

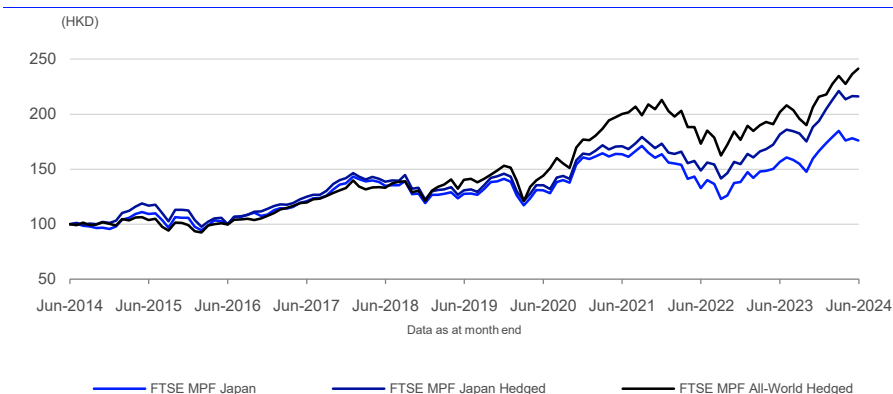
FTSE MPF Japan Index

Data as at: 28 June 2024

The FTSE Mandatory Provident Fund (MPF) Index Series was launched in 2001 by FTSE Russell in collaboration with Willis Towers Watson (WTW) and Hong Kong Investment Funds Association (HKIFA). The MPF Index Series is based on the FTSE All-World Index Series and provides a range of country and regional indexes, with both unhedged and hedged indexes to provide choices for investors. The series provides the most precise benchmarks for the Hong Kong market by accurately reflecting regulatory requirements, permitted investment markets and asset classes as well as accounting for any dividend withholding tax rates and investment restrictions applied to the MPF system.

The FTSE MPF Japan Index consists of eligible large cap and mid cap Japanese companies which are listed on the stock exchanges approved by the Mandatory Provident Fund Schemes Authority (MPFA). Both unhedged and hedged indexes in price return and total return are available for this index.

10-Year Performance - Total Return



Performance and Volatility - Total Return

| Index (HKD) | Return % | | | | | | Return pa %* | | Volatility %** | | |
|---------------------------|----------|------|------|------|------|------|--------------|------|----------------|------|------|
| | 3M | 6M | YTD | 12M | 3YR | 5YR | 3YR | 5YR | 1YR | 3YR | 5YR |
| FTSE MPF Japan | -4.8 | 5.8 | 5.8 | 12.5 | 7.8 | 38.1 | 2.5 | 6.7 | 15.5 | 16.0 | 15.4 |
| FTSE MPF Japan Hedged | -2.2 | 11.5 | 11.5 | 18.9 | 26.4 | 65.3 | 8.1 | 10.6 | 14.5 | 15.5 | 14.3 |
| FTSE MPF All-World Hedged | 2.9 | 11.9 | 11.9 | 19.6 | 20.7 | 72.1 | 6.5 | 11.5 | 9.1 | 15.0 | 16.9 |

* Compound annual returns measured over 3 and 5 years respectively

** Volatility – 1YR based on 12 months daily data. 3YR based on weekly data (Wednesday to Wednesday). 5YR based on monthly data

Year-on-Year Performance - Total Return

| Index % (HKD) | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---------------------------|------|------|------|------|-------|------|------|------|-------|------|
| FTSE MPF Japan | -3.5 | 10.9 | 2.7 | 26.1 | -13.0 | 18.6 | 13.8 | 1.8 | -15.5 | 20.4 |
| FTSE MPF Japan Hedged | 1.0 | 11.0 | 1.3 | 24.5 | -13.6 | 19.2 | 12.4 | 5.6 | -10.7 | 25.2 |
| FTSE MPF All-World Hedged | 5.9 | -0.9 | 8.4 | 23.6 | -8.8 | 26.3 | 15.6 | 20.3 | -17.0 | 22.1 |

FEATURES

Objective

The index has been designed for the creation of index tracker funds and ETFs, and as a tool to enable performance comparisons with the many MPF funds currently available in Hong Kong.

Investability

Stocks in the underlying universe are screened for liquidity and are free float adjusted to ensure the index is tradable.

Tax adjusted

The total return indexes are calculated using the actual withholding tax rates applicable to MPF funds. The tax rates are available from FTSE Russell.

Capping

The indexes are subject to a 9 per cent limit on the size of constituents included in an index on a monthly basis.

