

# Performance Update

## Scientific Beta HFE Japan Equity 6F EW UCITS ETF

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If the board of directors of the Company and/or Morgan Stanley decide to terminate the arrangement for marketing that Fund in any EEA country where it is registered for sale, they will do so in accordance with the relevant UCITS rules.

Investment in the Fund concerns the acquisition of shares in the Fund and not in a given underlying asset such as building or shares of a company, as these are only the underlying assets owned by the Fund.

### Investment Objective

The Scientific Beta HFE Japan Equity 6F EW UCITS ETF (the "JHEF ETF") aims to deliver medium to long term capital appreciation by providing Shareholders with a return equivalent to the performance of the Scientific Beta Japan HFI Multi-Beta Multi-Strategy Six Factor EW Market Beta Adjusted (Leverage) (Six-Factor) Index ("Index") Net Return.

### About the Index

The Index is designed to create exposure to a portfolio of equities and equity related securities, which are listed or traded on any stock exchange that is located in Japan, through equally-weighted allocations to 6 subindices.

Each sub-index will reflect one of the six following investment styles:

**Value** (investing in equities and equity related securities with high book to market value ratio)

**Momentum** (investing in equities and equity related securities that have outperformed in the past)

**Low volatility bias** (investment in equities and equity related securities with low volatility)

**Size** (investment in mid or small capitalisation equities and equity related securities)

**Profitability** (investment in equities and equity related securities that have a high gross profitability ratio, defined as the ratio of the previous fiscal year's gross profit to total assets of the relevant issuer)

**Investment** (investing in equities and equity related securities whose issuer has low asset growth rate)

In order to ensure that each of the sub-indices is diversified, an equally weighted combination of five diversification based weighing schemes (Max De-concentration, Max De-correlation, Min Volatility, Max Sharpe Ratio, Diversified Risk Weighted) is applied to the respective portfolio of equity and equity related securities selected for that sub-index.

The Index is calculated daily. Constituents and weightings are determined quarterly. These are available, as well as a detailed description of the methodology, at [www.scientificbeta.com](http://www.scientificbeta.com).

### The JHEF ETF

The JHEF ETF enables an investor to gain exposure to the performance of the index in a cost effective manner.

### Key Product Risks

- No capital protection: investors may lose their entire investment by investing it in the JHEF ETF
- The JHEF ETF is exposed to market risk and risks arising from equity factor exposure
- Whilst Scientific Beta use transparent methodologies to construct their indices, they are still subject to model risk
- The use of derivative instruments is central to the investment policy of the ETF. The ability of the ETF to meet its objective is dependent on the ability of the counterparty to meet its obligations. In the event of counterparty default, the ETF will be exposed to the economic value and market risk associated with the funding assets it holds and the ability of the ETF to deliver the return of the Index may be negatively impaired

### Trading Considerations

Exchange Listing	London Stock Exchange (LSE)
Trading Currency	EUR
Trading Times	08:00 - 16:30 London Time
ISIN	IE00BDBRDY56
Bloomberg code	JHEF LN
Reuters code	JHEF.L
WKN code	A2H8W6
Underlying Benchmark code	SBJEAMLN Index
Total Expense Ratio	30bps
iNAV	On Bloomberg, <JHEF ETF>then<QRM>
Minimum Investment	5,000 shares
Cut-off time for NAV execution	12:00 p.m. noon Irish time
Authorised Participant	Morgan Stanley & Co. International Plc.
Settlement	DVP (Delivery vs. Payment) via CREST, Subscription: T+2; Redemption: T+3

### Benchmark Information

Index	Scientific Beta Japan HFI Multi-Beta Multi-Strategy Six Factor EW Market Beta Adjusted (Leverage) (Six-Factor) Index ("Index") Net Return
Currency	EUR
Bloomberg	SBJEAMLN Index
Index Sponsor	Edhec-Risk Institute ScientificBeta
Index Calculation Agent	Edhec-Risk Institute ScientificBeta

### ETF Characteristics

Replication Method	Synthetic replication
Base Currency	EUR
Promoter	Morgan Stanley & Co. International Plc ("Morgan Stanley")
Investment Manager	FundLogic SAS ("FundLogic")
Depository	Northern Trust Fiduciary Services (Ireland) Limited
ETF Inception Day	7-Dec-17
Total Expense Ratio	0.30% p.a.
Dividend Treatment	Accumulation
Open-ended	Yes
UCITS	Yes
Domicile	Ireland
Minimum Investment	5,000 Shares
NAV	€ 128.59
AUM (EUR)	€ 0.13 MM
Passporting	Ireland, UK, Spain, Germany, Luxembourg, Sweden, Finland, Denmark, Norway, Belgium, France

