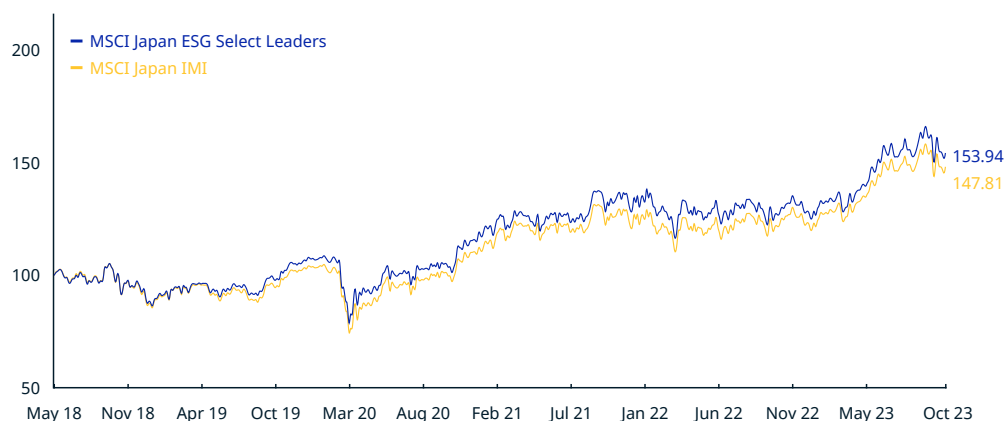


# MSCI Japan ESG Select Leaders Index (JPY)

The MSCI Japan ESG Select Leaders Index is a free float-adjusted market capitalization weighted index based on the MSCI Japan IMI Index, its parent index, which includes large, mid and small-cap securities in the Japanese markets. The Index is designed to represent the performance of companies that have high Environmental, Social and Governance (ESG) performance. The index aims to target sector weights that reflect the relative sector weights of MSCI Japan IMI Index in order to limit the systematic risk introduced by the ESG selection process. Overall the index targets coverage of 50% of the parent index.

## CUMULATIVE INDEX PERFORMANCE – GROSS RETURNS (JPY) (MAY 2018 – OCT 2023)



## ANNUAL PERFORMANCE (%)

| Year | MSCI Japan ESG Select Leaders | MSCI Japan IMI |
|------|-------------------------------|----------------|
| 2022 | -5.09                         | -3.10          |
| 2021 | 13.33                         | 13.00          |
| 2020 | 10.58                         | 7.85           |
| 2019 | 21.79                         | 18.88          |

## INDEX PERFORMANCE – GROSS RETURNS (%) (OCT 31, 2023)

|                               | 1 Mo  | 3 Mo  | 1 Yr  | YTD   | ANNUALIZED |       |       |                    | Since May 31, 2018 |
|-------------------------------|-------|-------|-------|-------|------------|-------|-------|--------------------|--------------------|
|                               |       |       |       |       | 3 Yr       | 5 Yr  | 10 Yr | Since May 31, 2018 |                    |
| MSCI Japan ESG Select Leaders | -3.30 | -2.70 | 19.04 | 21.19 | 15.03      | 10.04 | na    | 8.28               |                    |
| MSCI Japan IMI                | -3.00 | -2.41 | 18.78 | 21.19 | 15.02      | 9.17  | na    | 7.47               |                    |

## FUNDAMENTALS (OCT 31, 2023)

| Div Yld (%) | P/E   | P/E Fwd | P/BV |
|-------------|-------|---------|------|
| 2.29        | 14.93 | 13.71   | 1.42 |
| 2.37        | 15.46 | 13.70   | 1.29 |

## INDEX RISK AND RETURN CHARACTERISTICS (MAY 31, 2018 – OCT 31, 2023)

|                               | Beta | Tracking Error (%) | Turnover (%) <sup>1</sup> | ANNUALIZED STD DEV (%) <sup>2</sup> |       |       | SHARPE RATIO <sup>2,3</sup> |      |       | Since May 31, 2018 | MAXIMUM DRAWDOWN |                       |
|-------------------------------|------|--------------------|---------------------------|-------------------------------------|-------|-------|-----------------------------|------|-------|--------------------|------------------|-----------------------|
|                               |      |                    |                           | 3 Yr                                | 5 Yr  | 10 Yr | 3 Yr                        | 5 Yr | 10 Yr |                    | (%)              | Period YYYY-MM-DD     |
| MSCI Japan ESG Select Leaders | 0.98 | 2.13               | 17.35                     | 13.19                               | 14.41 | na    | 1.13                        | 0.74 | na    | 0.62               | 28.02            | 2020-02-06–2020-03-16 |
| MSCI Japan IMI                | 1.00 | 0.00               | 1.95                      | 12.51                               | 14.58 | na    | 1.18                        | 0.68 | na    | 0.56               | 29.49            | 2018-10-02–2020-03-16 |

<sup>1</sup> Last 12 months <sup>2</sup> Based on monthly gross returns data <sup>3</sup> Based on JBA TIBOR 1M from Sep 1 2021 & on ICE LIBOR 1M prior that date

