

FTSE MPF INDEX SERIES - Valuation Summary

Data as at: 28 June 2024

FTSE MPF INDEX SERIES INTRODUCTION

To provide a means of comparison with MPF investment funds, WillisTowers Watson and the Hong Kong Investment Funds Association (HKIFA) selected FTSE Russell to calculate a series of MPF benchmarks that were launched in April 2001. The FTSE All-World Index Series was used as the base universe for a range of MPF country and regional equity indices. On 1 January, 2005, the FTSE MPF Index series was rebranded and officially launched after conducting the first market consultation in 2004. The enhanced 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.

At present, the FTSE MPF Index Series comprises 36 indices on a hedged and unhedged basis covering the various investment opportunities allowable under the Hong Kong MPF system.

This report will provide a monthly summary of the aggregate fundamental ratios of the FTSE MPF Indices.

Valuation Summary

June 2024

Index Name	CODE		Valuation Ratio*					
	FTSE	BLOOMBERG (HKD Total Return)	Yld%	P/E	P/B	P/CE	P/S	ROE
FTSE MPF Hong Kong Index	GPMPF028	TFMPFHH	3.45	11.15	0.96	5.60	1.01	9.54
FTSE MPF Domestic Hong Kong Index	GPMPF029	TFMPFDH	4.92	13.62	0.75	6.83	1.29	5.00
FTSE MPF China Index	GPMPF030	TGMPF30	2.72	11.70	1.08	5.64	0.93	10.02
FTSE MPF China A Index	GPMPF040	GPMPF40T	2.32	15.58	1.40	8.10	1.02	9.78
FTSE MPF Greater China Index	GPMPF031	TFMPFGCH	2.86	14.11	1.29	7.47	1.18	9.75
FTSE MPF All-World Index	GPMPF025	TFMPFAWH	1.51	22.93	3.04	12.72	2.04	13.43
FTSE MPF Asia Pacific ex Japan Index	GPMPF027	TFMPFAPH	2.39	18.35	1.71	9.08	1.42	9.88
FTSE MPF Asia Pacific ex JP, AU & NZ Index	GPMPF026	TFMPFAXH	2.14	17.71	1.61	8.68	1.34	9.70
FTSE MPF Asia Pacific ex Japan & Hong Kong Index	GPMPF022	TFMPFXJH	2.24	21.35	2.08	10.87	1.54	10.10
FTSE MPF Asia Pacific ex Japan incl. HSBC Index	GPMPF032	TFMPFAHH	2.48	17.83	1.68	9.06	1.41	9.88
FTSE MPF Asia Pacific ex Japan ex Hong Kong ex China Index	GPMPF039	GPMPF039	2.24	21.91	2.15	11.12	1.59	10.17
FTSE MPF Europe Index	GPMPF023	TFMPFEH	2.82	17.47	2.05	8.64	1.36	12.24
FTSE MPF Japan Index	GPMPF020	TFMPFJH	1.78	16.71	1.51	11.18	1.06	9.65
FTSE MPF North America Index	GPMPF024	TFMPFAH	0.98	27.49	4.67	16.12	2.86	17.26
FTSE MPF USA Index	GPMPF021	TFMPFUH	0.91	28.06	4.91	16.58	2.94	17.73
FTSE MPF Emerging Index	GPMPF036	GPMPF36T	2.43	16.63	1.85	8.72	1.42	11.38
FTSE MPF Developed Index	GPMPF037	GPMPF37T	1.43	23.74	3.23	13.27	2.12	13.93
FTSE MPF All-World ex US Index	GPMPF038	GPMPF38T	2.58	17.30	1.81	8.99	1.32	10.95

