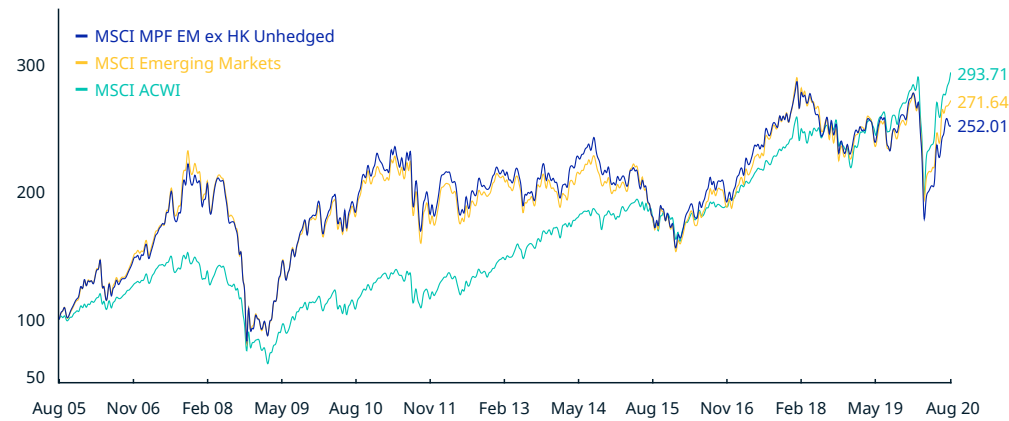


# MSCI MPF EM ex HK Unhedged Index (HKD)

The MSCI MPF EM (Emerging Markets) ex HK Unhedged Index is designed to comply with the Hong Kong MPF Investment Guidelines and to measure the performance of the eligible large and mid cap securities across Emerging Markets Countries\* (excluding China securities traded on the Hong Kong Stock Exchange), that are relevant for Hong Kong MPF investors. The index, with 510 constituents, applies screens to exclude securities that are not included in the list of approved stock exchanges by the MPFA and apply a 10% issuer capping to address the concentration limit.

## CUMULATIVE INDEX PERFORMANCE – GROSS RETURNS (HKD) (AUG 2005 – AUG 2020)



## ANNUAL PERFORMANCE (%)

Year	MSCI MPF EM ex HK Unhedged	MSCI Emerging Markets	MSCI ACWI
2019	16.79	18.31	26.69
2018	-12.29	-14.10	-8.79
2017	34.99	38.89	25.66
2016	14.53	11.65	8.53
2015	-16.58	-14.65	-1.90
2014	-2.45	-1.80	4.72
2013	-1.39	-2.23	23.49
2012	16.45	18.39	16.56
2011	-18.58	-18.25	-6.95
2010	23.16	19.50	13.50
2009	83.86	79.11	35.47
2008	-52.16	-53.47	-42.20
2007	39.29	40.18	12.48
2006	27.09	32.96	21.90

## INDEX PERFORMANCE – GROSS RETURNS (%) (AUG 31, 2020)

	1 Mo	3 Mo	1 Yr	YTD	ANNUALIZED			
					3 Yr	5 Yr	10 Yr	Since Nov 30, 2000
MSCI MPF EM ex HK Unhedged	-0.56	17.01	5.06	-8.20	0.07	7.13	3.11	8.67
MSCI Emerging Markets	2.23	19.70	13.63	0.15	2.87	9.06	4.08	9.25
MSCI ACWI	6.16	15.42	15.85	4.56	9.21	10.81	10.45	6.23

## FUNDAMENTALS (AUG 31, 2020)

	Div Yld (%)	P/E	P/E Fwd	P/BV
MSCI MPF EM ex HK Unhedged	2.45	20.19	15.37	1.67
MSCI Emerging Markets	2.28	18.20	14.88	1.77
MSCI ACWI	1.98	23.65	20.15	2.54

