

SPIVA® Japan Scorecard

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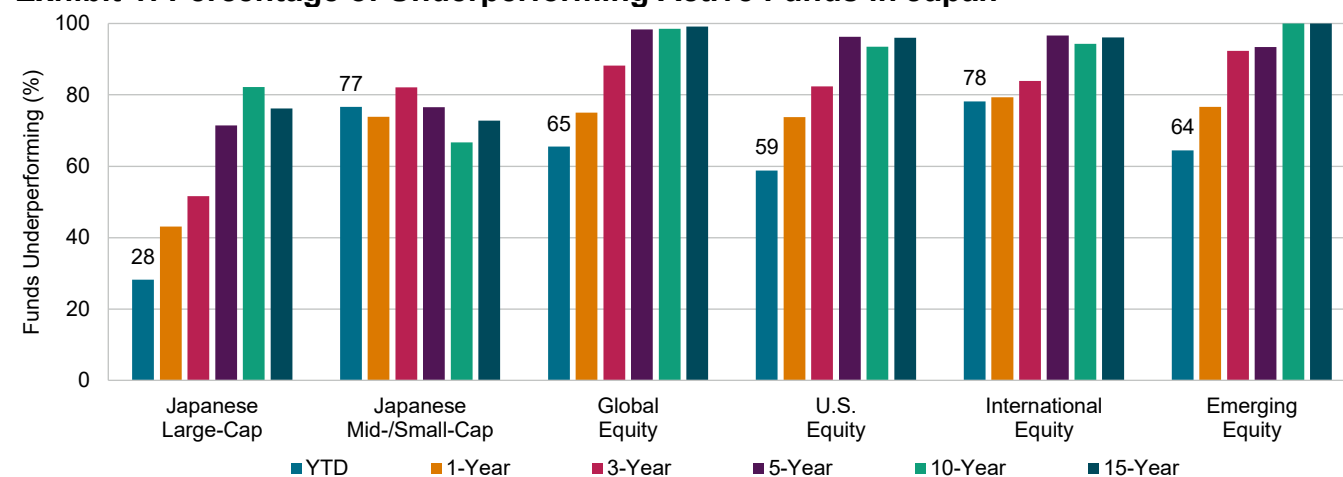
Since the first publication of the S&P Indices Versus Active (SPIVA) U.S. Scorecard in 2002, S&P Dow Jones Indices has been the de facto scorekeeper of the ongoing active versus passive debate. The SPIVA Japan Scorecard measures the performance of actively managed funds offered in Japan against their assigned benchmarks over various time horizons, covering large-, mid- and small-cap segments, as well as international and global equity funds.

Mid-Year 2026 Highlights

Experience the active vs. passive debate on a global scale.

The first half of 2026 produced mixed results for active equity funds in Japan. Japanese Large-Cap funds offered a notable exception to the rule, with more than 7 out of 10 outperforming their assigned benchmark, while Japanese Mid-/Small-Cap and overseas equity funds recorded near-opposite results. A majority of funds in every category underperformed over longer investment horizons. Exhibit 1 summarizes the results over periods ranging from 6 months to 15 years ending June 30, 2026.

Exhibit 1: Percentage of Underperforming Active Funds in Japan



Source: S&P Dow Jones Indices LLC, Morningstar. Data as of June 30, 2026. The S&P World Index (JPY) was launched on May 28, 2020. The S&P World Ex-Japan Index (JPY) was launched on Jan. 15, 2025. All data prior to such date is back-tested hypothetical data. Past performance is no guarantee of future results. Chart is provided for illustrative purposes and reflects hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

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- **Japanese Large-Cap Funds:** The [S&P/TOPIX 150](#) gained 17.8% in H1 2026, while actively managed Japanese Large-Cap funds returned 23.2% and 20.9% on equal- and asset-weighted bases, respectively. Only 28% of funds underperformed, the lowest rate among all categories. However, underperformance rates rose substantially over longer horizons, reaching 82% and 76% over the 10- and 15-year periods, respectively.
- **Japanese Mid-/Small-Cap Funds:** Japanese Mid-/Small-Cap funds struggled to keep pace with the strong benchmark performance. The S&P Japan MidSmallCap rose 24.4%, while 77% of funds underperformed in H1 2026. Underperformance rates declined over longer horizons but remained elevated, at 67% and 73% over the 10- and 15-year periods, respectively.
- **Global Equity Funds:** The [S&P World Index](#) gained 13.4% in JPY terms during H1 2026, while Global Equity funds returned 11.0% and 9.9% on equal- and asset-weighted bases, respectively. As a result, 65% of funds underperformed. Longer-term results were considerably weaker, with 98%-99% of funds lagging over the 5-, 10- and 15-year horizons.
- **U.S. Equity Funds:** The [S&P 500®](#) advanced 14.3% in JPY terms, while U.S. Equity funds returned 13.3% and 7.8% on equal- and asset-weighted bases, respectively. Despite a potentially supportive market backdrop,¹ 59% of funds underperformed. Over the 10- and 15-year horizons, 93% and 96% of funds underperformed, respectively.
- **International Equity Funds:** International Equity funds recorded the highest underperformance rate among all categories, at 78% in H1 2026. These funds returned 10.1% and 13.6% on equal- and asset-weighted bases, respectively, compared with a 13.0% gain in the [S&P World Ex-Japan Index](#) in JPY terms. Underperformance remained high over longer horizons, reaching 94%-97% over the 5-, 10- and 15-year periods.
- **Emerging Equity Funds:** Emerging Equity funds recorded a 64% underperformance rate during H1 2026. Although the [S&P Emerging Plus Index](#) gained 26.9% in JPY terms, most active funds failed to keep pace. Longer-term results remained particularly challenging, with 100% of funds underperforming over both the 10- and 15-year horizons.
- **Fund Survivorship:** Fund attrition remained limited over shorter horizons, with 99% of funds surviving through H1 2026 across all categories. Survivorship declined steadily over time, with only 46% of funds surviving over 15 years. Overseas categories, particularly Emerging Equity funds, exhibited some of the lowest long-term survivorship rates (see Report 2).

