



*A New Way to Invest in the Future of  
Emerging Markets and Asia: **Active ETFs***

Matthews Japan Active ETF (JPAN)

Matthews | Q1 2025



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# Access the Potential of Emerging Markets and Asia in Active ETFs



We believe

- these markets **offer investors the best opportunities for long-term growth**
- **Active management is required** to successfully invest in these regions

We have

- An investment team with the **experience and expertise needed to navigate these markets**
- A **time-tested process**, proven through market cycles
- **More than 30 years' experience** investing in these regions

# Matthews: Emerging Markets, Asia and China Equity Specialist

Global client base spanning institutional, professional, family offices, private banks and high net-worth investors



**Trusted,  
Experienced  
Partner**



**Active  
Performance  
30+ Years**  
invested in  
Emerging Markets & Asia



**Outcomes  
& Tailored  
Solutions**

Customization,  
Sustainability



**Global  
Perspective**

San Francisco, London,  
Hong Kong, New Jersey



**Holistic Risk  
Management  
MCAR**



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# Matthews Capabilities

Independent, private, employee ownership drives long-term investment excellence

## Firm Facts (As of March 31, 2025)

80+ employees\*

23 investment professionals\*

— 10 years average firm tenure

— 19 years average EM & Asia investing

4,300+ company meetings in 2024

## Assets Under Management

Total US\$6.3B

Regional US\$3.4B

Single-Country US\$2.9B

## Investment Vehicles

US Mutual Funds

Exchange Traded Funds

UCITS Funds

Separate Accounts

Institutional Comingled

## Core Investment Principles

Active Management

Emerging Markets Specialist

Deep Experience

High Active Share

Fundamental Research

Risk Management

Commitment to Perform & Inform

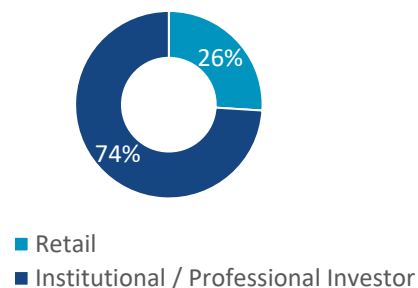
## Office Locations



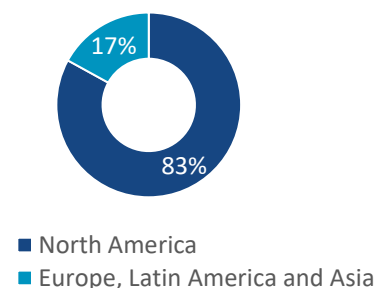
## A History of Innovation

- **1991**—Founded by Paul Matthews
- **1994**—U.S. 40 Act Mutual Fund established
- **2000**—Separate Account offerings
- **2010**—UCITS Fund launched
- **2015**—Sustainable Fund launched
- **2018**—Institutional comingled offerings
- **2022**—Active ETFs launched

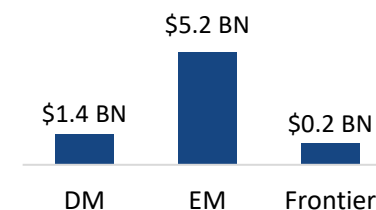
Client AUM by Type, US\$



Client AUM by Domicile, US\$



AUM by Markets Invested, US\$



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\*As of April 10, 2025

Note: AUM by type, domicile and markets invested data as of December 31, 2024

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# Why Sophisticated Investors *Actively* Partner with Matthews

## ● A Trusted and Experienced Guide

Pioneer investor in Emerging Markets and Asia, with a 33-year track record of generating excess returns in complex markets that demand deep expertise, operational skill and risk acumen

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## ● Active Management

Driven by intellectual curiosity seeking unique insights to build highly differentiated portfolios that capture distinctive alpha designed for client outcomes

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## ● Holistic Risk Management

Dynamic approach to risk across a range of economic and geopolitical cycles which leverages proprietary insights to identify strong governance and business sustainability in higher risk markets

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## ● Operational Expertise

Comprehensive operational and trading expertise developed over 30+years in opaque and complex public markets

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## ● Aligned With You

Commitment to achieving investment excellence from investment performance and deep insights to provide investment context

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# Investment Management Expertise with Potential Benefits of ETF Structure

## FIVE BENEFITS OF ACTIVE ETFs

1

### Potential for Increased Tax Efficiency

Structure offers the potential for reduced capital gains

2

### Transparency

Daily view of portfolio holdings, you'll always know "what they own"

3

### Intraday Liquidity

Can buy or sell shares throughout the U.S. trading day, offering more control

4

### Isolated Trading Costs

Fund shareholders aren't impacted by others' trading activity

5

### Low Minimum Investment

Purchase as little as one share, to access the full, diversified portfolio





# Active ETFs Based on Signature Strategies

## MEM

Matthews Emerging Markets Equity Active ETF

Invest in companies from some of the world's most dynamic economies

## EMSF

Matthews Emerging Markets Sustainable Future Active ETF

Access the sustainable future growth potential of Emerging Markets

## MEMX

Matthews Emerging Markets ex China Active ETF

Look beyond China for the next growth opportunities

## ASIA

Matthews Pacific Tiger Active ETF

Access high quality growth companies in Asia (ex Japan)

## MINV

Matthews Asia Innovators Active ETF

Seeks to ride the next wave of innovation in Asia

## INDE

Matthews India Active ETF

Seeks to invest in innovative and entrepreneurial businesses of the next global powerhouse

## MCH

Matthews China Active ETF

Participate in the growth potential of Asia's largest economy

## JPAN

Matthews Japan Active ETF

Access the domestic, regional and global leaders of Japan

## MKOR

Matthews Korea Active ETF

Access the innovation of Korean companies

## ADVE

Matthews Asia Dividend Active ETF

Invest in dividend payers and growers from the Asia Pacific region

## MCHS

Matthews China Discovery Active ETF

Seek alpha from China's small, entrepreneurial companies

## MEMS

Matthews Emerging Markets Discovery Active ETF

Invest in innovative, entrepreneurial companies in emerging markets



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# JPAN

## Matthews Japan Active ETF

Access the domestic, regional and global  
**leaders of Japan**





# Why Matthews for Japan?



## EXPERIENCE

25-year track record in a dedicated Japan Strategy



## FOCUS

Since 1991 we have managed equities in Emerging Markets and Asia. Today, we deploy a 20-person investment team focused on generating great investment outcomes for clients



## EXPERTISE

Dedicated Japan team consists of two investment professionals with nearly 40 years of combined investment experience in this complex and fast-moving market

# Matthews Japan Active ETF (JPAN) Portfolio Overview

## Team Resources

### Portfolio Managers

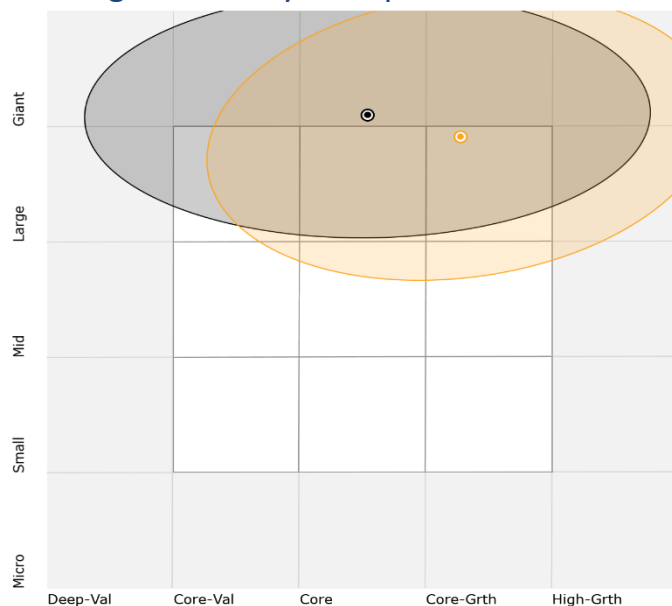


**Shuntaro Takeuchi**  
24 years of exp.



**Donghoon Han**  
15 years of exp.

### Holdings-Based Style Map\*



● Matthews Japan Active ETF (JPAN)

● MSCI Japan Index

## FUND FACTS

### Investment Objective

Long-term capital appreciation

### Cap Range

All Cap

### Benchmark

MSCI Japan Index

### AUM (as of March 31, 2025):

\$4.9 million

### Inception Date

September 21, 2023

### Ticker

JPAN

### Gross Expense Ratio

0.79%



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Note: Years of industry experience as of January 2025

\*Style map from Morningstar Direct and for illustrative purposes only.

