

# Rothschild & Co Risk-Based Japan Index

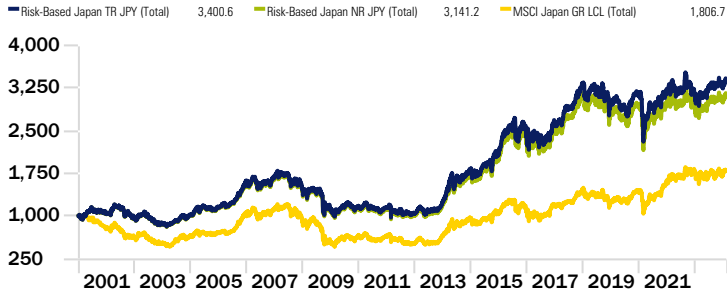


Monthly Report As of 2/28/2023

The Rothschild & Co Risk-Based Japan Index provides an alternative to market-cap weighting with a risk-based approach to index construction. The strategy seeks to equalize risk contribution of index constituents and to maximize risk diversification while avoiding excessive turnover and portfolio concentration. The approach seeks to provide lower volatility, reduced maximum drawdown and higher Sharpe ratio compared with market capitalization indices over the long-term.

## Cumulative Index Performance

Time Period: 1/14/2000 to 2/28/2023



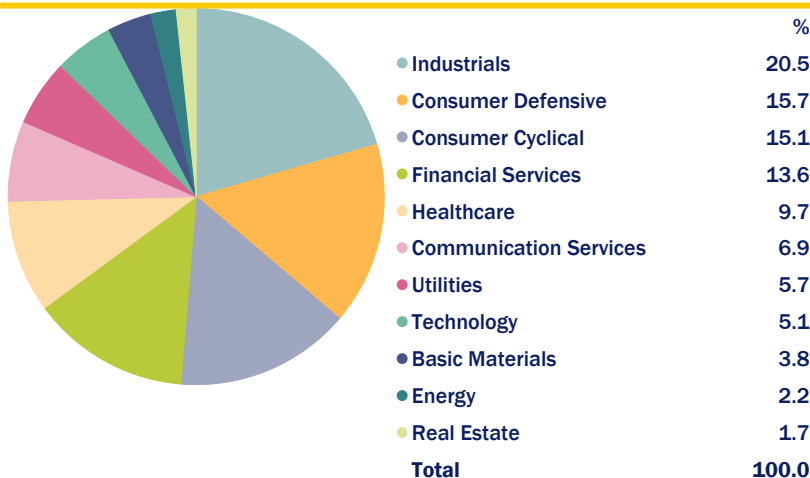
## Total Return %

|                         | Index Value | 1M   | 3M   | YTD  | 1yr   | 3yr   | 5yr  | 10yr | Since Inception |
|-------------------------|-------------|------|------|------|-------|-------|------|------|-----------------|
| Risk-Based Japan TR JPY | 2,090.41    | 1.18 | 0.65 | 2.23 | 10.30 | 7.09  | 1.61 | 9.46 | 5.44            |
| Risk-Based Japan NR JPY | 1,959.07    | 1.17 | 0.59 | 2.22 | 9.78  | 6.63  | 1.17 | 9.02 | 5.07            |
| MSCI Japan GR LCL       | 2,950.59    | 0.73 | 0.00 | 5.45 | 7.70  | 12.20 | 5.45 | 9.65 | 2.59            |

## Risk/Returns Characteristics vs. MSCI Japan Index

|                         | Standard Deviation |       |       | Sharpe Ratio |       |       | Beta |      |      | Up Capture* |        |        | Down Capture* |        |        |
|-------------------------|--------------------|-------|-------|--------------|-------|-------|------|------|------|-------------|--------|--------|---------------|--------|--------|
|                         | 1 Yr               | 3 Yr  | 5 Yr  | 1 Yr         | 3 Yr  | 5 Yr  | 1 Yr | 3 Yr | 5 Yr | 1 Yr        | 3 Yr   | 5 Yr   | 1 Yr          | 3 Yr   | 5 Yr   |
| Risk-Based Japan TR JPY | 4.64               | 11.19 | 12.36 | -0.71        | -0.13 | -0.34 | 0.60 | 0.67 | 0.70 | 62.17       | 71.00  | 73.81  | 57.45         | 72.87  | 76.82  |
| Risk-Based Japan NR JPY | 4.72               | 11.18 | 12.32 | -0.74        | -0.17 | -0.38 | 0.60 | 0.67 | 0.70 | 62.36       | 71.17  | 74.02  | 57.16         | 72.63  | 76.58  |
| MSCI Japan GR LCL       | 14.08              | 14.71 | 15.27 | 0.39         | 0.79  | 0.33  | 1.00 | 1.00 | 1.00 | 100.00      | 100.00 | 100.00 | 100.00        | 100.00 | 100.00 |

