

RussellResearch

2006

RUSSELL JAPAN EQUITY BENCHMARK SURVEY

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Preface

The environment surrounding Japanese equity benchmark usage is changing. The TOPIX Index, which consists of all companies listed in the first section of the Tokyo Stock Exchange, has been widely adopted by pension plan sponsors and other institutional investors. At the end of June, 2006, TOPIX will complete a three-stage free-float conversion process and this change has prompted some investors to reconsider their chosen benchmarks.

Given their role as performance measurement yardsticks, however, the process of changing benchmarks is not a simple matter. Even if a competing benchmark is recognized as being superior, we believe many institutional investors in Japan today will likely wait to see what other investors do before making a decision about whether or not to change benchmarks.

How far-reaching an impact is there then when newspapers or industry journals report that some investors have changed their benchmarks? The unfortunate situation in Japan is that statistical research, which could provide answers to such questions, has not been available until now, and there has been a dearth of objective information which observers could use to determine the benchmark usage levels of the market overall.

Earlier this year, Russell fielded the 2006 Russell Japan Equity Benchmark Survey with this situation in mind. The respondents that participated in this survey were institutional investors, based both in Japan and overseas, that manage Japanese equity portfolios. Despite the fact that this survey required respondents to provide specific assets under management (AuM) figures, we received a high response rate to this questionnaire. The managers who responded to the survey currently manage Japanese equity portfolios with combined assets of over 64 trillion yen. We would like to express our appreciation to all those that participated in this survey.

A variety of important conclusions resulted from this survey:

- TOPIX still accounts for the majority of benchmarked assets.
- Institutional investors managing Japanese equities are using a considerably high number of nearly 30 specific benchmarks to track their investment performance.
- With regard to overall index families, including their respective sub-indexes, usage of the Russell/Nomura index family grew while that for the TOPIX index family declined.
- More than 2 trillion yen in passively managed assets are now benchmarked against the relatively new Russell/Nomura Prime index, which saw substantial growth in benchmarked assets over the year surveyed.
- Currently, over 7% of actively managed assets surveyed, representing over 2 trillion yen, employ style benchmarks. Other style and market cap findings include:
 - The proportion of surveyed assets benchmarked against small- and mid-cap (versus large-cap) indexes was greater than the proportion of these market cap segments represented in the market itself.
 - Similarly, the proportion of surveyed assets benchmarked against value (versus growth) style indexes was greater than the proportion of these style factors represented in the market itself.
 - Growth in usage of style benchmarks remained largely flat for the year

Please refer to Section II , “Survey Results,” for the specific survey data.

We hope that asset managers, pension plan sponsors, and other institutional investors find this survey report a useful reference in the process of selecting their Japanese equity benchmarks.

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I. Survey Overview

(1) Survey Objectives

- To collect and collate information pertaining to Japanese equity benchmark usage by institutional investors.
- To disclose the results obtained; and in doing so to better understand Japanese equity benchmark adoption rates by asset managers and institutional investors.

(2) Indexes/Benchmarks Surveyed

- The survey mostly covered Japanese equity indexes offered by the index providers listed below, and where respondents used indexes not specifically listed, we asked them to include such details in the “others” column.
 - Standard & Poor’s (index notation: S&P~)
 - Daiwa Institute of Research/Daiwa Securities SMBC (DSI~)
 - Tokyo Stock Exchange (TOPIX~)
 - Nikko Financial Intelligence (Nikko~ or Nikko-Barra~)
 - Nihon Keizai Shimbun (Nikkei~)
 - Morgan Stanley Capital International (MSCI~)
 - Russell/Nomura (Russell/Nomura~)
 - FTSE (FTSE~)

Note: In order of the Japanese syllabary. Please refer to the “Survey Questionnaire Format” in the appendix for details of individual indexes.

(3) Survey Content

- AuM by benchmark of asset managers that manage Japanese equity portfolios for institutional investors in Japan (as of March 31, 2006 and March 31, 2005).
- However, publicly offered investment trusts/mutual funds and ETFs were excluded from the survey’s content coverage, while Japanese equity portfolios managed in-house by pension plan sponsors were included.
- Respondents were asked to note amounts of passively and actively managed assets separately.