# Seasoned Japan Equities Team with a Long-Term Track Record

Supported by Knowledge Platforms, Strategists, and On-the-Ground Resources

## JAPAN TEAM

○ Located in Asia

○ Knowledge Platform Lead

### Portfolio Managers



**Shuntaro Takeuchi**  
Portfolio Manager  
24 years of exp.



**Donghoon Han**  
Portfolio Manager  
15 years of exp.

### Innovation Knowledge Platform



**Michael Oh, CFA**  
Portfolio Manager  
25 years of exp.



**InBok Song**  
Portfolio Manager  
21 years of exp.



**Shuntaro Takeuchi**  
Portfolio Manager  
24 years of exp.



**Donghoon Han**  
Portfolio Manager  
15 years of exp.



**Sojung Park**  
Portfolio Manager  
16 years of exp.

### China Knowledge Platform



**Andrew Mattock, CFA**  
Portfolio Manager  
32 years of exp.



**Sherwood Zhang, CFA**  
Portfolio Manager  
24 years of exp.



**Winnie Chwang**  
Portfolio Manager  
21 years of exp.



**Jeremy Sutch, CFA**  
Portfolio Manager  
31 years of exp.



**Kary Cheng**  
Research Analyst  
6 years of exp.



**Wenlin Zhao**  
Research Analyst  
6 years of exp.

### India Knowledge Platform



**Peeyush Mittal, CFA**  
Portfolio Manager  
16 years of exp.



**Swagato Ghosh**  
Portfolio Manager  
12 years of exp.

### Financials Knowledge Platform



**Shuntaro Takeuchi**  
Portfolio Manager  
24 years of exp.



# Matthews Japan Active ETF | Investment Philosophy

**We Believe Japanese equity returns are driven by three key factors:**

## Earnings Growth

- Companies with consistent, long-term earnings growth can generate superior investment returns
- Top-line earnings growth combined with margin improvement form the basis of durable, long-term profitability

## Dividends & Buybacks

- Quality earnings growth that is cash flow generative drives dividends and buybacks

## Multiples

- Companies with positive earnings growth typically benefit from multiple expansion
- Strong, quality business models are resilient to multiple contractions



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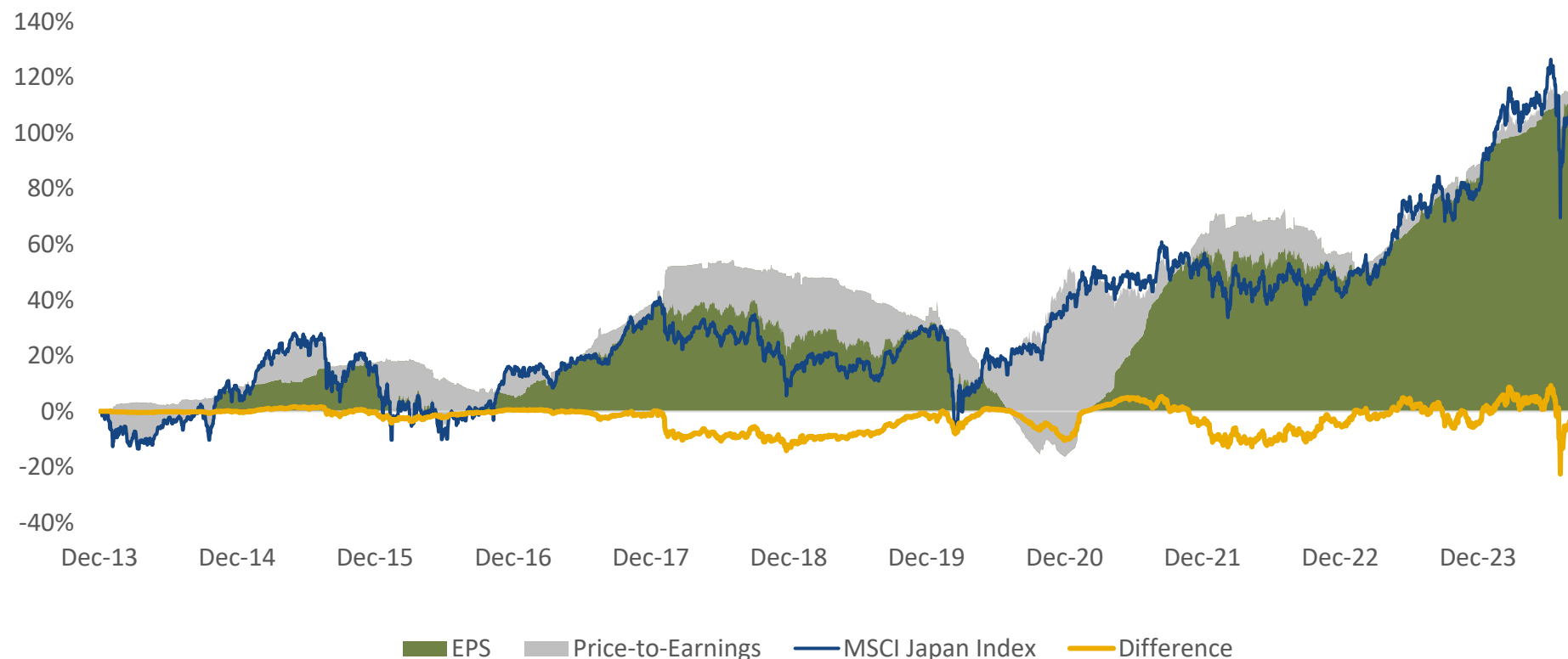
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Parameters set by Matthews Asia are subject to change.

# Approach | Japanese Equity Market is Driven By Earnings

Integrating long-term fundamental research with macro awareness can create alpha opportunities

## 2014 – SEPTEMBER 2024 RETURN BREAKDOWN – MSCI JAPAN INDEX



**Past performance is no guarantee of future results.** Chart is for illustrative purposes only. Indexes are unmanaged and it is not possible to invest directly in an index.

Source: Bloomberg; data as of September 2024

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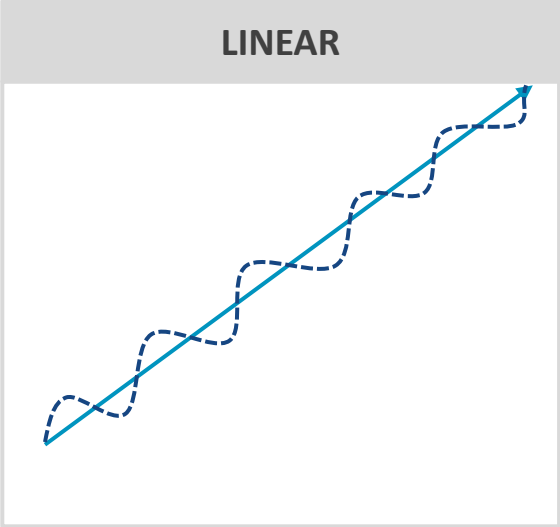
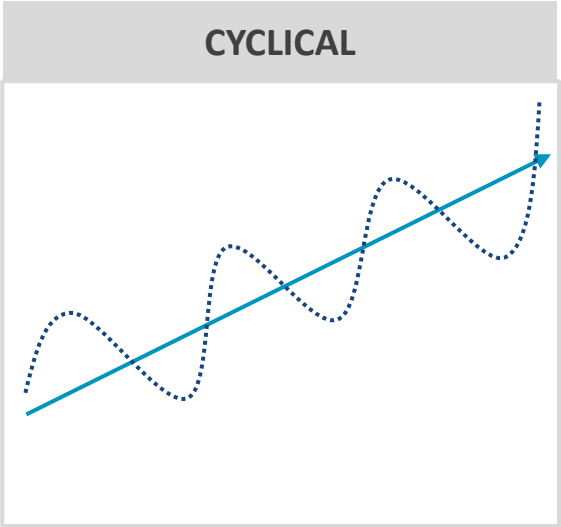
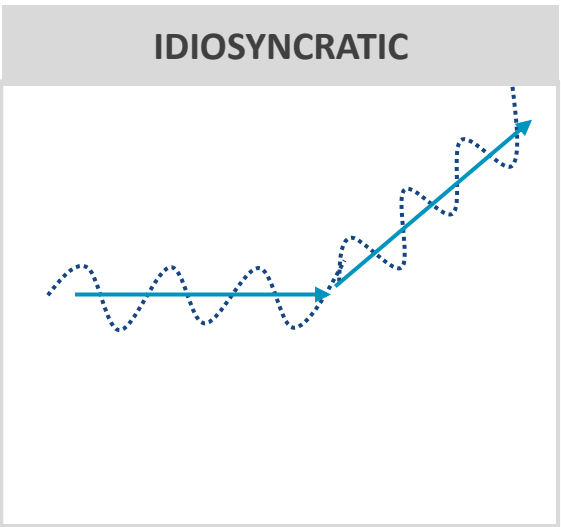
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Matthews

# Constructing a Core Growth Portfolio

Portfolio exposures have flexibility to tilt and balance style exposure through cycle

	LINEAR	CYCLICAL	IDIOSYNCRATIC
EPS			
Style	Quality Growth Franchises	Cyclical Growth Franchises	Special Situations / Value
Earnings	Visible and forecastable	Correlated to business / macro cycle	Catalyst dependent
Typical investment time horizon	3 - 5+ year	1 - 3+ year	1 - 3+ year

This information is presented solely for illustrative purposes and is not representative of the results of any particular security or product.

Source: Matthews

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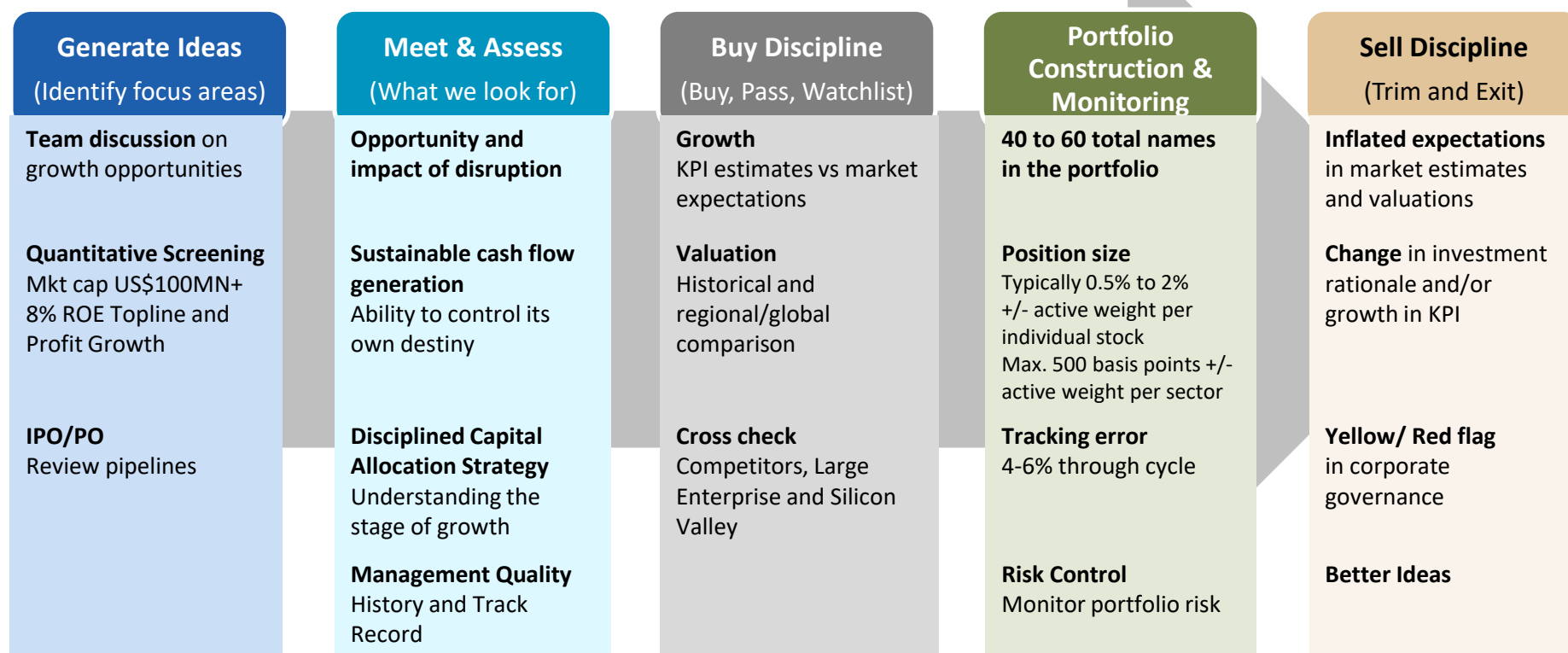
# Investment Process