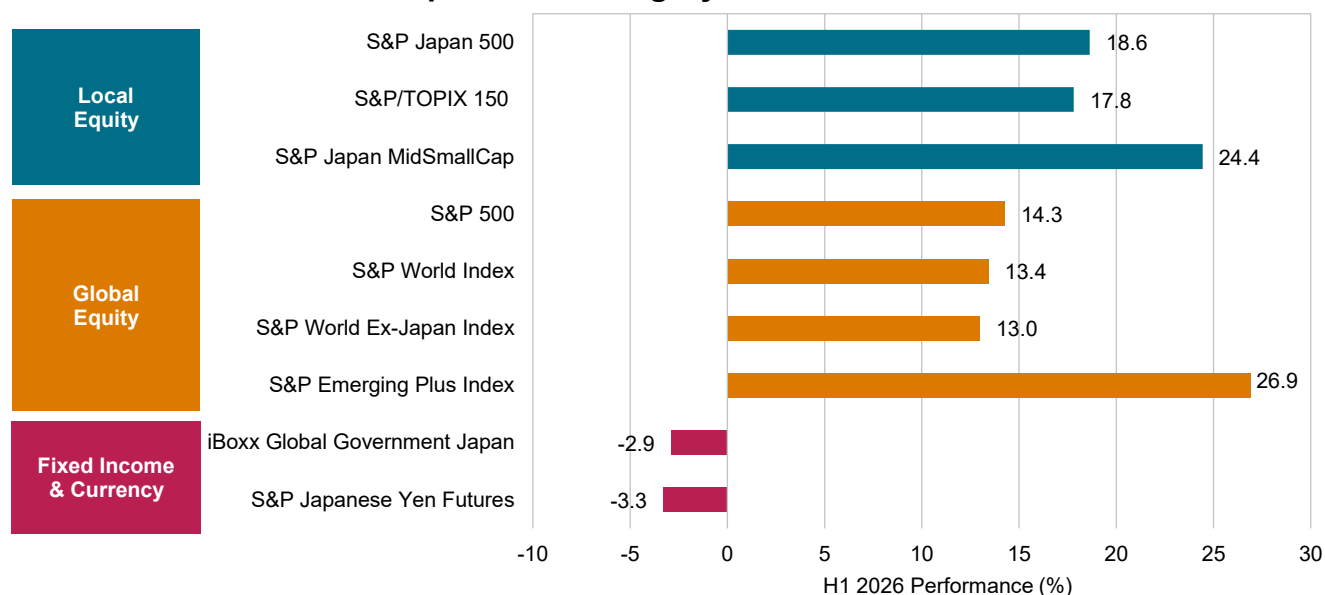
¹ For insight into the U.S. equity market environment, see Ganti, Anu, et al. "[SPIVA U.S. Mid-Year 2026 Scorecard](#)," S&P Dow Jones Indices LLC, September 2026.

Market Context

Japanese equities extended their strong momentum into the first half of 2026. Following three consecutive years of double-digit gains, the [S&P Japan 500](#) advanced 18.6% in H1 2026. Smaller companies continued to lead the market, with the S&P Japan MidSmallCap rising 24.4%, compared with a 17.8% gain for the large cap-focused S&P/TOPIX 150. Global equity markets also experienced solid gains. The S&P World Index advanced 13.4% in JPY terms, while emerging markets were among the strongest-performing segments globally, with the S&P Emerging Plus Index gaining 26.9%.

Meanwhile, Japanese government bonds and the Japanese yen remained under pressure amid concerns over fiscal expansion, persistent inflationary pressures and ongoing rate hikes by the Bank of Japan. The iBoxx Global Government Japan declined 2.9% in H1 2026, extending its decline from 2025, when it fell 6.3%.

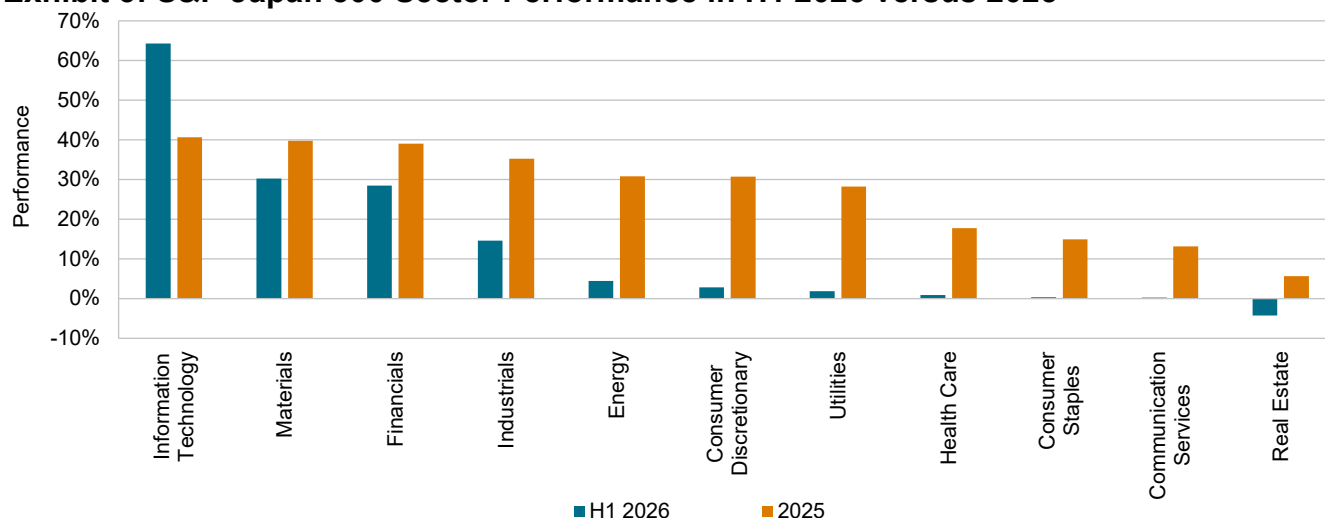
Exhibit 2: Performance of Japan Fund Category Benchmarks and Selected Indices



Source: S&P Dow Jones Indices LLC. Data as of June 30, 2026. Index performance based on total return in JPY. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

Sector performance diverged considerably in H1 2026. Within the S&P Japan 500, Information Technology gained more than 60%, while Real Estate was the only sector to post negative performance (see Exhibit 3). This contrasted with 2025, when all 11 sectors posted gains and sector performance was relatively clustered, ranging from approximately 5% to 40%. The wider spread between the best- and worst-performing sectors in H1 2026 highlights the increase in sector-level dispersion across the market, creating a potentially more favorable environment for active domestic equity funds seeking to add value through sector allocation.