(4) Surveys Response Rate

- We sent the survey questionnaire to a total of 99 institutions (74 based in Japan and 25 based overseas) which we believe are managing Japanese equity portfolios according to the conditions outlined above, and for which we had contact information.
- The response rates we received are shown in the following table. The aggregate amount of assets from all respondents was 64,101.4 billion yen (as of March 31, 2006).

	Asset managers based in Japan	Asset managers based overseas
No. of surveys requested	74	25
No. of responses received	58	11
Response rate	78.4%	44.0%

(5) Survey Inquiries

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II. Survey Results

(1) Ranking of Benchmarks by AuM (as of March 31, 2006)

(Summary)

Table 1 below shows that respondents to this survey are using nearly 30 different indexes to benchmark their Japanese investment portfolios. Of the highest ranking 28 specific indexes listed, a total of 14 were Russell/Nomura indexes (including sub-indexes but excluding custom indexes), making Russell/Nomura the most represented index family. Four different TOPIX indexes being used by these investors, including several TOPIX sub-indexes such as the TOPIX 1000 FLOAT, also received mention in the above listing, as well as certain TOPIX industry indexes (categorized as “others”). This made TOPIX the second most mentioned index family (inclusive of sub-indexes).

TOPIX accounted for the greatest amount of benchmarked assets, at 52,389.1 billion yen (passive/active total; as of March 31, 2006), representing 81.73% of the total assets identified by all respondents. The Russell/Nomura Prime index ranked second with benchmarked assets of 2,675.5 billion yen (4.17% of total assets). Following in order, MSCI Japan, FTSE Japan, Russell/Nomura Large Cap Value, and TOPIX 1000 FLOAT—each with over 1 trillion yen in benchmarked assets.

**Table 1. AuM by Benchmark
(Passive/Active Total; as of March 31, 2006)**

Rank	Benchmark	AUM (Billion YEN)	Share (%)
1	TOPIX	52,389.1	81.73%
2	Russell/Nomura Prime	2,675.5	4.17%
3	MSCI Japan	1,630.2	2.54%
4	FTSE Japan	1,469.7	2.29%
5	Russell/Nomura Large Cap Value	1,241.0	1.94%
6	TOPIX 1000 FLOAT	1,001.1	1.56%
7	Russell/Nomura Total Market Growth	571.0	0.89%
8	Nikkei 225	464.3	0.72%
9	Russell/Nomura Small Cap	339.4	0.53%
10	TOPIX 1000	305.8	0.48%
11	Russell/Nomura Mid-Small Cap	173.6	0.27%
12	MSCI Japan ex REITs (Customized)	170.3	0.27%
13	Russell/Nomura Total Market Value	129.4	0.20%
14	Russell/Nomura Mid Cap Value	94.4	0.15%
15	S&P Japan 500	70.9	0.11%
16	Russell/Nomura Total Market	68.1	0.11%
17	Russell/Nomura Large Cap	67.5	0.11%
18	JASDAQ	51.8	0.08%
19	Russell/Nomura Small Cap Growth	26.2	0.04%
20	Russell/Nomura Large Cap Value	23.5	0.04%
21	Russell/Nomura Small Cap Value	19.7	0.03%
22	S&P/TOPIX 150	13.5	0.02%
23	DSI Value	12.8	0.02%
24	MSCI Japan Small Cap	11.0	0.02%
25	Russell/Nomura Mid Cap	6.7	0.01%
26	TOPIX Small	5.9	0.01%
27	Russell/Nomura Mid Cap Growth	5.6	0.01%
28	DSI Small Growth	1.5	0.00%
	No benchmark	858.5	1.34%
	Others	203.4	0.32%
	Total	64,101.4	100.00%

(Passive Management)

Of the above figure, passively managed assets amounted to 28,421.5 billion yen, accounting for 44.34% of total assets identified by all respondents (see Table 2).

The survey results show that 14 of the nearly 30 indexes mentioned were used as passive management benchmarks. This is a smaller number than that given for active management benchmarks. Again, the Russell/Nomura index family, with six indexes, was the most widely named family of benchmarks used. The results show that several TOPIX and S&P indexes were also used by institutional managers.