## We see growth opportunities in:

- ✧ Declining population and aging society
- ✧ Slow to change legacy enterprise
- ✧ Low interest rates and deflationary environment

## We focus on:

- ✧ Opportunity and impact of disruption
- ✧ Sustainability of cash flow generation
- ✧ Consistency of Management's commitments and actions



# Portfolio Construction

Buy	Sell	Adjustment
How does a stock get into the portfolio?	Why do we sell a stock?	When do we change a stock's weighting?
<ul style="list-style-type: none"> <li>Bottom-up, fundamental analysis</li> <li>Macroeconomic awareness incorporated to fundamental research efforts</li> <li>Event-driven stock – a stock that has fallen a long way and provides a potential value opportunity</li> </ul>	<ul style="list-style-type: none"> <li>Fundamental investment thesis played out; target price reached</li> <li>Macroeconomics / geopolitics impacts stock fundamentals</li> <li>Loss of long-term competitive advantage</li> <li>Better relative opportunity</li> </ul>	<ul style="list-style-type: none"> <li>Intact investment thesis but change in degree of conviction</li> <li>Valuation adjustment</li> <li>Geopolitical/macroeconomic event</li> </ul>

## PORTFOLIO CHARACTERISTICS

Characteristic	Typical Parameter Targets	Rationale
Number of Positions	40-60 companies	Higher conviction portfolio
Cash	Typically, fully invested	Portfolio returns typically driven by companies
Market Capitalization	All cap: small >\$100mm USD	Opportunities across market cap spectrum
Beta	0.8-1.20 vs. index	Commensurate with risk being primarily stock specific
Turnover	Aggregate annual portfolio turnover of 40 - 60%. Name only turnover of c.30% per annum	
Sector	+/- 10% vs. index	Commensurate with risk being primarily stock specific
Tracking Error	4-6%	Commensurate with our outperformance target
Risk Monitoring	Marginal Contribution to Active Risk "MCAR"	Enhance returns per unit active risk
Relative Risk	Tracking error range 4 - 6% c. 200 basis points +/- active weight per individual stock Max. 500 basis points +/- active weight per sector	

Targets presented herein are not actual results and have been provided for informational purposes only as of the date of this presentation. There can be no assurance or guarantee that the targets can or will be achieved. Parameters set by Matthews are subject to change. Tracking Error is a measure of the risk in an investment portfolio that is due to active management decisions made by the portfolio manager. It indicates how closely a portfolio follows the index to which it is benchmarked.

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# Risk Management

## Holistic Risk Management at all levels of Matthews

PORTFOLIO	CIO	INDEPENDENT
Portfolio Management Team	Chief Investment Officer	Global Head of Risk & Compliance & VP, Head of Investment Risk
<ul style="list-style-type: none"> <li>— Monitor active risk associated with tracking error, portfolio beta, position sizing, diversification</li> <li>— Analyze the marginal contribution of active risk (MCAR)* at the country, sector and stock levels</li> <li>— Clearly observe factor and style risks</li> <li>— Ensure portfolio level liquidity</li> </ul>	<ul style="list-style-type: none"> <li>— Oversight of all portfolio level risks               <ul style="list-style-type: none"> <li>— Active risks at country, sector and stock levels</li> <li>— Portfolio characteristics consistency with strategy mandate</li> <li>— Adherence to internal and external guidelines</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>— Independent risk team               <ul style="list-style-type: none"> <li>— Independent positioning and risk insights</li> <li>— Adherence to internal and external guidelines</li> <li>— Marginal Contribution to Active Risk (MCAR)*</li> </ul> </li> </ul>

Parameters set by Matthews Asia are subject to change. The portfolio risk management process represents an effort to monitor and manage risk but does not imply low risk. \*Matthews portfolio managers refine and adjust exposures to enhance their portfolio's active returns per unit of active risk. We call this approach our Marginal Contribution to Active Risk (MCAR) framework.

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# Portfolio Characteristics | Matthews Japan Active ETF

As of March 31, 2025

## SECTOR BREAKDOWN (%)

	Fund	Benchmark	Difference
Industrials	20.7	22.9	-2.2
Consumer Discretionary	18.5	18.3	0.2
Financials	16.8	17.3	-0.5
Information Technology	13.2	13.0	0.2
Health Care	7.3	7.6	-0.3
Consumer Staples	6.6	5.4	1.2
Materials	4.9	3.6	1.3
Communication Services	3.1	7.7	-4.6
Real Estate	2.9	2.4	0.5
Utilities	0.0	1.0	-1.0
Energy	0.0	0.9	-0.9
Cash and Other Assets, Less Liabilities	6.1	0.0	6.1

**Benchmark: MSCI Japan Index**

The information contained in this presentation does not, in any way, constitute investment advice. Portfolio characteristics for the Fund may vary from time to time from what is shown. Indexes are unmanaged and it is not possible to invest directly in an index.

Sources: FactSet Research Systems, Inc., Matthews



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# Portfolio Characteristics | Matthews Japan Active ETF

As of March 31, 2025

## MARKET CAP EXPOSURE (%)

	Fund	Benchmark	Difference
Mega Cap (over \$25B)	54.5	66.3	-11.8
Large Cap (\$10B-\$25B)	24.4	23.5	0.9
Mid Cap (\$3B-\$10B)	7.9	10.3	-2.4
Small Cap (under \$3B)	7.2	0.0	7.2
Cash and Other Assets, Less Liabilities	6.1	0.0	6.1

## PORTFOLIO CHARACTERISTICS

	Fund
Weighted Average Market Cap	\$61.4 billion
P/E using FY1 Estimates*	15.6x
P/E using FY2 Estimates*	14.4x

**Benchmark: MSCI Japan Index**

\*The P/E Ratio is the share price of a stock as of the report date, divided by the forecasted earnings per share for a 12-month period (FY1) and 24 month period (FY2). For the Fund, this is the weighted harmonic average estimated P/E ratio of all the underlying stocks in the Fund, excluding negative earners. There is no guarantee that the composition of the Fund will remain unchanged, or that forecasted earnings of a stock will be realized. Information provided is for illustrative purposes only.

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# Top Ten Holdings | Matthews Japan Active ETF

As of March 31, 2025

Company	Sector	%
Sony Group Corp.	Consumer Discretionary	6.5
Mitsubishi UFJ Financial Group, Inc.	Financials	4.5
Sumitomo Mitsui Financial Group, Inc.	Financials	4.3
Hitachi, Ltd.	Industrials	4.1
Tokio Marine Holdings, Inc.	Financials	3.5
NEC Corp.	Information Technology	3.5
Ajinomoto Co., Inc.	Consumer Staples	3.2
Toyota Motor Corp.	Consumer Discretionary	3.0
ITOCHU Corp.	Industrials	2.9
Mitsui Fudosan Co., Ltd.	Real Estate	2.9
<b>Total for Top 10</b>		<b>38.4%</b>

Top ten holdings may combine more than one security from the same issuer and related depositary receipts. This information does not, in any way, constitute investment advice. Portfolio holdings may vary from time to time from what is shown. It should not be assumed that any investment in the securities listed was or will be profitable. The information does not constitute a recommendation to buy or sell any securities mentioned.

