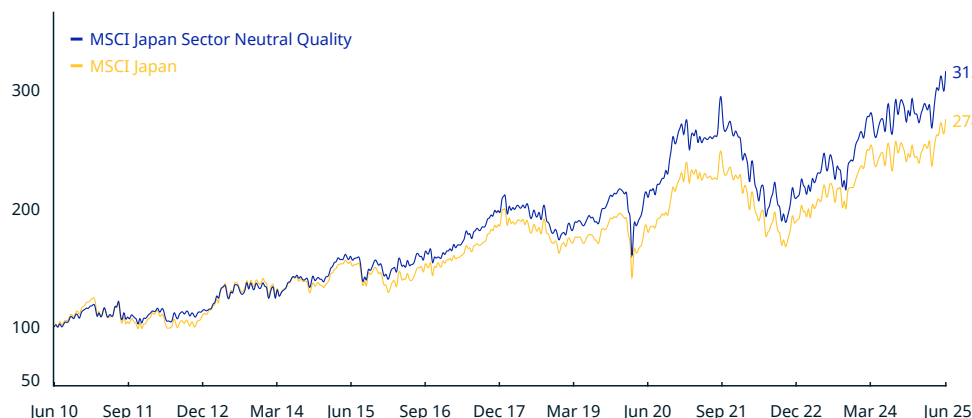


# MSCI Japan Sector Neutral Quality Index (USD)

The **MSCI Japan Sector Neutral Quality Index** captures large and mid-cap representation across the Japanese equity markets. The index aims to capture the performance of securities that exhibit stronger quality characteristics relative to their peers within the same GICS® sector by identifying stocks with high quality scores based on three main fundamental variables: high Return-on-Equity (ROE), low leverage and low earnings variability.

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

## CUMULATIVE INDEX PERFORMANCE – NET RETURNS (USD) (JUN 2010 – JUN 2025)



## ANNUAL PERFORMANCE (%)

Year	MSCI Japan Sector Neutral Quality	MSCI Japan
2024	10.45	8.31
2023	23.07	20.32
2022	-20.94	-16.65
2021	-0.29	1.71
2020	22.78	14.48
2019	23.73	19.61
2018	-12.05	-12.88
2017	25.04	23.99
2016	1.96	2.38
2015	11.37	9.57
2014	2.22	-4.02
2013	20.09	27.16
2012	6.34	8.18
2011	-7.58	-14.33

## INDEX PERFORMANCE – NET RETURNS (%) (JUN 30, 2025)

	1 Mo	3 Mo	1 Yr	YTD	ANNUALIZED				Since Nov 30, 1998
					3 Yr	5 Yr	10 Yr		
MSCI Japan Sector Neutral Quality	2.45	13.75	16.15	11.51	16.48	8.40	7.21	5.06	
MSCI Japan	1.71	11.36	13.88	11.73	15.03	8.76	6.07	4.33	

## FUNDAMENTALS (JUN 30, 2025)

Div Yld (%)	P/E	P/E Fwd	P/BV
1.97	16.41	15.97	2.24
2.28	16.23	14.84	1.55

## INDEX RISK AND RETURN CHARACTERISTICS (NOV 30, 1998 – JUN 30, 2025)

	Beta	Tracking Error (%)	Turnover (%) <sup>1</sup>	ANNUALIZED STD DEV (%) <sup>2</sup>			SHARPE RATIO <sup>2, 3</sup>				MAXIMUM DRAWDOWN	
				3 Yr	5 Yr	10 Yr	3 Yr	5 Yr	10 Yr	Since Nov 30, 1998	(%)	Period YYYY-MM-DD
MSCI Japan Sector Neutral Quality	0.92	4.07	15.82	15.36	16.02	14.55	0.78	0.41	0.41	0.25	59.59	2000-01-03—2003-04-28
MSCI Japan	1.00	0.00	4.31	14.10	14.65	14.05	0.75	0.46	0.35	0.21	60.58	2000-03-31—2003-04-28