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**Performance of Fund (as of 28 March 2024)****Past performance does not predict future return**

	SciBeta HFE Japan Equity 6F EW UCITS ETF <sup>1</sup>	Net Return Index <sup>5</sup>
One Month	4.69%	4.73%
Last Three Months	12.88%	13.02%
Since Index Change <sup>1</sup>	29.16%	33.29%
2023	14.92%	15.52%
2022	-6.51%	-6.01%
2021	10.53%	11.13%
2020	-9.15%	-8.68%
2019	15.05%	15.66%
2018	-8.89%	-6.03%
2017	-	-
2016	-	-
2015	-	-
2014	-	-
Since Inception <sup>2</sup>	28.59%	-
Annualised Volatility <sup>3</sup>	18.53%	18.53%
Tracking Error <sup>4</sup>	0.04%	-

Source: Bloomberg

The above figures refer to the past. Past performance shown is net of fees. Returns may increase or decrease as a result of currency fluctuations

1. Calculated for both the JHEF ETF and the Index from the change of the underlying index of the JHEF ETF (19-Apr-2018)

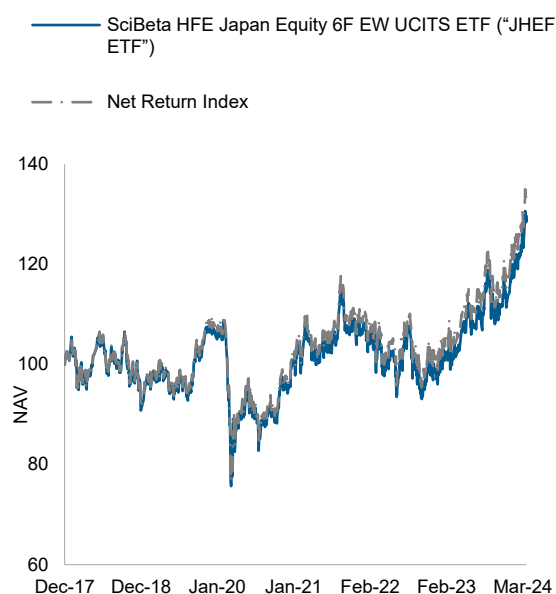
2. Inception Date 7-Dec-17

3. Volatility is computed as the standard deviation of the daily return.

4. The tracking error is computed as the annualised standard deviation of the spread in performance between the return of the fund and the Index as its benchmark. The weekly tracking error is computed since the change of the underlying index (19-Apr-2018)

5. For the Net Return Index above and in the chart; from inception until 19-Apr-2018 is with reference to Scientific Beta Japan HFE Multi-Beta Multi-Strategy Equal Weight (Six-Factor) Index and thereafter to Scientific Beta Japan HFI Multi-Beta Multi-Strategy Six Factor EW Market Beta Adjusted (Leverage) (Six-Factor) Index

To receive further information in relation to the past performance of the JHEF ETF and its functioning in different market conditions, please contact your Morgan Stanley Sales representative.



## Currency Weightings

Top 10 Currencies <sup>6</sup>	% of NAV
Japanese Yen	100.00%
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
TOTAL	100.00%

## Holdings

Top 10 Holdings <sup>6</sup>	% of NAV
JAPAN POST BANK Co., Ltd.	1.86%
Japan Post Holdings Co., Ltd.	1.81%
Chubu Electric Power Company, Incorporated	1.57%
Mazda Motor Corporation	1.49%
Mitsubishi Heavy Industries, Ltd.	1.44%
SCREEN Holdings Co., Ltd.	1.37%
Meiji Holdings Co., Ltd.	1.32%
Aeon Co., Ltd.	1.25%
Tokyo Gas Co., Ltd.	1.22%
ENEOS Holdings, Inc.	1.20%
TOTAL	14.52%

6. The weightages mentioned are for the Net Return Index rebased to 100.

## Industry Weightings

Top 10 Industries <sup>6</sup>	% of NAV
Consumer Discretionary	20.58%
Financials / Real Estate	17.73%
Industrials	17.17%
Consumer Staples	12.80%
Technology	10.93%
Materials	7.30%
Health Care	5.72%
Utilities	5.29%
Energy	1.95%
Telecommunication Services	0.53%
TOTAL	100.00%

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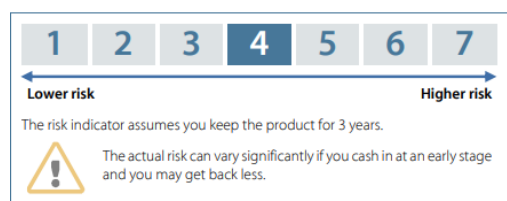
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