

SPIVA[®] Japan Scorecard

Contributors

Priscilla Luk

Managing Director
Global Research & Design
priscilla.luk@spglobal.com

Tim Wang

Senior Analyst
Global Research & Design
tim.wang@spglobal.com

[Experience](#) the active vs. passive debate on a global scale.

SUMMARY

- S&P Dow Jones Indices has been the de facto scorekeeper of the ongoing active versus passive debate since we first published the SPIVA U.S. Scorecard in 2002. Over the years, we have expanded the scorecard coverage into Australia, Canada, Europe, India, South Africa, Latin America, the Middle East and North Africa, and Japan.
- The SPIVA Japan Scorecard reports on the performance of actively managed Japanese mutual funds against their respective benchmark indices over 1-, 3-, 5-, and 10-year investment horizons.¹
- In this scorecard, we evaluated the returns of more than 774 Japanese large- and mid-/small-cap equity funds, along with more than 784 international equity funds investing in global, international, and emerging markets, as well as U.S. equities.
- International equity markets posted stronger returns than the domestic equity market in the first half of 2021; however, a higher number of foreign equity funds underperformed their respective benchmark than domestic equity funds.
- There was no consistent trend in the yearly active versus index figures, but we have consistently observed underperformance for the majority of Japanese active funds in most categories over the 10-year period.

¹ The fund returns used are net of fees, excluding loads.

Exhibit 1: H1 2021 Average Fund and Index Performance

FUND CATEGORY	INDEX	INDEX RETURN (%)	AVERAGE FUND RETURN (%)		FUNDS OUTPERFORMED BY THE INDEX (%)
			EQUAL-WEIGHTED	ASSET-WEIGHTED	
Japanese Large-Cap Funds	S&P/TOPIX 150	9.26	9.00	8.00	52.68
Japanese Mid-/Small-Cap Funds	S&P Japan MidSmallCap	9.92	7.36	7.62	73.89
All Japanese Equity Funds	S&P Japan 500	9.01	8.33	7.83	56.91
U.S. Equity Funds	S&P 500®	23.90	24.62	22.11	55.91
Global Equity Funds	S&P Global 1200	21.72	18.31	15.09	79.72
International Equity Funds	S&P Global 1200 Ex Japan	22.68	20.49	20.12	72.13
Emerging Equity Funds	S&P Emerging BMI	17.21	14.26	15.40	71.79

Source: S&P Dow Jones Indices LLC, Morningstar. Data as of June 30, 2021. Index performance based on total return in JPY. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Domestic Equity Funds

- In the 12-month period ending June 2021, the [S&P/TOPIX 150](#) and S&P Japan MidSmallCap posted strong gains of 30.40% and 22.96%, respectively. Over the same period, 58.1% and 26.1% of large- and mid-/small-cap equity funds underperformed their respective benchmarks, with average gains of 29.94% and 28.31%, respectively.
- Over the 5- and 10-year horizons, 77.4% and 79.4% of Japanese large-cap funds underperformed the S&P/TOPIX 150, and they delivered lower equal-weighted average returns than the benchmark. In contrast, the percentage of underperforming funds in the Japan mid-/small-cap fund category was much smaller, and the equal-weighted average fund returns exceeded the S&P Japan MidSmallCap index return.
- As of June 2021, 94.4% and 96.9% of Japanese large- and mid-/small-cap funds, respectively, survived during the one-year period, though the survivorship rates dropped to 62.8% and 67.8%, respectively, over the 10-year period.

Foreign Equity Funds

- Over the 12-month period ending June 2021, more than half of the U.S., global, and international equity funds and over 60% of emerging market equity funds underperformed their respective benchmark indices, despite strong returns in the international equity markets.
- Over the 5- and 10-year horizons, less than 25% of funds beat their respective benchmark indices across all foreign equity fund categories, and they delivered worse equal-weighted average fund returns compared with their benchmarks.
- Survivorship rates of foreign equity funds tended to be lower than the domestic equity funds across all measured periods. Over the 5- and 10-year periods, foreign equity funds had survivorship rates of 75% and 51.2%, respectively.