## INDEX RISK AND RETURN CHARACTERISTICS (AUG 31, 2020)

	Turnover (%) <sup>1</sup>	ANNUALIZED STD DEV (%) <sup>2</sup>			MAXIMUM DRAWDOWN	
		3 Yr	5 Yr	10 Yr	(%)	Period YYYY-MM-DD
MSCI MPF EM ex HK Unhedged	7.13	20.58	18.59	18.43	62.91	2007-10-31–2008-11-20
MSCI Emerging Markets	10.60	18.95	17.38	17.81	65.14	2007-10-29–2008-10-27
MSCI ACWI	3.82	16.73	14.40	13.86	33.82	2020-02-12–2020-03-23

<sup>1</sup> Last 12 months

<sup>2</sup> Based on monthly gross returns data

\* EM countries include: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Philippines, Russia, South Africa, Taiwan, Thailand and Turkey.

The MSCI MPF EM ex HK Unhedged Index was launched on Sep 30, 2013. Data prior to the launch date is back-tested data (i.e. calculations of how the index might have performed over that time period had the index existed). There are frequently material differences between back-tested performance and actual results. Past performance – whether actual or back-tested – is no indication or guarantee of future performance.

### INDEX CHARACTERISTICS

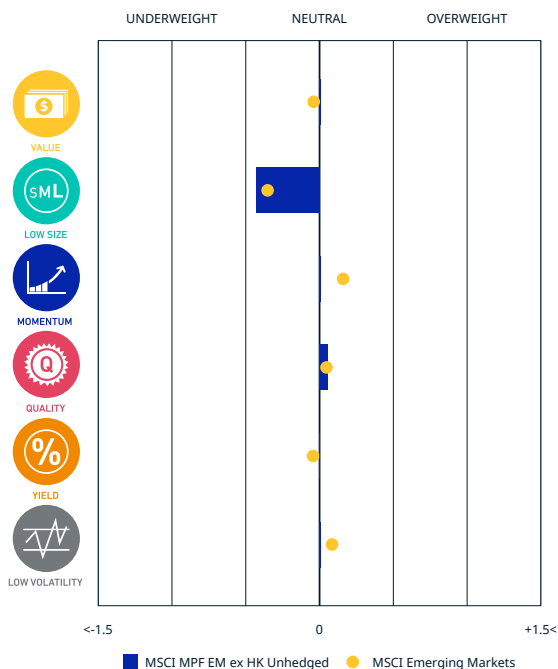
MSCI MPF EM ex HK Unhedged	
Number of Constituents	510
Mkt Cap ( HKD Millions)	
Index	23,462,973.52
Largest	2,137,455.37
Smallest	3,613.38
Average	46,005.83
Median	21,148.53

### TOP 10 CONSTITUENTS

	Country	Float Adj Mkt Cap ( HKD Billions)	Index Wt. (%)	Sector
TAIWAN SEMICONDUCTOR MFG	TW	2,137.46	9.11	Info Tech
SAMSUNG ELECTRONICS CO	KR	1,683.32	7.17	Info Tech
NASPERS N	ZA	650.37	2.77	Cons Discr
RELIANCE INDUSTRIES	IN	646.05	2.75	Energy
INFOSYS	IN	344.35	1.47	Info Tech
HOUSING DEV FINANCE CORP	IN	328.06	1.40	Financials
VALE ON	BR	322.41	1.37	Materials
SK HYNIX	KR	276.55	1.18	Info Tech
NAVER	KR	267.96	1.14	Comm Srvcs
HON HAI PRECISION IND CO	TW	261.98	1.12	Info Tech
Total		6,918.50	29.49	

