

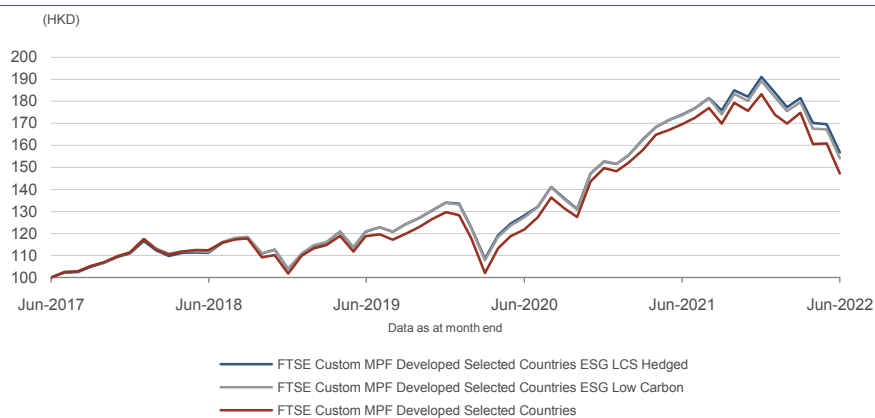
FTSE Custom MPF Developed Selected Countries ESG Low Carbon Select Hedged Index

Data as at: 30 June 2022

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	-13.6	-17.9	-17.9	-9.8	29.9	56.8	9.1	9.4	15.7	18.6	15.3
FTSE Custom MPF Developed Selected Countries ESG Low Carbon	-14.2	-18.5	-18.5	-11.2	27.5	54.1	8.4	9.0	15.8	18.9	15.7
FTSE Custom MPF Developed Selected Countries	-15.8	-19.7	-19.7	-13.2	23.9	47.2	7.4	8.0	16.8	20.6	16.6

* 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)	2017	2018	2019	2020	2021
FTSE Custom MPF Developed Selected Countries ESG LCS Hedged	21.4	-6.4	29.0	14.0	25.2
FTSE Custom MPF Developed Selected Countries ESG Low Carbon	23.1	-6.7	28.9	14.2	23.8
FTSE Custom MPF Developed Selected Countries	24.1	-8.5	27.4	15.4	22.5

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	-0.6	0.5	0.6	-	-20.6	-31.6	-31.6	-
FTSE Custom MPF Developed Selected Countries ESG Low Carbon	-0.7	0.4	0.6	-	-21.1	-32.2	-32.2	-
FTSE Custom MPF Developed Selected Countries	-0.8	0.4	0.5	-	-22.0	-33.9	-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	98	82,935,587	26.41
1510	Telecommunications	32	11,063,516	3.52
2010	Health Care	80	43,996,450	14.01
3010	Banks	51	27,971,839	8.91
3020	Financial Services	47	15,128,886	4.82
3030	Insurance	51	12,359,967	3.94
3510	Real Estate	30	2,340,569	0.75
4010	Automobiles and Parts	28	6,391,595	2.04
4020	Consumer Products and Services	42	10,198,724	3.25
4030	Media	18	1,790,709	0.57
4040	Retailers	27	12,251,637	3.90
4050	Travel and Leisure	16	1,542,483	0.49
4510	Food Beverage and Tobacco	43	27,376,147	8.72
4520	Personal Care Drug and Grocery Stores	25	12,843,791	4.09
5010	Construction and Materials	15	1,457,682	0.46
5020	Industrial Goods and Services	129	23,892,467	7.61
5510	Basic Resources	18	3,406,480	1.08
5520	Chemicals	34	5,605,874	1.79
6010	Energy	24	4,543,741	1.45
6510	Utilities	32	6,912,501	2.20
Totals		840	314,010,647	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

Annually in September

Top 10 Constituents

Constituent	Country	ICB Sector	Net MCap (HKDm)	Wgt %
Microsoft Corp	USA	Software and Computer Services	29,356,494	9.35
Apple Inc.	USA	Technology Hardware and Equipment	22,356,628	7.12
Johnson & Johnson	USA	Pharmaceuticals and Biotechnology	21,547,743	6.86
Nestle	Switzerland	Food Producers	7,496,970	2.39
Intel Corp	USA	Technology Hardware and Equipment	5,963,234	1.90
Royal Bank Of Canada	Canada	Banks	5,601,393	1.78
Cisco Systems	USA	Telecommunications Equipment	5,094,864	1.62
Coca-Cola	USA	Beverages	4,466,288	1.42
Merck & Co	USA	Pharmaceuticals and Biotechnology	4,368,899	1.39
Citigroup	USA	Banks	4,345,172	1.38
Totals			110,597,685	35.22

Country Breakdown

Country	No. of Cons	Net MCap (HKDm)	Wgt %
Australia	24	6,603,833	2.10
Canada	28	10,441,995	3.33
France	43	9,644,810	3.07
Germany	37	7,734,997	2.46
Hong Kong	12	3,120,347	0.99
Italy	11	1,889,092	0.60
Japan	154	22,885,280	7.29
Netherlands	19	4,038,908	1.29
Singapore	7	1,066,895	0.34
Spain	12	2,181,280	0.69
Switzerland	18	10,245,445	3.26
UK	58	14,750,269	4.70
USA	417	219,407,497	69.87
Totals	840	314,010,647	100.00

Index Characteristics

Attributes	FTSE Custom MPF Developed Selected Countries ESG LCS Hedged
Number of constituents	840
Net MCap (HKDm)	314,010,647
Constituent Sizes (Net MCap HKDm)	
Average	373,822
Largest	29,356,494
Smallest	3,214
Median	83,886
Weight of Largest Constituent (%)	9.35
Top 10 Holdings (% Index MCap)	35.22

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Data definitions available from
info@ftserussell.com

To learn more, visit www.ftserussell.com;
 email info@ftserussell.com; or
 call your regional Client Services Team office:

EMEA

+44 (0) 20 7866 1810

North America

+1 877 503 6437

Asia-Pacific

Hong Kong +852 2164 3333

Tokyo +81 3 6441 1430

Sydney +61 (0) 2 8823 3521