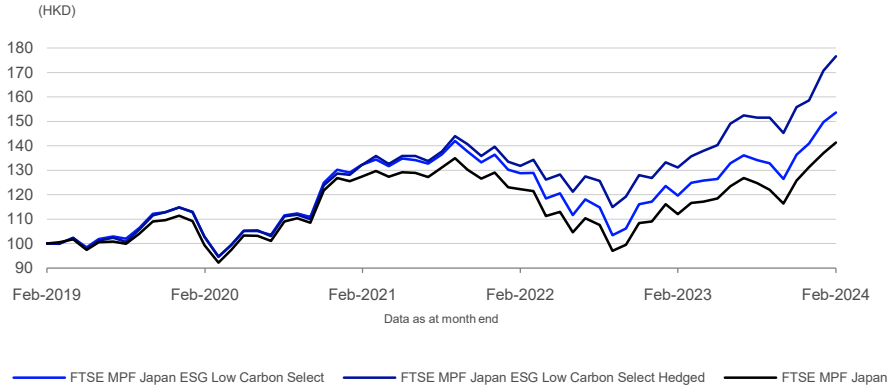
FTSE MPF Japan ESG Low Carbon Select Index

Data as at: 29 February 2024

The FTSE MPF Japan ESG Low Carbon Select Index is constructed from the underlying FTSE MPF Japan Index by applying tilts to achieve sustainable investment objectives. The index targets 50% reduction in carbon emissions intensity, 50% reduction in fossil fuel reserve intensity and 20% uplift in ESG ratings on the index level, and excludes companies involved with controversial product activities – weapons, thermal coal, tobacco, nuclear power generation, gambling, adult entertainment and companies involved with controversies related to the UN Global Compact principles.

The FTSE MPF Japan ESG Low Carbon Select Index accurately reflects 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.

5-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 ESG Low Carbon Select	12.6	14.4	9.0	28.4	16.1	53.6	5.1	9.0	15.6	16.1	15.5
FTSE MPF Japan ESG Low Carbon Select Hedged	13.4	16.6	11.4	34.8	33.7	76.7	10.2	12.1	14.7	15.8	14.7
FTSE MPF Japan	12.3	13.3	7.6	26.1	10.9	41.3	3.5	7.2	15.0	15.8	15.3

* 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)	2019	2020	2021	2022	2023
FTSE MPF Japan ESG Low Carbon Select	22.2	13.4	4.7	-14.1	20.3
FTSE MPF Japan ESG Low Carbon Select Hedged	22.9	12.0	8.6	-9.2	25.0
FTSE MPF Japan	18.6	13.8	1.8	-15.5	20.4

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 ESG Low Carbon Select	1.7	0.3	0.6	-	-9.2	-30.5	-30.5	-
FTSE MPF Japan ESG Low Carbon Select Hedged	2.3	0.6	0.8	-	-8.8	-22.8	-27.4	-
FTSE MPF Japan	1.7	0.2	0.5	0.5	-9.8	-32.4	-32.4	-32.4

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	2,874,289	9.41
Itochu Corp	Industrials	2,188,282	7.17
Mizuho Financial Group	Financials	1,690,421	5.54
Sony Corp	Consumer Discretionary	1,365,300	4.47
Mitsui & Co	Industrials	1,355,731	4.44
Sumitomo Mitsui Financial Group	Financials	1,284,217	4.21
SoftBank	Telecommunications	1,238,392	4.06
Seven & I Holdings	Consumer Staples	927,140	3.04
Daiichi Sankyo	Health Care	872,713	2.86
NEC	Technology	859,736	2.82
Totals		**14,656,222**	**47.99**

ICB Industry Breakdown

ICB Code	ICB Industry	No. of Cons	Net MCap (HKDm)	Wgt %
10	Technology	37	4,833,383	15.83
15	Telecommunications	5	2,120,701	6.94
20	Health Care	18	2,289,164	7.50
30	Financials	22	4,167,695	13.65
35	Real Estate	8	562,832	1.84
40	Consumer Discretionary	51	7,213,806	23.62
45	Consumer Staples	21	1,832,836	6.00
50	Industrials	58	6,906,926	22.62
55	Basic Materials	26	499,925	1.64
60	Energy	4	85,042	0.28
65	Utilities	3	26,706	0.09
Totals		**253**	**30,539,016**	**100.00**

Index Characteristics

Attributes	FTSE MPF Japan ESG Low Carbon Select
Number of constituents	253
Net MCap (HKDm)	30,539,016
Dividend Yield %	1.99
Constituent Sizes (Net MCap HKDm)	
Average	120,708
Largest	2,874,289
Smallest	1,169
Median	16,205
Weight of Largest Constituent (%)	9.41
Top 10 Holdings (% Index MCap)	47.99

INFORMATION

Index Universe

FTSE MPF Japan Index

Index Launch

26 October 2022

Base Date

30 September 2014

Base Value

1000

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

Review Dates

Annually in September

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