

# MSCI JAPAN VALUE WEIGHTED INDEX (JPY)

The MSCI Japan Value Weighted Index is based on a traditional market cap weighted parent index, the MSCI Japan Index, which includes Japanese large and mid cap stocks. The MSCI Japan Value Weighted Index reweights each security of the parent index to emphasize stocks with lower valuations. Index weights are determined using fundamental accounting data—sales, book value, earnings and cash earnings—rather than market prices.

## CUMULATIVE INDEX PERFORMANCE - GROSS RETURNS (JPY) (DEC 2003 – DEC 2018)



## ANNUAL PERFORMANCE (%)

Year	MSCI Japan Value Weighted	MSCI Japan
2018	-15.05	-14.85
2017	18.01	20.14
2016	1.73	-0.40
2015	10.07	10.27
2014	9.59	9.83
2013	53.77	54.80
2012	19.33	21.78
2011	-18.51	-18.59
2010	3.57	0.71
2009	16.79	9.26
2008	-42.03	-42.48
2007	-8.58	-10.13
2006	9.26	7.35
2005	44.16	44.70

## INDEX PERFORMANCE — GROSS RETURNS (%) (DEC 31, 2018)

	1 Mo	3 Mo	1 Yr	YTD	ANNUALIZED				Since Jun 30, 1994
					3 Yr	5 Yr	10 Yr		
MSCI Japan Value Weighted	-9.79	-16.90	-15.05	-15.05	0.66	4.23	8.33	2.81	
MSCI Japan	-9.81	-17.13	-14.85	-14.85	0.62	4.29	7.62	1.09	

## FUNDAMENTALS (DEC 31, 2018)

Div Yld (%)	P/E	P/E Fwd	P/BV
3.04	9.13	9.12	0.89
2.58	11.44	11.28	1.17

## INDEX RISK AND RETURN CHARACTERISTICS (JUN 01, 1994 – DEC 31, 2018)

	Beta	Tracking Error (%)	Turnover (%) <sup>1</sup>	ANNUALIZED STD DEV (%) <sup>2</sup>			SHARPE RATIO <sup>2,3</sup>			Since Jun 01, 1994	MAXIMUM DRAWDOWN	
				3 Yr	5 Yr	10 Yr	3 Yr	5 Yr	10 Yr		(%)	Period YYYY-MM-DD
MSCI Japan Value Weighted	1.01	3.32	11.21	17.44	17.08	18.65	0.13	0.33	0.52	0.23	60.00	2007-07-09—2009-03-12
MSCI Japan	1.00	0.00	2.90	15.49	15.72	17.57	0.12	0.35	0.50	0.13	61.23	2007-02-26—2009-03-12

<sup>1</sup> Last 12 months

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

<sup>3</sup> Based on ICE LIBOR 1M

The MSCI Japan Value Weighted Index was launched on Dec 07, 2010. 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.

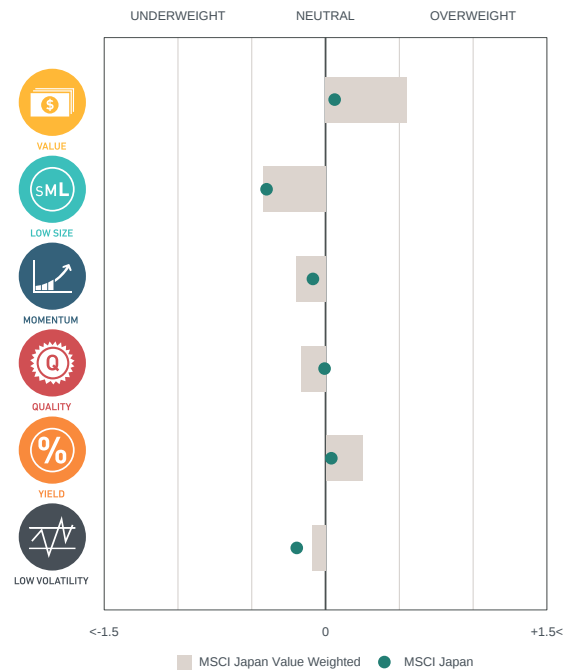
### INDEX CHARACTERISTICS

	MSCI Japan Value Weighted	MSCI Japan
Number of Constituents	322	322
	Weight (%)	
Largest	6.15	4.34
Smallest	0.01	0.04
Average	0.31	0.31
Median	0.14	0.16

### TOP 10 CONSTITUENTS

	Index Wt. (%)	Parent Index Wt. (%)	Sector
TOYOTA MOTOR CORP	6.15	4.34	Cons Discr
MITSUBISHI UFJ FIN GRP	3.80	1.87	Financials
SUMITOMO MITSUI FINL GRP	2.93	1.44	Financials
MIZUHO FINANCIAL GROUP	2.59	1.22	Financials
HONDA MOTOR CO	2.54	1.40	Cons Discr
SOFTBANK GROUP CORP	2.02	1.79	Communication Services
NISSAN MOTOR CO	1.58	0.61	Cons Discr
SONY CORP	1.52	2.00	Cons Discr
HITACHI	1.51	0.84	Info Tech
KDDI	1.45	1.38	Communication Services
Total	26.08	16.89	

### FACTORS - KEY EXPOSURES THAT DRIVE RISK AND RETURN MSCI FACTOR BOX



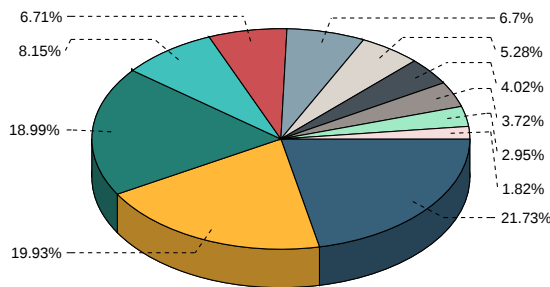
### MSCI FaCS

- 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



- Consumer Discretionary 21.73%
- Financials 19.93%
- Industrials 18.99%
- Information Technology 8.15%
- Materials 6.71%
- Communication Services 6.7%
- Consumer Staples 5.28%
- Utilities 4.02%
- Health Care 3.72%
- Real Estate 2.95%
- Energy 1.82%

## INDEX METHODOLOGY

Each MSCI Value Weighted Index is constructed from a market cap weighted MSCI parent index. The MSCI Value Weighted Index methodology effectively tilts the parent index towards stocks with lower valuations by reweighting each constituent of the parent index according to four fundamental accounting variables: sales, book value, earnings and cash earnings. The Value Weighted Index first calculates a weight (or a 3-yr average weight) for each accounting variable for each constituent independently. These weights are then averaged to determine a final constituent-level value weight. The index is rebalanced semiannually in May and November.

## 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

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