

MSCI Japan ESG Select Leaders Index (JPY)

The MSCI Japan ESG Select Leaders Index is a free float-adjusted market capitalization weighted index based on the MSCI Japan IMI Index, its parent index, which includes large, mid and small-cap securities in the Japanese markets. The Index is designed to represent the performance of companies that have high Environmental, Social and Governance (ESG) performance. The index aims to target sector weights that reflect the relative sector weights of MSCI Japan IMI Index in order to limit the systematic risk introduced by the ESG selection process. Overall the index targets coverage of 50% of the parent index.

For a complete description of the index methodology, please see [Index methodology - MSCI](#).

CUMULATIVE INDEX PERFORMANCE – GROSS RETURNS (JPY) (MAY 2018 – MAY 2024)



ANNUAL PERFORMANCE (%)

Year	MSCI Japan ESG Select Leaders	MSCI Japan IMI
2023	28.34	27.59
2022	-5.09	-3.10
2021	13.33	13.00
2020	10.58	7.85
2019	21.79	18.88

INDEX PERFORMANCE – GROSS RETURNS (%) (MAY 31, 2024)

	1 Mo	3 Mo	1 Yr	YTD	ANNUALIZED				Since May 31, 2018	Div Yld (%)	P/E	P/E Fwd	P/BV
					3 Yr	5 Yr	10 Yr						
MSCI Japan ESG Select Leaders	1.71	5.80	34.85	19.96	16.18	16.48	na	11.82	1.98	16.90	15.55	1.64	
MSCI Japan IMI	1.04	4.41	32.12	18.07	15.25	15.49	na	10.66	2.08	16.45	15.28	1.46	

FUNDAMENTALS (MAY 31, 2024)

INDEX RISK AND RETURN CHARACTERISTICS (MAY 31, 2018 – MAY 31, 2024)

	Beta	Tracking Error (%)	Turnover (%) ¹	ANNUALIZED STD DEV (%) ²			SHARPE RATIO ^{2,3}			Since May 31, 2018	MAXIMUM DRAWDOWN (%)	Period YYYY-MM-DD
				3 Yr	5 Yr	10 Yr	3 Yr	5 Yr	10 Yr			
MSCI Japan ESG Select Leaders	0.99	2.12	13.50	12.48	13.97	na	1.26	1.17	na	0.84	28.02	2020-02-06–2020-03-16
MSCI Japan IMI	1.00	0.00	2.36	11.87	13.84	na	1.25	1.12	na	0.77	29.49	2018-10-02–2020-03-16

¹ Last 12 months ² Based on monthly gross returns data ³ Based on JBA TIBOR 1M from Sep 1 2021 & on ICE LIBOR 1M prior that date

The MSCI Japan ESG Select Leaders Index was launched on Jul 03, 2017. 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 CHARACTERISTICS

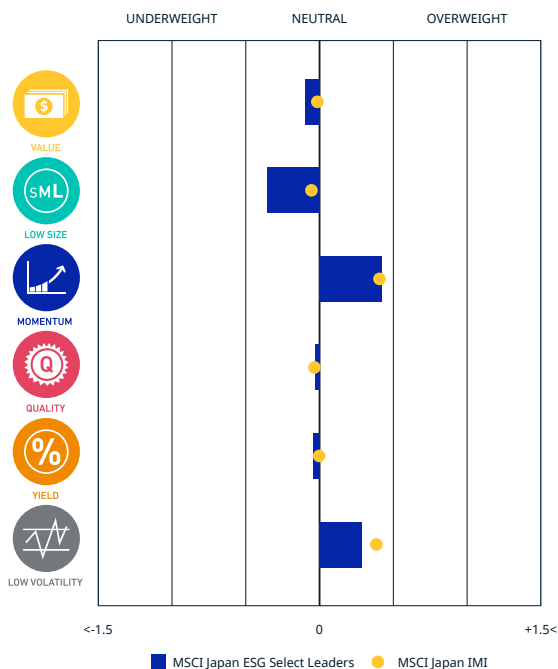
	MSCI Japan ESG Select Leaders	MSCI Japan IMI
Number of Constituents	236	1,088
	Weight (%)	
Largest	9.03	4.86
Smallest	0.01	0.00
Average	0.42	0.09
Median	0.13	0.02

TOP 10 CONSTITUENTS

	Index Wt. (%)	Parent Index Wt. (%)	Sector
TOYOTA MOTOR CORP	9.03	4.86	Cons Discr
SONY GROUP CORP	4.07	2.19	Cons Discr
TOKYO ELECTRON	3.97	2.14	Info Tech
HITACHI	3.75	2.02	Industrials
SUMITOMO MITSUI FINL GRP	3.27	1.76	Financials
RECRUIT HOLDINGS CO	2.87	1.54	Industrials
DAIICHI SANKYO CO	2.58	1.39	Health Care
TOKIO MARINE HOLDINGS	2.45	1.32	Financials
NINTENDO CO	2.23	1.20	Comm Srvcs
ITOCHU CORP	2.21	1.19	Industrials
Total	36.44	19.61	

FACTORS - KEY EXPOSURES THAT DRIVE RISK AND RETURN

MSCI FACTOR BOX



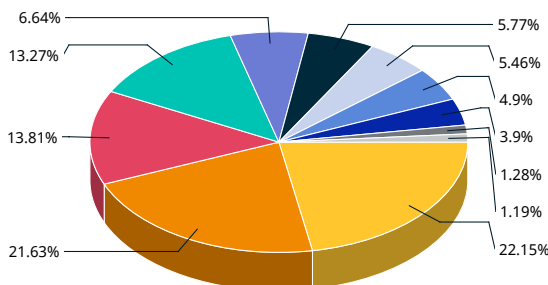
MSCI FaCS

- 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 22.15%
- Consumer Discretionary 21.63%
- Information Technology 13.81%
- Financials 13.27%
- Health Care 6.64%
- Consumer Staples 5.77%
- Communication Services 5.46%
- Materials 4.9%
- Real Estate 3.9%
- Utilities 1.28%
- Energy 1.19%

MSCI FACTOR BOX AND FaCS FRAMEWORK (Please refer to complete description of the MSCI FaCS methodology [here](#))

MSCI FaCS is a standard method 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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