

# MSCI JAPAN ESG SCREENED INDEX (USD)

The MSCI Japan ESG Screened Index is based on the MSCI Japan Index, its parent index, and includes large and mid-cap securities of the Japanese equity markets. The index excludes companies from the parent index that are associated with controversial, civilian and nuclear weapons and tobacco, that derive revenues from thermal coal and oil sands extraction and that are not compliant with the United Nations Global Compact principles.

## CUMULATIVE INDEX PERFORMANCE - NET RETURNS (USD) (MAY 2012 – MAR 2019)



## ANNUAL PERFORMANCE (%)

Year	MSCI Japan ESG Screened	MSCI Japan
2018	-13.48	-12.88
2017	24.83	23.99
2016	3.10	2.38
2015	8.83	9.57
2014	-3.77	-4.02
2013	27.39	27.16

## INDEX PERFORMANCE — NET RETURNS (%) (MAR 29, 2019)

	1 Mo	3 Mo	1 Yr	YTD	ANNUALIZED				Since May 31, 2012
					3 Yr	5 Yr	10 Yr		
MSCI Japan ESG Screened	0.80	7.13	-8.06	7.13	8.58	5.77	na	8.72	
MSCI Japan	0.57	6.66	-7.84	6.66	8.06	5.61	na	8.44	

## FUNDAMENTALS (MAR 29, 2019)

Div Yld (%)	P/E	P/E Fwd	P/BV
2.41	12.78	12.43	1.26
2.43	12.78	12.32	1.26

## INDEX RISK AND RETURN CHARACTERISTICS (MAY 31, 2012 – MAR 29, 2019)

	Beta	Tracking Error (%)	Turnover (%) <sup>1</sup>	ANNUALIZED STD DEV (%) <sup>2</sup>			SHARPE RATIO <sup>2,3</sup>			Since May 31, 2012 (%)	MAXIMUM DRAWDOWN	
				3 Yr	5 Yr	10 Yr	3 Yr	5 Yr	10 Yr		Period YYYY-MM-DD	
MSCI Japan ESG Screened	1.01	0.58	3.57	10.93	12.46	na	0.68	0.44	na	0.67	24.89	2018-01-24—2018-12-25
MSCI Japan	1.00	0.00	3.03	10.61	12.20	na	0.65	0.43	na	0.66	24.21	2018-01-24—2018-12-25

<sup>1</sup> Last 12 months

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

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

The MSCI Japan ESG Screened Index was launched on Oct 22, 2018. 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.

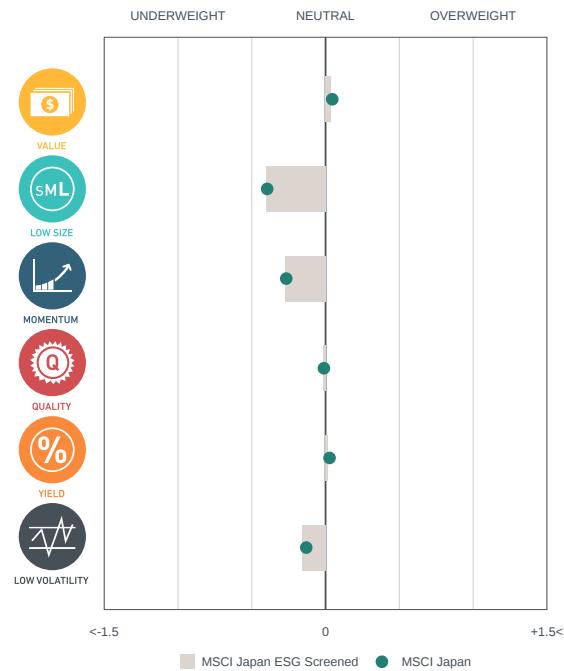
## INDEX CHARACTERISTICS

	MSCI Japan ESG Screened	MSCI Japan
Number of Constituents	309	322
	Weight (%)	
Largest	4.26	4.10
Smallest	0.04	0.04
Average	0.32	0.31
Median	0.17	0.17

## TOP 10 CONSTITUENTS

	Index Wt. (%)	Parent Index Wt. (%)	Sector
TOYOTA MOTOR CORP	4.26	4.10	Cons Discr
SOFTBANK GROUP CORP	2.55	2.45	Comm Svcs
KEYENCE CORP	1.93	1.86	Info Tech
TAKEDA PHARMACEUTICAL	1.93	1.86	Health Care
MITSUBISHI UFJ FIN GRP	1.86	1.79	Financials
SONY CORP	1.69	1.63	Cons Discr
SUMITOMO MITSUI FINL GRP	1.48	1.43	Financials
HONDA MOTOR CO	1.40	1.35	Cons Discr
KAO CORP	1.22	1.18	Cons Staples
KDDI	1.21	1.17	Comm Svcs
<b>Total</b>	<b>19.53</b>	<b>18.81</b>	