Sources: BNY Mellon Investment Servicing, Matthews



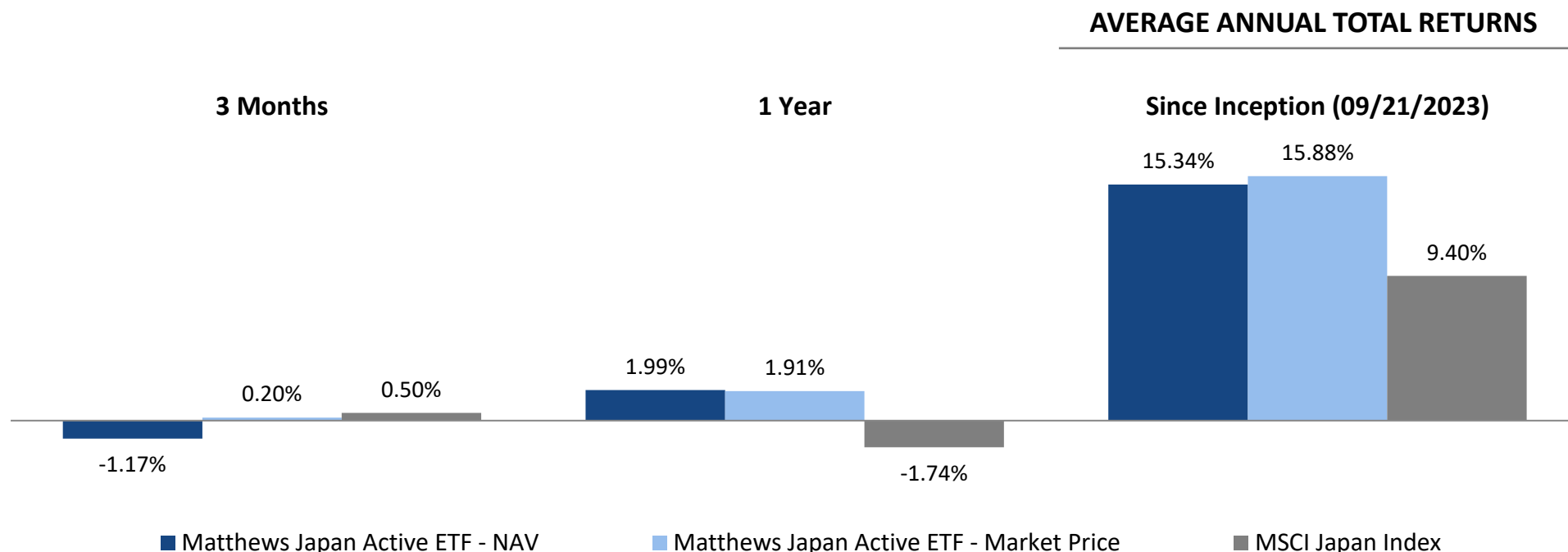
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# Investment Returns | Matthews Japan Active ETF

As of March 31, 2025



**Assumes reinvestment of all dividends and/or distributions before taxes. All performance quoted represents past performance and is no guarantee of future results. Investment return and principal value will fluctuate with market conditions so that when redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the return figures quoted. Returns would have been lower if certain of the Fund's fees and expenses had not been waived. For the Fund's most recent month-end performance, please visit [matthewsasiasia.com](http://matthewsasiasia.com). Indexes are unmanaged and it is not possible to invest directly in an index. Please refer to disclosures for index definition.**

Net asset value ("NAV") returns are based on the dollar value of a single share of the ETF, calculated using the value of the underlying assets of the ETF minus its liabilities, divided by the number of shares outstanding. The NAV is typically calculated at 4:00 pm Eastern time on each business day the New York Stock Exchange is open for trading. Market returns are based on the trade price at which shares are bought and sold on the NYSE Arca, Inc. using the last share trade. Market performance does not represent the returns you would receive if you traded shares at other times. Total Return reflects the reinvestment of distributions on ex-date for NAV returns and payment date for Market Price returns. The market price of the ETF's shares may differ significantly from their NAV during periods of market volatility.

ETFs may trade at a premium or discount to NAV. Shares of any ETF are sold at market price (not NAV) and are not individually redeemed from the Fund. Brokerage commissions will reduce returns.

Source: BNY Mellon Investment Servicing (US) Inc.



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# Matthews Japan Active ETF Investment Team

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## SHUNTARO TAKEUCHI

Shuntaro Takeuchi is a Portfolio Manager at Matthews. Prior to joining Matthews in 2016, he was an Executive Director for Japan Equity Sales at UBS Securities LLC in New York. Beginning in 2003, he worked on both Japanese Equity and International Equity Sales at UBS Japan Securities, based in Tokyo, and held the position of Special Situations Analyst from 2006 to 2008, and Head of International Equity Sales from 2009 to 2013. Before that, he worked at Merrill Lynch Japan from 2001 to 2003 in U.S. Equity Sales. Shuntaro received a B.A. in Commerce and Management from Hitotsubashi University in Tokyo. He is fluent in Japanese.

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## DONGHOON HAN

Donghoon Han is a Portfolio Manager at Matthews. Prior to joining Matthews in 2020, Donghoon was Vice President and portfolio manager at Goldman Sachs Asset Management in Tokyo, responsible for investments in technology, automotive and transportation sectors in Japan. From 2014 to 2016, he was a senior associate at Citadel Global Equities researching technology and industrial sectors in Japan. From 2010 to 2014, Donghoon worked at Dodge & Cox as an equity research associate covering global technology sector with a focus on semiconductors and electronic components. He received B.A. in International Liberal Arts from Waseda University in Tokyo. Donghoon is fluent in Japanese and Korean. He is a Chartered Member of the Securities Analysts Association of Japan.

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# Key Takeaways

- Matthews has been invested in emerging markets for more than 30 years, and has an experienced investment team with the regional knowledge needed to uncover companies with the potential to deliver long-term growth
- Matthews' active ETFs benefit from the same investment management experience as our actively managed mutual funds do, with access to additional benefits that an ETF structure provides
- Active management allows for greater flexibility to adapt to changing market environments
- Active ETFs allow investors a choice in how to invest, while providing benefits such as lower cost and potential tax efficiency, along with active security selection from our experienced portfolio managers

*[Learn more at matthewsasiasia.com/ETFs](https://matthewsasiasia.com/ETFs)*

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# A New Way to Invest in Emerging Markets and Asia

Access the potential of the world's most dynamic economies with active ETFs from the experts

## MATTHEWS

- Time-tested investment process
- Investment team with the expertise needed to successfully navigate these regions
- 30+ years' experience

## ACTIVE ETFs

- Potential to outperform
- Flexibility to buy and sell throughout trading day
- Lower costs and a tax-efficient structure





## Contact Us:

*To learn more about Matthews or how our strategies can complement globally diversified portfolios, please contact the Matthews Client Services Team*

### Contacting the Matthews Client Services team:



**Phone:** 888.289.7988



**Email:** [clientservices@matthewsasia.com](mailto:clientservices@matthewsasia.com)



**Web:** [matthewsasia.com/ETFs](http://matthewsasia.com/ETFs)



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# Disclosure

*You should carefully consider the investment objectives, risks, charges and expenses of the Matthews Asia Funds before making an investment decision. A prospectus or summary prospectus with this and other information about the Funds may be obtained by visiting [matthewsasiasia.com](http://matthewsasiasia.com). Please read the prospectus carefully before investing.*

Investment involves risk. Past performance is no guarantee of future results. The value of an investment in the Fund can go down as well as up. Investments involve risks, including possible loss of principal. Investments in international, emerging and frontier markets involve risks such as economic, social and political instability, market illiquidity, currency fluctuations, high levels of volatility, and limited regulation, which may adversely affect the value of the Fund's assets. Additionally, investing in emerging and frontier securities involves greater risks than investing in securities of developed markets, as issuers in these countries generally disclose less financial and other information publicly or restrict access to certain information from review by non-domestic authorities. Emerging and frontier markets tend to have less stringent and less uniform accounting, auditing and financial reporting standards, limited regulatory or governmental oversight, and limited investor protection or rights to take action against issuers, resulting in potential material risks to investors. Investing in small- and mid-size companies is more risky than investing in larger companies as they may be more volatile and less liquid than large companies. In addition, single-country funds may be subject to a higher degree of market risk than diversified funds because of concentration in a specific industry, sector or geographic location. Pandemics and other public health emergencies can result in market volatility and disruption.

ETFs may trade at a premium or discount to NAV. Shares of any ETF are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. Brokerage commissions will reduce returns.

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# Index Definitions

The Bloomberg European 500 Index is a free float capitalization-weighted index of the 500 most highly capitalized European companies.

The iShares MSCI Emerging Markets ETF (EEM) is an exchange-traded fund incorporated in the USA. The ETF tracks the performance of the MSCI TR Emerging Markets Index. The ETF holds emerging market stocks that can predominantly be classified as large and mid-cap.

The iShares MSCI Europe Small-Cap ETF seeks to track the investment results of an index composed of small-capitalization developed market equities in Europe.

The iShares MSCI Frontier 100 ETF seeks to track the investment results of an index composed of frontier market equities.

The MSCI All Country Asia ex Japan Index is a free float-adjusted market capitalization-weighted index of the stock markets of China, Hong Kong, India, Indonesia, Malaysia, Philippines, Singapore, South Korea, Taiwan and Thailand.

The MSCI All Country Asia ex Japan Small Cap Index is a free float-adjusted market capitalization-weighted index of small cap index of the stock markets of China, Hong Kong, India, Indonesia, Japan, Malaysia, Philippines, Singapore, South Korea, Taiwan and Thailand.

The MSCI All Country Asia Pacific Index is a free float-adjusted market capitalization-weighted index of the stock markets of Australia, China, Hong Kong, India, Indonesia, Japan, Malaysia, New Zealand, Philippines, Singapore, South Korea, Taiwan and Thailand.

The MSCI All Country World Index (ACWI) captures large and mid cap representation across 23 Developed Markets (DM) and 24 Emerging Markets (EM) countries. With 2,489 constituents, the index covers approximately 85% of the global investable equity opportunity set.

The MSCI Australia Index is a free float-adjusted, market capitalization-weighted index of equity market performance in Australia.

The MSCI China Index is a free float-adjusted market capitalization-weighted index of Chinese equities that includes H shares listed on the Hong Kong exchange, B shares listed on the Shanghai and Shenzhen exchanges, Hong Kong-listed securities known as Red chips (issued by entities owned by national or local governments in China) and P Chips (issued by companies controlled by individuals in China and deriving substantial revenues in China), and foreign listings (e.g. ADRs).

The MSCI China All Shares Index captures large and mid-cap representation across China A-shares, B-shares, H-shares, Red-chips, P-chips and foreign listings (e.g. ADRs).

