

FTSE Japan Minimum Variance Index

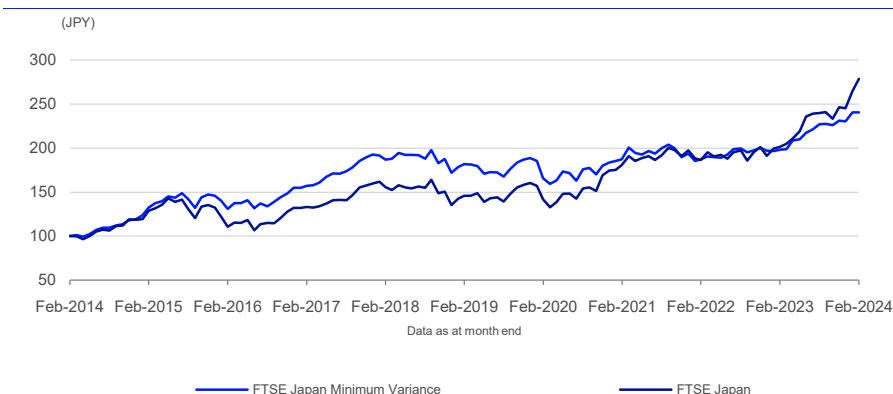
Data as at: 29 February 2024

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	4.0	5.9	4.4	21.4	28.5	32.4	8.7	5.8	9.6	11.3	11.3
FTSE Japan	13.1	16.3	13.6	38.4	54.1	91.2	15.5	13.8	14.0	16.0	14.3

* 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.

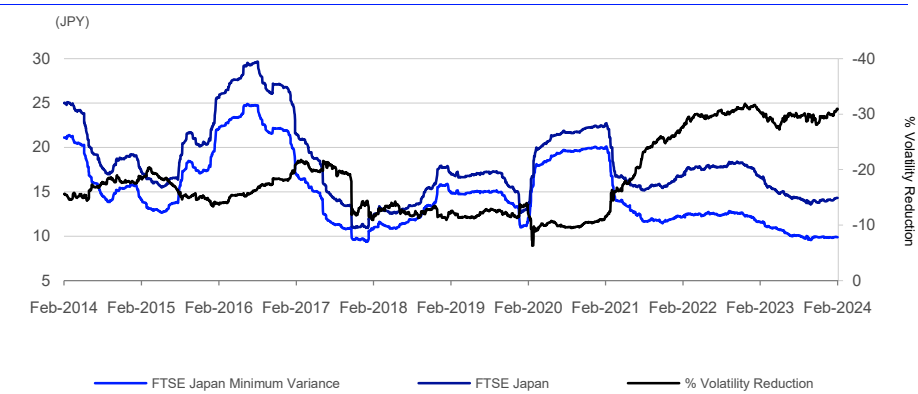
Availability

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	2.1	0.7	0.5	0.8	-6.0	-14.9	-28.1	-30.7
FTSE Japan	2.6	0.9	1.0	0.7	-8.0	-16.1	-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	1.80	0.09	1.71
Japan Post Bank	Banks	1.17	0.34	0.83
SoftBank	Telecommunications Service Providers	1.06	0.80	0.26
Yamazaki Baking	Food Producers	0.93	0.06	0.87
Skylark Holdings	Travel and Leisure	0.89	0.07	0.82
Japan Tobacco	Tobacco	0.86	0.68	0.18
Lawson	Personal Care Drug and Grocery Stores	0.84	0.07	0.77
Japan Post Holdings	Life Insurance	0.83	0.42	0.41
Shimamura	Retailers	0.82	0.05	0.77
Electric Power Development	Electricity	0.80	0.06	0.74
Totals		10.00	2.64	

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

ICB Code	ICB Supersector	FTSE Japan Minimum Variance		FTSE Japan		Diff %
		No. of Cons	Wgt %	No. of Cons	Wgt %	
1010	Technology	31	6.84	60	12.01	-5.16
1510	Telecommunications	4	2.99	7	4.00	-1.01
2010	Health Care	18	4.07	34	7.59	-3.52
3010	Banks	18	5.97	21	7.15	-1.18
3020	Financial Services	7	1.54	12	1.85	-0.31
3030	Insurance	6	1.78	7	3.24	-1.45
3510	Real Estate	30	16.78	37	3.23	13.54
4010	Automobiles and Parts	4	0.63	27	11.56	-10.93
4020	Consumer Products and Services	20	5.21	40	7.56	-2.35
4030	Media	4	0.59	7	0.34	0.25
4040	Retailers	15	5.43	19	2.28	3.16
4050	Travel and Leisure	13	5.62	16	1.62	4.00
4510	Food Beverage and Tobacco	23	12.07	29	3.29	8.78
4520	Personal Care Drug and Grocery Stores	20	6.92	21	2.61	4.31
5010	Construction and Materials	12	2.58	21	2.06	0.52
5020	Industrial Goods and Services	42	10.31	98	22.39	-12.08
5510	Basic Resources	6	1.10	11	1.17	-0.07
5520	Chemicals	13	1.58	28	3.97	-2.38
6010	Energy	4	2.13	4	0.77	1.35
6510	Utilities	10	5.85	12	1.32	4.53
Totals		300	100.00	511	100.00	

Index Characteristics

Attributes	FTSE Japan Minimum Variance	FTSE Japan
Number of constituents	300	511
Dividend Yield %	2.63	1.99
Constituent (Wgt %)		
Average	0.33	0.20
Largest	1.80	6.36
Median	0.28	0.07
Top 10 Holdings (Wgt %)	10.00	23.76

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info@ftserussell.com

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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