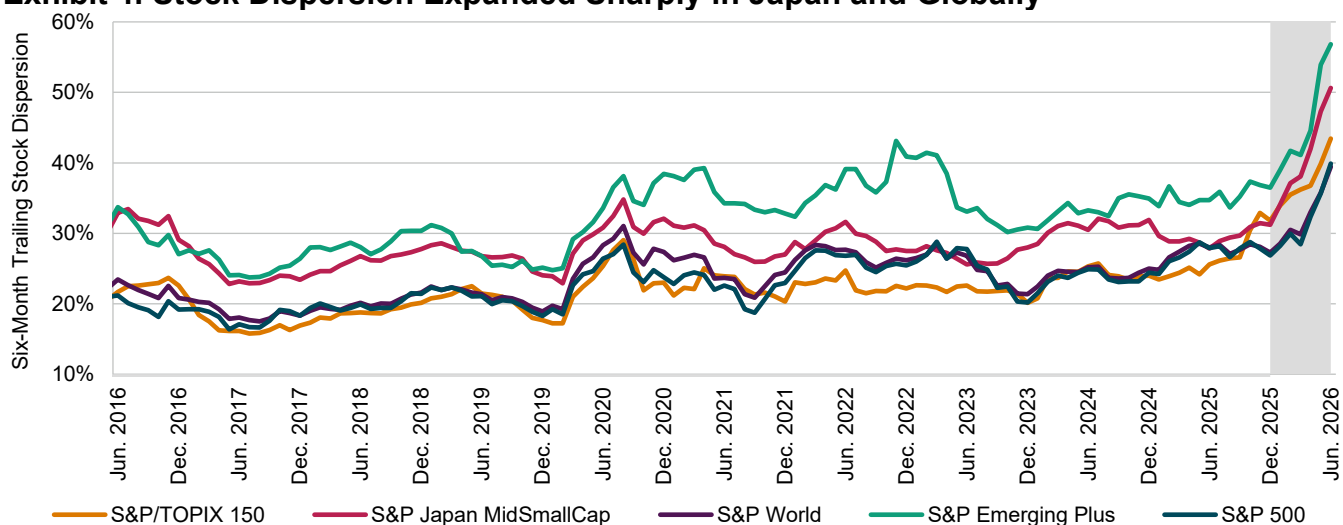
Exhibit 3: S&P Japan 500 Sector Performance in H1 2026 versus 2025



Source: S&P Dow Jones Indices LLC. Data as of June 30, 2026. Index performance based on total return in JPY. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

Stock-level dispersion also increased in Japan and globally. Dispersion,² which measures the degree to which constituent performance varies around the index average, increased markedly across Japanese and global equity markets during H1 2026. Uncertainty surrounding artificial intelligence, energy prices and long-term bond yields contributed to wide performance differences across sectors and companies. Higher dispersion typically expands the potential opportunity set for active funds by increasing the differences among stock performance.

Exhibit 4: Stock Dispersion Expanded Sharply in Japan and Globally



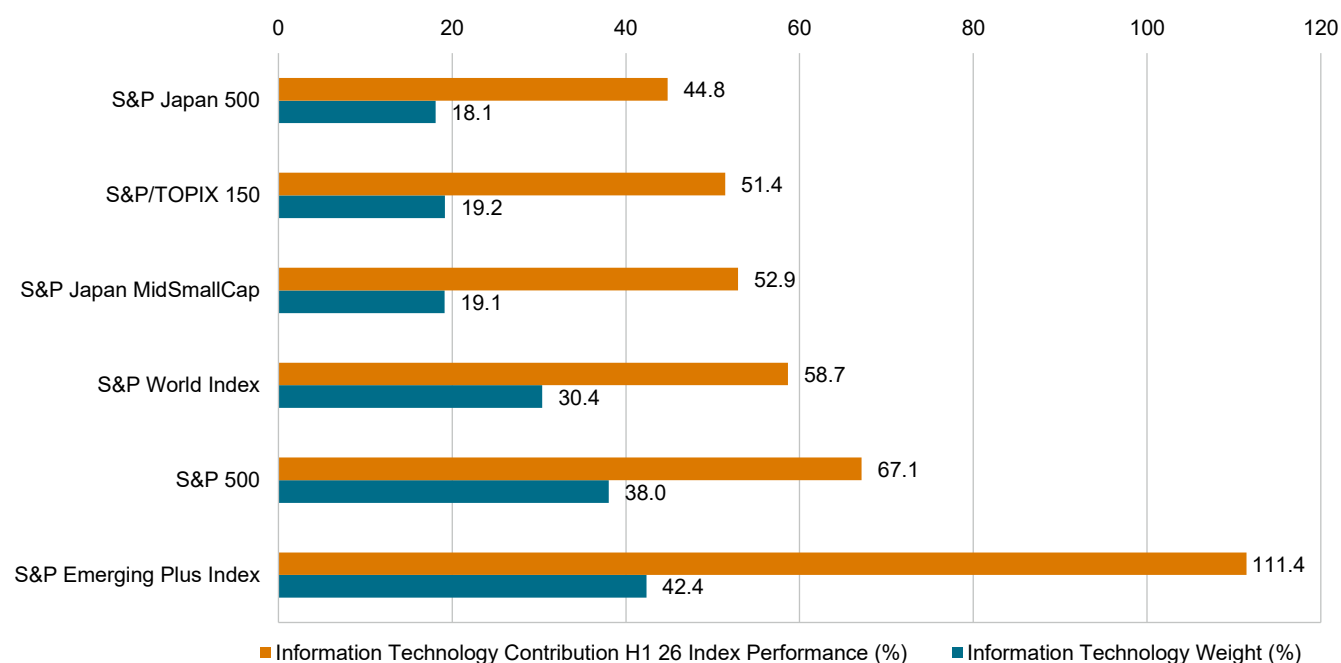
Source: S&P Dow Jones Indices LLC. Data as of June 30, 2026. Dispersion calculated as the annualized, index-weighted standard deviation of the monthly returns of index constituents. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

² For further insight, see ["Index Dashboard: Dispersion, Volatility & Correlation,"](#) S&P Dow Jones Indices LLC, and Edwards, Tim, ["Dispersion: Measuring Market Opportunity,"](#) S&P Dow Jones Indices LLC, December 2013.

