

DBJP

Xtrackers MSCI Japan Hedged Equity ETF

Analyst Report

This ETF offers exposure to large cap Japanese stocks, making DBJP one of several ETFs for establishing targeted exposure to one of the world's largest economies. This product is unique from many ETFs in the Japan Equities ETFdb Category in that DBJP hedges out the currency exposure that an investment in international equities brings. This essentially delivers isolated exposure to the performance of the underlying equities in local prices. The impact of currency appreciation or depreciation can be significant in many cases, especially considering the sometimes meaningful swings in the JPY/USD exchange rate. Though EWJ and DBJP maintain substantially identical portfolios, the risk/return profiles of these ETFs may vary significantly.

Investors who expect the U.S. dollar to appreciate relative to the yen might prefer this fund as a way to bet on the performance of Japanese stocks; DBJP should outperform EWJ when the U.S. currency strengthens. Those expecting the dollar to lose value relative to its Japanese rival will probably prefer to leave currency exposure unhedged, utilizing a fund such as EWJ instead. Those investors without a strong view in either direction might use a mix of both hedged and unhedged Japan equity ETFs (e.g., 50% DBJP and 50% EWJ).

Given the relatively narrow country-specific focus of this ETF, DBJP may be most useful to those looking to establish a tactical tilt towards Japan or implementing a country rotation strategy. The more broad-based DBEF includes exposure to Japanese stocks as well as other ex-U.S. international equities, as do a handful of other EAFE ETFs. Those looking for exposure to Japanese stocks that steers clear of currency risk also have DXJ to consider; that WisdomTree ETF employs a similar strategy to eliminate the impact of exchange rate fluctuations, and is linked to a dividend-weighted index that will impact the shape of the underlying portfolio.



ESG Themes and Scores

7.63/10

ESG Rate

88.88%

Global Percentile

78.59%

Peer Percentile

Performance Data

	DBJP	ETF Database Category Average	Factset Segment Average
1 Month	1.81%	1.41%	1.12%
3 Month	10.68%	7.06%	8.01%
YTD Return	21.34%	16.31%	16.44%
1 Year Return	51.52%	35.76%	34.05%
3 Year Return	27.76%	21.17%	17.01%
5 Year Return	21.69%	13.82%	11.59%

Top 5 Holdings

Symbol	Holding	% Assets
8306	Mitsubishi UFJ Financial Group, Inc.	4.21%
8035	Tokyo Electron Ltd.	3.90%
7203	Toyota Motor Corp.	3.16%
285A	Kioxia Holdings Corporation	2.85%
8316	Sumitomo Mitsui Financial Group, Inc.	2.85%

Vitals

Issuer	DWS
Brand	Xtrackers
Structure	ETF
Expense Ratio	0.45%
Inception	Jun 09, 2011
Index Tracked	MSCI Japan US Dollar Hedged Index

ETF Database Themes

Category	Japan Equities
Asset Class	Equity
Asset Class Size	Large-Cap
Asset Class Style	Blend
Region (General)	Developed Asia Pacific
Region (Specific)	Japan

FactSet Classifications

Segment	Equity: Japan - Total Market
Category	Size and Style
Focus	Total Market
Niche	Broad-based
Strategy	Vanilla
Weighting	Market Cap