

MSCI JAPAN MULTIPLE-FACTOR ESG TARGET INDEX (USD)

The MSCI Japan Multiple-Factor ESG Target Index is based on MSCI Japan Index, its parent index, which includes large and mid-cap stocks of the Japanese equity markets. The index is designed to represent the performance of a strategy that seeks systematic integration of environmental, social and governance (ESG) norms in factor investing, by seeking higher exposure to combination of style factors along with the improvement in the ESG profile of the index.

CUMULATIVE INDEX PERFORMANCE - NET RETURNS (USD) (NOV 2007 – JAN 2019)



ANNUAL PERFORMANCE (%)

Year	MSCI Japan Multiple-Factor ESG Target	MSCI Japan
2018	-17.93	-12.88
2017	26.56	23.99
2016	5.40	2.38
2015	10.62	9.57
2014	-0.19	-4.02
2013	25.84	27.16
2012	0.47	8.18
2011	-8.39	-14.33
2010	15.91	15.44
2009	9.98	6.25
2008	-28.45	-29.21

INDEX PERFORMANCE — NET RETURNS (%) (JAN 31, 2019)

	1 Mo	3 Mo	1 Yr	YTD	ANNUALIZED			
					3 Yr	5 Yr	10 Yr	Since Nov 30, 2007
MSCI Japan Multiple-Factor ESG Target	6.29	0.98	-15.76	6.29	7.81	5.70	7.32	2.43
MSCI Japan	6.10	-0.60	-11.62	6.10	8.53	5.12	6.71	1.74

FUNDAMENTALS (JAN 31, 2019)

Div Yld (%)	P/E	P/E Fwd	P/BV
2.62	10.67	11.04	1.11
2.45	12.04	11.92	1.23

INDEX RISK AND RETURN CHARACTERISTICS (NOV 30, 2007 – JAN 31, 2019)

	Beta	Tracking Error (%)	Turnover (%) ¹	ANNUALIZED STD DEV (%) ²			SHARPE RATIO ^{2,3}			Since Nov 30, 2007	MAXIMUM DRAWDOWN	
				3 Yr	5 Yr	10 Yr	3 Yr	5 Yr	10 Yr		(%)	Period YYYY-MM-DD
MSCI Japan Multiple-Factor ESG Target	0.94	3.56	40.13	11.93	12.05	13.78	0.58	0.45	0.54	0.18	48.27	2007-12-11—2009-03-10
MSCI Japan	1.00	0.00	2.90	11.05	12.24	14.15	0.68	0.40	0.49	0.14	49.89	2007-12-11—2009-03-10

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

The MSCI Japan Multiple-Factor ESG Target Index was launched on Sep 28, 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.

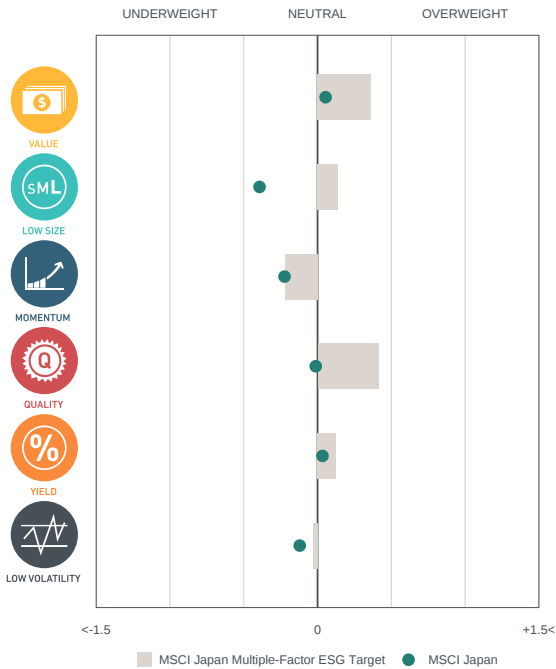
INDEX CHARACTERISTICS

	MSCI Japan Multiple-Factor ESG Target	MSCI Japan
Number of Constituents	119	323
	Weight (%)	
Largest	3.04	4.27
Smallest	0.00	0.04
Average	0.84	0.31
Median	0.73	0.16

TOP 10 CONSTITUENTS

	Index Wt. (%)	Parent Index Wt. (%)	Sector
NTT DOCOMO	3.04	0.97	Comm Srvcs
KDDI	2.84	1.35	Comm Srvcs
ASTELLAS PHARMA	2.84	0.85	Health Care
HITACHI	2.80	0.92	Info Tech
FUJITSU	2.56	0.40	Info Tech
DAIWA HOUSE INDUSTRY	2.52	0.56	Real Estate
ORIX CORP	2.49	0.61	Financials
NEC CORP	2.43	0.27	Info Tech
TOKYO GAS CO	2.35	0.31	Utilities
TOYOTA MOTOR CORP	2.27	4.27	Cons Discr
Total	26.14	10.49	

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



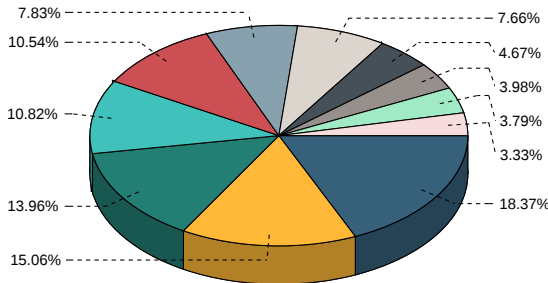
MSCI FaCS

- 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 18.37%
- Information Technology 15.06%
- Consumer Discretionary 13.96%
- Health Care 10.82%
- Materials 10.54%
- Communication Services 7.83%
- Financials 7.66%
- Consumer Staples 4.67%
- Energy 3.98%
- Real Estate 3.79%
- Utilities 3.33%

INDEX METHODOLOGY

The MSCI Japan Multiple-Factor ESG Target Index is optimization-based indexes that aim to maximize their exposure to multiple style factors while improving the ESG profile for the index relative to that of the underlying parent index (MSCI Japan). They are constructed using individual stock exposures to the target factors along with specific ESG score criteria. The MSCI Japan Multiple-Factor ESG Target Index is constructed based on an optimization process from the underlying Parent Index (MSCI Japan) using a Barra Equity Model to maximize the index-level exposure to the targeted style factors while controlling tracking error relative to the Parent Index (MSCI Japan).

The style factors targeted in the MSCI Japan Multiple-Factor ESG Target Index are the four factor families: Value, Quality, Momentum and Low Size. These factor families are described using individual factor scores from MSCI Barra Global Equity Model for Long-Term Investors ("GEMTLT") model. The eligible universe is the universe of all the securities in the Parent Index that are not involved in very severe ESG controversies ("Red flags") or in controversial weapons. The MSCI Japan Multiple-Factor ESG Target Index is rebalanced on a semi-annual basis, usually as of the close of the last business day of May and November, coinciding with the May and November Semi-Annual Index Reviews (SAIRs) of the 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, GEMTLT, 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's research-based indexes and analytics have helped the world's 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.

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 applicable law be excluded or limited.

© 2019 MSCI Inc. All rights reserved.