While high dispersion offers both greater performance potential and greater risks, a majority of active funds in Japan still underperformed across most categories in H1 2026, as shown in Exhibit 1. This outcome echoes findings from other SPIVA scorecards globally,³ which have often shown that a greater variation in stock performance is associated with a greater variation in fund performance, but not necessarily an improvement in the proportion of outperformers.

One factor that could have made it difficult for active funds was the concentration of gains within one sector: Information Technology. Although the sector represented only 18% of the S&P Japan 500 by weight, it contributed 45% of the benchmark's total return during H1 2026 (see Exhibit 5). Similar patterns were observed across global markets, with Information Technology contributing 59% of total benchmark performance in the S&P World Index and 67% in the S&P 500. This trend was most pronounced in emerging markets, as Information Technology contributed 111% of the S&P Emerging Plus Index's total return.⁴ The outsized influence of a single sector across major markets suggests that active funds' positioning in technology-related industries could have offered an important determinant of relative performance during the period. Funds that were underweight in the leading technology- and semiconductor-related companies in particular would have faced a substantial relative performance headwind.

Exhibit 5: Information Technology Led a Significant Portion of Market Gains



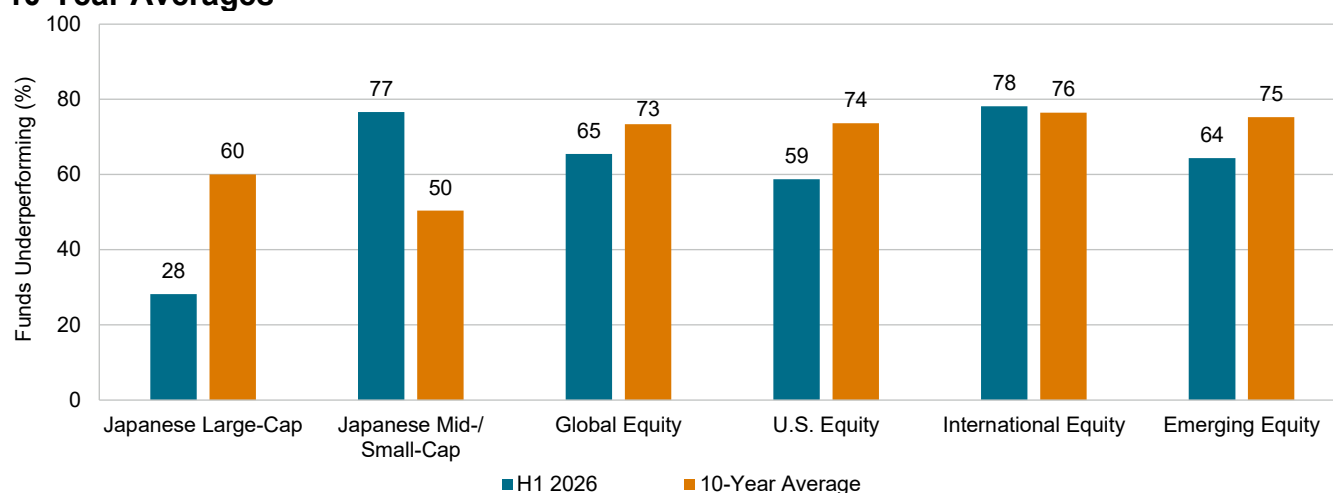
Source: S&P Dow Jones Indices LLC. Data as of June 30, 2026. Index performance based on total return in JPY. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

³ See the [SPIVA Library](#) for all other reports.

⁴ For the Information Technology sector contribution analysis for other major Asian markets, see Lee, Sue, et al, "[SPIVA Asia Ex-Japan Mid-Year 2026 Scorecard](#)," S&P Dow Jones Indices LLC, September 2026.

Active funds did show majority outperformance in one category, however. Although the majority of active funds underperformed in five of the six reported categories in H1 2026, in the largest fund category by count, Japanese Large-Cap, just 28% of active funds lagged the S&P/TOPIX 150, extending the category's majority outperformance from 2025.⁵ One tailwind of potential importance was the performance of smaller companies, which in aggregate outperformed their large-cap counterparts in both 2025 and H1 2026. As a result, Japanese large-cap funds may have benefited from exposure to outperforming smaller companies, while mid- and small-cap funds had fewer opportunities to tilt toward large-cap stocks to enhance relative performance.

Exhibit 6: Underperformance Rates of Japanese Active Funds in H1 2026 versus Their 10-Year Averages



