

FTSE Japan Minimum Variance Index

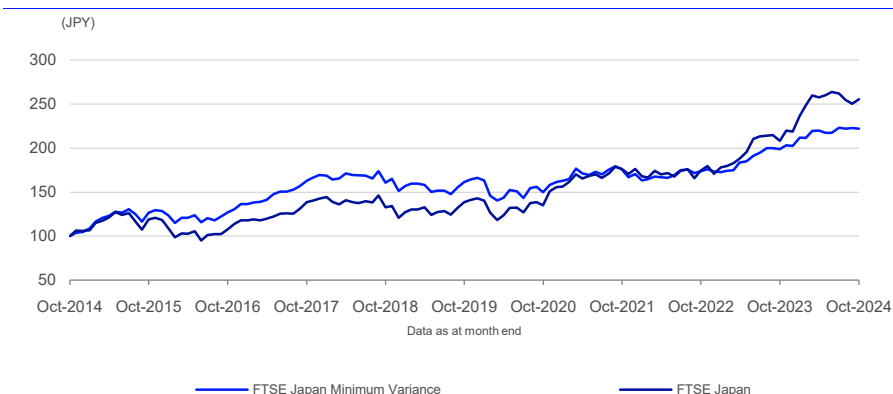
Data as at: 31 October 2024

The FTSE Japan Minimum Variance Index aims to deliver reduced index volatility based on historical return information, thereby offering potential improvements to the risk reward trade-off, whilst maintaining full allocation to the relevant equity market.

Reduced volatility is achieved by applying a transparent rules-based approach which minimizes historical variance subject to additional constraints on the weight of individual stocks within the index, and, at aggregate level on the weight of industries represented in the index.

Constituents of the FTSE Japan Minimum Variance Index are selected from the FTSE Japan Index at the time of the bi-annual review. Aspects such as index reviews and company classification are governed by the FTSE All-World Index Series Ground Rules.

10-Year Performance - Total Return



Performance and Volatility - Total Return

| Index (JPY) | Return % | | | | | | Return pa %* | | Volatility %** | | |
|-----------------------------|----------|------|------|------|------|------|--------------|------|----------------|------|------|
| | 3M | 6M | YTD | 12M | 3YR | 5YR | 3YR | 5YR | 1YR | 3YR | 5YR |
| FTSE Japan Minimum Variance | -0.6 | 0.9 | 9.6 | 11.6 | 26.1 | 37.4 | 8.0 | 6.6 | 14.3 | 12.1 | 10.8 |
| FTSE Japan | -2.4 | -0.7 | 16.7 | 22.7 | 44.9 | 84.7 | 13.2 | 13.1 | 23.6 | 17.7 | 13.7 |

* Compound annual returns measured over 3 and 5 years respectively

** Volatility – 1YR based on 12 months daily data. 3YR based on weekly data (Wednesday to Wednesday). 5YR based on monthly data

Year-on-Year Performance - Total Return

| Index % (JPY) | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|-----------------------------|------|------|------|------|-------|------|------|------|------|------|
| FTSE Japan Minimum Variance | 16.9 | 22.3 | 6.3 | 24.3 | -10.8 | 9.9 | -2.8 | 5.7 | 1.6 | 16.9 |
| FTSE Japan | 10.3 | 11.5 | -0.3 | 21.0 | -15.3 | 18.3 | 8.9 | 13.2 | -3.1 | 28.2 |

FEATURES

Methodology

The approach applies a rules-based strategy to minimise volatility. Some constraints are applied, for example, to avoid over concentration in any particular stock or sector.

Objective

The index is designed for use in the creation of index tracking funds, derivatives and as a performance benchmark.

Investability

Stocks in the underlying universe are free-float weighted to ensure that only the investable opportunity set is included.

Liquidity

Stocks in the underlying universe are screened to ensure that the index is tradable.

Transparency

The index uses a transparent, rules-based construction process. Index Rules are freely available on the FTSE website.

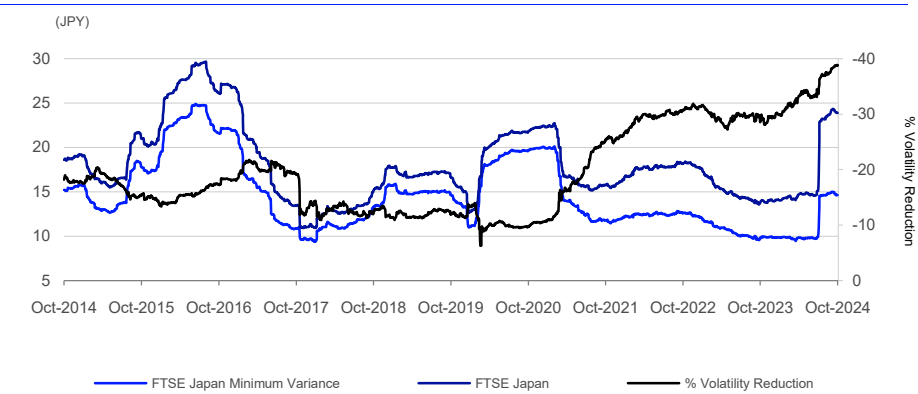
Availability

The index is calculated based on price and total return methodologies, both real time and end-of-day.

Industry Classification Benchmark

Index constituents are categorized in accordance with the Industry Classification Benchmark (ICB), the global standard for industry sector analysis.

