

# FTSE MPF World Government Bond Index

Sovereign | Multi-Currency

The FTSE MPF World Government Bond Index (MPF WGBI) is designed to help users comply with the regulatory requirements governing investments in debt securities by Hong Kong Mandatory Provident Fund schemes. The index is based on the FTSE World Government Bond Index (WGBI) which measures the performance of fixed-rate, local currency, investment-grade sovereign bonds. The WGBI is a widely used benchmark that currently comprises sovereign debt from over 20 countries, denominated in a variety of currencies, and has more than 30 years of history available.

The FTSE MPF World Government Bond Index incorporates additional criteria<sup>1</sup> as stipulated by the Mandatory Provident Fund Schemes (General) Regulation and Guidelines on Debt Securities. FTSE Russell works closely with the Hong Kong Investment Funds Association (HKIFA) and Willis Towers Watson to ensure that the index appropriately reflects Hong Kong Mandatory Provident Fund Schemes Authority (MPFA) rules.

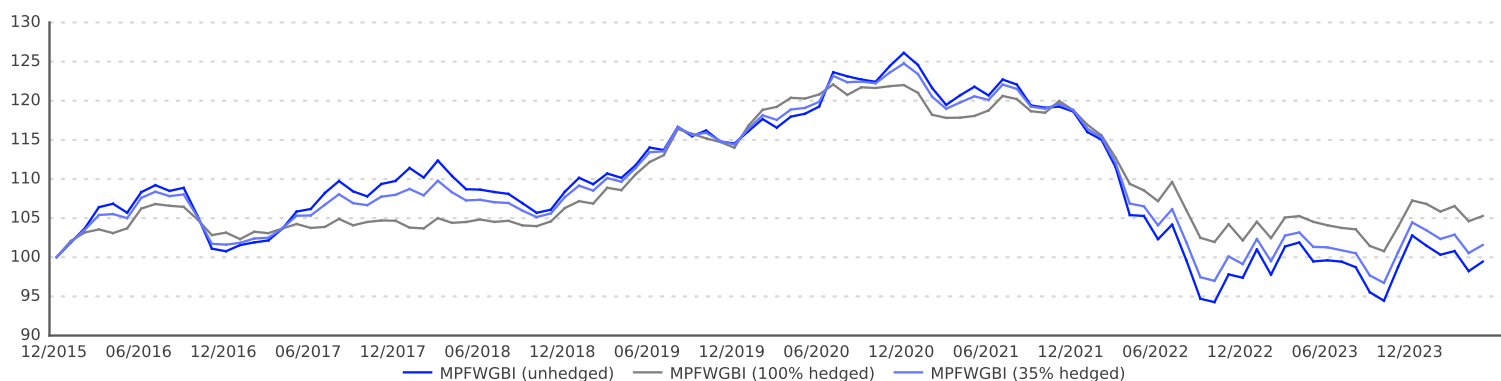
## INDEX PROFILE

Description	# of Issues	Par Amount*	Market Value*	Market Weight (%)	Average Coupon (%)	Average Life (Years)	Yield to Maturity (%)	Effective Duration	OAS (bps)
<b>MPF WGBI</b>	<b>1,066</b>	<b>204,188.53</b>	<b>188,170.10</b>	<b>100.00</b>	<b>2.51</b>	<b>9.36</b>	<b>3.82</b>	<b>6.84</b>	<b>4</b>
AAA	216	25,122.03	23,155.20	12.31	1.82	9.08	3.20	7.17	-9
AA	481	133,705.63	119,328.97	63.42	2.56	9.45	4.40	6.53	3
A	318	36,926.86	37,449.14	19.90	2.37	9.20	2.09	7.70	3
BBB	51	8,434.02	8,236.80	4.38	4.41	9.48	5.01	6.45	63
1-3 Years	248	53,439.27	52,104.78	27.69	2.41	1.94	4.12	1.85	0
3-5 Years	186	41,773.57	40,090.53	21.31	2.48	4.03	3.76	3.75	2
5-7 Years	130	25,622.25	24,088.24	12.80	2.44	6.07	3.64	5.52	5
7-10 Years	131	25,554.46	23,998.74	12.75	2.57	8.51	3.54	7.49	5
10+ Years	371	57,798.98	47,887.82	25.45	2.64	21.90	3.78	15.20	9
Americas*	336	104,765.25	94,158.14	50.04	2.80	8.52	4.75	5.93	-1
Asia Pacific*	336	35,020.48	35,158.67	18.68	2.26	9.41	2.03	7.91	-1
Europe*	388	64,091.94	58,568.88	31.13	2.17	10.71	3.40	7.67	15
Middle East/Africa*	6	310.86	284.41	0.15	2.90	8.79	4.74	6.16	-1

\* In HKD billions

\* Americas includes Canada, Mexico, and United States. Asia Pacific includes Australia, China, Japan, Malaysia, New Zealand, and Singapore. Europe includes Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Netherlands, Norway, Poland, Spain, Sweden, and United Kingdom. Middle East includes Israel.