<sup>1</sup> Last 12 months

<sup>2</sup> Based on monthly net returns data

<sup>3</sup> Based on NY FED Overnight SOFR from Sep 1 2021 & on ICE LIBOR 1M prior that date

## INDEX CHARACTERISTICS

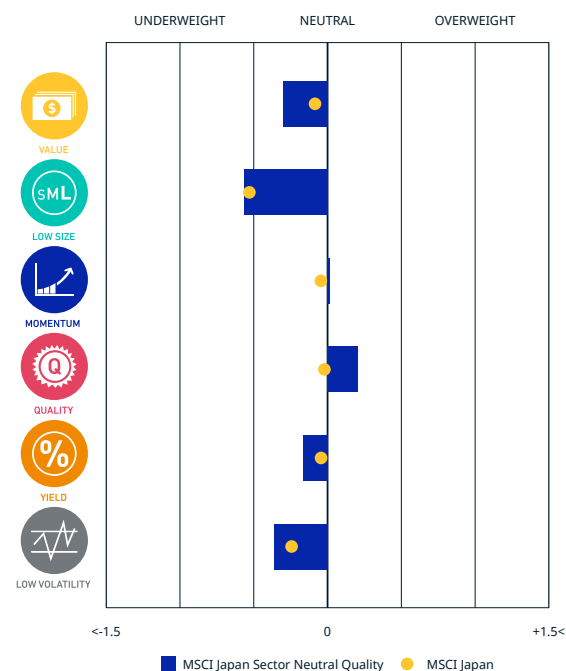
	MSCI Japan Sector Neutral Quality	MSCI Japan
<b>Number of Constituents</b>	125	183
	<b>Weight (%)</b>	
<b>Largest</b>	7.07	4.00
<b>Smallest</b>	0.05	0.07
<b>Average</b>	0.80	0.55
<b>Median</b>	0.38	0.30

## TOP 10 CONSTITUENTS

	Index Wt. (%)	Parent Index Wt. (%)	Sector
TOKIO MARINE HOLDINGS	7.07	1.90	Financials
SONY GROUP CORP	4.48	3.88	Cons Discr
TOKYO ELECTRON	4.27	2.10	Info Tech
RECRUIT HOLDINGS CO	4.25	2.03	Industrials
HITACHI	3.75	3.26	Industrials
TOYOTA MOTOR CORP	3.75	4.00	Cons Discr
NINTENDO CO	3.67	2.59	Comm Svcs
FAST RETAILING CO	2.94	1.60	Cons Discr
MS&AD INSURANCE GROUP	2.80	0.70	Financials
ADVANTEST CORP	2.64	1.38	Info Tech
<b>Total</b>	<b>39.62</b>	<b>23.44</b>	

## FACTORS - KEY EXPOSURES THAT DRIVE RISK AND RETURN

## MSCI FACTOR BOX



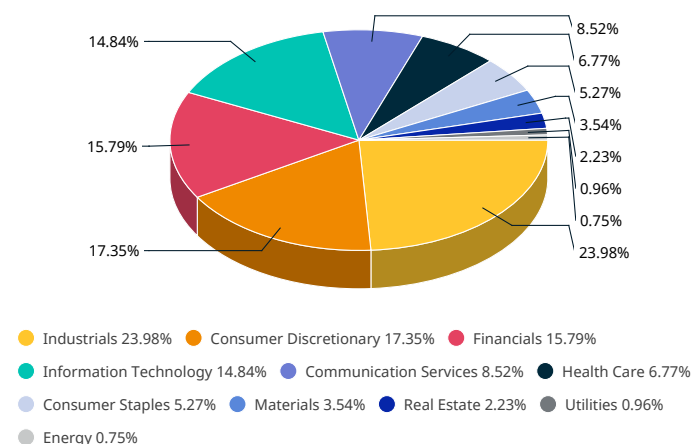
## MSCI FaCS

- 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 50 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](http://www.msci.com).

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