The MSCI China Small Cap Index is a free float-adjusted market capitalization-weighted small cap index of the Chinese equity securities markets, including H shares listed on the Hong Kong exchange, B shares listed on the Shanghai and Shenzhen exchanges, Hong Kong-listed securities known as Red Chips (issued by entities owned by national or local governments in China) and P Chips (issued by companies controlled by individuals in China and deriving substantial revenues in China), and foreign listings (e.g., ADRs).

The MSCI EAFE Index is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US & Canada.

The MSCI Emerging Markets (EM) Asia Index captures large and mid cap representation across 9 Emerging Markets countries. With 567 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

The MSCI Emerging Markets Index is a free float-adjusted market capitalization-weighted index of the stock markets of Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Malaysia, Mexico, Pakistan, Peru, Philippines, Poland, Qatar, Saudi Arabia, South Africa, South Korea, Taiwan, Thailand, Turkey and United Arab Emirates.

The MSCI Emerging Markets Equity Index captures large and mid cap representation across 23 Emerging Markets (EM) countries. With 829 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

The MSCI Emerging Markets (EM) Latin America Index captures large and mid-cap representation across 5 Emerging Markets (EM) countries in Latin America. With 110 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

The MSCI Emerging Markets EMEA Index captures large and mid cap representation across 10 Emerging Markets (EM) countries in Europe, the Middle East and Africa (EMEA). With 163 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

The MSCI Europe Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the developed markets in Europe. The MSCI Europe Index consists of the following 15 developed market country indexes: Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and the United Kingdom.

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# Index Definitions

The MSCI Europe Small Cap Index captures small cap representation across the 15 Developed Markets (DM) countries in Europe. With 985 constituents, the index covers approximately 14% of the free float-adjusted market capitalization in the European equity universe.

The MSCI Frontier Markets Index captures large and mid cap representation across 29 Frontier Markets (FM) countries. The index includes 110 constituents, covering about 85% of the free float-adjusted market capitalization in each country.

The MSCI India Index is a free float-adjusted market capitalization index that is designed to measure the performance of the large and mid -cap segments of the Indian market.

The MSCI India Small Cap Index is designed to measure the performance of the small cap segment of the Indian market. With 253 constituents, the index represents approximately 14% of the free float-adjusted market capitalization of the India equity universe.

The MSCI Japan Index is a free float-adjusted market capitalization-weighted index of Japanese equities listed in Japan. The MSCI Japan Value Index captures large and mid cap Japanese securities exhibiting overall value style characteristics. The value investment style characteristics for index construction are defined using three variables: book value to price, 12-month forward earnings to price and dividend yield. With 173 constituents, the index targets 50% coverage of the free float-adjusted market capitalization of the MSCI Japan Index.

The MSCI Japan Growth Index is a free-float weighted equity index.

The MSCI Japan Small Cap Index is designed to measure the performance of the small cap segment of the Japanese market. With 926 constituents, the index represents approximately 14% of the free float-adjusted market capitalization of the Japan equity universe.

The MSCI Japan Value Index captures large and mid cap Japanese securities exhibiting overall value style characteristics. The value investment style characteristics for index construction are defined using three variables: book value to price, 12-month forward earnings to price and dividend yield. With 176 constituents, the index targets 50% coverage of the free float-adjusted market capitalization of the MSCI Japan Index.

The Korea Composite Stock Price Index (KOSPI) is a capitalization-weighted index of all common stocks listed on the Korea Stock Exchange.

The MSCI United Kingdom Index is a free float-adjusted market capitalization index designed to measure the performance of the large and mid-cap segments of the UK market.

The MSCI USA Index is a free float adjusted market capitalization index that is designed to measure large and mid cap US equity market performance.

The MSCI USA Small Cap Index is designed to measure the performance of the small cap segment of the US equity market. With 1,782 constituents, the index represents approximately 14% of the free float-adjusted market capitalization in the US.

The Russell 2000 index is an index measuring the performance approximately 2,000 small-cap companies in the Russell 3000 Index, which is made up of 3,000 of the biggest U.S. stocks. The Russell 2000 serves as a benchmark for small-cap stocks in the United States. The weighted average market capitalization for companies in the Russell 2000 is about US\$1.3 billion and the index itself is frequently used as a benchmark for small-cap mutual funds.

The S&P 500 Index is a broad market-weighted index dominated by blue-chip stocks in the U.S.

The S&P Bombay Stock Exchange 100 (S&P BSE 100) Index is a free float-adjusted market capitalization-weighted index of 100 stocks listed on the Bombay Stock Exchange.

The SSE Composite Index also known as SSE Index is a stock market index of all stocks that are traded at the Shanghai Stock Exchange.

The Shanghai Stock Exchange Composite Index is a capitalization-weighted index. The index tracks the daily price performance of all A-shares and B-shares listed on the Shanghai Stock Exchange.

The STOXX Europe 600 Index is derived from the STOXX Europe Total Market Index (TMI) and is a subset of the STOXX Global 1800 Index. With a fixed number of 600 components, the STOXX Europe 600 Index represents large, mid and small capitalization companies across 18 countries of the European region: Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom.

The Tokyo Stock Price Index (TOPIX) is a capitalization-weighted index of all companies listed on the First Section of the Tokyo Stock Exchange.

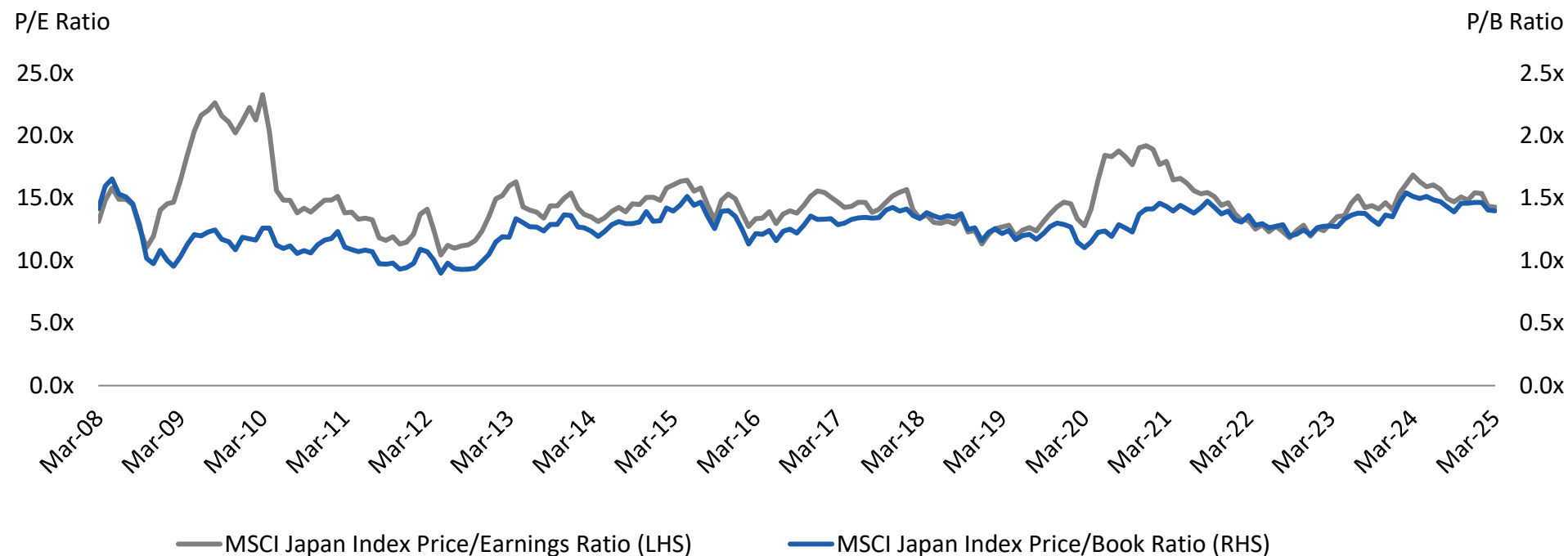
The TOPIX Small Index is a capitalization-weighted index designed to measure the performance of the stocks listed on the First Section of the Tokyo Stock Exchange, excluding the TOPIX 500 stocks and non-eligible stocks.

Indexes are unmanaged and it is not possible to invest directly in an index.



# Japanese Valuations

Valuations remain reasonable



	Forward P/E	Trailing P/B	Forward Dividend Yield
<b>MSCI Japan</b>	14.1x	14.0x	13.1%
<b>MSCI Europe</b>	1.4x	2.1x	2.0%
<b>MSCI AC Asia Ex-Japan</b>	3.6x	4.0x	3.0%

Note: data as of March 31, 2025  
Dividend yield and forward P/E figures are estimated. The forward price per earnings ratio ("Forward P/E") is calculated by dividing the market price per share by the forecasted earnings per share for 2025. There is no guarantee any estimates or projections will be realized. Indexes are unmanaged and it is not possible to invest directly in an index.

Source: Factset Research Systems, Inc.

