

# MSCI Japan Climate Change Index (USD)

The MSCI Japan Climate Change 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 aims to represent the performance of an investment strategy that re-weights securities based upon the opportunities and risks associated with the transition to a lower carbon economy, while seeking to minimize exclusions from the parent index. The Indexes are designed to exceed the minimum standards of the EU Climate Transition Benchmark (CTB).

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

## CUMULATIVE INDEX PERFORMANCE – NET RETURNS (USD) (NOV 2013 – MAY 2024)



## ANNUAL PERFORMANCE (%)

Year	MSCI Japan Climate Change	MSCI Japan
2023	17.60	20.32
2022	-18.48	-16.65
2021	0.33	1.71
2020	13.19	14.48
2019	20.45	19.61
2018	-11.89	-12.88
2017	24.12	23.99
2016	1.99	2.38
2015	12.07	9.57
2014	-3.99	-4.02

## INDEX PERFORMANCE – NET RETURNS (%) (MAY 31, 2024)

	1 Mo	3 Mo	1 Yr	YTD	ANNUALIZED				Since Nov 26, 2013
					3 Yr	5 Yr	10 Yr	Since Nov 26, 2013	
MSCI Japan Climate Change	1.75	-1.44	11.81	3.58	-0.39	5.27	5.46	4.80	
MSCI Japan	1.34	-0.67	18.63	7.03	2.43	7.56	6.15	5.45	

## FUNDAMENTALS (MAY 31, 2024)

Div Yld (%)	P/E	P/E Fwd	P/BV
1.74	20.06	18.18	1.74
2.01	16.51	15.55	1.55

## INDEX RISK AND RETURN CHARACTERISTICS (NOV 26, 2013 – MAY 31, 2024)

	Beta	Tracking Error (%)	Turnover (%) <sup>1</sup>	ANNUALIZED STD DEV (%) <sup>2</sup>			SHARPE RATIO <sup>2,3</sup>			Since Nov 26, 2013	MAXIMUM DRAWDOWN	
				3 Yr	5 Yr	10 Yr	3 Yr	5 Yr	10 Yr		(%)	Period YYYY-MM-DD
MSCI Japan Climate Change	0.99	1.61	15.44	16.02	15.92	14.04	-0.13	0.27	0.34	0.31	34.74	2021-09-14–2022-10-21
MSCI Japan	1.00	0.00	3.45	15.94	15.76	14.03	0.05	0.41	0.39	0.35	33.42	2021-09-14–2022-10-21

<sup>1</sup> Last 12 months

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

<sup>3</sup> Based on NY FED Overnight SOFR from Sep 1 2021 & on ICE LIBOR 1M prior that date

The MSCI Japan Climate Change Index was launched on Jun 20, 2019. 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**

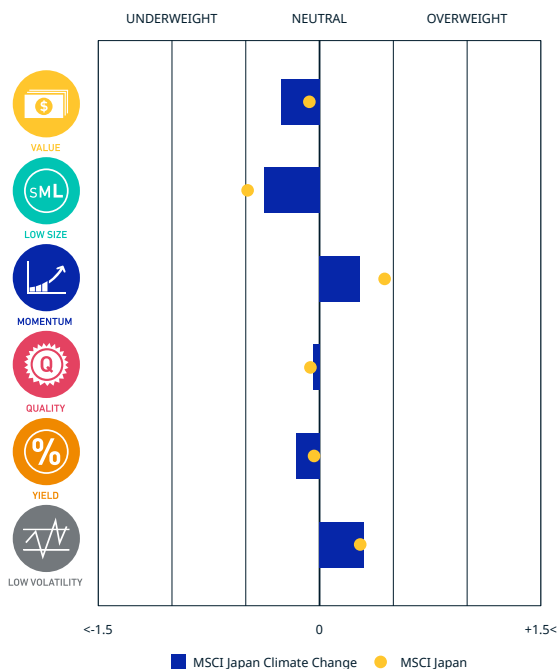
	MSCI Japan Climate Change	MSCI Japan
<b>Number of Constituents</b>	209	217
	Weight (%)	
<b>Largest</b>	5.96	5.99
<b>Smallest</b>	0.01	0.04
<b>Average</b>	0.48	0.46
<b>Median</b>	0.22	0.23

**TOP 10 CONSTITUENTS**

	Index Wt. (%)	Parent Index Wt. (%)	Sector
HITACHI	5.96	2.48	Industrials
SONY GROUP CORP	4.03	2.70	Cons Discr
KEYENCE CORP	3.44	2.28	Info Tech
TOKYO ELECTRON	2.95	2.63	Info Tech
MITSUBISHI UFJ FIN GRP	2.92	3.06	Financials
DAIICHI SANKYO CO	2.63	1.71	Health Care
SUMITOMO MITSUI FINL GRP	2.01	2.17	Financials
CENTRAL JAPAN RAILWAY CO	2.00	0.45	Industrials
EAST JAPAN RAILWAY CO	1.95	0.41	Industrials
FAST RETAILING CO	1.80	1.17	Cons Discr
<b>Total</b>	<b>29.69</b>	<b>19.07</b>	

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

**MSCI FACTOR BOX**



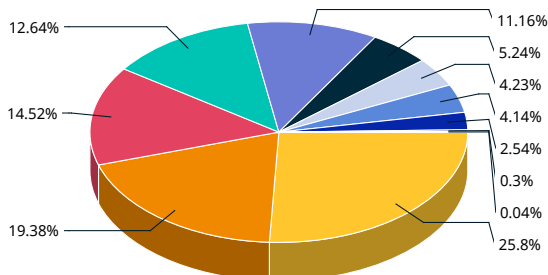
**MSCI FaCS**

- 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 25.8%
- Information Technology 19.38%
- Financials 14.52%
- Consumer Discretionary 12.64%
- Health Care 11.16%
- Communication Services 5.24%
- Real Estate 4.23%
- Consumer Staples 4.14%
- Materials 2.54%
- Utilities 0.3%
- Energy 0.04%

**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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