The MSCI Japan ESG Select Leaders Index was launched on Jul 03, 2017. 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**

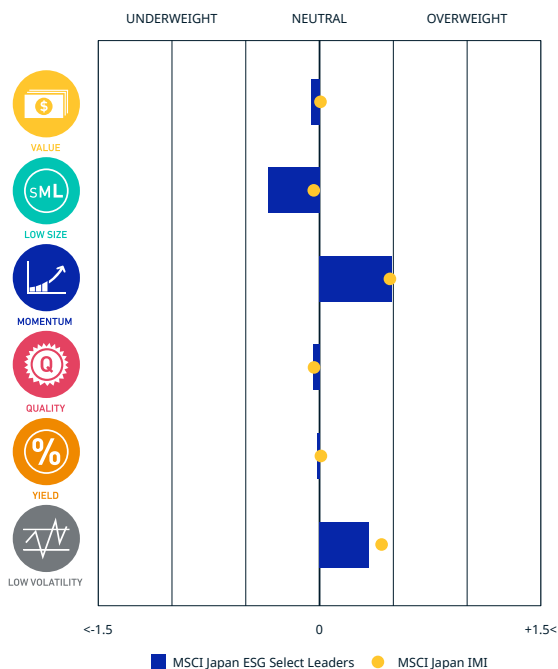
|                               | MSCI Japan ESG Select Leaders | MSCI Japan IMI |
|-------------------------------|-------------------------------|----------------|
| <b>Number of Constituents</b> | 240                           | 1,085          |
|                               | Weight (%)                    |                |
| <b>Largest</b>                | 8.48                          | 4.54           |
| <b>Smallest</b>               | 0.01                          | 0.00           |
| <b>Average</b>                | 0.42                          | 0.09           |
| <b>Median</b>                 | 0.15                          | 0.02           |

**TOP 10 CONSTITUENTS**

|                          | Index Wt. (%) | Parent Index Wt. (%) | Sector      |
|--------------------------|---------------|----------------------|-------------|
| TOYOTA MOTOR CORP        | 8.48          | 4.54                 | Cons Discr  |
| SONY GROUP CORP          | 4.84          | 2.59                 | Cons Discr  |
| TOKYO ELECTRON           | 2.88          | 1.54                 | Info Tech   |
| SUMITOMO MITSUI FINL GRP | 2.83          | 1.52                 | Financials  |
| HITACHI                  | 2.75          | 1.47                 | Industrials |
| DAIICHI SANKYO CO        | 2.20          | 1.18                 | Health Care |
| MITSUI & CO              | 2.20          | 1.18                 | Industrials |
| KDDI                     | 2.07          | 1.11                 | Comm Svcs   |
| NINTENDO CO              | 2.00          | 1.07                 | Comm Svcs   |
| ITOCHU CORP              | 1.97          | 1.06                 | Industrials |
| <b>Total</b>             | <b>32.22</b>  | <b>17.26</b>         |             |

**FACTORS - KEY EXPOSURES THAT DRIVE RISK AND RETURN**

**MSCI FACTOR BOX**



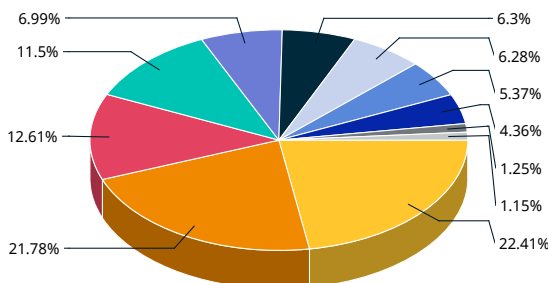
**MSCI FaCS**

- 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**



- Industrials 22.41%
- Consumer Discretionary 21.78%
- Information Technology 12.61%
- Financials 11.5%
- Health Care 6.99%
- Consumer Staples 6.3%
- Communication Services 6.28%
- Materials 5.37%
- Real Estate 4.36%
- Utilities 1.25%
- Energy 1.15%

## INDEX FRAMEWORK

The selection universe for the index is defined by the constituents of the parent index. The Index uses MSCI ESG Ratings to identify companies that have demonstrated an ability to manage their ESG risks and opportunities. Existing constituents of the Index are required to have an MSCI ESG rating above CCC to remain in the Index, while companies that are currently not constituents of the Index are required to have an MSCI ESG rating above B to be considered eligible for addition.

The Index uses MSCI ESG Controversies Scores to identify those companies that are involved in very serious controversies involving the environmental, social, or governance impact of their operations and/or products and services. Existing constituents of the Index are required to have an MSCI ESG Controversies Score above 0 to remain in the index, while companies that are currently not constituents of the Index are required to have an MSCI ESG Controversies Score above 2 to be considered eligible for addition.

The Index targets 50% of the free float-adjusted market capitalization within each GICS® sector of the Parent Index. The Index is also reviewed on a quarterly basis to coincide with the regular Index Reviews of the Parent Index.

This summary is provided for illustrative purposes only and does not include all material elements of the index or its methodology. For a complete description of the index methodology, please see [Index methodology - MSCI](#).

## 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

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