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



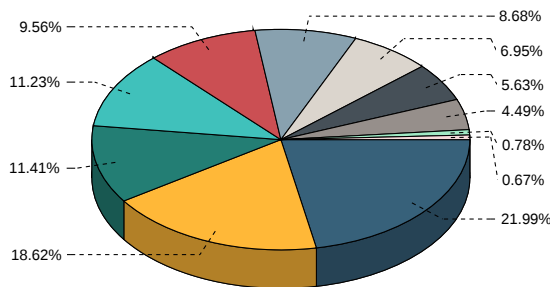
## MSCI FaCS

- 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 21.99%
- Consumer Discretionary 18.62%
- Financials 11.41%
- Information Technology 11.23%
- Health Care 9.56%
- Communication Services 8.68%
- Consumer Staples 6.95%
- Materials 5.63%
- Real Estate 4.49%
- Energy 0.78%
- Utilities 0.67%

## INDEX METHODOLOGY

The MSCI ESG Screened Indexes aim to represent the performance of an investment strategy that excludes companies from the parent index that are involved in business activities of Controversial Weapons, Nuclear Weapons, Civilian Firearms, Tobacco, Thermal Coal, Oil Sands. In addition to the above, companies that fail to comply with the United Nations Global Compact Principles are also excluded from the MSCI ESG Screened Indexes. The indexes are maintained following the [MSCI Global Investable Indexes \(GIMI\) Methodology](#) —a comprehensive and consistent approach to index construction that allows for meaningful global views and cross regional comparisons across all market capitalization size, sector and style segments and combinations. This methodology aims to provide exhaustive coverage of the relevant investment opportunity set with a strong emphasis on index liquidity, investability and replicability.

The index is reviewed in February, May, August and November, coinciding with the quarterly and semiannually index reviews of MSCI Global Investable Market Indexes.

## 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

For more than 40 years, MSCI' research-based indexes and analytics have helped the world' leading investors build and manage better portfolios. Clients rely on our offerings for deeper insights into the drivers of performance and risk in their portfolios, broad asset class coverage and innovative research. Our line of products and services includes indexes, analytical models, data, real estate benchmarks and ESG research. MSCI serves 99 of the top 100 largest money managers, according to the most recent P&I ranking. For more information, visit us at [www.msci.com](http://www.msci.com).

The information contained herein (the "Information") may not be reproduced or disseminated in whole or in part without prior written permission from MSCI. The Information may not be used to verify or correct other data, to create indexes, risk models, or analytics, or in connection with issuing, offering, sponsoring, managing or marketing any securities, portfolios, financial products or other investment vehicles. Historical data and analysis should not be taken as an indication or guarantee of any future performance, analysis, forecast or prediction. None of the Information or MSCI index or other product or service constitutes an offer to buy or sell, or a promotion or recommendation of, any security, financial instrument or product or trading strategy. Further, none of the Information or any MSCI index is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. The Information is provided "as is" and the user of the Information assumes the entire risk of any use it may make or permit to be made of the Information. NONE OF MSCI INC. OR ANY OF ITS SUBSIDIARIES OR ITS OR THEIR DIRECT OR INDIRECT SUPPLIERS OR ANY THIRD PARTY INVOLVED IN THE MAKING OR COMPILING OF THE INFORMATION (EACH, AN "MSCI PARTY") MAKES ANY WARRANTIES OR REPRESENTATIONS AND, TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH MSCI PARTY HEREBY EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. WITHOUT LIMITING ANY OF THE FOREGOING AND TO THE MAXIMUM EXTENT PERMITTED BY LAW, IN NO EVENT SHALL ANY OF THE MSCI PARTIES HAVE ANY LIABILITY REGARDING ANY OF THE INFORMATION FOR ANY DIRECT, INDIRECT, SPECIAL, PUNITIVE, CONSEQUENTIAL (INCLUDING LOST PROFITS) OR ANY OTHER DAMAGES EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES. The foregoing shall not exclude or limit any liability that may not be by applicable law be excluded or limited.

© 2019 MSCI Inc. All rights reserved.