

Joint development of smart-beta indices with STOXX Limited, Switzerland
- First index for joint development is linked Japanese stocks with “high ROE”-

Mitsubishi UFJ Trust and Banking Corporation (MUTB; Tatsuo Wakabayashi as Chairman and President), a leading Japanese trust bank, today announced the launch of iSTOXX MUTB JAPAN Quality 150 Index. The new index, which was developed in collaboration with STOXX^{*1}, a leading provider of innovative, tradable and global index concepts, is a smart-beta index consisting of quality companies in Japan mainly with a high return on equity (ROE).

1. Outline of smart-beta index

Smart-beta indices are based on rule of investment methodologies that attempt to achieve a better risk/return tradeoff without the traditional method of market-cap weighted index investing. Smart-beta indices provide unique opportunities such as effective investment and low cost. Investors’ demand, especially in Europe and US, has been increasing.

2. Our aim of the collaboration with STOXX

In May 2015, MUTB entered into a memorandum of understanding (MOU) with STOXX. It enables MUTB to provide investment products to STOXX’s investors. Furthermore MUTB can provide indices it develops to domestic and overseas asset managers through STOXX’s platform.

3. Contents of iSTOXX MUTB JAPAN Quality 150 Index

“iSTOXX MUTB JAPAN Quality 150 Index” is composed of 150 stocks. MUTB and Mitsubishi UFJ Trust Investment Technology Institute Co., Ltd (MTEC)^{*2}, in-house quantitative specialized technology institute, have analyzed financial information and selected 150 companies with high ROE potential for not only single fiscal year but consecutive years.

-Summary-

Name	iSTOXX MUTB JAPAN Quality 150 Index
Number of composed stocks	150 stocks
Investment grade Universe	STOXX JAPAN 600 (Composed of stocks listed on the Tokyo Stock Exchange, as well as a liquidity screen)
Selection of stocks	Select stocks evaluated high fundamentals ratio (Return on equity(ROE), debt-to-capital, cash flow generation ability and business stability) from universe
Change of the value of a portfolio	Semiannually in June and December
Calculation method	Weighted by free-float market cap (a single component’s weight cap of 2.0%)

To meet domestic and overseas investors’ needs for global asset management, MUTB is combining the expertise it has developed through domestic pension management with STOXX’s know-how of index calculation and management.

<Information>

【*1 About STOXX Limited】

- Investment index developer and provider established in 1997. Headquartered in Zurich.
- Wholly-owned subsidiary of Deutsche Borse AG.
- Calculated and published more than 7,100 indices as of January 2015.
- Top Ranked in investment index business and ETF share in Europe.

【*2 About MTEC】

- Established in 1988 as the first research institution specialized in financial technology in Japan. At present MTEC has 38 employees.
- Wholly-owned subsidiary of Mitsubishi UFJ Trust and Banking Corporation.