TOPIX accounted for the greatest amount of passively managed benchmarked assets, at 23,695.7 billion yen (83.37 percent of the aggregate of all respondents' passively managed assets). The Russell/Nomura Prime was next with 2,669.8 billion yen, or 9.39 percent of aggregate passively managed assets. In third place was the TOPIX 1000 FLOAT, with over 1 trillion yen. Together, these top three indexes accounted for 96.28 percent of aggregate passively managed assets. Two other indexes, MSCI Japan and FTSE Japan were among the leaders of the passive/active total, but were low ranked (MSCI Japan—10th) or unranked (FTSE Japan) by passive managers.

While market benchmarks are most commonly used by Japanese passive managers, the survey results also revealed some usage of style benchmarks. Value benchmarks were used more than growth benchmarks, and two value-style benchmarks, the Russell/Nomura Large Cap Value and the Russell/Nomura Total Market Value indexes, accounted for over 100 billion yen of benchmarked assets.

**Table 2. AuM by Benchmark
(Passive; as of March 31, 2006)**

Rank	Benchmark	AUM (Billion YEN)	Share (%)
1	TOPIX	23,695.7	83.37%
2	Russell/Nomura Prime	2,669.8	9.39%
3	TOPIX 1000 FLOAT	1,001.1	3.52%
4	Nikkei 225	464.3	1.63%
5	TOPIX 1000	305.8	1.08%
6	S&P Japan 500	70.9	0.25%
7	Russell/Nomura Large Cap Value	65.7	0.23%
8	Russell/Nomura Large Cap	57.7	0.20%
9	Russell/Nomura Total Market Value	39.4	0.14%
10	MSCI Japan	14.0	0.05%
11	S&P/TOPIX 150	13.5	0.05%
12	Russell/Nomura Total Market	9.7	0.03%
13	Russell/Nomura Large Cap Growth	7.7	0.03%
	Others	6.2	0.02%
	Total	28,421.5	100.00%

(Active Management)

A greater variety of benchmarks were employed by active managers than by passive managers (see Table 3, following page). The survey results show that around 25 indexes were used as active management benchmarks, and respondents in some instances indicated that they were using “no benchmark.” Indexes that were only named as active management benchmarks included FTSE Japan, Russell/Nomura Total Market Growth, Russell/Nomura Small Cap, Russell/Nomura Mid-Small Cap, MSCI Japan ex REITs (customized), Russell/Nomura Mid Cap Value, JASDAQ, and Russell/Nomura Small Cap Growth. Small- and mid-cap indexes thus accounted for most of the indexes named above.

The results in Table 3 also suggest that active managers use a wider range of specific benchmarks than passive managers. While the top three indexes employed as benchmarks by passive managers accounted for 96.28 percent of aggregate passive AuM, we need to tally the AuM of the top 10 indexes used by active managers to reach this level. Because it is desirable to use a benchmark that most accurately reflects the market segment that they invest in, we believe the results of this survey show that such indexes are being used in this way to some extent.

TOPIX accounted for the greatest amount of actively managed assets, at 28,693.4 billion yen, representing 80.42 percent of the aggregate of all respondents' actively managed assets. This was followed by MSCI Japan, FTSE Japan and Russell/Nomura Large Cap Value. Each of these indexes had over 1 trillion yen in actively managed assets benchmarked against it. The survey results also showed that four indexes that ranked highly in terms of passive management benchmarks—TOPIX 1000 FLOAT, Nikkei 225, TOPIX 1000, and S&P Japan 500—were not used as active management benchmarks.

In the small and mid cap area, the Russell/Nomura Small Cap Index (339.4 billion yen) and the Russell/Nomura Mid-Small Cap Index (173.6 billion yen) together had over 500 billion yen benchmarked against them. Other small-cap benchmarks used by the survey results respondents included the JASDAQ (51.8 billion yen), MSCI Japan Small Cap (11.0 billion yen), and TOPIX Small (5.9 billion yen).