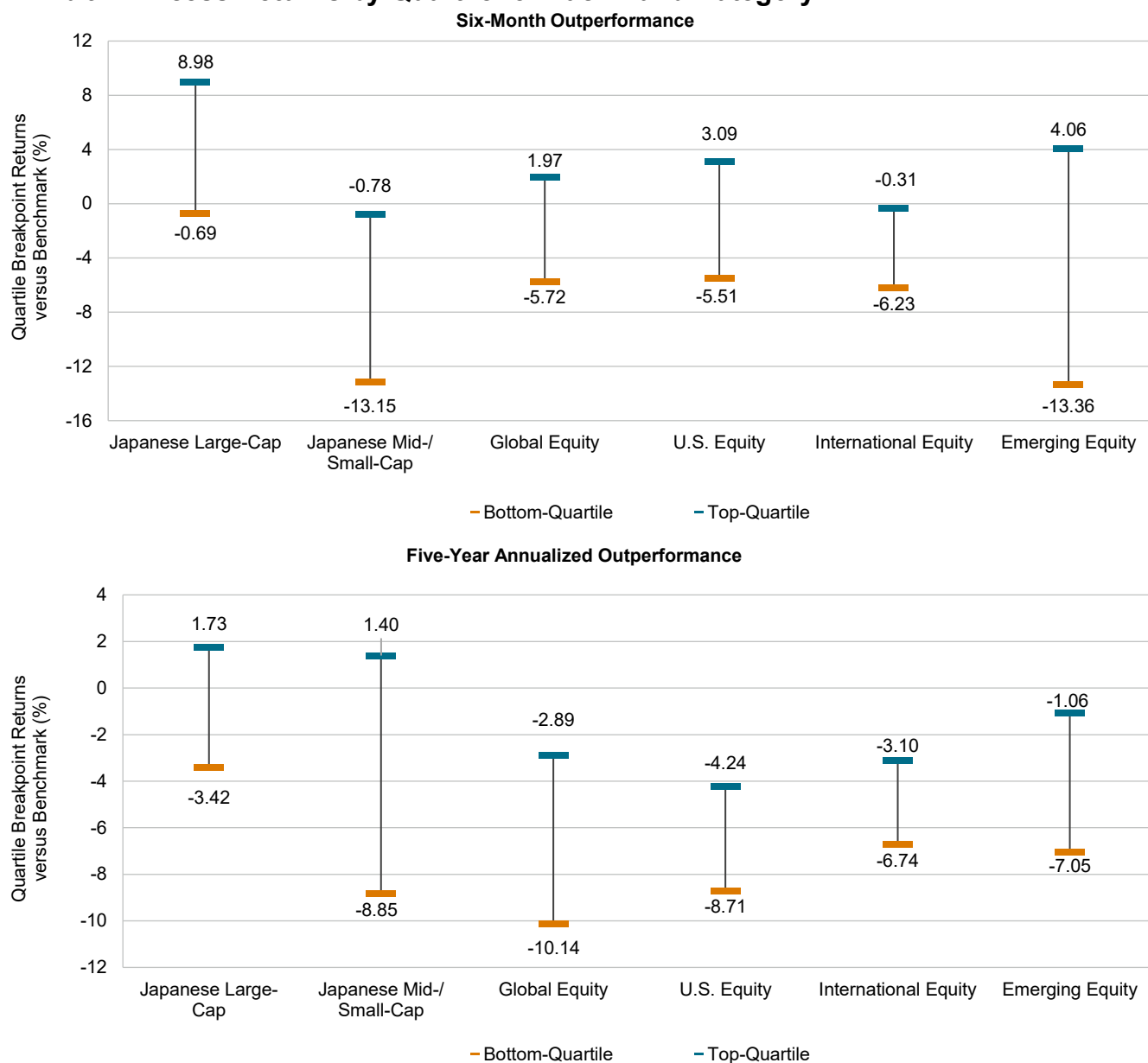
Sources: S&P Dow Jones Indices LLC, Morningstar. Data as of June 30, 2026. The 10-year average represents the average annual underperformance rate from 2016 through 2025. The S&P World Index (JPY) was launched on May 28, 2020. The S&P World Ex-Japan Index (JPY) was launched on Jan. 15, 2025. All data prior to such date is back-tested hypothetical data. Past performance is no guarantee of future results. Chart is provided for illustrative purposes and reflects hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

Despite some short-term successes, underperformance became more prevalent as the measurement horizon lengthened. Exhibit 7 illustrates the excess returns of fund quartile breakpoints against their assigned benchmarks over the six-month and five-year periods ending in June 2026.⁶

Over the five-year period, even the top-quartile breakpoints for all four overseas equity categories fell short of their respective benchmarks, by margins ranging from 1.1% to 4.2% per year. Domestic equity funds fared comparatively better: the top-quartile breakpoints for Japanese Large-Cap and Japanese Mid-/Small-Cap funds exceeded their respective benchmarks by 1.7% and 1.4% per year.

⁵ In 2025, 49% of Japanese Large-Cap funds underperformed the S&P/TOPIX 150. See Lee, Sue, et al "[SPIVA Japan Year-End 2025 Scorecard](#)," S&P Dow Jones Indices LLC, March 2026.

⁶ See Report 5 for the quartile breakpoints of all fund categories across various time horizons.

Exhibit 7: Excess Returns by Quartile for Each Fund Category

Note: Funds that did not survive for the full measurement period are excluded from this analysis. Over the five-year time horizon, only 74% of funds across all categories survived, meaning that 26% of funds available at the beginning of the period are excluded for the quartile calculations. Accordingly, the returns of the surviving funds may provide a more favorable view of active fund performance than the experience of the full original opportunity set.

Sources: S&P Dow Jones Indices LLC, Morningstar. Data as of June 30, 2026. The S&P World Index (JPY) was launched on May 28, 2020. The S&P World Ex-Japan Index (JPY) was launched on Jan. 15, 2025. All data prior to such date is back-tested hypothetical data. Past performance is no guarantee of future results. Chart is provided for illustrative purposes and reflects hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

A Unique Scorecard for the Active Versus Passive Debate

Since its first publication in the U.S. over 20 years ago, the SPIVA Scorecard has served as the de facto scorekeeper of the active versus passive debate. For over two decades, 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 much 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. An accurate representation of how market participants fared in a particular period can be ascertained by calculating weighted average returns, where each fund's return is weighted by net assets. SPIVA Scorecards show both equal- and asset-weighted averages.
- **Data Cleaning:** SPIVA Scorecards avoid double-counting multiple share classes in all count-based calculations by using only the share class with greater assets. Index, leveraged and inverse funds, along with other index-linked products, are excluded because this is meant to be a scorecard for active funds.

