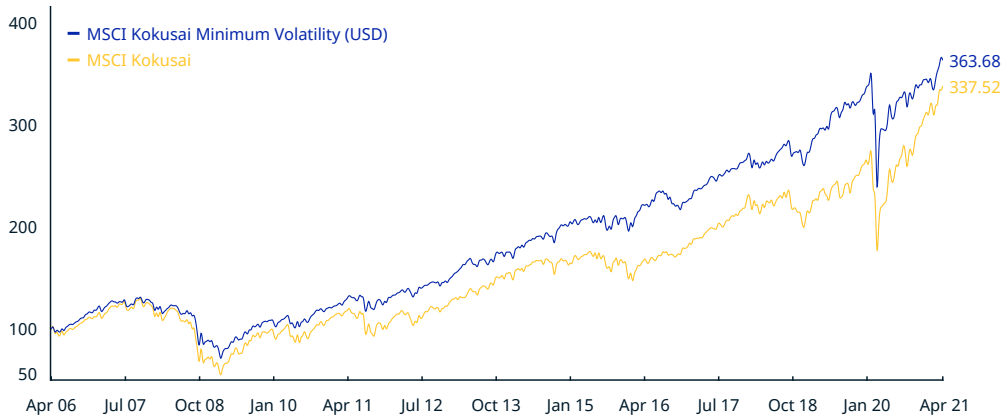


# MSCI Kokusai Minimum Volatility (USD) Index (USD)

The MSCI Kokusai Minimum Volatility (USD) Index aims to reflect the performance characteristics of a minimum variance strategy applied to the large and mid cap equity universe across 22 of 23 Developed Markets countries\* (excluding Japan). The index is calculated by optimizing the MSCI Kokusai Index, its parent index, in USD, for the lowest absolute risk (within a given set of constraints). Historically, the index has shown lower beta and volatility characteristics relative to the MSCI Kokusai Index.

## CUMULATIVE INDEX PERFORMANCE – GROSS RETURNS (USD) (APR 2006 – APR 2021)



## ANNUAL PERFORMANCE (%)

Year	MSCI Kokusai Minimum Volatility (USD)	MSCI Kokusai
2020	3.87	16.63
2019	25.85	29.19
2018	-0.85	-7.78
2017	18.32	22.94
2016	8.00	8.69
2015	3.10	-1.21
2014	13.79	6.38
2013	21.53	27.37
2012	11.58	17.36
2011	7.97	-3.99
2010	11.86	11.99
2009	20.70	34.04
2008	-29.66	-41.55
2007	8.39	11.25

## INDEX PERFORMANCE – GROSS RETURNS (%) (APR 30, 2021)

	1 Mo	3 Mo	1 Yr	YTD	ANNUALIZED				Since Nov 30, 2001
					3 Yr	5 Yr	10 Yr		
MSCI Kokusai Minimum Volatility (USD)	4.05	7.95	21.16	5.86	11.72	10.44	10.62	9.96	
MSCI Kokusai	5.21	11.89	47.30	10.80	15.51	15.11	10.83	8.62	

## FUNDAMENTALS (APR 30, 2021)

Div Yld (%)	P/E	P/E Fwd	P/BV
2.12	24.95	20.58	3.76
1.65	32.17	20.95	3.49

## INDEX RISK AND RETURN CHARACTERISTICS (NOV 30, 2001 – APR 30, 2021)

	Beta	Tracking Error (%)	Turnover (%) <sup>1</sup>	ANNUALIZED STD DEV (%) <sup>2</sup>			SHARPE RATIO <sup>2,3</sup>			Since Nov 30, 2001	MAXIMUM DRAWDOWN	
				3 Yr	5 Yr	10 Yr	3 Yr	5 Yr	10 Yr		(%)	Period YYYY-MM-DD
MSCI Kokusai Minimum Volatility (USD)	0.66	7.05	20.24	13.92	11.68	10.47	0.76	0.80	0.95	0.76	46.68	2007-10-31–2009-03-09
MSCI Kokusai	1.00	0.00	3.26	18.68	15.08	14.36	0.79	0.93	0.74	0.51	58.31	2007-10-31–2009-03-09

<sup>1</sup> Last 12 months

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

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

\* The Developed Markets countries in the index include: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the UK and the US.

