

# MSCI Japan ESG Universal Select Index (JPY)

The MSCI Japan ESG Universal Select Index captures large and mid-cap securities of the Japanese equity markets. The index aims to increase exposure to companies demonstrating both a robust ESG profile and a positive trend in improving that profile, by re-weighting free-float adjusted market capitalization weights based on certain ESG metrics, while minimizing exclusions from the MSCI Japan index. In addition, a selection of securities using pre-defined ESG screens is excluded from the index.

## CUMULATIVE INDEX PERFORMANCE – NET RETURNS (JPY) (MAY 2012 – MAY 2022)



## ANNUAL PERFORMANCE (%)

Year	MSCI Japan ESG Universal Select	MSCI Japan
2021	13.01	13.44
2020	9.51	8.76
2019	20.03	18.48
2018	-15.08	-15.15
2017	19.49	19.75
2016	-0.44	-0.74
2015	10.38	9.93
2014	10.26	9.48
2013	54.19	54.58

## INDEX PERFORMANCE – NET RETURNS (%) (MAY 31, 2022)

	1 Mo	3 Mo	1 Yr	YTD	ANNUALIZED				Since May 31, 2012
					3 Yr	5 Yr	10 Yr	Since May 31, 2012	
MSCI Japan ESG Universal Select	1.08	2.77	1.99	-3.67	11.62	7.10	12.67	12.66	
MSCI Japan	0.92	3.01	1.93	-3.29	11.21	6.85	12.42	12.42	

## FUNDAMENTALS (MAY 31, 2022)

Div Yld (%)	P/E	P/E Fwd	P/BV
2.28	15.27	13.94	1.46
2.41	13.55	12.83	1.33

## INDEX RISK AND RETURN CHARACTERISTICS (MAY 31, 2012 – MAY 31, 2022)

	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 Universal Select	0.99	0.92	18.65	14.78	14.62	15.78	0.82	0.55	0.84	0.84	29.44	2018-01-23–2020-03-16
MSCI Japan	1.00	0.00	4.17	15.02	14.66	15.89	0.79	0.53	0.82	0.82	30.77	2018-01-23–2020-03-16

<sup>1</sup> Last 12 months

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

<sup>3</sup> Based on JBA TIBOR 1M from Sep 1 2021 & on ICE LIBOR 1M prior that date

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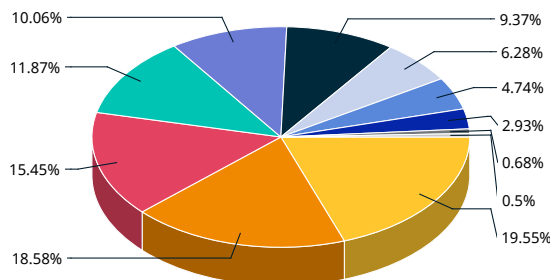
## INDEX CHARACTERISTICS

	MSCI Japan ESG Universal Select	MSCI Japan
<b>Number of Constituents</b>	246	260
<b>Weight (%)</b>		
<b>Largest</b>	4.83	5.24
<b>Smallest</b>	0.01	0.03
<b>Average</b>	0.41	0.38
<b>Median</b>	0.18	0.19

## TOP 10 CONSTITUENTS

	Index Wt. (%)	Parent Index Wt. (%)	Sector
SONY GROUP CORP	4.83	3.56	Cons Discr
TOYOTA MOTOR CORP	4.43	5.24	Cons Discr
TOKYO ELECTRON	3.47	2.05	Info Tech
KDDI	2.85	1.68	Comm Srvc
DAIICHI SANKYO CO	2.36	1.40	Health Care
DAIKIN INDUSTRIES	2.03	1.20	Industrials
KEYENCE CORP	1.98	2.34	Info Tech
mitsubishi UFJ FIN GRP	1.76	2.03	Financials
SOFTBANK CORP	1.67	0.99	Comm Srvc
ASTELLAS PHARMA	1.51	0.89	Health Care
<b>Total</b>	<b>26.89</b>	<b>21.38</b>	

## SECTOR WEIGHTS



- Industrials 19.55%
- Consumer Discretionary 18.58%
- Information Technology 15.45%
- Health Care 11.87%
- Financials 10.06%
- Communication Services 9.37%
- Consumer Staples 6.28%
- Materials 4.74%
- Real Estate 2.93%
- Energy 0.68%
- Utilities 0.5%

The MSCI Japan ESG Universal Select Index was launched on Sep 16, 2020. 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 FRAMEWORK

The MSCI Japan ESG Universal Select Index (the "Index") aims to increase exposure to companies demonstrating both a robust ESG profile and a positive trend in improving that profile, by re-weighting free-float adjusted market capitalization while minimizing exclusions from the MSCI Japan Index (the "Parent Index"). The Index excludes companies that show involvement in thermal coal and tobacco.

The MSCI Japan ESG Universal Select Index is constructed in the following steps. First, companies involved in thermal coal and tobacco are excluded from the Parent Index, subject to pre-defined ESG screening criteria. Second, unrated companies, companies that have faced very severe ESG controversies and companies involved in controversial weapons are excluded from the Parent Index. Third, the ESG reweighting factor is defined for each company, which reflects an assessment of both the current ESG profile (based on the current MSCI ESG Rating) and the trend in that profile (based on the MSCI ESG Rating Trend). Finally, the securities are re-weighted from the free-float market cap weights of the Parent Index using the combined ESG score to construct the MSCI Japan ESG Universal Select Index. The Index is reconstituted semi-annually at the May and November Semi-Annual Index Review and rebalanced at the February and August Quarterly Index Reviews.

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](#).

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