**Table 3. AuM by Benchmark
(Active; as of March 31, 2006)**

Rank	Benchmark	AUM (Billion YEN)	Share (%)
1	TOPIX	28,693.4	80.42%
2	MSCI Japan	1,616.2	4.53%
3	FTSE Japan	1,469.7	4.12%
4	Russell/Nomura Large Cap Value	1,175.3	3.29%
5	Russell/Nomura Total Market Growth	571.0	1.60%
6	Russell/Nomura Small Cap	339.4	0.95%
7	Russell/Nomura Mid-Small Cap	173.6	0.49%
8	MSCI Japan ex REITs (Customized)	170.3	0.48%
9	Russell/Nomura Mid Cap Value	94.4	0.26%
10	Russell/Nomura Total Market Value	90.0	0.25%
11	Russell/Nomura Total Market	58.4	0.16%
12	JASDAQ	51.8	0.15%
13	Russell/Nomura Small Cap Growth	26.2	0.07%
14	Russell/Nomura Small Cap Value	19.7	0.06%
15	Russell/Nomura Large Cap Growth	15.8	0.04%
16	DSI Value	12.8	0.04%
17	MSCI Japan Small Cap	11.0	0.03%
18	Russell/Nomura Large Cap	9.8	0.03%
19	Russell/Nomura Mid Cap	6.7	0.02%
20	TOPIX Small	5.9	0.02%
21	Russell/Nomura Prime	5.7	0.02%
22	Russell/Nomura Mid Cap Growth	5.6	0.02%
23	DSI Small Growth	1.5	0.00%
	No benchmark	858.5	2.41%
	Others	197.2	0.55%
	Total	35,679.9	100.00%

(2) Change in Share of Benchmarked AuM from March 31, 2005 to March 31, 2006

Tables 4 - 6 show the top five gainers and top five decliners in terms of their respective shares of AuM by benchmark from March 31, 2005 to March 31, 2006.

In terms of passive and active assets combined (Table 4), the Russell/Nomura Prime showed the greatest increase in share, rising 3.83 percentage points over the period. The next largest gainer was FTSE Japan with a 1.03 percentage point increase.

By contrast, the share of TOPIX 500 (down 1.80 percentage points) declined the most, to the extent the index did not even register as being employed as a benchmark as of March 31, 2006. The next greatest decliner was TOPIX, down 1.51 percentage points during this period. Following TOPIX was the “no benchmark” category and the TOPIX 1000 FLOAT, both declining by more than 1.0 percentage point.

Aside from FTSE Japan, each of the benchmarks mentioned above saw even greater changes when only passively managed assets were analyzed. As Table 5 shows, the Russell/Nomura Prime index saw an 8.64 percentage point increase in share against declines of 4.01 percentage points for the TOPIX 500, 3.57 for TOPIX, and 2.21 for TOPIX 1000 FLOAT.

**Table 4. Top Gainers and Decliners in terms of Share of AuM by Benchmark
(Passive/active total; change in share from March 31, 2005 to March 31, 2006)**

Top Five Gainers	Change in Share (%-point)	Top Five Decliners	Change in Share (%-point)
Russell/Nomura Prime	3.83	TOPIX 500	-1.80
FTSE Japan	1.03	TOPIX	-1.51
Nikkei 225	0.58	No benchmark	-1.13
Russell/Nomura Total Market Growth	0.37	TOPIX 1000 FLOAT	-1.02
MSCI Japan ex REITs (Customized)	0.11	Russell/Nomura Small Cap Value	-0.30

**Table 5. Top Gainers and Decliners in terms of Share of AuM by Benchmark
(Passive; change in share from March 31, 2005 to March 31, 2006)**

Top Five Gainers	Change in Share (%-point)	Top Five Decliners	Change in Share (%-point)
Russell/Nomura Prime	8.64	TOPIX 500	-4.01
Nikkei 225	1.32	TOPIX	-3.57
Russell/Nomura Large Cap Value	0.14	TOPIX 1000 FLOAT	-2.21
S&P Japan 500	0.07	TOPIX 1000	-0.27
Russell/Nomura Total Market Value	0.02	MSCI Japan	-0.13

**Table 6. Top Gainers and Decliners in terms of Share of AuM by Benchmark
(Active; change in share from March 31, 2005 to March 31, 2006)**