### INDEX CHARACTERISTICS

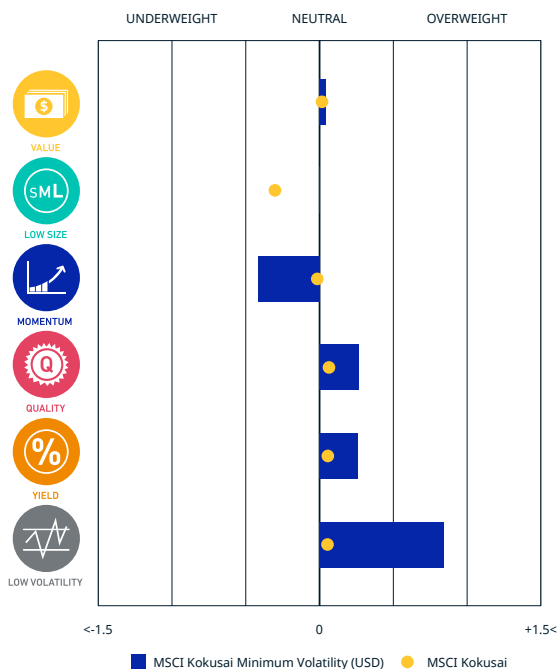
	MSCI Kokusai Minimum Volatility (USD)	MSCI Kokusai
<b>Number of Constituents</b>	265	1,282
<b>Weight (%)</b>		
<b>Largest</b>	1.53	4.28
<b>Smallest</b>	0.04	0.00
<b>Average</b>	0.38	0.08
<b>Median</b>	0.27	0.03

### TOP 10 CONSTITUENTS

	Country	Index Wt. (%)	Parent Index Wt. (%)	Sector
WASTE MANAGEMENT	US	1.53	0.11	Industrials
DEUTSCHE TELEKOM	DE	1.50	0.12	Comm Srvcs
NEXTERA ENERGY	US	1.44	0.29	Utilities
VERTEX PHARMACEUTICALS	US	1.42	0.11	Health Care
VISA A	US	1.42	0.76	Info Tech
NESTLE	CH	1.40	0.66	Cons Staples
PEPSICO	US	1.40	0.38	Cons Staples
ROCHE HOLDING GENUSS	CH	1.36	0.44	Health Care
VERIZON COMMUNICATIONS	US	1.35	0.46	Comm Srvcs
JOHNSON & JOHNSON	US	1.24	0.82	Health Care
<b>Total</b>		<b>14.06</b>	<b>4.15</b>	

### FACTORS - KEY EXPOSURES THAT DRIVE RISK AND RETURN

#### MSCI FACTOR BOX



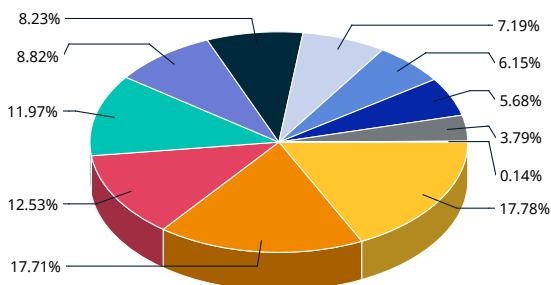
#### MSCI FaCS

- 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.

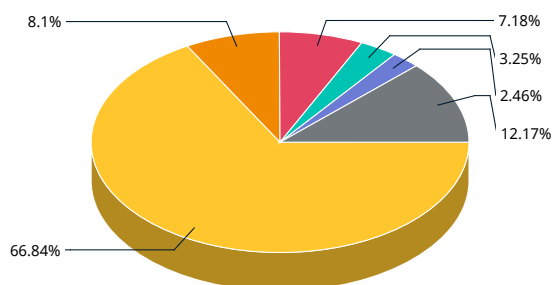
Neutral factor exposure (FaCS = 0) represents MSCI ACWI IMI.

### SECTOR WEIGHTS



- Information Technology 17.78%
- Health Care 17.71%
- Communication Services 12.53%
- Consumer Staples 11.97%
- Financials 8.82%
- Utilities 8.23%
- Industrials 7.19%
- Consumer Discretionary 6.15%
- Materials 5.68%
- Real Estate 3.79%
- Energy 0.14%

### COUNTRY WEIGHTS



- United States 66.84%
- Switzerland 8.1%
- Canada 7.18%
- Hong Kong 3.25%
- Denmark 2.46%
- Other 12.17%

## INDEX METHODOLOGY

The MSCI Minimum Volatility Indexes are designed to provide the lowest return variance for a given covariance matrix of stock returns. Each MSCI Minimum Volatility Index is calculated using Barra Optimizer to optimize a given MSCI parent index for the lowest absolute volatility with a certain set of constraints. These constraints help maintain index replicability and investability and include index turnover limits, for example, along with minimum and maximum constituent, sector and/or country weights relative to the parent index. Each Minimum Volatility Index is rebalanced (or is re-optimized) semi-annually in May and November. Indexes may also be optimized for various currencies.

## 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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