A UNIQUE SCORECARD FOR THE ACTIVE VERSUS PASSIVE DEBATE

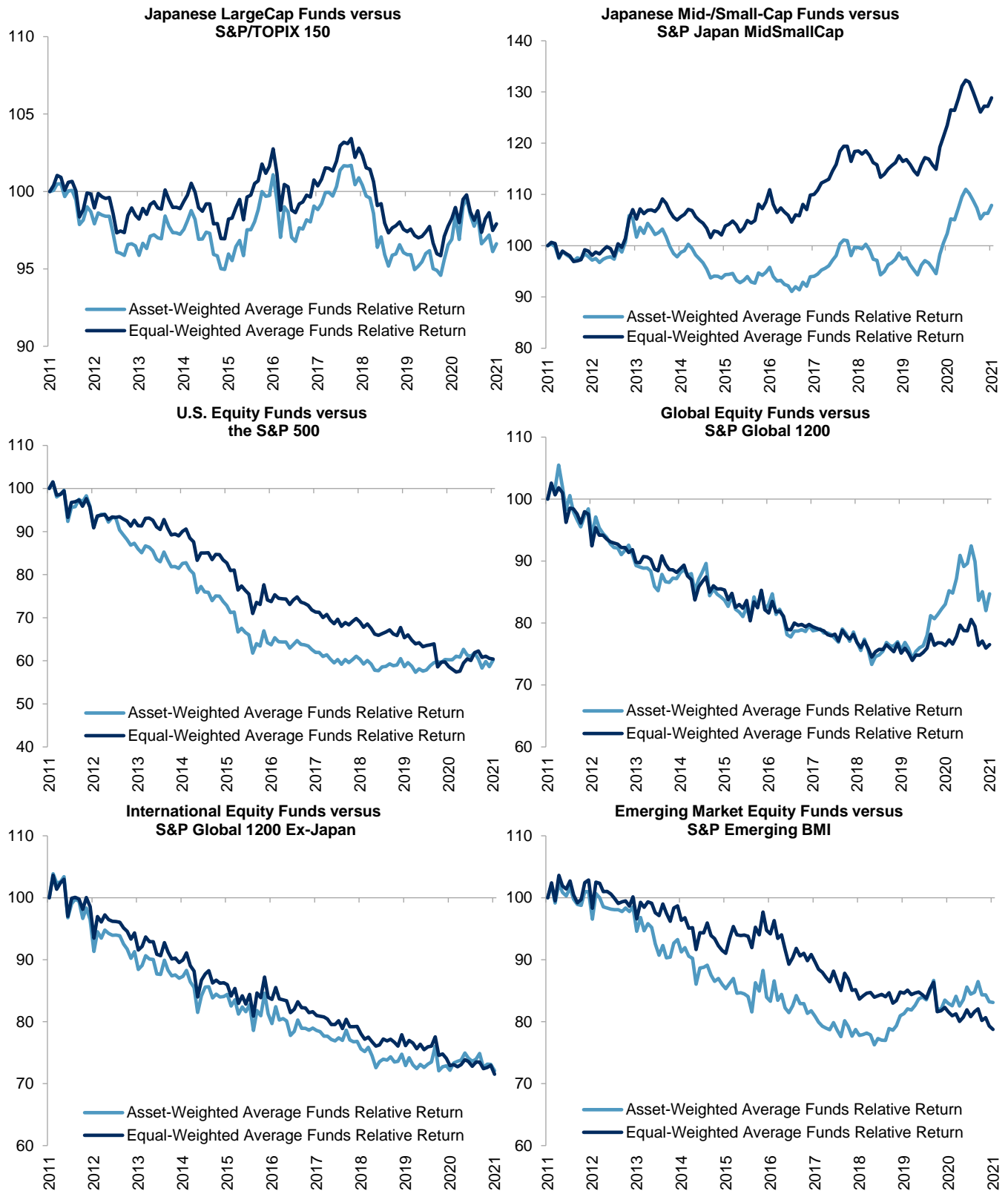
There is nothing novel about the index versus active debate. It has been a contentious subject for decades, and there are few strong believers on both sides, with the vast majority of market participants falling somewhere in between. Since its first publication 19 years ago, the SPIVA Scorecard has served as the de facto scorekeeper of the active versus passive debate. For more than a decade, we have heard passionate arguments from believers in both camps when headline numbers have deviated from their beliefs.