Top Five Gainers	Change in Share (%-point)	Top Five Decliners	Change in Share (%-point)
FTSE Japan	1.87	No benchmark	-2.08
Russell/Nomura Total Market Growth	0.67	Russell/Nomura Small Cap Value	-0.54
TOPIX	0.19	Russell/Nomura Large Cap Value	-0.45
MSCI Japan ex REITs (Customized)	0.16	Russell/Nomura Mid Cap Value	-0.13
Russell/Nomura Small Cap	0.15	Russell/Nomura Mid Cap Growth	-0.06

The change in active management figures overall was smaller compared with the passive management numbers; FTSE Japan (up 1.87 percentage points) was the only index to register an increase in share greater than 1.0 percentage point, while the “no benchmark” category (down 2.08 percentage points) was the only one to show a decline greater than 1.0 percentage point.

(3) AuM by Market Benchmark and Style Benchmark

Of the benchmarks being used according to survey responses, we classified those that are representative of the overall market as “market benchmarks” and those that are representative of either a large/small size style bias or growth/value style bias as “style benchmarks,” and tallied the results of total AuM and share for each category. Table 7 shows the breakdown of all indexes according to these categories.

**Table 7. AuM and Share by Market Benchmark and Style Benchmark
(Passive/active total; as of March 31, 2006)**

Rank	Benchmark	AUM (Billion YEN)	Share (%)
Market Benchmark		60,245.0	93.98%
	TOPIX	52,389.1	81.73%
	Russell/Nomura Prime	2,675.5	4.17%
	MSCI Japan	1,630.2	2.54%
	FTSE Japan	1,469.7	2.29%
	TOPIX 1000 FLOAT	1,001.1	1.56%
	Nikkei 225	464.3	0.72%
	TOPIX 1000	305.8	0.48%
	MSCI Japan ex REITs (Customized)	170.3	0.27%
	S&P Japan 500	70.9	0.11%
	Russell/Nomura Total Market	68.1	0.11%
Style Benchmark		2,839.9	4.43%
	Russell/Nomura Large Cap Value	1,241.0	1.94%
	Russell/Nomura Total Market Growth	571.0	0.89%
	Russell/Nomura Small Cap	339.4	0.53%
	Russell/Nomura Mid-Small Cap	173.6	0.27%
	Russell/Nomura Total Market Value	129.4	0.20%
	Russell/Nomura Mid Cap Value	94.4	0.15%
	Russell/Nomura Large Cap	67.5	0.11%
	JASDAQ	51.8	0.08%
	Russell/Nomura Small Cap Growth	26.2	0.04%
	Russell/Nomura Large Cap Growth	23.5	0.04%
	Russell/Nomura Small Cap Value	19.7	0.03%
	S&P/TOPIX 150	13.5	0.02%
	DSI Value	12.8	0.02%
	MSCI Japan Small Cap	11.0	0.02%
	Russell/Nomura Mid Cap	6.7	0.01%
	TOPIX Small	5.9	0.01%
	Russell/Nomura Mid Cap Growth	5.6	0.01%
	DSI Small Growth	1.5	0.00%
	Others	45.4	0.07%
No benchmark		858.5	1.34%
Others		158.0	0.25%
Total		64,101.4	100.00%

Table 8 illustrates the further breakdown by investment style, into passive and active management, of AuM by market or style benchmark category. The survey results show that style benchmarks are used more widely by active managers and account for 7.44 percent, or 2,655.9 billion yen, of total actively managed assets versus 0.65 percent, or 184.0 billion yen, of total passively managed assets.

Table 8. AuM and Share by Market Benchmark and Style Benchmark by Investment Style (As of March 31, 2006; upper row = AuM in billions of yen; lower row = % share)

	Market Benchmark	Style Benchmark	No Benchmark	Others
Passive / Active Total	60,245.0	2,839.9	858.5	158.0
	93.98%	4.43%	1.34%	0.25%
Passive	28,231.3	184.0	-	6.2
	99.33%	0.65%	-	0.02%
Active	32,013.7	2,655.9	858.5	151.8
	89.72%	7.44%	2.41%	0.43%

Table 9 illustrates the breakdown of actively managed assets surveyed for large versus small- and mid-cap indexes and for growth versus value style indexes.