Reports

Report 1a: Percentage of Funds Underperforming Their Benchmarks (Based on Absolute Return)

Fund Category	Comparison Index	YTD (%)	1-Year (%)	3-Year (%)	5-Year (%)	10-Year (%)	15-Year (%)
All Japanese Equity	S&P Japan 500	38.66	48.53	61.60	71.98	79.26	74.63
Japanese Large-Cap	S&P/TOPIX 150	28.20	43.09	51.62	71.43	82.16	76.19
Japanese Mid-/Small-Cap	S&P Japan MidSmallCap	76.61	73.84	82.12	76.56	66.67	72.78
Global Equity	S&P World	65.47	75.00	88.21	98.34	98.47	99.12
U.S. Equity	S&P 500	58.78	73.81	82.35	96.26	93.48	96.00
International Equity	S&P World Ex-Japan Index	78.13	79.37	83.87	96.61	94.34	96.08
Emerging Equity	S&P Emerging Plus	64.41	76.67	92.31	93.44	100.00	100.00

Source: S&P Dow Jones Indices LLC, Morningstar. Data for periods ending June 30, 2026. Fund and benchmark returns are all in JPY. The S&P World Index (JPY) was launched on May 28, 2020. The S&P World Ex-Japan Index (JPY) was launched on Jan. 15, 2025. All data prior to such date is back-tested hypothetical data. Past performance is no guarantee of future results. Table is provided for illustrative purposes and reflects hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

Report 1b: Percentage of Funds Underperforming Their Benchmarks (Based on Risk-Adjusted Return)

Fund Category	Comparison Index	3-Year (%)	5-Year (%)	10-Year (%)	15-Year (%)
All Japanese Equity	S&P Japan 500	75.77	78.89	89.73	84.36
Japanese Large-Cap	S&P/TOPIX 150	67.86	74.77	90.06	82.86
Japanese Mid-/Small-Cap	S&P Japan MidSmallCap	90.50	83.85	79.31	82.91
Global Equity	S&P World	94.36	85.64	99.24	100.00
U.S. Equity	S&P 500	100.00	99.07	100.00	100.00
International Equity	S&P World Ex-Japan Index	95.16	89.83	100.00	100.00
Emerging Equity	S&P Emerging Plus	96.15	90.16	100.00	100.00

Source: S&P Dow Jones Indices LLC, Morningstar. Data for periods ending June 30, 2026. Fund and benchmark returns are all in JPY. Risk-adjusted return is computed as the annualized average monthly return divided by the annualized standard deviation of the monthly return for the measured periods. The S&P World Index (JPY) was launched on May 28, 2020. The S&P World Ex-Japan Index (JPY) was launched on Jan. 15, 2025. All data prior to such date is back-tested hypothetical data. Past performance is no guarantee of future results. Table is provided for illustrative purposes and reflects hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

Report 2: Survivorship of Funds

Fund Category	Number of Funds at Start	Survivorship (%)
YTD		
All Japanese Equity	476	99.58
Japanese Large-Cap	305	99.67
Japanese Mid-/Small-Cap	171	99.42
Global Equity	223	98.65
U.S. Equity	131	100.00
International Equity	64	96.88
Emerging Equity	59	94.92
All Categories	953	98.95
1-Year		
All Japanese Equity	476	97.48
Japanese Large-Cap	304	97.37
Japanese Mid-/Small-Cap	172	97.67
Global Equity	212	97.17
U.S. Equity	126	96.83
International Equity	63	96.83
Emerging Equity	60	91.67
All Categories	937	96.91
3-Year		
All Japanese Equity	487	85.83
Japanese Large-Cap	308	85.06
Japanese Mid-/Small-Cap	179	87.15
Global Equity	195	84.62
U.S. Equity	102	88.24
International Equity	62	87.10
Emerging Equity	52	82.69
All Categories	898	85.75

Source: S&P Dow Jones Indices LLC, Morningstar. Data for periods ending June 30, 2026. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Report 2: Survivorship of Funds (cont.)

Fund Category	Number of Funds at Start	Survivorship (%)
5-Year		
All Japanese Equity	521	76.39
Japanese Large-Cap	329	75.68
Japanese Mid-/Small-Cap	192	77.60
Global Equity	181	72.93
U.S. Equity	107	72.90
International Equity	59	79.66
Emerging Equity	61	60.66
All Categories	929	74.49
10-Year		
All Japanese Equity	516	61.24
Japanese Large-Cap	342	58.19
Japanese Mid-/Small-Cap	174	67.24
Global Equity	131	48.09
U.S. Equity	92	52.17
International Equity	53	58.49
Emerging Equity	72	31.94
All Categories	864	55.67
15-Year		
All Japanese Equity	473	52.43
Japanese Large-Cap	315	52.38
Japanese Mid-/Small-Cap	158	52.53
Global Equity	113	33.63
U.S. Equity	25	32.00
International Equity	51	52.94
Emerging Equity	62	24.19
All Categories	724	46.41

Source: S&P Dow Jones Indices LLC, Morningstar. Data for periods ending June 30, 2026. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Report 3: Average Fund Performance (Equal-Weighted)

Index/Fund Category	YTD (%)	1-Year (%)	3-Year (%)	5-Year (%)	10-Year (%)	15-Year (%)
S&P Japan 500	18.64	43.82	23.34	18.53	15.33	13.54
All Japanese Equity	21.55	44.57	22.36	15.87	14.08	13.35
S&P/TOPIX 150	17.82	43.90	23.21	18.94	15.86	13.63
Japanese Large-Cap	23.24	48.25	24.34	17.75	14.77	13.22
S&P Japan MidSmallCap	24.44	49.97	24.61	17.21	13.44	13.27
Japanese Mid-/Small-Cap	18.55	38.15	18.98	12.64	12.91	13.70
S&P World	13.44	36.54	24.57	20.78	18.99	16.76
Global Equity	11.05	28.57	19.23	14.34	14.31	11.89
S&P 500	14.27	37.64	25.42	22.39	20.94	19.82
U.S. Equity	13.31	32.81	20.78	16.93	16.16	14.61
S&P World Ex-Japan	12.99	35.91	24.64	20.97	19.34	17.09
International Equity	10.12	29.85	20.17	17.01	15.73	13.67
S&P Emerging Plus	26.92	58.91	28.00	16.24	15.82	11.02
Emerging Equity	22.05	46.43	21.05	11.61	11.15	7.55

Source: S&P Dow Jones Indices LLC, Morningstar. Data for periods ending June 30, 2026. Index performance based on total returns in JPY. Returns for periods greater than one year are annualized. The S&P World Index (JPY) was launched on May 28, 2020. The S&P World Ex-Japan Index (JPY) was launched on Jan. 15, 2025. All data prior to such date is back-tested hypothetical data. Past performance is no guarantee of future results. Table is provided for illustrative purposes and reflects hypothetical historical performance. See the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

Report 4: Average Fund Performance (Asset-Weighted)