Beyond the SPIVA Scorecard's widely cited headline numbers is a rich data set that addresses issues related to measurement techniques, universe composition, and fund survivorship that are far less frequently discussed but are often far more fascinating. These data sets are rooted in the following fundamental principles of the SPIVA Scorecard, with which regular readers will be familiar.

- **Survivorship Bias Correction:** Many funds might be liquidated or merged during a period of study. However, for someone making an investment decision at the beginning of the period, these funds are part of the opportunity set. Unlike other commonly available comparison reports, SPIVA Scorecards account for the entire opportunity set—not just the survivors—thereby eliminating survivorship bias.
- **Apples-to-Apples Comparison:** Fund returns are often compared with a popular benchmark regardless of their investment category. The SPIVA Japan Scorecard makes an appropriate comparison by measuring a fund's returns against the returns of a benchmark that reflects the fund's investment category.
- **Asset-Weighted Returns:** Average returns for a fund group are often calculated using only equal weighting, which results in the returns of a JPY 10 billion fund affecting the average in the same manner as the returns of a JPY 10 million fund. However, the SPIVA Japan Scorecard shows both equal- and asset-weighted averages. Equal-weighted returns are a measure of average fund performance, while asset-weighted returns are a measure of the performance of the average invested dollar.
- **Data Cleaning:** SPIVA Scorecards avoid double counting multiple share classes in all count-based calculations, using only the share class with longer history. Since this is meant to be a scorecard for active managers, index funds, leveraged and inverse funds, and other index-linked products are excluded.

Please note that neither S&P Dow Jones Indices, nor any of its affiliates, make any assurance or provide any investment recommendation on the appropriateness of investing in either index or active investing. S&P Dow Jones Indices does not sponsor, endorse, sell, or promote any investment fund or other investment vehicle that is offered by third parties and that seeks to provide an investment return based on the performance of any index. The SPIVA Japan Scorecard simply provides semiannual statistics according to the SPIVA methodology and a brief analysis of those statistics. Further, S&P Dow Jones Indices does advise that anyone reading this report also read the SPIVA methodology in the report in order to understand how the data was derived.

CUMULATIVE AVERAGE FUND RETURN RELATIVE TO BENCHMARK



Source: S&P Dow Jones Indices LLC, Morningstar. Data as of June 30, 2021. Index performance based on total returns in JPY. Charts are provided for illustrative purposes. Past performance is no guarantee of future results.

REPORTS

Report 1a: Percentage of Funds Outperformed by the Index (Based on Absolute Return)					
FUND CATEGORY	COMPARISON INDEX	1-YEAR (%)	3-YEAR (%)	5-YEAR (%)	10-YEAR (%)
Japanese Large-Cap Funds	S&P/TOPIX 150	58.13	70.53	77.40	79.40
Japanese Mid-/Small-Cap Funds	S&P Japan MidSmallCap	26.11	35.05	32.18	51.98
All Japanese Equity Funds	S&P Japan 500	49.27	66.23	64.19	69.04
U.S. Equity Funds	S&P 500	50.78	81.82	75.70	85.19
Global Equity Funds	S&P Global 1200	54.69	63.68	79.67	93.62
International Equity Funds	S&P Global 1200 Ex Japan	57.14	87.10	87.27	94.34
Emerging Equity Funds	S&P Emerging BMI	64.20	73.49	86.25	97.14

Source: S&P Dow Jones Indices LLC, Morningstar. Data as of June 30, 2021. Table is provided for illustrative purposes. Past performance is no guarantee of future results.

