

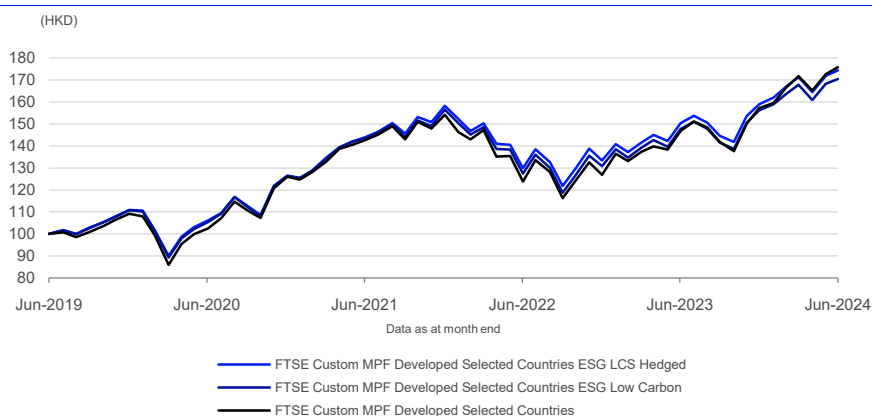
# FTSE Custom MPF Developed Selected Countries ESG Low Carbon Select Hedged Index

Data as at: 28 June 2024

The FTSE Custom MPF Developed Selected Countries ESG Low Carbon Select Index is comprised of large and mid cap companies from selected developed markets. 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 Custom MPF Developed Selected Countries 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 Custom MPF Developed Selected Countries ESG LCS Hedged	1.8	9.6	9.6	15.9	21.1	74.4	6.6	11.8	8.5	14.2	16.1
FTSE Custom MPF Developed Selected Countries ESG Low Carbon	1.6	9.1	9.1	15.3	18.7	70.5	5.9	11.3	8.7	14.5	16.6
FTSE Custom MPF Developed Selected Countries	2.3	11.7	11.7	19.7	23.2	75.8	7.2	11.9	9.7	15.9	17.7

\* 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

## 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 index will hedge non-Hong Kong dollar currency exposure in excess of 65 per cent to ensure they stay well within the regulations. An unhedged index is also available.

Year-on-Year Performance - Total Return

Index % (HKD)	2019	2020	2021	2022	2023
FTSE Custom MPF Developed Selected Countries ESG LCS Hedged	29.0	14.0	25.2	-15.7	19.2
FTSE Custom MPF Developed Selected Countries ESG Low Carbon	28.9	14.2	23.8	-16.4	19.5
FTSE Custom MPF Developed Selected Countries	27.4	15.4	22.5	-17.8	24.0

Return/Risk Ratio and Drawdown - Total Return

Index (HKD)	Return/Risk Ratio				Drawdown (%)			
	1YR	3YR	5YR	10YR	1YR	3YR	5YR	10YR
FTSE Custom MPF Developed Selected Countries ESG LCS Hedged	2.0	0.5	0.7	-	-9.4	-24.2	-31.6	-
FTSE Custom MPF Developed Selected Countries ESG Low Carbon	1.9	0.4	0.7	-	-9.8	-25.2	-32.2	-
FTSE Custom MPF Developed Selected Countries	2.1	0.5	0.7	-	-10.1	-25.3	-33.9	-

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

ICB Supersector Breakdown

ICB Code	ICB Supersector	No. of Cons	Net MCap (HKDm)	Wgt %
1010	Technology	66	109,861,540	28.24
1510	Telecommunications	23	19,149,410	4.92
2010	Health Care	60	43,866,841	11.28
3010	Banks	52	38,030,259	9.78
3020	Financial Services	42	16,932,856	4.35
3030	Insurance	50	19,589,312	5.04
3510	Real Estate	27	1,915,341	0.49
4010	Automobiles and Parts	24	8,619,217	2.22
4020	Consumer Products and Services	34	8,927,035	2.29
4030	Media	16	1,832,508	0.47
4040	Retailers	19	16,310,043	4.19
4050	Travel and Leisure	11	1,467,313	0.38
4510	Food Beverage and Tobacco	39	16,237,049	4.17
4520	Personal Care Drug and Grocery Stores	23	6,869,747	1.77
5010	Construction and Materials	14	1,234,043	0.32
5020	Industrial Goods and Services	103	49,342,393	12.68
5510	Basic Resources	19	3,809,798	0.98
5520	Chemicals	25	7,168,656	1.84
6010	Energy	29	10,113,708	2.60
6510	Utilities	36	7,767,372	2.00
Totals		712	389,044,442	100.00

INFORMATION

Index Universe

FTSE Custom MPF Developed Selected Countries Index

Index Launch

3/29/2022

Base Date

9/30/2014

Base Value

1000

Investability Screen

Free-float adjusted and liquidity screened

Index Calculation

End-of-day index available

End-of-Day Distribution

Via SFTP and email

Currency

HKD

Review Dates

Anually in September

Top 10 Constituents

Constituent	Country/Market	ICB Sector	Net MCap (HKDm)	Wgt %
Microsoft Corp	USA	Software and Computer Services	35,206,093	9.05
Apple Inc.	USA	Technology Hardware and Equipment	27,035,106	6.95
Visa	USA	Industrial Support Services	23,474,738	6.03
Johnson & Johnson	USA	Pharmaceuticals and Biotechnology	21,815,280	5.61
Nvidia	USA	Technology Hardware and Equipment	14,428,107	3.71
Cisco Systems	USA	Telecommunications Equipment	11,228,376	2.89
Amazon.Com	USA	Retailers	6,758,605	1.74
Royal Bank Of Canada	Canada	Banks	5,417,461	1.39
Salesforce Inc	USA	Software and Computer Services	3,967,113	1.02
Qualcomm	USA	Technology Hardware and Equipment	3,783,372	0.97
Totals			153,114,251	39.36

Country/Market Breakdown

Country/Market	No. of Cons	Net MCap (HKDm)	Wgt %
Australia	25	8,635,623	2.22
Canada	17	10,390,710	2.67
France	34	11,755,134	3.02
Germany	28	9,586,553	2.46
Hong Kong	16	2,241,052	0.58
Italy	8	2,967,321	0.76
Japan	126	28,441,959	7.31
Netherlands	18	5,224,662	1.34
Singapore	5	1,311,159	0.34
Spain	11	2,959,771	0.76
Switzerland	18	9,989,135	2.57
UK	49	16,886,189	4.34
USA	357	278,655,174	71.63
Totals	712	389,044,442	100.00

Index Characteristics

Attributes	FTSE Custom MPF Developed Selected Countries ESG LCS Hedged
Number of constituents	712
Net MCap (HKDm)	389,044,442
Constituent Sizes (Net MCap HKDm)	
Average	546,411
Largest	35,206,093
Smallest	5,144
Median	106,253
Weight of Largest Constituent (%)	9.05
Top 10 Holdings (% Index MCap)	39.36

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