Annualised Rolling 252 Day Volatility - Total Return



Return/Risk Ratio and Drawdown - Total Return

| Index (JPY) | Return/Risk Ratio | | | | Drawdown (%) | | | |
|-----------------------------|-------------------|-----|-----|------|--------------|-------|-------|-------|
| | 1YR | 3YR | 5YR | 10YR | 1YR | 3YR | 5YR | 10YR |
| FTSE Japan Minimum Variance | 0.8 | 0.6 | 0.6 | 0.7 | -13.0 | -13.0 | -28.1 | -30.7 |
| FTSE Japan | 0.9 | 0.7 | 1.0 | 0.7 | -24.2 | -24.2 | -28.7 | -31.3 |

Return/Risk Ratio – based on compound annual returns and volatility in Performance and Volatility table
Drawdown - based on daily data

Top 10 Constituents - FTSE Japan Minimum Variance Index

| Constituent | ICB Sector | FTSE Japan Minimum Variance (Wgt %) | FTSE Japan (Wgt %) | Diff % |
|------------------------------|---------------------------------------|-------------------------------------|--------------------|--------|
| McDonald's Holdings (Japan) | Travel and Leisure | 1.05 | 0.08 | 0.97 |
| SoftBank | Telecommunications Service Providers | 0.90 | 0.77 | 0.13 |
| Daiwa House REIT Investment | Real Estate Investment Trusts | 0.89 | 0.08 | 0.81 |
| Nippon Building Fund Inc | Real Estate Investment Trusts | 0.89 | 0.15 | 0.74 |
| Kobe Bussan | Personal Care Drug and Grocery Stores | 0.85 | 0.08 | 0.77 |
| LaSalle Logiport REIT | Real Estate Investment Trusts | 0.82 | 0.04 | 0.78 |
| Nippon Accommodations Fund | Real Estate Investment Trusts | 0.80 | 0.04 | 0.76 |
| Orix Jreit Inc | Real Estate Investment Trusts | 0.78 | 0.06 | 0.72 |
| Yakult Honsha | Food Producers | 0.78 | 0.14 | 0.64 |
| Advance Residence Investment | Real Estate Investment Trusts | 0.78 | 0.06 | 0.72 |
| Totals | | 8.54 | 1.50 | |

INFORMATION

Index Universe

FTSE Japan Index

Index Launch

July 2012

Base Date

18 June 2012

Base Value

100

Investability Screen

Actual free float applied and liquidity screened

Index Calculation

Real time and end of day

End-of-Day Distribution

Via FTP and email

Currency

USD, Euro, GBP, JPY, AUD, Local

Review Dates

March and September

History

Available from September 2001

ICB Supersector Breakdown

| | | FTSE Japan Minimum Variance | | FTSE Japan | | |
|----------|---------------------------------------|-----------------------------|--------|-------------|--------|--------|
| ICB Code | ICB Supersector | No. of Cons | Wgt % | No. of Cons | Wgt % | Diff % |
| 1010 | Technology | 34 | 9.99 | 61 | 10.95 | -0.96 |
| 1510 | Telecommunications | 3 | 2.25 | 6 | 3.95 | -1.70 |
| 2010 | Health Care | 17 | 6.32 | 29 | 7.89 | -1.57 |
| 3010 | Banks | 12 | 2.40 | 23 | 7.67 | -5.27 |
| 3020 | Financial Services | 6 | 0.93 | 11 | 1.71 | -0.78 |
| 3030 | Insurance | 2 | 0.19 | 7 | 3.83 | -3.64 |
| 3510 | Real Estate | 29 | 19.44 | 37 | 3.28 | 16.16 |
| 4010 | Automobiles and Parts | 6 | 0.75 | 27 | 9.02 | -8.27 |
| 4020 | Consumer Products and Services | 19 | 3.63 | 34 | 7.56 | -3.93 |
| 4030 | Media | 6 | 1.33 | 8 | 0.41 | 0.92 |
| 4040 | Retailers | 15 | 5.80 | 19 | 2.65 | 3.15 |
| 4050 | Travel and Leisure | 15 | 5.41 | 16 | 1.48 | 3.93 |
| 4510 | Food Beverage and Tobacco | 26 | 12.33 | 28 | 3.39 | 8.94 |
| 4520 | Personal Care Drug and Grocery Stores | 18 | 7.85 | 18 | 2.53 | 5.32 |
| 5010 | Construction and Materials | 11 | 2.95 | 21 | 2.10 | 0.85 |
| 5020 | Industrial Goods and Services | 45 | 12.53 | 97 | 24.59 | -12.07 |
| 5510 | Basic Resources | 5 | 1.06 | 10 | 1.00 | 0.06 |
| 5520 | Chemicals | 14 | 2.90 | 28 | 3.74 | -0.85 |
| 6010 | Energy | 2 | 0.08 | 4 | 0.83 | -0.75 |
| 6510 | Utilities | 8 | 1.88 | 12 | 1.39 | 0.48 |
| Totals | | 293 | 100.00 | 496 | 100.00 | |

Index Characteristics

| Attributes | FTSE Japan Minimum Variance | FTSE Japan |
|-------------------------|-----------------------------|------------|
| Number of constituents | 293 | 496 |
| Dividend Yield % | 2.81 | 2.25 |
| Constituent (Wgt %) | | |
| Average | 0.34 | 0.20 |
| Largest | 1.05 | 4.67 |
| Median | 0.30 | 0.07 |
| Top 10 Holdings (Wgt %) | 8.54 | 22.79 |

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info@ftserussell.com

To learn more, visit lseg.com/ftse-russell;
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call your regional Client Services Team office:

EMEA

+44 (0) 20 7866 1810

North America

+1 877 503 6437

Asia-Pacific

Hong Kong +852 2164 3333
Tokyo +81 3 6441 1430
Sydney +61 (0) 2 7228 5659