Report 1b: Percentage of Funds Outperformed by the Index (Based on Risk-Adjusted Return)					
FUND CATEGORY	COMPARISON INDEX	1-YEAR (%)	3-YEAR (%)	5-YEAR (%)	10-YEAR (%)
Japanese Large-Cap Funds	S&P/TOPIX 150	45.00	75.86	82.35	78.74
Japanese Mid-/Small-Cap Funds	S&P Japan MidSmallCap	29.65	36.45	40.59	60.45
All Japanese Equity Funds	S&P Japan 500	41.58	68.67	75.05	70.50
U.S. Equity Funds	S&P 500	50.78	82.58	81.31	85.19
Global Equity Funds	S&P Global 1200	43.75	65.09	81.87	91.49
International Equity Funds	S&P Global 1200 Ex Japan	60.32	85.48	89.09	94.34
Emerging Equity Funds	S&P Emerging BMI	96.30	86.75	96.25	94.29

Source: S&P Dow Jones Indices LLC, Morningstar. Data as of June 30, 2021. Risk-adjusted return is computed as annualized average monthly return divided by annualized standard deviation of the monthly return for the measured periods. Table is provided for illustrative purposes. Past performance is no guarantee of future results.

Report 2: Survivorship of Funds		
FUND CATEGORY	NO. OF FUNDS AT START	SURVIVORSHIP (%)
1-YEAR		
Japanese Large-Cap Funds	320	94.38
Japanese Mid-/Small-Cap Funds	226	96.90
All Japanese Equity Funds	546	95.42
U.S. Equity Funds	128	94.53
Global Equity Funds	256	96.88
International Equity Funds	63	88.89
Emerging Equity Funds	81	87.65
All Foreign Equity Funds	528	93.94
3-YEAR		
Japanese Large-Cap Funds	319	85.58
Japanese Mid-/Small-Cap Funds	214	93.46
All Japanese Equity Funds	533	88.74
U.S. Equity Funds	132	84.85
Global Equity Funds	212	86.79
International Equity Funds	62	82.26
Emerging Equity Funds	83	80.72
All Foreign Equity Funds	489	84.66
5-YEAR		
Japanese Large-Cap Funds	323	76.78
Japanese Mid-/Small-Cap Funds	202	85.15
All Japanese Equity Funds	525	80.00
U.S. Equity Funds	107	83.18
Global Equity Funds	182	76.37
International Equity Funds	55	72.73
Emerging Equity Funds	80	62.50
All Foreign Equity Funds	424	75.00
10-YEAR		
Japanese Large-Cap Funds	301	62.79
Japanese Mid-/Small-Cap Funds	177	67.80
All Japanese Equity Funds	478	64.64
U.S. Equity Funds	27	48.15
Global Equity Funds	141	54.61
International Equity Funds	53	60.38
Emerging Equity Funds	70	38.57
All Foreign Equity Funds	291	51.20

Source: S&P Dow Jones Indices LLC, Morningstar. Data as of June 30, 2021. Table is provided for illustrative purposes. Past performance is no guarantee of future results.

Report 3: Average Fund Performance (Equal-Weighted)				
INDEX/PEER GROUP	1-YEAR (%)	3-YEAR (ANNUALIZED %)	5-YEAR (ANNUALIZED %)	10-YEAR (ANNUALIZED %)
S&P/TOPIX 150	30.40	8.46	12.86	11.06
Japanese Large-Cap Funds	29.94	6.87	11.77	10.83
S&P Japan MidSmallCap	22.96	2.92	9.79	11.34
Japanese Mid-/Small-Cap Funds	28.31	5.84	13.13	14.20
S&P Japan 500	28.50	7.18	12.22	11.13
All Japanese Equity Funds	29.30	6.50	12.33	12.12
S&P 500	44.85	18.75	19.51	18.55
U.S. Equity Funds	49.23	13.61	14.83	12.72
S&P Global 1200	43.21	15.46	17.22	14.70
Global Equity Funds	43.46	15.27	15.72	11.67
S&P Global 1200 Ex Japan	44.16	16.01	17.56	14.99
International Equity Funds	41.37	12.67	13.95	11.20
S&P Emerging BMI	44.02	11.66	14.96	8.25
Emerging Equity Funds	39.07	9.45	10.93	5.70

Source: S&P Dow Jones Indices LLC, Morningstar. Data as June 30, 2021. Index performance based on returns in JPY. Table is provided for illustrative purposes. Past performance is no guarantee of future results.