Index/Fund Category	YTD (%)	1-Year (%)	3-Year (%)	5-Year (%)	10-Year (%)	15-Year (%)
S&P Japan 500	18.64	43.82	23.34	18.53	15.33	13.54
All Japanese Equity	20.33	44.20	21.55	15.03	13.64	12.53
S&P/TOPIX 150	17.82	43.90	23.21	18.94	15.86	13.63
Japanese Large-Cap	20.87	45.47	22.48	15.93	13.94	12.45
S&P Japan MidSmallCap	24.44	49.97	24.61	17.21	13.44	13.27
Japanese Mid-/Small-Cap	18.74	40.65	19.36	12.89	12.89	12.74
S&P World	13.44	36.54	24.57	20.78	18.99	16.76
Global Equity	9.85	24.40	19.40	11.04	14.99	12.71
S&P 500	14.27	37.64	25.42	22.39	20.94	19.82
U.S. Equity	7.82	24.84	20.82	16.32	17.26	14.54
S&P World Ex-Japan	12.99	35.91	24.64	20.97	19.34	17.09
International Equity	13.59	34.97	22.11	16.93	16.38	14.00
S&P Emerging Plus	26.92	58.91	28.00	16.24	15.82	11.02
Emerging Equity	21.28	44.33	21.85	12.09	13.51	8.19

Source: S&P Dow Jones Indices LLC, Morningstar. Data for periods ending June 30, 2026. Index performance based on total returns in JPY. Returns for periods greater than one year are annualized. The S&P World Index (JPY) was launched on May 28, 2020. The S&P World Ex-Japan Index (JPY) was launched on Jan. 15, 2025. All data prior to such date is back-tested hypothetical data. Past performance is no guarantee of future results. Table is provided for illustrative purposes and reflects hypothetical historical performance. See the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

Report 5: Quartile Breakpoints of Fund Performance

Fund Category	Third Quartile (%)	Second Quartile (%)	First Quartile (%)
YTD			
All Japanese Equity	15.60	21.41	26.01
Japanese Large-Cap	17.13	22.21	26.80
Japanese Mid-/Small-Cap	11.28	18.49	23.65
Global Equity	7.72	11.42	15.41
U.S. Equity	8.76	12.66	17.36
International Equity	6.76	10.37	12.67
Emerging Equity	13.56	24.23	30.98
1-Year			
All Japanese Equity	35.77	45.38	53.09
Japanese Large-Cap	37.98	47.58	54.79
Japanese Mid-/Small-Cap	26.01	41.57	50.57
Global Equity	22.89	30.93	36.89
U.S. Equity	23.79	33.05	39.32
International Equity	20.98	29.18	34.63
Emerging Equity	34.86	45.50	59.98
3-Year			
All Japanese Equity	18.34	22.90	27.04
Japanese Large-Cap	20.75	24.22	28.18
Japanese Mid-/Small-Cap	14.27	19.69	24.16
Global Equity	15.28	19.73	22.68
U.S. Equity	16.37	19.64	24.55
International Equity	15.97	20.19	23.12
Emerging Equity	16.46	22.15	25.95
5-Year			
All Japanese Equity	12.17	16.76	19.77
Japanese Large-Cap	15.52	17.93	20.68
Japanese Mid-/Small-Cap	8.37	12.54	18.61
Global Equity	10.64	15.55	17.89
U.S. Equity	13.69	16.01	18.15
International Equity	14.23	16.85	17.87
Emerging Equity	9.19	12.31	15.18

Source: S&P Dow Jones Indices LLC, Morningstar. Data for periods ending June 30, 2026. Index performance based on total returns in JPY. Returns for periods greater than one year are annualized. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Report 5: Quartile Breakpoints of Fund Performance (cont.)

Fund Category	Third Quartile (%)	Second Quartile (%)	First Quartile (%)
10-Year			
All Japanese Equity	12.93	14.65	15.82
Japanese Large-Cap	13.77	14.89	16.22
Japanese Mid-/Small-Cap	11.10	12.98	15.21
Global Equity	13.61	15.23	16.49
U.S. Equity	15.00	16.16	19.21
International Equity	14.57	16.48	17.51
Emerging Equity	8.34	13.29	14.54
15-Year			
All Japanese Equity	12.36	13.45	14.61
Japanese Large-Cap	12.36	13.48	14.54
Japanese Mid-/Small-Cap	12.33	13.42	15.15
Global Equity	12.70	13.39	14.26
U.S. Equity	16.89	18.03	19.39
International Equity	12.87	14.39	15.31
Emerging Equity	8.90	9.42	10.01

Source: S&P Dow Jones Indices LLC, Morningstar. Data for periods ending June 30, 2026. Index performance based on total returns in JPY. Returns for periods greater than one year are annualized. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Appendix A

SPIVA Styles and Morningstar Fund Classifications

Data from Morningstar are obtained for all managed funds⁷ domiciled in Japan for which month-end data is available during the performance period. The data include the most comprehensive fund data on surviving 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 Japan-domiciled funds in the Japanese Large-Cap, Japanese Mid-/Small-Cap, Global Equity, U.S. Equity, International Equity and Emerging Equity fund categories.

The Morningstar classification system produces narrow, style-based classifications for 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 8: Japan Equity Funds – SPIVA and Morningstar Categories

SPIVA Category	Morningstar Category
Japanese Large-Cap	Japan Fund Japan Large-Cap Blend Equity
	Japan Fund Japan Large-Cap Growth Equity
	Japan Fund Japan Large-Cap Value Equity
Japanese Mid-/Small-Cap	Japan Fund Japan Small/Mid-Cap Blend Equity
	Japan Fund Japan Small/Mid-Cap Growth Equity
	Japan Fund Japan Small/Mid-Cap Value Equity
U.S. Equity	Japan Fund US Equity
Global Equity	Japan Fund World Equity
International Equity	Japan Fund World ex-Japan Equity
Emerging Equity	Japan Fund Global Emerging Markets Equity

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

⁷ Includes open-ended managed funds and ETFs.

Benchmarks

The chosen benchmarks are shown in Exhibit 9. Index returns are total returns (i.e., include dividend reinvestment) in JPY. 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. To ensure the study is robust and fair, representative benchmarks were selected for each fund category, but not all funds adopt the benchmarks stipulated. However, many funds do set their performance hurdle based on either the assigned benchmarks in this report, or a similar alternative.

