

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 Top 500 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 Top 500 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 – JUN 2019)



INDEX PERFORMANCE — GROSS RETURNS (%) (JUN 28, 2019)

	1 Mo	3 Mo	1 Yr	YTD	ANNUALIZED				Since May 31, 2018
					3 Yr	5 Yr	10 Yr		
MSCI Japan ESG Select Leaders	2.62	-0.86	-5.39	6.72	na	na	na	-5.97	
MSCI Japan IMI Top 700	2.76	-2.00	-6.89	5.84	na	na	na	-6.99	

FUNDAMENTALS (JUN 28, 2019)

Div Yld (%)	P/E	P/E Fwd	P/BV
2.36	13.13	12.92	1.36
2.49	13.04	12.70	1.21

INDEX RISK AND RETURN CHARACTERISTICS (JUN 28, 2019)

	Turnover (%) ¹	ANNUALIZED STD DEV (%) ²			SHARPE RATIO ^{2, 3}			Since May 31, 2018	MAXIMUM DRAWDOWN (%)	Period YYYY-MM-DD
		3 Yr	5 Yr	10 Yr	3 Yr	5 Yr	10 Yr			
MSCI Japan ESG Select Leaders	19.21	na	na	na	na	na	na	-0.27	20.98	2018-10-02—2018-12-25
MSCI Japan IMI Top 700	6.88	na	na	na	na	na	na	-0.33	21.74	2018-10-02—2018-12-25

¹ Last 12 months ² Based on monthly gross returns data ³ Based on ICE LIBOR 1M

The MSCI Japan ESG Select Leaders Index was launched on Jul 03, 2017. Data prior to the launch date is back-tested data (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

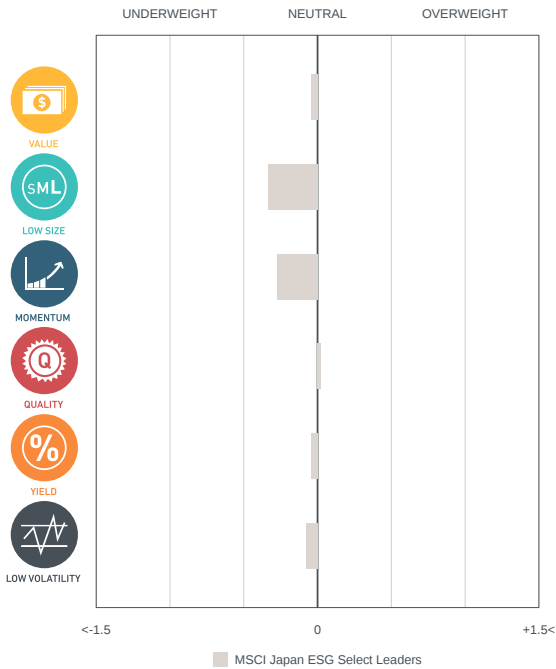
MSCI Japan ESG Select Leaders	
Number of Constituents	246
Mkt Cap (JPY Millions)	
Index	211,815,407.04
Largest	15,276,049.06
Smallest	56,489.65
Average	861,038.24
Median	368,511.90

TOP 10 CONSTITUENTS

	Float Adj Mkt Cap (JPY Billions)	Index Wt. (%)	Sector
TOYOTA MOTOR CORP	15,276.05	7.21	Cons Discr
SONY CORP	7,177.79	3.39	Cons Discr
KEYENCE CORP	6,031.25	2.85	Info Tech
SUMITOMO MITSUI FINL GRP	5,059.82	2.39	Financials
KDDI	4,862.59	2.30	Comm Srvcs
NINTENDO CO	4,475.61	2.11	Comm Srvcs
RECRUIT HOLDINGS CO	4,266.70	2.01	Industrials
KAO CORP	4,012.23	1.89	Cons Staples
SHIN-ETSU CHEMICAL CO	3,647.38	1.72	Materials
DAIKIN INDUSTRIES	3,504.25	1.65	Industrials
Total	58,313.65	27.53	

FACTORS - KEY EXPOSURES THAT DRIVE RISK AND RETURN

MSCI FACTOR BOX



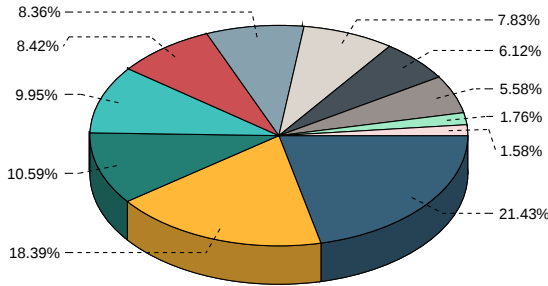
MSCI FaCS

- 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 21.43%
- Consumer Discretionary 18.39%
- Information Technology 10.59%
- Financials 9.95%
- Health Care 8.42%
- Consumer Staples 8.36%
- Communication Services 7.83%
- Materials 6.12%
- Real Estate 5.58%
- Utilities 1.76%
- Energy 1.58%

INDEX METHODOLOGY

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.

FACTOR BOX AND FaCS METHODOLOGY

MSCI FaCS is a standard method ([MSCI FaCS Methodology](#)) 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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