Report 4: Average Fund Performance (Asset-Weighted)				
INDEX/PEER GROUP	1-YEAR (%)	3-YEAR (ANNUALIZED %)	5-YEAR (ANNUALIZED %)	10-YEAR (ANNUALIZED %)
S&P/TOPIX 150	30.40	8.46	12.86	11.06
Japanese Large-Cap Funds	30.01	7.07	11.85	10.68
S&P Japan MidSmallCap	22.96	2.92	9.79	11.34
Japanese Mid-/Small-Cap Funds	29.62	5.68	12.43	12.19
S&P Japan 500	28.50	7.18	12.22	11.13
All Japanese Equity Funds	29.88	6.45	12.02	11.11
S&P 500	44.85	18.75	19.51	18.55
U.S. Equity Funds	44.63	18.62	18.14	12.67
S&P Global 1200	43.21	15.46	17.22	14.70
Global Equity Funds	46.11	19.25	17.69	12.82
S&P Global 1200 Ex Japan	44.16	16.01	17.56	14.99
International Equity Funds	44.04	14.18	15.22	11.28
S&P Emerging BMI	44.02	11.66	14.96	8.25
Emerging Equity Funds	44.34	14.16	14.91	6.27

Source: S&P Dow Jones Indices LLC, Morningstar. Data as of June 30, 2021. Index performance based on returns in JPY. Table is provided for illustrative purposes. Past performance is no guarantee of future results.

Report 5: Quartile Breakpoints of Fund Performance			
FUND CATEGORY	THIRD QUARTILE	SECOND QUARTILE	FIRST QUARTILE
ONE-YEAR			
Japanese Large-Cap Funds	26.34	29.85	33.63
Japanese Mid-/Small-Cap Funds	23.37	28.19	32.51
All Japanese Equity Funds	25.30	29.21	33.44
U.S. Equity Funds	40.10	45.29	55.32
Global Equity Funds	34.30	41.81	51.42
International Equity Funds	34.83	43.39	49.25
Emerging Equity Funds	34.07	42.21	47.11
THREE-YEAR			
Japanese Large-Cap Funds	4.57	6.62	9.18
Japanese Mid-/Small-Cap Funds	2.63	5.27	7.60
All Japanese Equity Funds	3.44	6.15	9.09
U.S. Equity Funds	9.99	12.55	17.55
Global Equity Funds	8.38	14.18	18.95
International Equity Funds	9.81	11.54	15.15
Emerging Equity Funds	6.91	9.56	12.38
FIVE-YEAR			
Japanese Large-Cap Funds	10.19	11.57	13.28
Japanese Mid-/Small-Cap Funds	10.37	12.28	15.08
All Japanese Equity Funds	10.23	11.92	13.77
U.S. Equity Funds	9.47	14.78	19.84
Global Equity Funds	10.11	13.48	17.26
International Equity Funds	10.44	15.92	16.96
Emerging Equity Funds	8.29	10.85	13.97
TEN-YEAR			
Japanese Large-Cap Funds	9.45	10.50	11.48
Japanese Mid-/Small-Cap Funds	10.77	13.32	16.85
All Japanese Equity Funds	9.86	10.97	13.20
U.S. Equity Funds	15.77	17.46	19.52
Global Equity Funds	9.53	12.03	13.52
International Equity Funds	9.85	12.27	13.54
Emerging Equity Funds	5.42	7.12	7.72

Source: S&P Dow Jones Indices LLC, Morningstar. Data as of June 30, 2021. Index performance based on returns in JPY. Figures are computed from universe of funds survived for the entire measured periods. Table is provided for illustrative purposes. Past performance is no guarantee of future results.

APPENDIX A: GLOSSARY

SPIVA Styles and Morningstar Fund Classifications

Data from Morningstar is obtained for all managed funds domiciled in Japan for which month-end data is available during the performance period. The data includes the most comprehensive Japanese fund data on active and finalized (merged or liquidated) funds over the chosen period. Funds are classified based on the Morningstar fund classification system, and the SPIVA Japan Scorecard covers Japanese and international equity categories.

