 |
| Median | 0.41 | 0.23 |

TOP 10 CONSTITUENTS

| | Index Wt. (%) | Parent Index Wt. (%) | Sector |
|-----------------------|------------------|----------------------------|-------------|
| TOKYO ELECTRON | 6.62 | 3.09 | Info Tech |
| KEYENCE CORP | 4.80 | 2.24 | Info Tech |
| SONY GROUP CORP | 4.32 | 2.72 | Cons Discr |
| HITACHI | 4.30 | 2.14 | Industrials |
| SHIN-ETSU CHEMICAL CO | 3.99 | 1.97 | Materials |
| HOYA CORP | 3.58 | 1.09 | Health Care |
| FAST RETAILING CO | 2.81 | 1.37 | Cons Discr |
| NINTENDO CO | 2.63 | 1.41 | Comm Svcs |
| DISCO CORP | 2.62 | 0.87 | Info Tech |
| ADVANTEST CORP | 2.59 | 0.87 | Info Tech |
| Total | 38.28 | 17.77 | |

FACTORS - KEY EXPOSURES THAT DRIVE RISK AND RETURN

MSCI FACTOR BOX



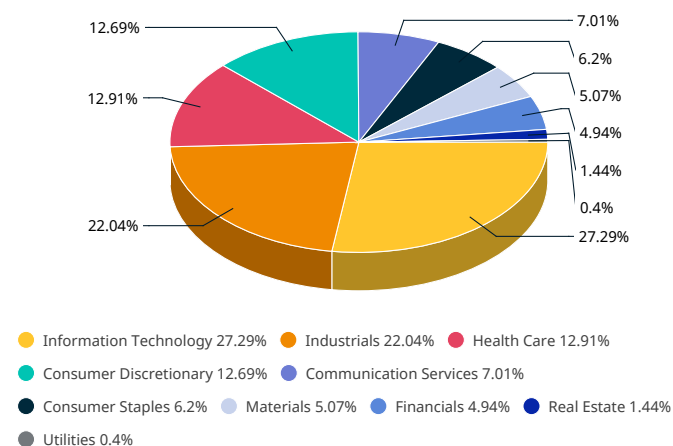
MSCI FaCS

- VALUE**
Relatively Inexpensive Stocks
- LOW SIZE**
Smaller Companies
- MOMENTUM**
Rising Stocks
- QUALITY**
Sound Balance Sheet Stocks
- YIELD**
Cash Flow Paid Out
- LOW VOLATILITY**
Lower Risk Stocks

MSCI FaCS provides absolute factor exposures relative to a broad global index - MSCI ACWI IMI.

Neutral factor exposure (FaCS = 0) represents MSCI ACWI IMI.

SECTOR WEIGHTS



MSCI FACTOR BOX AND FaCS FRAMEWORK (Please refer to complete description of the MSCI FaCS methodology [here](#))

MSCI FaCS is a standard method for evaluating and reporting the Factor characteristics of equity portfolios. MSCI FaCS consists of Factor Groups (e.g. Value, Size, Momentum, Quality, Yield, and Volatility) that have been extensively documented in academic literature and validated by MSCI Research as key drivers of risk and return in equity portfolios. These Factor Groups are constructed by aggregating 16 factors (e.g. Book-to-Price, Earnings/Dividend Yields, LT Reversal, Leverage, Earnings Variability/Quality, Beta) from the latest Barra global equity factor risk model, GEMLT, designed to make fund comparisons transparent and intuitive for use. The MSCI Factor Box, which is powered by MSCI FaCS, provides a visualization designed to easily compare absolute exposures of funds/indexes and their benchmarks along 6 Factor Groups that have historically demonstrated excess market returns over the long run.

ABOUT MSCI

MSCI is a leading provider of critical decision support tools and services for the global investment community. With over 45 years of expertise in research, data and technology, we power better investment decisions by enabling clients to understand and analyze key drivers of risk and return and confidently build more effective portfolios. We create industry-leading research-enhanced solutions that clients use to gain insight into and improve transparency across the investment process. To learn more, please visit www.msci.com.

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