5 Year Monthly Average

Index Name	CODE		5Y Valuation Ratio*					
	FTSE	BLOOMBERG (HKD Total Return)	Yld%	P/E	P/B	P/CE	P/S	ROE
FTSE MPF Hong Kong Index	GPMPF028	TFMPFHH	2.87	11.90	1.12	5.80	1.15	10.67
FTSE MPF Domestic Hong Kong Index	GPMPF029	TFMPFDH	3.92	17.87	0.91	8.45	1.64	5.19
FTSE MPF China Index	GPMPF030	TGMPF30	2.48	11.60	1.26	5.74	1.03	11.44
FTSE MPF China A Index	GPMPF040	GPMPF40T	1.86	16.22	1.80	8.53	1.23	12.02
FTSE MPF Greater China Index	GPMPF031	TFMPFGCH	2.72	13.10	1.39	6.87	1.23	11.32
FTSE MPF All-World Index	GPMPF025	TFMPFAWH	1.73	19.98	2.74	11.35	1.87	14.48
FTSE MPF Asia Pacific ex Japan Index	GPMPF027	TFMPFAPH	2.61	15.23	1.64	7.95	1.34	11.65
FTSE MPF Asia Pacific ex JP, AU & NZ Index	GPMPF026	TFMPFAXH	2.31	14.79	1.55	7.52	1.25	11.28
FTSE MPF Asia Pacific ex Japan & Hong Kong Index	GPMPF022	TFMPFXJH	2.66	16.74	1.90	9.00	1.42	12.63
FTSE MPF Asia Pacific ex Japan incl. HSBC Index	GPMPF032	TFMPFAHH	2.66	15.01	1.61	7.85	1.35	11.65
FTSE MPF Asia Pacific ex Japan ex Hong Kong ex China Index	GPMPF039	GPMPF039	2.70	16.85	1.91	9.06	1.43	12.74
FTSE MPF Europe Index	GPMPF023	TFMPFEH	2.77	16.49	1.96	8.46	1.35	13.31
FTSE MPF Japan Index	GPMPF020	TFMPFJH	2.07	15.19	1.34	9.67	0.93	9.76
FTSE MPF North America Index	GPMPF024	TFMPFAH	1.17	24.20	4.19	14.44	2.64	17.88
FTSE MPF USA Index	GPMPF021	TFMPFUH	1.10	24.79	4.39	14.89	2.68	18.20
FTSE MPF Emerging Index	GPMPF036	GPMPF36T	2.57	13.71	1.80	7.47	1.33	13.45
FTSE MPF Developed Index	GPMPF037	GPMPF37T	1.65	20.90	2.89	11.94	1.95	14.74
FTSE MPF All-World ex US Index	GPMPF038	GPMPF38T	2.65	15.32	1.72	8.27	1.27	12.40

Aggregate fundamental data ratios, except aggregate ROE, are calculated based on the sum of each individual constituent's market capitalisation (adjusted for free float) divided by: the sum of the product of market capitalisation (adjusted for free float) multiplied by the reciprocal of the valuation ratio for each constituent. Aggregate ROE is the sum of weighted ROE values. Weighting is based on average equity allocated to that security based on its index market capitalisation, proportionate to total company market capitalisation. Where valuation ratios for individual constituents are not available, data values for these constituents are excluded from the corresponding aggregate calculation(s).

Valuation Data: Valuation ratios are calculated by FTSE. The valuations are based on FTSE data components combined with additional components sourced from a third party vendor.

* See below for the definition of each ratio.

Terminology

Dividend Yield	Stock level dividend yield is gross annual stock dividend divided by the stock price. Index level dividend yield is gross total dividends times shares in issue adjusted for free float divided by the index market capitalization. Dividend Yield is reported as a percentage on a 12 month rolling basis.
Trailing 12-Month Price to Earnings (P/E) Ratio	The ratio of a company's market capitalisation to the trailing 12-month net profit. The trailing 12-month net profit is the sum of the interim net profit reported in the last 12 months. This item is populated for the quarterly and semi-annual time series based on the availability of underlying data. If trailing 12-month net profit is not available, earnings from the most recent fiscal year-end is used. Earnings are based on the latest fiscal year earnings from continuing operations after tax, minority interests, preferred dividends, and before extraordinary items.
Trailing 12-Month Price to Book Value (P/B) Ratio	The ratio of a company's market capitalisation to the trailing 12-month common equity. The trailing 12-month common equity is the common equity reported in the most recent interim fiscal period. This item is populated for the quarterly and semi-annual time series based on the availability of underlying data. If trailing 12-month common equity is not available, common equity from the most recent fiscal year-end is used. Common equity represents common shareholders' investment in a company.
Trailing 12-Month Price to Cash Flow (P/CF) Ratio	The ratio of a company's market capitalisation to the trailing 12-month funds from operations. The trailing 12-month funds from operations is the sum of the interim funds from operations reported in the last 12 months. This item is populated for the quarterly and semi-annual time series based on the availability of underlying data. If trailing 12-month funds from operations is not available, funds from operations from the most recent fiscal year-end is used. Funds from operations represents the sum of net income and all non-cash charges or credits. It is the cash flows generated by the operations of a business before adjusting working capital changes.
Trailing 12-Month Price to Sales (P/S) Ratio	The ratio of a company's market capitalisation to the trailing 12-month net sales or revenues. The trailing 12-month net sales or revenues is the sum of the interim net sales or revenue reported in the last 12 months. This item is populated for the quarterly and semi-annual time series based on the availability of underlying data. If trailing 12-month net sales or revenues is not available, net sales or revenues from the most recent fiscal year-end is used. Net sales or revenues represent gross sales and other operating revenue less discounts, returns and allowances.
Trailing 12-Month Return on Equity (ROE)	The ratio of a company's trailing 12-month net profit to the average common equity, expressed as a percentage. The trailing 12-month net profit represents the sum of the interim net profit reported in the last 12 months. This item is populated for the quarterly, semi-annual and trimester time series based on the availability of underlying data. Average common equity is the average of common equity reported at fiscal year-ends FY0 and FY1. If only one year of reporting is available, average common equity is the common equity reported in the most recent fiscal year-end. Average common equity generally excludes minority interests and preferred shareholder interests.

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