By size, most assets were benchmarked against large-cap style indexes (1,200.9 billion yen) compared to small- and mid-cap indexes (781.2 billion yen). That said, considering small- and mid-cap stocks make up only a small percentage of overall market capitalization, the above figures for small- and mid-cap indexes represent high levels of relative usage.

In terms of growth/value style benchmarks, value benchmarks, with 1,392.2 billion yen had over twice the market share of growth indexes, which had 627.5 billion yen.

AuM biased mainly toward size (i.e. growth/value style-neutral) amounted to 636.2 billion yen, while AuM biased mainly toward style (i.e. size-neutral) amounted to 673.8 billion yen. Meanwhile, AuM reflecting both size and style biases amounted to over 1,345.9 billion yen. While this only represents a fraction of the market, we believe it demonstrates that style benchmarks are being carefully chosen by investors because they more accurately reflect the market segment in which they are investing.

Table 9. Breakdown of AuM and Share by Style Benchmark in Active Management (As of March 31, 2006; upper row = AuM in billions of yen; lower row = % share)

Size	Large	Small & Mid	Size-neutral (Style-biased)
	1,200.9	781.2	673.8
45.22%	29.41%	25.37%	
Style	Value	Growth	Style-neutral (Size-biased)
	1,392.2	627.5	636.2
52.42%	23.63%	23.95%	

*Table 9 includes those benchmarks classified as style benchmarks in "Others" in Table 8.

Table 10 illustrates the change in share of AuM by market and style benchmarks. The usage of market benchmarks increased over the period March 31, 2005 to March 31, 2006. The usage of style benchmarks, however, declined among passive managers and largely stayed the same among active managers during this period.

Table 10. Change in Share of AuM by Market Benchmark and Style Benchmark by Investment Style (from March 31, 2005 to March 31, 2006)

	Market Benchmark (%-point)	Style Benchmark (%-point)	No Benchmark (%-point)	Others (%-point)
Passive / Active	2.92	-1.83	-1.12	0.03
Passive	3.83	-3.84	0.00	0.01
Active	2.20	-0.20	-2.04	0.04

(4) AuM by Index Family

Table 11 illustrates overall AuM and share for each Japanese index family, comprising their respective mainstay indexes and sub-indexes.

The TOPIX family (53,701.9 billion yen), with TOPIX at the core, ranks highest both in terms of passive and actively managed assets benchmarked to it. Aside from TOPIX itself, other index family members including TOPIX 1000 FLOAT also accounted for substantial levels of benchmarked assets.

The Russell/Nomura index family ranked second, with total passive and active benchmarked assets of 5,449.0 billion yen. The increase in usage of the Russell/Nomura Prime index as a passive management benchmark as well as various Russell/Nomura style benchmarks as active management benchmarks contributed to winning the 2nd rank.

The MSCI index family ranked third and the FTSE index family fourth, both families representing benchmarked assets exceeding 1 trillion yen, respectively. However, neither index family was prominently represented in terms of usage for passively managed assets or style indexes.

**Table 11. AuM and Market Share by Index Family
(As of March 31, 2006)**

Index Family	Passive / Active Total		Passive		Active	
	AUM (Billion YEN)	Share (%)	AUM (Billion YEN)	Share (%)	AUM (Billion YEN)	Share (%)
TOPIX	53,701.9	83.80%	25,002.6	88.27%	28,699.3	80.20%
Russell/Nomura	5,449.0	8.55%	2,850.0	10.06%	2,599.0	7.33%
MSCI	1,811.5	2.86%	14.0	0.05%	1,797.5	5.12%
FTSE	1,469.7	2.32%	-	-	1,469.7	4.19%
Nikkei	464.3	0.58%	464.3	1.30%	-	-
S&P	84.4	0.13%	84.4	0.30%	-	-
DSI (Daiwa)	14.3	0.02%	-	-	14.3	0.04%
No benchmark	858.5	1.35%	-	-	858.5	2.44%
Others	247.8	0.39%	6.2	0.02%	241.6	0.69%
Total	64,101.4	100.00%	28,421.5	100.00%	35,679.9	100.00%

Finally we review the change in AuM market share of each index family from March 31, 2005 to March 31, 2006 (see Table 12).