Japanese Equity Funds

The SPIVA Japan Scorecard covers major capitalization levels including large-, mid-, and small-cap funds. S&P Dow Jones Indices uses the Morningstar fund categories, which determine a fund portfolio’s capitalization assignments.

The Morningstar classification system produces narrow, style-based classifications for Japanese equities funds. S&P Dow Jones Indices has consolidated the style-based categories in order to generate a larger sample size and develop a broad-market comparison to market-based benchmarks. A narrow, style-based comparison would yield a limited sample size, given value and growth style segments are not consistently discernible over the past five years.

Morningstar categories have been mapped to SPIVA peer groups in the following manner.

Exhibit 1: Japanese Equity Funds: SPIVA and Morningstar Categories	
SPIVA CATEGORY	MORNINGSTAR CATEGORY
Japanese Large-Cap Funds	Japan Fund Japan Large-Cap Value Equity
	Japan Fund Japan Large-Cap Growth Equity
	Japan Fund Japan Large-Cap Blend Equity
Japanese Mid-/Small-Cap Funds	Japan Fund Japan Small/Mid-Cap Value Equity
	Japan Fund Japan Small/Mid-Cap Growth Equity
	Japan Fund Japan Small/Mid-Cap Blend Equity

Source: S&P Dow Jones Indices LLC, Morningstar. Table is provided for illustrative purposes.

International Equity Funds

For international equity, the SPIVA Japan Scorecard reports on four major categories (U.S., global, international, and emerging market funds) of interest to global asset allocators.

Morningstar categories have been mapped to SPIVA peer groups in the following manner.

Exhibit 2: International Equity Funds: SPIVA and Morningstar Categories	
SPIVA CATEGORY	MORNINGSTAR CATEGORY
U.S. Equity Funds	Japan Fund North America Equity
Global Equity Funds	Japan Fund World Equity
International Equity Funds	Japan Fund World ex-Japan Equity
Emerging Equity Funds	Japan Fund Emerging Multiple Country/Area Equity

Source: S&P Dow Jones Indices LLC, Morningstar. Table is provided for illustrative purposes.

Benchmarks

The chosen benchmarks are shown in Exhibit 3. All index returns are total returns (i.e., include dividend reinvestment) in Japanese yen. There has been no deduction from index returns to account for fund investment expenses. It is important to note that active fund returns are after expenses, but they do not include loads and entry fees.

The benchmarks chosen are the most commonly adopted benchmarks for funds that fall into the respective fund peer groups. In some instances, a fund may not adopt the benchmarks stipulated in Exhibit 3. However, a vast majority do set their performance hurdle based on the assigned benchmarks in this report, ensuring that the study is robust and fair.

Exhibit 3: SPIVA Categories and Their Benchmarks	
SPIVA CATEGORY	BENCHMARK INDEX
Japanese Large-Cap Funds	S&P/TOPIX 150
Japanese Mid-/Small-Cap Funds	S&P Japan MidSmallCap
All Japanese Equity Funds	S&P Japan 500
U.S. Equity Funds	S&P 500
Global Equity Funds	S&P Global 1200
International Equity Funds	S&P Global 1200 Ex Japan
Emerging Equity Funds	S&P Emerging BMI

Source: S&P Dow Jones Indices LLC, Morningstar. Table is provided for illustrative purposes.

APPENDIX B: GLOSSARY

Percentage of Funds Outperformed by the Index

To correct for survivorship bias, we use the opportunity set available at the beginning of the period as the denominator. We determine the count of funds that have survived and beat the index. We then report the index outperformance percentage.

Survivorship (%)

This measure represents the percentage of funds in existence at the beginning of the time period that is still active at the end of the time period.

Equal-Weighted Fund Performance

Equal-weighted returns for a particular style category are determined by calculating a simple average return of all active funds in that category in a particular month.

Asset-Weighted Fund Performance

Asset-weighted returns for a particular style category are determined by calculating a weighted average return of all funds in that category in a particular month, with each fund's return weighted by its total net assets. Asset-weighted returns are a better indicator of fund category performance because they more accurately reflect the returns of the total money invested in that particular style category.