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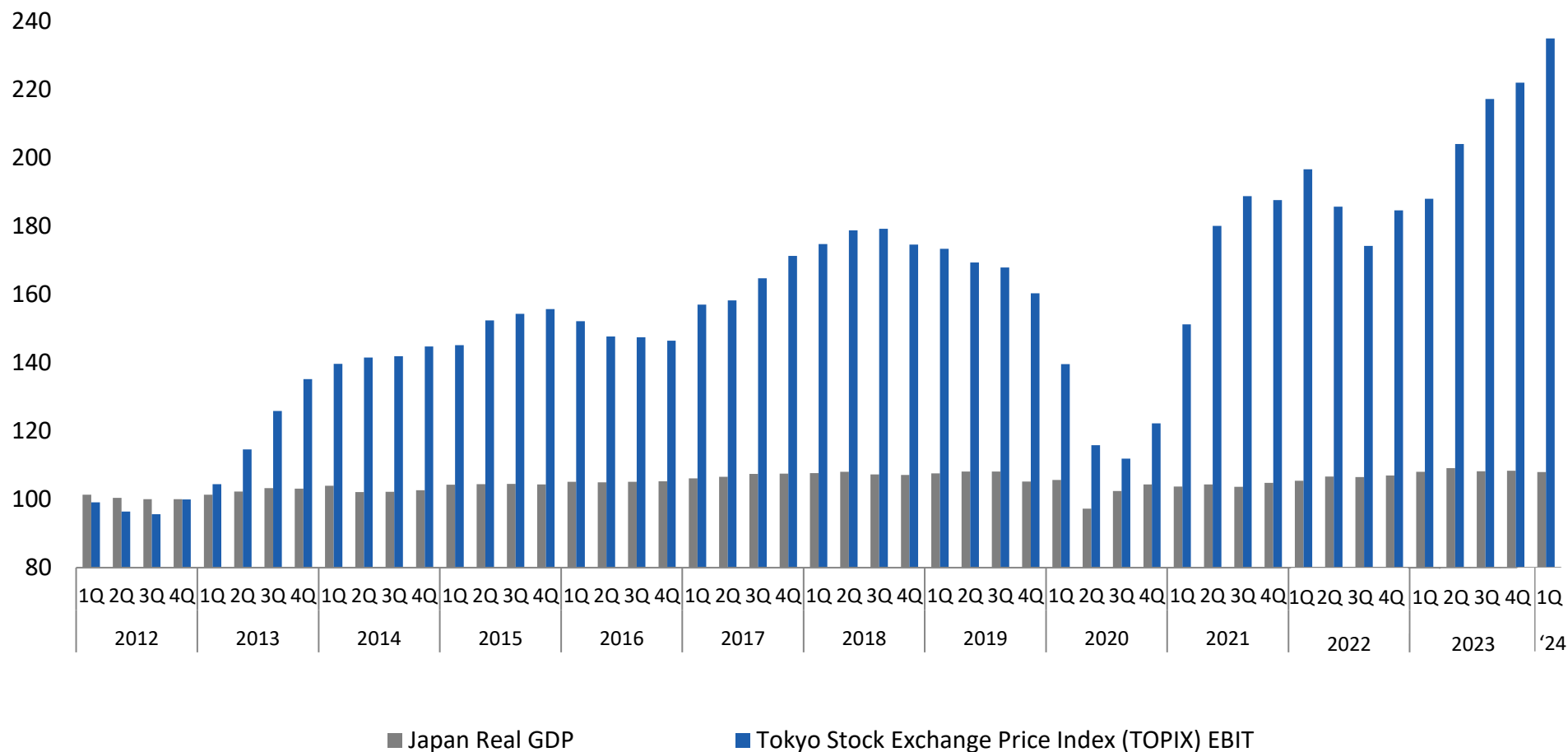


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# Corporate Profit Growth Outpacing Real GDP

Equities buy a share of corporate profits

Index, 4Q 2012 = 100



Indexes are unmanaged and it is not possible to invest directly in an index.

Source: Bloomberg; data as of June 30, 2024

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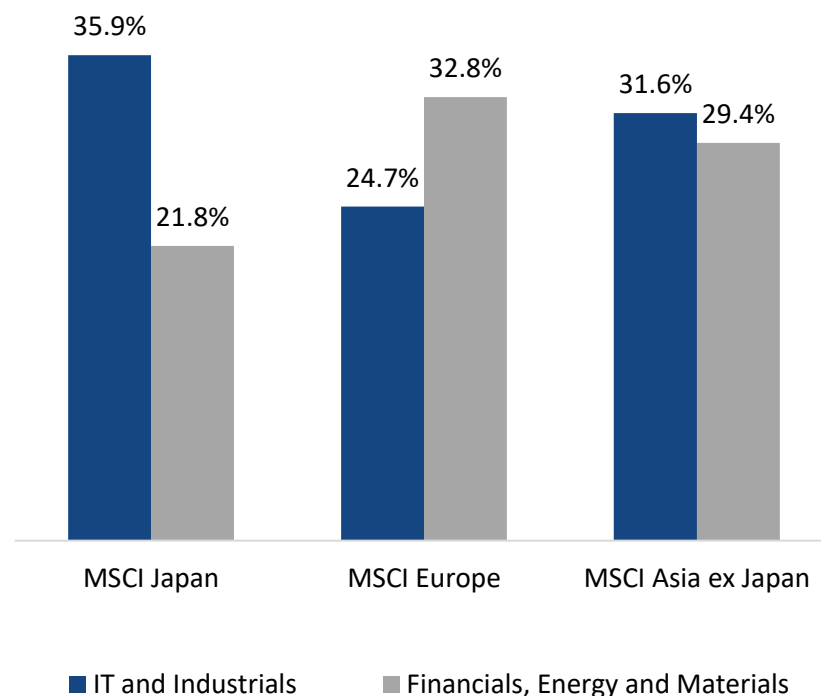
# Investing in Japan Equities = Investing in Innovation and Productivity

Japan equities lower exposure to interest rate sensitive sectors

## SECTOR WEIGHTS (%)

	MSCI Japan	MSCI Europe	MSCI Asia ex Japan
Communication Services	7.7	4.1	11.3
Consumer Discretionary	18.3	8.7	15.7
Consumer Staples	5.4	10.1	3.8
Energy	0.9	4.9	3.2
Financials	17.3	22.3	22.6
Health Care	7.6	14.6	3.5
Industrials	22.9	17.7	7.1
Information Technology	13.0	7.0	24.5
Materials	3.6	5.6	3.7
Real Estate	2.4	0.8	2.2
Utilities	1.0	4.1	2.5

## MANUFACTURING ACTIVITY VS. INTEREST RATE CYCLE



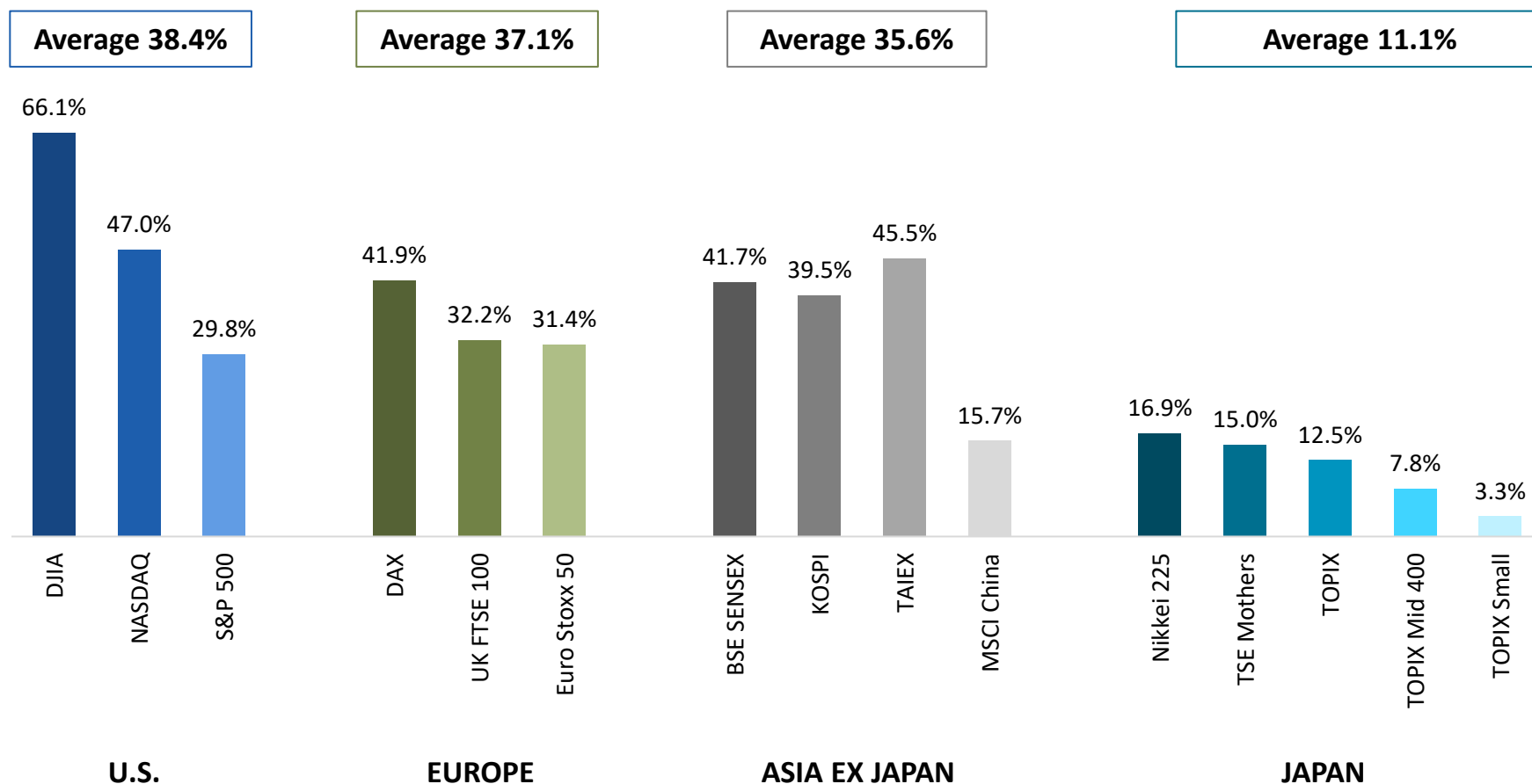
Indexes are unmanaged and it is not possible to invest directly in an index.  
Source: FactSet Research Systems; data as of March 31, 2025



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# Low Index Concentration Provides Opportunity for Active Investments

Percent of top five market cap as a percentage of entire index



Note: Indexes are unmanaged, and it is not possible to invest directly in an index.