The Russell/Nomura index family saw the largest growth in market share over this period, while the market leading TOPIX index family saw the largest decline in market share. The increase in usage of the Russell/Nomura Prime index as a passive management benchmark increased remarkably, offsetting an across-the-board decline in passive managers' usage of the TOPIX index family's TOPIX 500, TOPIX, and TOPIX 1000 FLOAT indexes.

**Table 12. Change in Market Share of AuM by Index Family
(From March 31, 2005 to March 31, 2006)**

Index Family	Active / Passive Total (%-point)	Passive (%-point)	Active (%-point)
Russell/Nomura	3.68	8.78	-0.45
FTSE	1.03	0.00	1.83
Nikkei	0.58	1.32	0.00
MSCI	0.16	-0.13	0.35
S&P	0.04	0.09	0.00
DSI (Daiwa)	0.01	0.00	0.01
TOPIX	-4.45	-10.06	0.22
No benchmark	-1.13	0.00	-2.08
Others	0.07	0.01	0.12

End

Reference: Survey Questionnaire Format

Q1) As of March 31st, 2006, which Indexes were you using as benchmarks for Japanese Equity portfolios (excluding publicly offered investment trusts / mutual funds and ETFs) managed for institutional investors in Japan Equity Investment of your pension fund? Please indicate total Assets Under Management fill the number of products and total asset by index for such portfolios (Please provide figures in ¥ billions to one decimal place).

Index Provider	Index Name	Passive		Active	
		Assets Under Management		Assets Under Management	
Standard & Poor's	S&P Japan 500	¥	billion	¥	billion
	Other ()	¥	billion	¥	billion
	Other ()	¥	billion	¥	billion
Daiwa RI /Daiwa Sec SMBC	DSI (Daiwa Stock Index) Total Index	¥	billion	¥	billion
	DSI Growth Index	¥	billion	¥	billion
	DSI Value Index	¥	billion	¥	billion
	Other ()	¥	billion	¥	billion
Tokyo Stock Exchange	TOPIX (including Provisional TOPIX)	¥	billion	¥	billion
	TSE 2nd Section Stock Price Index	¥	billion	¥	billion
	TOPIX 1000	¥	billion	¥	billion
	TOPIX 1000 FLOAT	¥	billion	¥	billion
	Other ()	¥	billion	¥	billion
	Other ()	¥	billion	¥	billion
Nikko Financial Intelligence	Nikko Stock Performance Index Composite 1	¥	billion	¥	billion
	Nikko Barra Style Index Large Cap Growth	¥	billion	¥	billion
	Nikko Barra Style Index Large Cap Value	¥	billion	¥	billion
	Other ()	¥	billion	¥	billion
Nihon Keizai Shimbun	Nikkei 225	¥	billion	¥	billion
	Nikkei JAPAN 1000	¥	billion	¥	billion
	Nikkei 300	¥	billion	¥	billion
	Other ()	¥	billion	¥	billion
	Other ()	¥	billion	¥	billion
Morgan Stanley Capital International	MSCI Japan Index	¥	billion	¥	billion
	Other ()	¥	billion	¥	billion
	Other ()	¥	billion	¥	billion
Russell/Nomura	Russell/Nomura Prime Index	¥	billion	¥	billion
	R/N Total Market Index	¥	billion	¥	billion
	R/N Total Market Growth Index	¥	billion	¥	billion
	R/N Total Market Value Index	¥	billion	¥	billion
	R/N Large Cap Index	¥	billion	¥	billion
	R/N Large Cap Growth Index	¥	billion	¥	billion
	R/N Large Cap Value Index	¥	billion	¥	billion
	R/N Small Cap Index	¥	billion	¥	billion
	R/N Small Cap Growth Index	¥	billion	¥	billion
	R/N Small Cap Value Index	¥	billion	¥	billion
	R/N Mid-Small Cap Index	¥	billion	¥	billion
	Other ()	¥	billion	¥	billion
	Other ()	¥	billion	¥	billion
	FTSE	FTSE Japan Index	¥	billion	¥
Other ()		¥	billion	¥	billion
Other ()		¥	billion	¥	billion
Others	Other ()	¥	billion	¥	billion
	Other ()	¥	billion	¥	billion
	Other ()	¥	billion	¥	billion
Total		¥	billion	¥	billion