Quartiles Breakpoints

The p^{th} percentile for a set of data is the value that is greater than or equal to $p\%$ of the data, but is less than or equal to $(100-p)\%$ of the data. In other words, it is a value that divides the data into two parts: the lower $p\%$ of the values and the upper $(100-p)\%$ of the values. The first quartile is the 75th percentile, the value separating the elements of a population into the lower 75% and the upper 25%. The second quartile is the 50th percentile and the third quartile is the 25th percentile. For fund category quartiles in a particular time horizon, the data used is the return of the largest share class of the fund net of fees, excluding loads.

Survivorship Bias

Many funds might liquidate or merge during a period of study. This usually occurs due to continued poor performance by the fund. Therefore, if index returns were compared to fund returns using only surviving funds, the comparison would be biased in favor of the fund category. These reports remove this bias by (a) using the entire investment opportunity set, made up of all funds in that particular category at the outset of the period, as the denominator for outperformance calculations, (b) explicitly showing the survivorship rate in each category, and (c) constructing peer average return series for each category based on all available funds at the outset of the period.

Fees

The fund returns used are net of fees, excluding loads.

Indices

A benchmark index provides an investment vehicle against which fund performance can be measured.

S&P/TOPIX 150

The S&P/TOPIX 150 is designed to represent the large-cap universe for Japan. It includes 150 highly liquid securities as leading, blue-chip companies from each of the Global Industry Classification Standard (GICS®) sectors of the Japanese market.

S&P JAPAN MIDSMALLCAP

The S&P Japan MidSmallCap combines the S&P Japan MidCap and S&P Japan SmallCap and comprises the stocks representing the lowest 30% of float-adjusted market cap in Japan. It is a subset of the [S&P Japan BMI](#), comprehensive, rules-based index measuring Japanese stock market performance.

S&P JAPAN 500

The [S&P Japan 500](#) is designed to represent the Japanese investable market. Index constituents are drawn from eligible companies listed on the Tokyo, Osaka, or JASDAQ exchanges. Data is sourced from the comprehensive Toyo Keizai database. Constituents represent the large-, mid-, and small-cap components of the Japanese equity markets.

S&P 500

Widely regarded as the best single gauge of the U.S. equities market, this market-capitalization-weighted index includes a representative sample of the top 500 companies in the leading industries of the U.S. economy, and it provides over 80% coverage of U.S. equities.

S&P GLOBAL 1200

Capturing approximately 70% of the world's capital markets, the [S&P Global 1200](#) is a composite of seven headline indices, many of which are accepted leaders in their regions. It includes the S&P 500 (U.S.), S&P Europe 350[®] (Europe), S&P/TOPIX 150 (Japan), S&P/TSX 60 (Canada), S&P/ASX All Australian 50 (Australia), S&P Asia 50 (Asia Ex-Japan), and S&P Latin America 40 (Latin America).

S&P GLOBAL 1200 EX JAPAN

The S&P Global 1200 Ex Japan is a composite of six headline indices, many of which are accepted leaders in their regions. It includes the S&P 500 (U.S.), S&P Europe 350 (Europe), S&P/TSX 60 (Canada), S&P/ASX All Australian 50 (Australia), S&P Asia 50 (Asia Ex-Japan), and S&P Latin America 40 (Latin America).

S&P EMERGING BMI

The [S&P Emerging BMI](#) captures all companies domiciled in the emerging markets within the S&P Global BMI with a float-adjusted market capitalization of at least USD 100 million and a minimum annual trading liquidity of USD 50 million.