Exhibit 9: SPIVA Categories and Their Benchmarks

SPIVA Category	Benchmark Index
Japanese Large-Cap	S&P/TOPIX 150
Japanese Mid-/Small-Cap	S&P Japan MidSmallCap
U.S. Equity	S&P 500
Global Equity	S&P World Index
International Equity	S&P World Ex-Japan Index
Emerging Equity	S&P Emerging Plus Index

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

Note that the fund benchmarks have been changed, from the [S&P Global 1200](#) to the S&P World Index for the Global Equity category (in 2025), from the S&P Global 1200 Ex-Japan to the S&P World Ex-Japan Index for the International Equity category (in 2025) and from the [S&P Emerging BMI](#) to the S&P Emerging Plus Index for the Emerging Equity category (in 2026).

Appendix B: Glossary

Percentage of Funds Underperforming 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 either failed to survive the measured period, or survived but failed to beat the category benchmark over the period. This count is divided by the number of funds in the original opportunity set and is reported as percentage of funds underperforming.

Survivorship (%)

This measure represents the percentage of funds in existence at the beginning of the time period that are 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.

Quartile 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 of 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](#), a 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 World Index

The S&P World Index, a subset of the S&P Global BMI, is an equity index that tracks the performance of large- and mid-cap stocks from 24 developed markets, representing approximately the top 85% of market capitalization in each country.

S&P World Ex-Japan Index

The S&P World Ex-Japan Index measures the performance of large- and mid-cap stocks from 23 developed markets, excluding Japan and South Korea.

S&P Emerging Plus Index

The S&P Emerging Plus Index is designed to measure the performance of large and mid-cap securities in countries classified as emerging within S&P DJI's equity indices, plus South Korea.

Performance Disclosure/Back-Tested Data

The S&P World Index (JPY) was launched May 28, 2020. The S&P World Ex-Japan Index (JPY) was launched January 15, 2025. All information presented prior to an index's Launch Date is hypothetical (back-tested), not actual performance, and is based on the index methodology in effect on the index launch date. However, when creating back-tested history for periods of market anomalies or other periods that do not reflect the general current market environment, index methodology rules may be relaxed to capture a large enough universe of securities to simulate the target market the index is designed to measure or strategy the index is designed to capture. For example, market capitalization and liquidity thresholds may be reduced. In addition, forks have not been factored into the back-test data with respect to the S&P Cryptocurrency Indices. For the S&P Cryptocurrency Top 5 & 10 Equal Weight Indices, the custody element of the methodology was not considered; the back-test history is based on the index constituents that meet the custody element as of the Launch Date. Also, the treatment of corporate actions in back-tested performance may differ from treatment for live indices due to limitations in replicating index management decisions. Complete index methodology details are available at www.spglobal.com/spdji. Back-tested performance reflects application of an index methodology and selection of index constituents with the benefit of hindsight and knowledge of factors that may have positively affected its performance, cannot account for all financial risk that may affect results and may be considered to reflect survivor/look ahead bias. Actual returns may differ significantly from, and be lower than, back-tested returns. Past performance is not an indication or guarantee of future results.

Please refer to the methodology for the Index for more details about the index, including the manner in which it is rebalanced, the timing of such rebalancing, criteria for additions and deletions, as well as all index calculations. Back-tested performance is for use with institutions only; not for use with retail investors.

S&P Dow Jones Indices defines various dates to assist our clients in providing transparency. The First Value Date is the first day for which there is a calculated value (either live or back-tested) for a given index. The Base Date is the date at which the index is set to a fixed value for calculation purposes. The Launch Date designates the date when the values of an index are first considered live: index values provided for any date or time period prior to the index's Launch Date are considered back-tested. S&P Dow Jones Indices defines the Launch Date as the date by which the values of an index are known to have been released to the public, for example via the company's public website or its data feed to external parties. For Dow Jones-branded indices introduced prior to May 31, 2013, the Launch Date (which prior to May 31, 2013, was termed "Date of introduction") is set at a date upon which no further changes were permitted to be made to the index methodology, but that may have been prior to the Index's public release date.

Typically, when S&P DJI creates back-tested index data, S&P DJI uses actual historical constituent-level data (e.g., historical price, market capitalization, and corporate action data) in its calculations. As ESG investing is still in early stages of development, certain datapoints used to calculate S&P DJI's ESG indices may not be available for the entire desired period of back-tested history. The same data availability issue could be true for other indices as well. In cases when actual data is not available for all relevant historical periods, S&P DJI may employ a process of using "Backward Data Assumption" (or pulling back) of ESG data for the calculation of back-tested historical performance. "Backward Data Assumption" is a process that applies the earliest actual live data point available for an index constituent company to all prior historical instances in the index performance. For example, Backward Data Assumption inherently assumes that companies currently not involved in a specific business activity (also known as "product involvement") were never involved historically and similarly also assumes that companies currently involved in a specific business activity were involved historically too. The Backward Data Assumption allows the hypothetical back-test to be extended over more historical years than would be feasible using only actual data. For more information on "Backward Data Assumption" please refer to the [FAQ](#). The methodology and factsheets of any index that employs backward assumption in the back-tested history will explicitly state so. The methodology will include an Appendix with a table setting forth the specific data points and relevant time period for which backward projected data was used.

Index returns shown do not represent the results of actual trading of investable assets/securities. S&P Dow Jones Indices maintains the index and calculates the index levels and performance shown or discussed but does not manage actual assets. Index returns do not reflect payment of any sales charges or fees an investor may pay to purchase the securities underlying the Index or investment funds that are intended to track the performance of the Index. The imposition of these fees and charges would cause actual and back-tested performance of the securities/fund to be lower than the Index performance shown. As a simple example, if an index returned 10% on a US \$100,000 investment for a 12-month period (or US \$10,000) and an actual asset-based fee of 1.5% was imposed at the end of the period on the investment plus accrued interest (or US \$1,650), the net return would be 8.35% (or US \$8,350) for the year. Over a three-year period, an annual 1.5% fee taken at year end with an assumed 10% return per year would result in a cumulative gross return of 33.10%, a total fee of US \$5,375, and a cumulative net return of 27.2% (or US \$27,200).

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