### FACTORS - KEY EXPOSURES THAT DRIVE RISK AND RETURN

#### MSCI FACTOR BOX



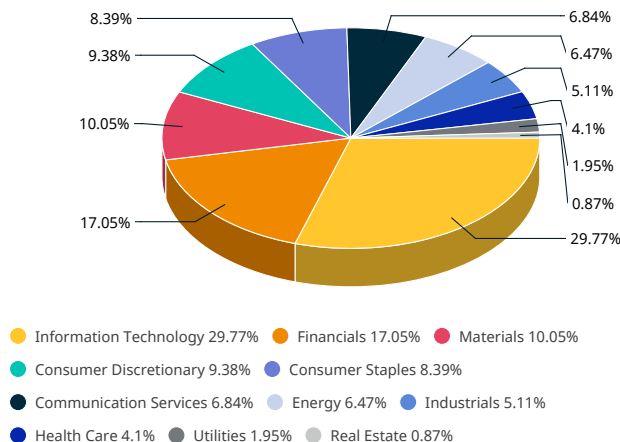
#### MSCI FaCS

- VALUE**  
Relatively Inexpensive Stocks
- LOW SIZE**  
Smaller Companies
- MOMENTUM**  
Rising Stocks
- QUALITY**  
Sound Balance Sheet Stocks
- YIELD**  
Cash Flow Paid Out
- LOW VOLATILITY**  
Lower Risk Stocks

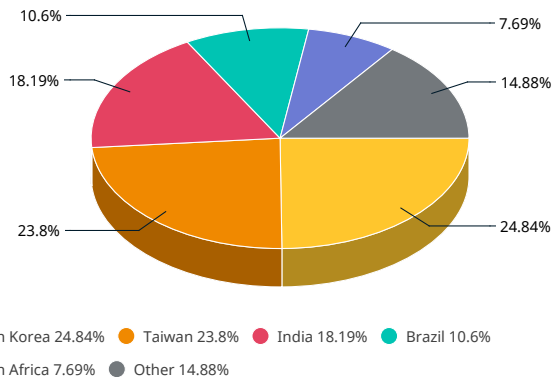
MSCI FaCS provides absolute factor exposures relative to a broad global index - MSCI ACWI IMI.

Neutral factor exposure (FaCS = 0) represents MSCI ACWI IMI.

### SECTOR WEIGHTS



### COUNTRY WEIGHTS



## INDEX METHODOLOGY

The index is part of the [MSCI Hong Kong MPF Indexes](#). Constructed based on the MSCI Global Investable Market Indexes Methodology, the index is designed to comply with the Hong Kong MPF Investment Guidelines and offer a pertinent benchmarking alternative for MPF compliant funds. The methodology applies screens to only include securities from the list of stock exchanges approved by the MPFA and apply a 10% issuer capping to address the concentration limit. The index is reviewed quarterly—in February, May, August and November—with the objective of reflecting changes in the underlying equity markets in a timely manner, while limiting undue index turnover.

## FACTOR BOX AND FaCS METHODOLOGY

MSCI FaCS is a standard method ([MSCI FaCS Methodology](#)) for evaluating and reporting the Factor characteristics of equity portfolios. MSCI FaCS consists of Factor Groups (e.g. Value, Size, Momentum, Quality, Yield, and Volatility) that have been extensively documented in academic literature and validated by MSCI Research as key drivers of risk and return in equity portfolios. These Factor Groups are constructed by aggregating 16 factors (e.g. Book-to-Price, Earnings/Dividend Yields, LT Reversal, Leverage, Earnings Variability/Quality, Beta) from the latest Barra global equity factor risk model, GEMLT, designed to make fund comparisons transparent and intuitive for use. The MSCI Factor Box, which is powered by MSCI FaCS, provides a visualization designed to easily compare absolute exposures of funds/indexes and their benchmarks along 6 Factor Groups that have historically demonstrated excess market returns over the long run.

## ABOUT MSCI

MSCI is a leading provider of critical decision support tools and services for the global investment community. With over 45 years of expertise in research, data and technology, we power better investment decisions by enabling clients to understand and analyze key drivers of risk and return and confidently build more effective portfolios. We create industry-leading research-enhanced solutions that clients use to gain insight into and improve transparency across the investment process. To learn more, please visit [www.msci.com](http://www.msci.com).

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