



**S&P DOW JONES
INDICES**
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Japan Exchange Group, Inc.
Tokyo Stock Exchange, Inc.
S&P Dow Jones Indices LLC

S&P Dow Jones Indices and Japan Exchange Group/Tokyo Stock Exchange to Introduce Co-branded Smart Beta Index Series in Japan

S&P Dow Jones Indices (“S&P DJI”), Japan Exchange Group (“JPX”) and Tokyo Stock Exchange (“TSE”) today announced a strategic agreement to jointly introduce the co-branded **S&P/JPX Smart Beta Index Series**, with the calculation of the S&P/JPX GIVI® – the first index of the Series to be launched – expected to start in November this year. The Series features three innovative benchmarks that combine robust smart beta index designs with enhanced exposure to Japan’s equity market:

- **S&P/JPX GIVI® (Global Intrinsic Value Index):** Constructed from the universe of the Tokyo Stock Price Index (TOPIX), it seeks to provide better risk adjusted exposure to Japan equities by combining low volatility with an alternative weighting scheme based on stocks’ calculated intrinsic value, rather than market capitalization.
- **S&P/JPX Dividend Aristocrats Index:** It measures the performance of constituents within TOPIX that have followed a policy of consistently increasing dividends every year for at least ten years.
- **S&P/JPX Risk Control Index (5%, 10% and 15%):** This index series applies the S&P DJI risk control framework to TOPIX. It consists of a position in the TOPIX Total Return Index and a cash position based on the Domestic Interbank Unsecured Overnight Call Rate, with target volatility of 5%, 10% and 15%, respectively.

“For many international investors, Japan equities are an integral part of their portfolios and investment strategies. As a result, we have seen growing demand for alternative exposure to the market based on transparent, rules-based index methodology,” commented **Mr. Alex Matturri, CEO at S&P DJI**. “We expect that the S&P/JPX Smart Beta Index Series will become leading benchmarks for measuring the performance of Japan equities while potentially serving as the underlying for passive investment products.”

“Our collaboration with S&P Dow Jones Indices has yielded tremendous results over the years and we are excited about the immense possibilities that this latest index lineup will bring to both international and local investors,” said **Mr. Koichiro Miyahara, President at TSE**. “We are confident that the S&P/JPX Smart Beta Index Series will further investors’ understanding of the performance of smart beta investment strategies in Japan.”

This latest collaboration between S&P DJI and JPX • TSE is in support of the continuing popularity of smart beta index strategies in Japan, which is epitomized by the Government Pension Investment Fund (GPIF)’s decision to adopt the S&P GIVI Japan Index as one of the performance benchmarks in 2014. Apart from the S&P/JPX Smart Beta Index Series, S&P DJI and JPX • TSE have also jointly launched a variety of equity indices catering to the different needs of the investment community, such as the S&P/TOPIX 150 Index and the S&P/TOPIX 150 Carbon Efficient Index.

For more information, please visit SPDJI official website www.spdji.com and JPX official website www.jpx.co.jp.

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About Japan Exchange Group and Tokyo Stock Exchange

Japan Exchange Group, Inc., one of the leading exchange groups in the world, is a holding company established on January 1, 2013 as a result of a business combination between Tokyo Stock Exchange (TSE), the largest stock exchange in the Asia-Pacific region, and Osaka Exchange, a major derivatives exchange. JPX listed its stock on TSE on January 4 of the same year. TSE is a licensed financial instruments exchange under the Financial Instruments and Exchange Act of Japan, which is engaged in the provision of market facilities for trading of securities, publication of stock prices and quotations, ensuring fair trading of securities and other financial instruments, and other matters related to the operation of exchange financial instruments markets.

About S&P Dow Jones Indices

S&P Dow Jones Indices LLC, a part of McGraw Hill Financial, is the world's largest, global resource for index-based concepts, data and research. Home to iconic financial market indicators, such as the S&P 500® and the Dow Jones Industrial Average®, S&P Dow Jones Indices LLC has over 115 years of experience constructing innovative and transparent solutions that fulfill the needs of investors. More assets are invested in products based upon our indices than any other provider in the world. With over 1,000,000 indices covering a wide range of asset classes across the globe, S&P Dow Jones Indices LLC defines the way investors measure and trade the markets. To learn more about our company, please visit www.spdji.com.

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