Source: Bloomberg; data as of June 30, 2024



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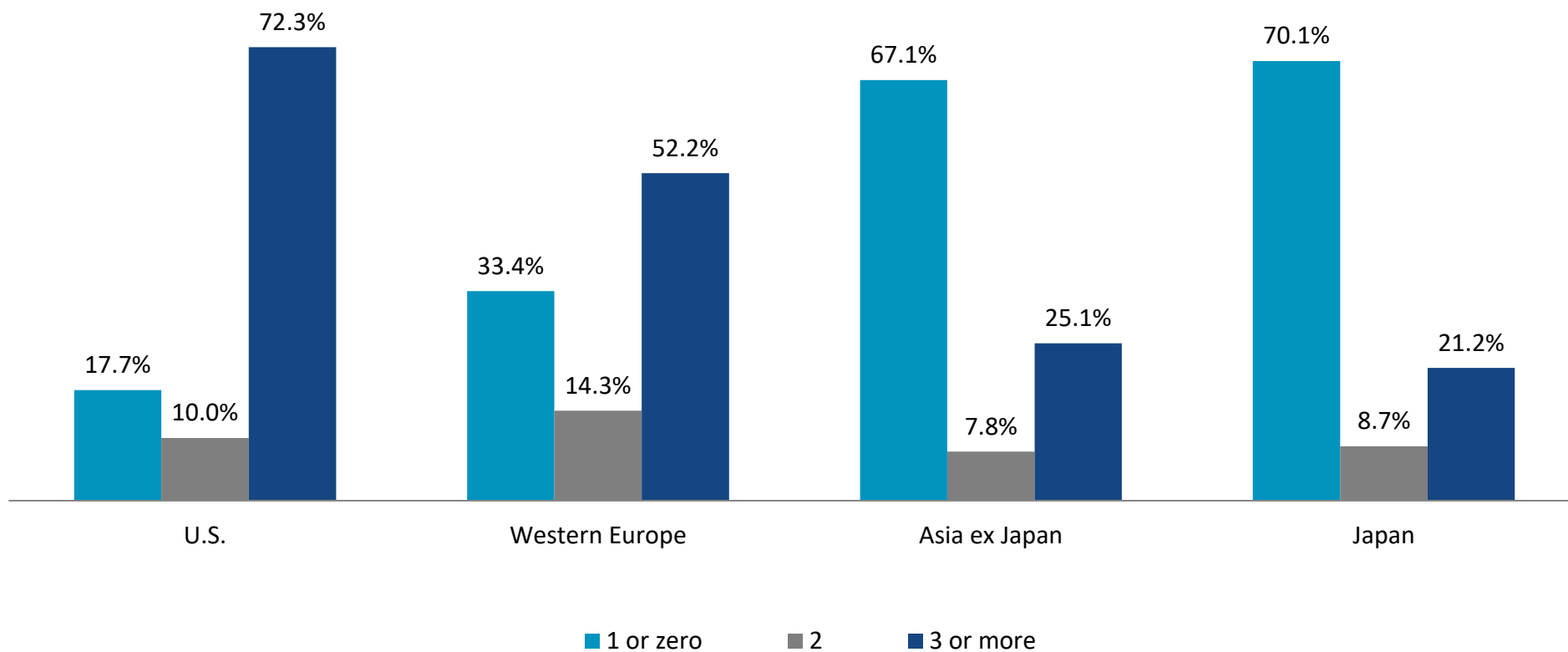
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# We Believe Japan's Alpha Opportunity is in Small Caps

Small cap coverage in Japan remains thin, less than Asia ex Japan

## SMALL CAP COVERAGE IN JAPAN



Note: Universe as defined by FactSet. Western Europe includes France, Germany, Italy, Spain, Switzerland and UK. Asia ex Japan is Hong Kong, Singapore, South Korea, Taiwan, China, India, Indonesia, Malaysia, Philippines, Sri Lanka, Thailand, Vietnam

Source: FactSet Research Systems; data as of June 30, 2024

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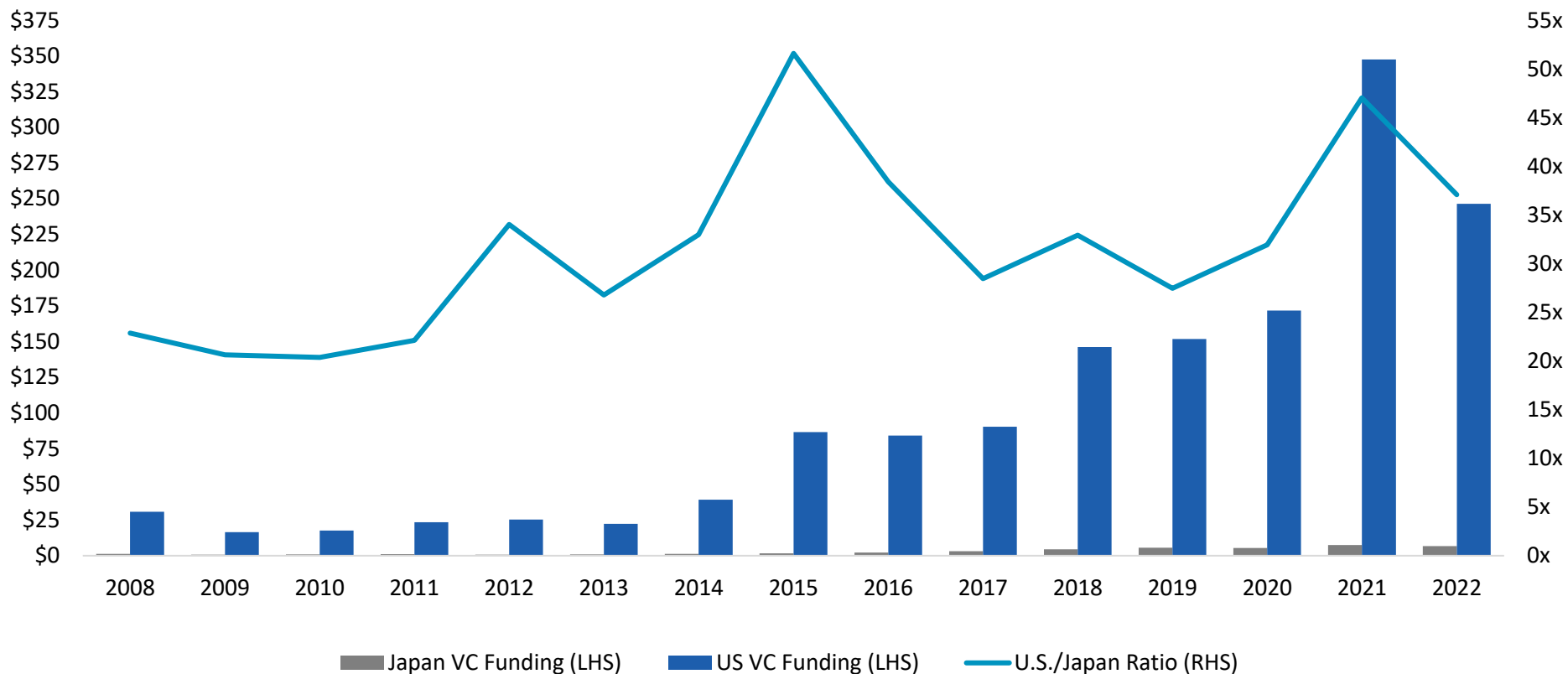
# Japan IPO: Start Small, Grow Big

Despite recent growth in Japan VC funding, it is still only a fraction of U.S. VC funding

## VENTURE CAPITAL (VC) FUNDING IN JAPAN VS. THE U.S.

VC Funding (US\$ BN)

U.S. / Japan VC Funding Ratio



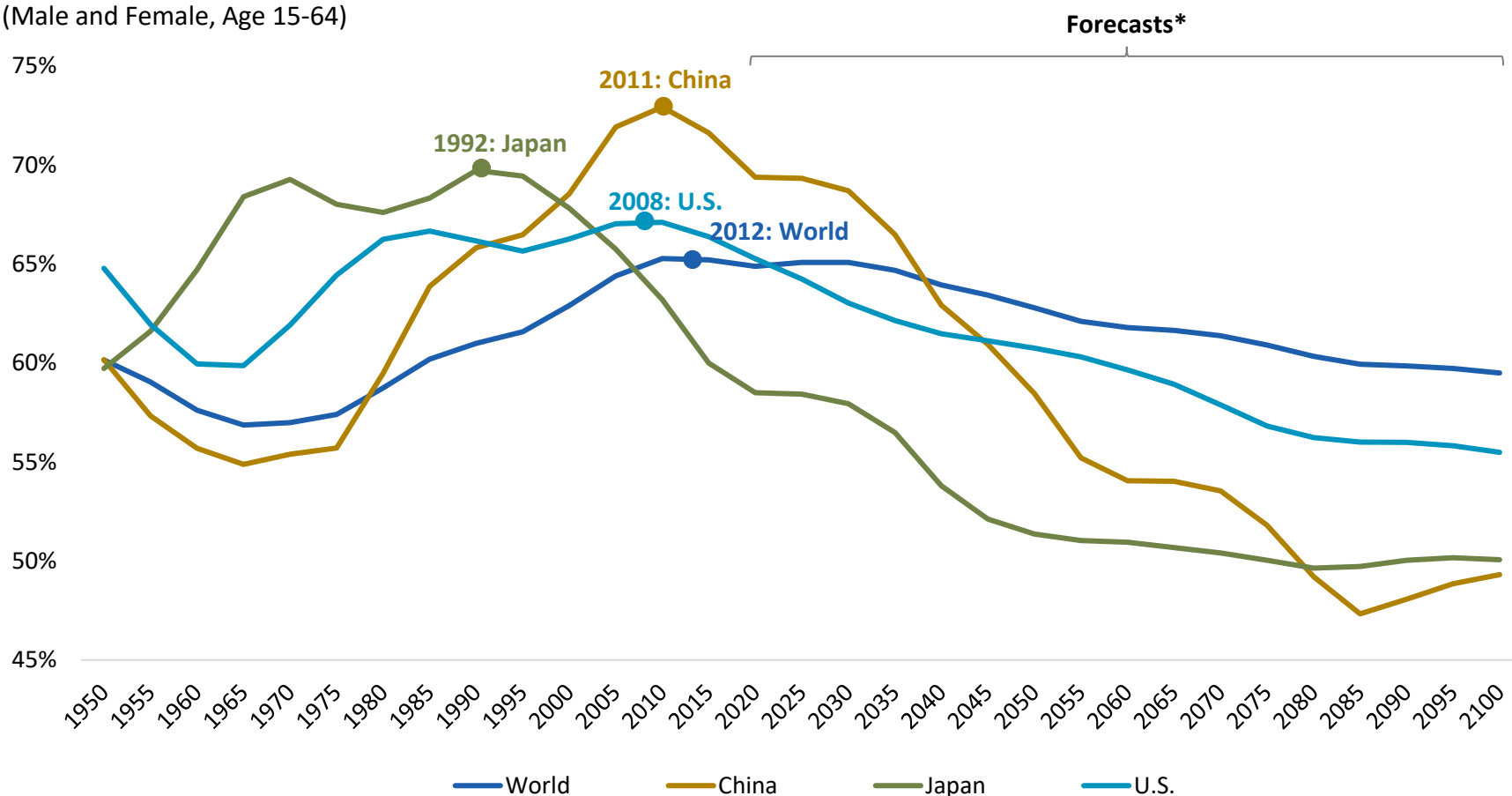
Sources: Japan data from Entrepedia; U.S. data from PwC/MoneyTree; data as of June 30, 2023

