

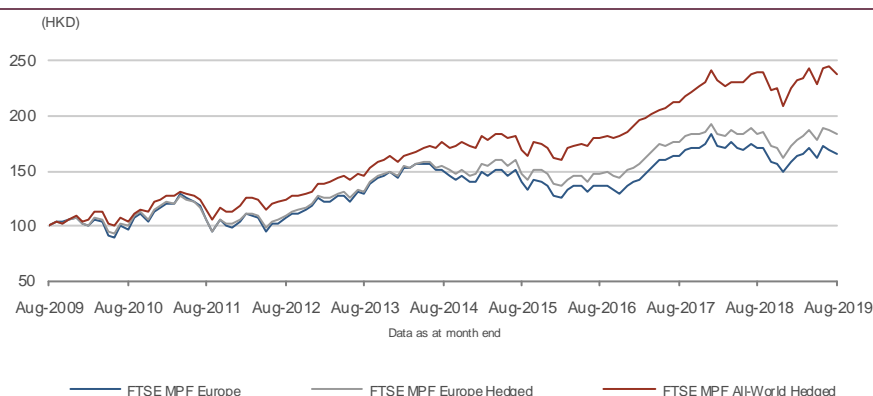
# FTSE MPF Europe Index

Data as at: 30 August 2019

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 Europe Index consists of eligible large cap and mid cap European 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 Europe	2.1	0.6	11.2	-3.0	21.4	8.9	6.7	1.7	13.1	12.0	13.2
FTSE MPF Europe Hedged	2.9	2.6	13.2	-0.4	24.5	19.1	7.6	3.6	12.6	10.9	12.1
FTSE MPF All-World Hedged	4.3	2.9	13.9	-0.4	32.2	36.1	9.7	6.4	12.2	10.5	11.4

\* 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)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
FTSE MPF Europe	36.5	4.1	-11.8	19.2	26.0	-6.0	-2.3	0.0	27.3	-14.6	
FTSE MPF Europe Hedged	34.0	5.6	-11.0	18.4	24.7	-2.3	0.4	3.0	22.8	-12.6	
FTSE MPF All-World Hedged	32.3	11.7	-6.8	16.0	24.8	5.9	-0.9	8.4	23.6	-8.8	

## 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 authorised by Hong Kong's Securities and Futures Commission (SFC), 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	-0.3	0.5	0.1	0.3	-16.3	-22.1	-23.2	-30.8
FTSE MPF Europe Hedged	-0.1	0.7	0.3	0.4	-15.3	-19.0	-22.7	-28.4
FTSE MPF All-World Hedged	-0.1	0.9	0.6	0.7	-17.0	-18.4	-18.6	-21.7

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 %
Nestle	Switzerland	Consumer Goods	2,614,559	3.91
Novartis (REGD)	Switzerland	Health Care	1,536,414	2.30
Roche Hldgs (GENUS)	Switzerland	Health Care	1,488,057	2.23
HSBC Hldgs	UK	Financials	1,141,762	1.71
BP	UK	Oil & Gas	950,030	1.42
Royal Dutch Shell A	UK	Oil & Gas	949,519	1.42
Total	France	Oil & Gas	944,154	1.41
AstraZeneca	UK	Health Care	915,817	1.37
SAP	Germany	Technology	906,877	1.36
Royal Dutch Shell B	UK	Oil & Gas	809,449	1.21
<b>Totals</b>			<b>12,256,639</b>	<b>18.33</b>

## Country Breakdown

Country	No. of Cons	Net MCap (HKDm)	Wgt %
Austria	8	237,860	0.36
Belgium	12	1,122,773	1.68
Denmark	22	1,924,682	2.88
Finland	15	1,296,485	1.94
France	81	11,476,841	17.16
Germany	81	9,315,243	13.93
Greece	9	132,546	0.20
Ireland	5	249,919	0.37
Italy	37	2,728,624	4.08
Netherlands	26	3,668,581	5.49
Norway	17	769,301	1.15
Portugal	4	169,761	0.25
Spain	28	3,074,012	4.60
Sweden	45	2,772,308	4.15
Switzerland	49	10,214,434	15.27
UK	127	17,723,537	26.50
<b>Totals</b>	<b>566</b>	<b>66,876,905</b>	<b>100.00</b>

## 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

## ICB Industry Breakdown

ICB Code	ICB Industry	No. of Cons	Net MCap (HKDm)	Wgt %
0001	Oil & Gas	22	4,925,538	7.37
1000	Basic Materials	44	4,038,127	6.04
2000	Industrials	121	9,741,584	14.57
3000	Consumer Goods	75	13,459,464	20.13
4000	Health Care	49	9,853,912	14.73
5000	Consumer Services	64	4,173,804	6.24
6000	Telecommunications	20	2,154,919	3.22
7000	Utilities	30	2,982,876	4.46
8000	Financials	120	12,218,701	18.27
9000	Technology	21	3,327,980	4.98
<b>Totals</b>		<b>566</b>	<b>66,876,905</b>	<b>100.00</b>

## Index Characteristics

Attributes	FTSE MPF Europe
Number of constituents	566
Net MCap (HKDm)	66,876,905
Dividend Yield %	3.27
Constituent Sizes (Net MCap HKDm)	
Average	118,157
Largest	2,614,559
Smallest	1,406
Median	51,124
Weight of Largest Constituent (%)	3.91
Top 10 Holdings (% Index MCap)	18.33

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Data definitions available from  
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