## HISTORICAL INDEX LEVEL (in HKD)



	Return*	Standard Deviation*
MPFWGBI (unhedged)	-0.07	6.68
MPFWGBI (100% hedged)	0.61	4.63
MPFWGBI (35% hedged)	0.22	5.83

\* Annualized Since Inception (in %)

<sup>1</sup> For more information, please visit [www.mpfa.org.hk/en/info-centre/laws-and-regulations/legislation/primary-legislation](http://www.mpfa.org.hk/en/info-centre/laws-and-regulations/legislation/primary-legislation)

ANNUALIZED RETURNS (in %, in HKD)

	MPF WGBI (unhedged)	MPF WGBI (100% hedged)	MPF WGBI (35% hedged)
YTD*	-3.24	-1.84	-2.75
1 Year	-0.02	0.72	0.25
3 Years	-6.53	-3.75	-5.55
5 Years	-2.30	-0.98	-1.83
Since Inception	-0.07	0.61	0.19

\* Not annualized

TOP 10 ISSUERS (By Market Weight)

Description	# of Issues	Par Amount*	Market Value*	Market Weight (%)	Average Coupon (%)	Average Life (Years)	Yield to Maturity (%)	Effective Duration	OAS (bps)
UNITED STATES TREASURY	279	98,840.22	88,660.86	47.12	2.73	8.48	4.70	5.92	-1
CHINA PEOPLES REPUBLIC OF	80	18,052.73	18,933.45	10.06	2.76	6.74	2.08	5.74	-3
FRANCE REPUBLIC OF	50	16,059.68	14,628.69	7.77	1.84	10.06	3.15	7.52	20
JAPAN (GOVERNMENT OF)	180	12,434.80	12,100.28	6.43	1.39	13.52	1.24	11.69	1
GERMANY (GOVERNMENT OF)	64	12,618.52	11,710.92	6.22	1.49	8.99	2.79	7.17	-18
UNITED KINGDOM OF GREAT BRITAIN	61	12,028.64	9,879.69	5.25	2.56	15.49	4.48	9.49	0
ITALY, REPUBLIC OF (GOVERNMENT)	36	6,635.02	6,576.89	3.50	3.59	9.45	3.74	6.83	79
SPAIN, KINGDOM OF (GOVERNMENT)	23	4,594.15	4,647.02	2.47	3.06	8.54	3.32	6.27	35
CANADA (GOVERNMENT)	42	4,126.04	3,837.38	2.04	2.49	8.99	3.81	6.56	-0
NETHERLAND GOVERNMENT	24	3,077.19	2,797.86	1.49	1.39	10.01	2.97	7.97	-1

\* In HKD billions

DESIGN CRITERIA AND CALCULATION METHODOLOGY

The index is based on the FTSE World Government Bond Index (WGBI) and incorporates additional criteria<sup>2</sup> as stipulated by the Mandatory Provident Fund Schemes (General) Regulation and Guidelines on Debt Securities outlined below.

Minimum Quality:	Minimum quality is per Mandatory Provident Fund Schemes (General) Regulation and III.1 Guidelines on Debt Securities. Bond level rating is required per Mandatory Provident Fund Schemes (General) Regulation and III.1 Guidelines on Debt Securities <sup>2</sup> .
Capping:	Maximum 9% for non-exempt authority (issuer) as per Mandatory Provident Fund Schemes (General) Regulation and III.1 Guidelines on Debt Securities' definition of exempt authority <sup>2</sup> .
Base Date:	December 31, 2015

<sup>2</sup> For more information, please visit [www.mpf.org.hk/en/info-centre/laws-and-regulations/legislation/primary-legislation](http://www.mpf.org.hk/en/info-centre/laws-and-regulations/legislation/primary-legislation)

VENDOR CODES

SBMPFWH	FTSE MPF World Government Bond Index, in HKD terms
SBMPFWHC	FTSE MPF World Government Bond Index, currency-hedged in HKD terms
SBMPF35C	FTSE MPF World Government Bond Index, 35% currency-hedged in HKD terms

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