# Labor Population Peaking Out

Percentage of total population by broad age group, both sexes (per 100 total population)

## % OF WORKING AGE POPULATION

(Male and Female, Age 15-64)



\*Note: 2020 data and beyond are estimates. There is no guarantee projections or estimates will be realized.  
Source: United Nations, Department of Economic and Social Affairs, Population Division (2019). World Population Prospects 2022

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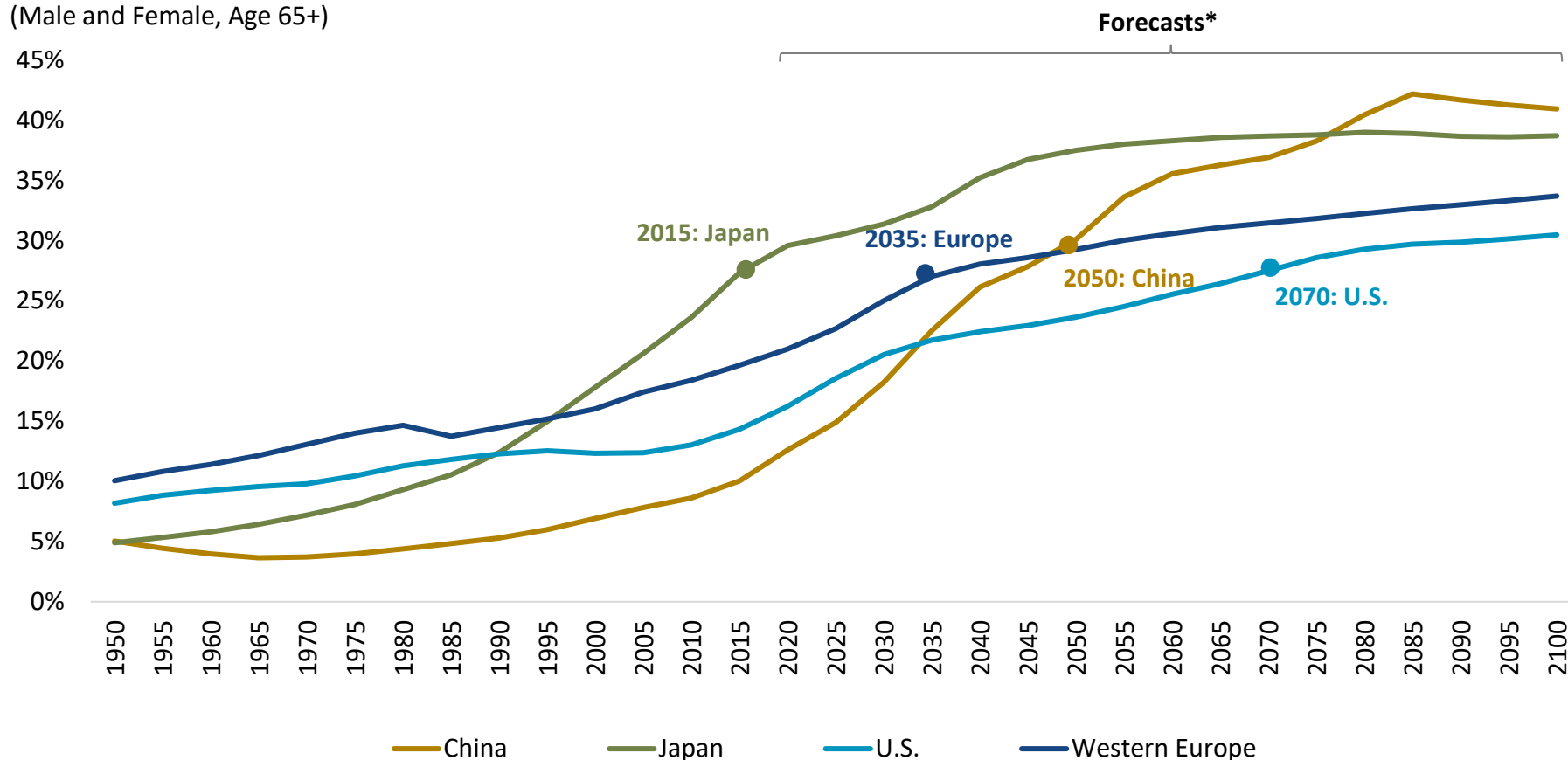
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# Aging Society Will No Longer Be Unique to Japan

U.S., Western Europe and China expected to experience what Japan faced in 1990-2020

## ELDERLY POPULATION AS A % OF TOTAL POPULATION

(Male and Female, Age 65+)



\*Note: 2020 data and beyond are estimates. There is no guarantee projections or estimates will be realized.  
Source: United Nations, Department of Economic and Social Affairs, Population Division (2022). World Population Prospects 2022

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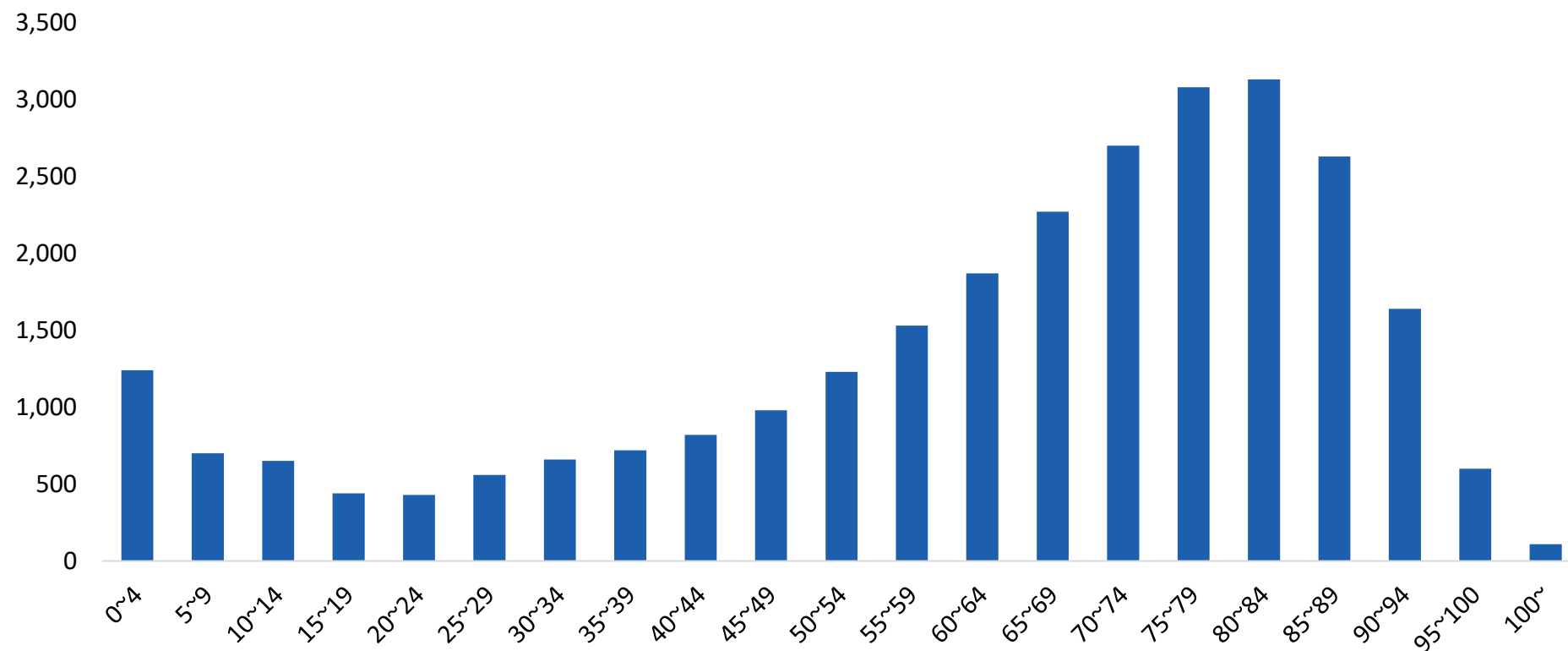
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# Japan Health Care Spending

50% of lifetime health care costs are spent after age 70 (total spending of 27 million Yen)

## JAPAN HEALTH CARE SPENDING PER PERSON BY AGE GROUP

Yen, Thousands



Source: Ministry of Health, Labor and Welfare, 2019