## Sector Weights



## Top 10 Constituents

| Constituent                            | Sector                 | Weight %     |
|--|------------------------|--------------|
| McDonald's Holdings Co (Japan) Ltd     | Consumer Cyclical      | 3.20         |
| Electric Power Development Co Ltd      | Utilities              | 0.81         |
| Cosmo Energy Holdings Co Ltd           | Energy                 | 0.80         |
| SoftBank Corp                          | Communication Services | 0.79         |
| Skylark Holdings Co Ltd                | Consumer Cyclical      | 0.79         |
| Shimamura Co Ltd                       | Consumer Cyclical      | 0.78         |
| Zensho Holdings Co Ltd                 | Consumer Cyclical      | 0.77         |
| Yamazaki Baking Co Ltd                 | Consumer Defensive     | 0.76         |
| Yamada Holdings Co Ltd Ordinary Shares | Consumer Cyclical      | 0.72         |
| KDDI Corp                              | Communication Services | 0.71         |
| <b>Total</b>                           |                        | <b>10.12</b> |

# Portfolio Highlights

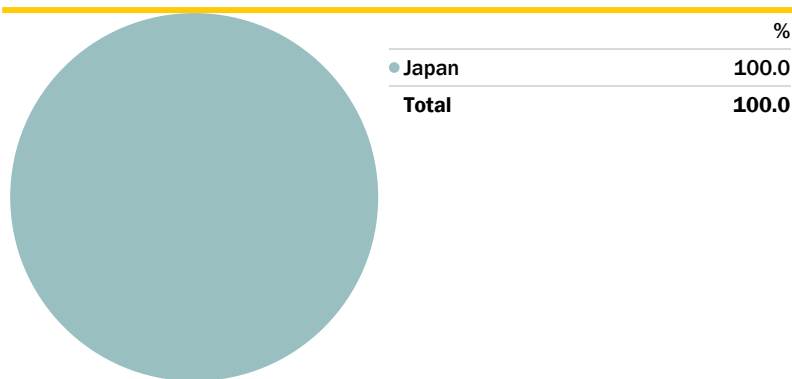


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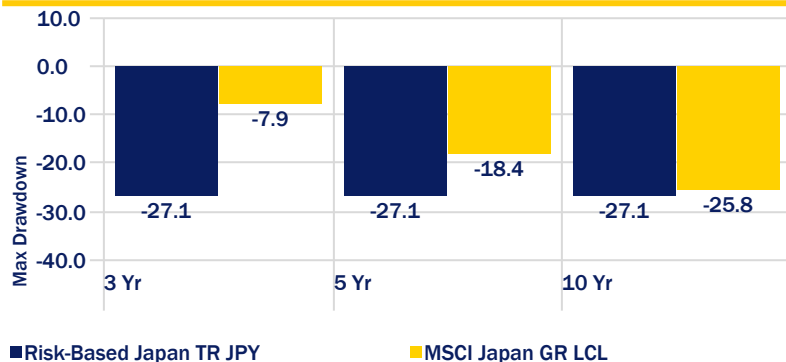
## Index Characteristics

|                          | Risk-Based Japan TR JPY | MSCI Japan GR LCL |
|--------------------------|-------------------------|-------------------|
| Average Mkt. Cap (\$mm)  | 5,631.4                 | 26,652.6          |
| Estimated Price/Earnings | 12.7                    | 13.1              |
| Price/Book               | 1.0                     | 1.3               |
| Price/Cash Flow          | 10.0                    | 10.3              |
| Dividend Yield           | 3.3                     | 3.4               |

## Country Allocation - By Country Domicile



## Maximum Drawdown



## Tickers

| Currency         | USD       | EUR      | GBP      |
|------------------|-----------|----------|----------|
| Total Return     | RRBJPTR2  | RRBJPTR1 | RRBJPTR3 |
| Net Total Return | RRBJPNT2  | RRBJPNT1 | RRBJPNT3 |
| Price            | RRBJPPR2  | RRBJPPR1 | RRBJPPR3 |
| Reuters          | .RRBJPNT4 |          |          |

## Index Administration



Rothschild & Co Risk Based Investments LLC is a wholly owned subsidiary of Rothschild & Co and, as the index sponsor, oversees the monthly calculation of weightings for each index through a proprietary risk-based method.

Source: Morningstar Direct

## Methodology

Quarterly Universe Constituent Selection - selects the largest stocks in the exchange universe (January, April, July, October)

## Quarterly Index Selection

- Selects the 50% of the universe with the lowest marginal risk contribution (combination of volatility and correlation)
- Each constituent is weighted so that it contributes an equal amount of risk

## Key Facts

|                          |                               |
|--------------------------|-------------------------------|
| Universe Constituents:   | 400                           |
| Selected Constituents    | 200                           |
| Weighting Methodology:   | Equal Risk Contribution (ERC) |
| Rebalancing Frequency:   | Quarterly                     |
| Index Launch Date        | 3/3/17                        |
| Index First Value Date:  | 1/14/00                       |
| Available Currencies     | USD, EUR, GB, JPY             |
| Index Calculation Agent: | S&P Dow Jones Indices         |

## Disclaimer:

Index launch date is 3/3/17. All information presented prior to the launch date is backtested.

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