Eligible Securities

The indexes only include eligible securities listed on stock exchanges approved by the MPFA. Securities which are not fully permissible under the MPFA Guidelines, such as Stapled securities, REITs which are not approved by MPFA, Unit Trusts, Receipts or Certificates with unlisted underlying shares etc., are not eligible for inclusion.

Currency Hedging

The MPF regulations stipulate that at least 30 per cent of a fund's exposure must be to Hong Kong dollar risk assets. The FTSE MPF Japan index will hedge non-Hong Kong dollar currency exposure in the indexes in excess of 65 per cent to ensure they stay well within the regulations. An unhedged index is also available.

Return/Risk Ratio and Drawdown - Total Return

| Index (HKD) | Return/Risk Ratio | | | | Drawdown (%) | | | |
|---------------------------|-------------------|-----|-----|------|--------------|-------|-------|-------|
| | 1YR | 3YR | 5YR | 10YR | 1YR | 3YR | 5YR | 10YR |
| FTSE MPF Japan | 0.8 | 0.2 | 0.4 | 0.4 | -9.5 | -32.4 | -32.4 | -32.4 |
| FTSE MPF Japan Hedged | 1.2 | 0.5 | 0.7 | 0.6 | -8.7 | -24.6 | -27.0 | -29.3 |
| FTSE MPF All-World Hedged | 2.2 | 0.4 | 0.7 | 0.6 | -9.8 | -24.4 | -33.1 | -33.1 |

Return/Risk Ratio – based on compound annual returns and volatility in Performance and Volatility table
Drawdown - based on daily data

Top 10 Constituents

| Constituent | ICB Industry | Net MCap (HKDm) | Wgt % |
|---------------------------------|------------------------|-----------------|-------|
| Toyota Motor | Consumer Discretionary | 1,893,238 | 5.61 |
| Mitsubishi UFJ Financial | Financials | 908,185 | 2.69 |
| Sony Corp | Consumer Discretionary | 794,217 | 2.35 |
| Hitachi | Industrials | 774,218 | 2.30 |
| Tokyo Electron | Technology | 743,725 | 2.20 |
| Keyence Corp | Industrials | 666,390 | 1.98 |
| Sumitomo Mitsui Financial Group | Financials | 646,103 | 1.92 |
| Recruit Holdings | Industrials | 590,606 | 1.75 |
| Shin-Etsu Chemical | Basic Materials | 576,507 | 1.71 |
| Mitsubishi Corp | Industrials | 572,654 | 1.70 |
| Totals | | 8,165,844 | 24.21 |

ICB Industry Breakdown

| ICB Code | ICB Industry | No. of Cons | Net MCap (HKDm) | Wgt % |
|----------|------------------------|-------------|-----------------|--------|
| 10 | Technology | 60 | 3,921,430 | 11.62 |
| 15 | Telecommunications | 7 | 1,333,443 | 3.95 |
| 20 | Health Care | 31 | 2,471,751 | 7.33 |
| 30 | Financials | 40 | 4,672,049 | 13.85 |
| 35 | Real Estate | 11 | 599,434 | 1.78 |
| 40 | Consumer Discretionary | 106 | 7,401,430 | 21.94 |
| 45 | Consumer Staples | 47 | 1,896,751 | 5.62 |
| 50 | Industrials | 119 | 8,978,870 | 26.62 |
| 55 | Basic Materials | 39 | 1,665,721 | 4.94 |
| 60 | Energy | 4 | 295,415 | 0.88 |
| 65 | Utilities | 12 | 497,110 | 1.47 |
| Totals | | 476 | 33,733,404 | 100.00 |

Index Characteristics

| Attributes | FTSE MPF Japan |
|-----------------------------------|----------------|
| Number of constituents | 476 |
| Net MCap (HKDm) | 33,733,404 |
| Dividend Yield % | 1.78 |
| Constituent Sizes (Net MCap HKDm) | |
| Average | 70,868 |
| Largest | 1,893,238 |
| Smallest | 2,832 |
| Median | 23,450 |
| Weight of Largest Constituent (%) | 5.61 |
| Top 10 Holdings (% Index MCap) | 24.21 |

INFORMATION

Index Universe

FTSE MPF All-World Index

Index Launch

1 January 2005

Base Date

30 November 2000

Base Value

5000

Index Calculation

End-of-Day indexes available

End-of-Day Distribution

The Index is available on the next day at 11:00 Hong Kong local time (03:00 London Time) via FTP and email

Currency

HKD, USD

Review Dates

Semi-annually in March and September

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