

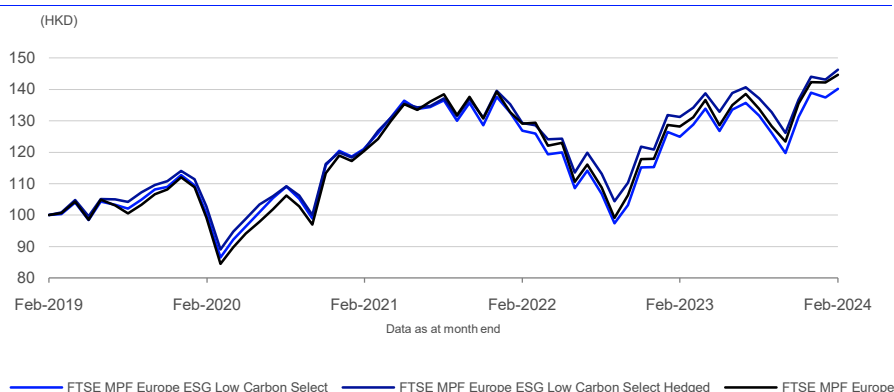
# FTSE MPF Europe ESG Low Carbon Select Index

Data as at: 29 February 2024

The FTSE MPF Europe ESG Low Carbon Select Index is constructed from the underlying FTSE MPF Europe 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 15% 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 Europe 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 Europe ESG Low Carbon Select	6.8	6.4	0.8	12.2	15.9	40.1	5.0	7.0	14.7	17.1	19.3
FTSE MPF Europe ESG Low Carbon Select Hedged	7.0	6.7	1.6	11.5	21.4	46.3	6.7	7.9	13.0	14.9	17.6
FTSE MPF Europe	6.8	8.2	1.7	12.9	20.4	44.7	6.4	7.7	14.7	17.2	19.4

\* 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 Europe ESG Low Carbon Select	22.7	6.8	14.2	-16.2	20.5
FTSE MPF Europe ESG Low Carbon Select Hedged	23.8	5.1	16.4	-13.4	19.1
FTSE MPF Europe	23.8	6.2	17.1	-15.4	20.7

## 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 Europe 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 Europe ESG Low Carbon Select	0.8	0.3	0.4	-	-13.0	-31.5	-33.7	-
FTSE MPF Europe ESG Low Carbon Select Hedged	0.9	0.4	0.4	-	-11.5	-27.4	-31.8	-
FTSE MPF Europe	0.8	0.3	0.4	0.3	-11.7	-30.8	-35.8	-35.9

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

Top 10 Constituents

Constituent	Country	ICB Industry	Net MCap (HKDm)	Wgt %
Schneider Electric	France	Industrials	4,877,056	6.86
Nestle	Switzerland	Consumer Staples	3,389,439	4.77
Diageo	UK	Consumer Staples	2,955,815	4.16
L'Oreal	France	Consumer Discretionary	2,892,721	4.07
Deutsche Boerse	Germany	Financials	2,518,907	3.54
ASML Holding	Netherlands	Technology	2,441,928	3.44
Barclays	UK	Financials	2,111,306	2.97
TotalEnergies SE	France	Energy	1,862,747	2.62
GSK	UK	Health Care	1,796,874	2.53
Enel	Italy	Utilities	1,584,792	2.23
Totals			26,431,585	37.19

Country Breakdown

Country	No. of Cons	Net MCap (HKDm)	Wgt %
Austria	4	201,036	0.28
Belgium	2	1,065,617	1.50
Denmark	11	3,541,046	4.98
Finland	5	1,070,675	1.51
France	34	12,922,824	18.18
Germany	29	9,691,089	13.63
Greece	3	256,745	0.36
Ireland	4	294,270	0.41
Italy	11	2,730,645	3.84
Netherlands	17	5,199,938	7.32
Norway	10	707,058	0.99
Poland	4	317,634	0.45
Portugal	4	187,047	0.26
Spain	10	2,924,362	4.11
Sweden	21	3,394,879	4.78
Switzerland	21	10,345,779	14.56
UK	59	16,229,524	22.83
Totals	249	71,080,168	100.00

INFORMATION

Index Universe

FTSE MPF Europe Index

Index Launch

26 October 2022

Base Date

30 Septeber 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

ICB Industry Breakdown

ICB Code	ICB Industry	No. of Cons	Net MCap (HKDm)	Wgt %
10	Technology	12	3,466,286	4.88
15	Telecommunications	17	4,299,129	6.05
20	Health Care	16	7,744,348	10.90
30	Financials	51	17,051,355	23.99
35	Real Estate	3	89,309	0.13
40	Consumer Discretionary	41	10,013,398	14.09
45	Consumer Staples	22	9,643,181	13.57
50	Industrials	46	10,624,548	14.95
55	Basic Materials	13	412,620	0.58
60	Energy	10	3,626,053	5.10
65	Utilities	18	4,109,942	5.78
Totals		249	71,080,168	100.00

Index Characteristics

Attributes	FTSE MPF Europe ESG Low Carbon Select
Number of constituents	249
Net MCap (HKDm)	71,080,168
Dividend Yield %	2.97
Constituent Sizes (Net MCap HKDm)	
Average	285,463
Largest	4,877,056
Smallest	2,043
Median	42,873
Weight of Largest Constituent (%)	6.86
Top 10 Holdings (% Index MCap)	37.19

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