Q2) As of March 31st, 2005 (one year earlier), which Indexes were you using as benchmarks for Japanese equity portfolios (excluding publicly offered investment trusts / mutual funds and ETFs) managed for institutional investors in Japan? Please indicate total Assets Under Management by index for such portfolios (Please provide figures in ¥ billions to one decimal place).

Index Provider	Index Name	Passive		Active	
		Assets Under Management		Assets Under Management	
Standard & Poor's	S&P Japan 500	¥	billion	¥	billion
	Other ()	¥	billion	¥	billion
	Other ()	¥	billion	¥	billion
Daiwa RI /Daiwa Sec SMBC	DSI (Daiwa Stock Index) Total Index	¥	billion	¥	billion
	DSI Growth Index	¥	billion	¥	billion
	DSI Value Index	¥	billion	¥	billion
	Other ()	¥	billion	¥	billion
Tokyo Stock Exchange	TOPIX (including Provisional TOPIX)	¥	billion	¥	billion
	TSE 2nd Section Stock Price Index	¥	billion	¥	billion
	TOPIX 1000	¥	billion	¥	billion
	TOPIX 1000 FLOAT	¥	billion	¥	billion
	Other ()	¥	billion	¥	billion
	Other ()	¥	billion	¥	billion
Nikko Financial Intelligence	Nikko Stock Performance Index Composite 1	¥	billion	¥	billion
	Nikko Barra Style Index Large Cap Growth	¥	billion	¥	billion
	Nikko Barra Style Index Large Cap Value	¥	billion	¥	billion
	Other ()	¥	billion	¥	billion
Nihon Keizai Shimbun	Nikkei 225	¥	billion	¥	billion
	Nikkei JAPAN 1000	¥	billion	¥	billion
	Nikkei 300	¥	billion	¥	billion
	Other ()	¥	billion	¥	billion
	Other ()	¥	billion	¥	billion
Morgan Stanley Capital International	MSCI Japan Index	¥	billion	¥	billion
	Other ()	¥	billion	¥	billion
	Other ()	¥	billion	¥	billion
Russell/Nomura	Russell/Nomura Prime Index	¥	billion	¥	billion
	R/N Total Market Index	¥	billion	¥	billion
	R/N Total Market Growth Index	¥	billion	¥	billion
	R/N Total Market Value Index	¥	billion	¥	billion
	R/N Large Cap Index	¥	billion	¥	billion
	R/N Large Cap Growth Index	¥	billion	¥	billion
	R/N Large Cap Value Index	¥	billion	¥	billion
	R/N Small Cap Index	¥	billion	¥	billion
	R/N Small Cap Growth Index	¥	billion	¥	billion
	R/N Small Cap Value Index	¥	billion	¥	billion
	R/N Mid-Small Cap Index	¥	billion	¥	billion
	Other ()	¥	billion	¥	billion
	Other ()	¥	billion	¥	billion
	FTSE	FTSE Japan Index	¥	billion	¥
Other ()		¥	billion	¥	billion
Other ()		¥	billion	¥	billion
Others	Other ()	¥	billion	¥	billion
	Other ()	¥	billion	¥	billion
	Other ()	¥	billion	¥	billion
Total		¥	billion	¥	billion

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The indexes listed below are the intellectual property of the companies that developed them, respectively, and thus each of these companies retains all rights associated with their indexes, including with regard to share price index calculations, disclosure, usage, and trademarks.

S&P Index Series	Standard & Poor's
DSI Series	Daiwa Institute of Research/Daiwa Securities SMBC
TOPIX Index Series	Tokyo Stock Exchange
Nikko Index Series	Nikko Financial Intelligence
Nikkei Index Series	Nihon Keizai Shimbun
MSCI Series	Morgan Stanley Capital International
FTSE Index Series	FTSE

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