

FTSE Japan Minimum Variance Index

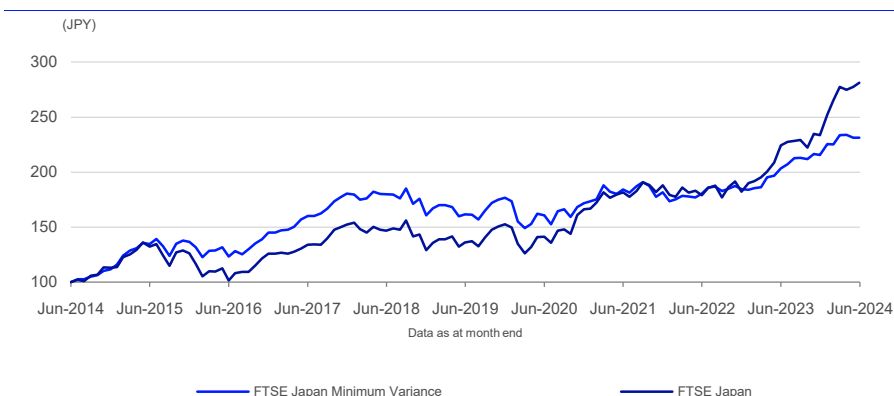
Data as at: 28 June 2024

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	-1.1	7.3	7.3	13.7	25.5	43.2	7.9	7.4	9.5	11.3	11.1
FTSE Japan	1.4	20.4	20.4	25.4	54.8	106.9	15.7	15.7	14.2	16.2	13.9

* 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.

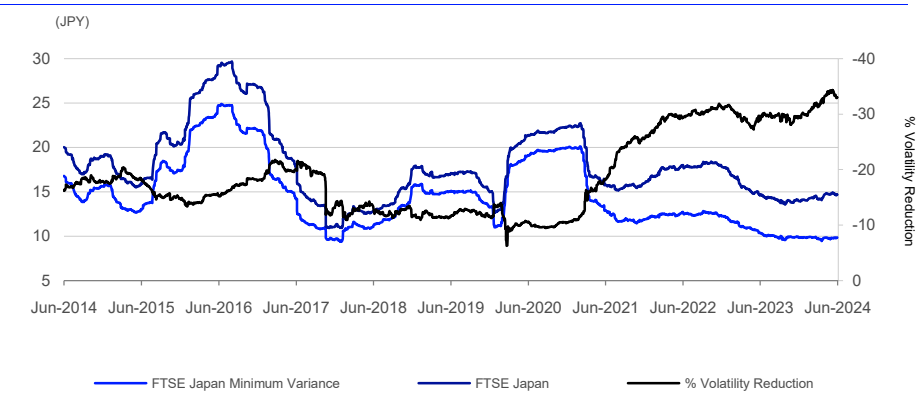
Availability

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	1.3	0.7	0.7	0.7	-6.0	-14.9	-28.1	-30.7
FTSE Japan	1.7	1.0	1.1	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	1.34	0.08	1.26
KEWPIE Corporation	Food Producers	0.90	0.05	0.85
SoftBank	Telecommunications Service Providers	0.89	0.76	0.13
Nippon Accommodations Fund	Real Estate Investment Trusts	0.88	0.04	0.84
Japan Post Bank	Banks	0.87	0.31	0.56
GLP J-REIT	Real Estate Investment Trusts	0.87	0.09	0.78
Daiwa House REIT Investment	Real Estate Investment Trusts	0.86	0.08	0.78
Advance Residence Investment	Real Estate Investment Trusts	0.85	0.06	0.79
LaSalle Logiport REIT	Real Estate Investment Trusts	0.82	0.04	0.78
Japan Tobacco	Tobacco	0.81	0.73	0.08
Totals		9.09	2.24	

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	35	8.18	60	11.45	-3.27
1510	Telecommunications	4	2.47	7	3.89	-1.42
2010	Health Care	15	4.39	31	7.22	-2.82
3010	Banks	18	5.29	21	7.84	-2.55
3020	Financial Services	6	1.45	12	1.85	-0.39
3030	Insurance	4	1.34	7	3.96	-2.63
3510	Real Estate	29	19.74	37	3.24	16.50
4010	Automobiles and Parts	3	0.41	27	10.35	-9.94
4020	Consumer Products and Services	18	4.71	36	7.33	-2.62
4030	Media	4	0.97	7	0.31	0.67
4040	Retailers	16	5.95	19	2.15	3.79
4050	Travel and Leisure	14	5.89	17	1.47	4.42
4510	Food Beverage and Tobacco	25	11.63	28	3.19	8.44
4520	Personal Care Drug and Grocery Stores	17	5.94	19	2.35	3.59
5010	Construction and Materials	9	1.81	20	2.09	-0.28
5020	Industrial Goods and Services	40	11.46	99	24.13	-12.68
5510	Basic Resources	6	1.17	11	1.11	0.06
5520	Chemicals	14	2.13	28	3.75	-1.62
6010	Energy	3	1.05	4	0.86	0.19
6510	Utilities	10	4.03	12	1.45	2.58
Totals		290	100.00	502	100.00	

Index Characteristics

Attributes	FTSE Japan Minimum Variance	FTSE Japan
Number of constituents	290	502
Dividend Yield %	2.75	2.02
Constituent (Wgt %)		
Average	0.34	0.20
Largest	1.34	5.53
Median	0.30	0.07
Top 10 Holdings (Wgt %)	9.09	23.84

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