GENERAL DISCLAIMER

© 2021 S&P Dow Jones Indices. All rights reserved. S&P, S&P 500, S&P 500 LOW VOLATILITY INDEX, S&P 100, S&P COMPOSITE 1500, S&P 400, S&P MIDCAP 400, S&P 600, S&P SMALLCAP 600, S&P GIVI, GLOBAL TITANS, DIVIDEND ARISTOCRATS, S&P TARGET DATE INDICES, S&P PRISM, S&P STRIDE, GICS, SPIVA, SPDR and INDEXOLOGY are registered trademarks of S&P Global, Inc. ("S&P Global") or its affiliates. DOW JONES, DJ, DJIA, THE DOW and DOW JONES INDUSTRIAL AVERAGE are registered trademarks of Dow Jones Trademark Holdings LLC ("Dow Jones"). These trademarks together with others have been licensed to S&P Dow Jones Indices LLC. Redistribution or reproduction in whole or in part are prohibited without written permission of S&P Dow Jones Indices LLC. This document does not constitute an offer of services in jurisdictions where S&P Dow Jones Indices LLC, S&P Global, Dow Jones or their respective affiliates (collectively "S&P Dow Jones Indices") do not have the necessary licenses. Except for certain custom index calculation services, all information provided by S&P Dow Jones Indices is impersonal and not tailored to the needs of any person, entity or group of persons. S&P Dow Jones Indices receives compensation in connection with licensing its indices to third parties and providing custom calculation services. Past performance of an index is not an indication or guarantee of future results.

It is not possible to invest directly in an index. Exposure to an asset class represented by an index may be available through investable instruments based on that index. S&P Dow Jones Indices does not sponsor, endorse, sell, promote or manage any investment fund or other investment vehicle that is offered by third parties and that seeks to provide an investment return based on the performance of any index. S&P Dow Jones Indices makes no assurance that investment products based on the index will accurately track index performance or provide positive investment returns. S&P Dow Jones Indices LLC is not an investment advisor, and S&P Dow Jones Indices makes no representation regarding the advisability of investing in any such investment fund or other investment vehicle. A decision to invest in any such investment fund or other investment vehicle should not be made in reliance on any of the statements set forth in this document. Prospective investors are advised to make an investment in any such fund or other vehicle only after carefully considering the risks associated with investing in such funds, as detailed in an offering memorandum or similar document that is prepared by or on behalf of the issuer of the investment fund or other investment product or vehicle. S&P Dow Jones Indices LLC is not a tax advisor. A tax advisor should be consulted to evaluate the impact of any tax-exempt securities on portfolios and the tax consequences of making any particular investment decision. Inclusion of a security within an index is not a recommendation by S&P Dow Jones Indices to buy, sell, or hold such security, nor is it considered to be investment advice. Closing prices for S&P Dow Jones Indices' US benchmark indices are calculated by S&P Dow Jones Indices based on the closing price of the individual constituents of the index as set by their primary exchange. Closing prices are received by S&P Dow Jones Indices from one of its third party vendors and verified by comparing them with prices from an alternative vendor. The vendors receive the closing price from the primary exchanges. Real-time intraday prices are calculated similarly without a second verification.

These materials have been prepared solely for informational purposes based upon information generally available to the public and from sources believed to be reliable. No content contained in these materials (including index data, ratings, credit-related analyses and data, research, valuations, model, software or other application or output therefrom) or any part thereof ("Content") may be modified, reverse-engineered, reproduced or distributed in any form or by any means, or stored in a database or retrieval system, without the prior written permission of S&P Dow Jones Indices. The Content shall not be used for any unlawful or unauthorized purposes. S&P Dow Jones Indices and its third-party data providers and licensors (collectively "S&P Dow Jones Indices Parties") do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Dow Jones Indices Parties are not responsible for any errors or omissions, regardless of the cause, for the results obtained from the use of the Content. THE CONTENT IS PROVIDED ON AN "AS IS" BASIS. S&P DOW JONES INDICES PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Dow Jones Indices Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of the Content even if advised of the possibility of such damages.

S&P Global keeps certain activities of its various divisions and business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain divisions and business units of S&P Global may have information that is not available to other business units. S&P Global has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

In addition, S&P Dow Jones Indices provides a wide range of services to, or relating to, many organizations, including issuers of securities, investment advisers, broker-dealers, investment banks, other financial institutions and financial intermediaries, and accordingly may receive fees or other economic benefits from those organizations, including organizations whose securities or services they may recommend, rate, include in model portfolios, evaluate or otherwise address.

TOPIX is a trademark of Tokyo Stock Exchange and has been licensed for use by S&P Dow Jones Indices.