

# MSCI MPF AC Asia ex Japan Unhedged Index (HKD)

The MSCI MPF AC Asia ex Japan 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 Developed and Emerging Markets Countries\* in the Asia ex Japan region, that are relevant for Hong Kong MPF investors. The index, with 679 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) (FEB 2005 – FEB 2020)



## ANNUAL PERFORMANCE (%)

Year	MPF AC Asia ex Japan Unhedged	MSCI AC Asia ex Japan	MSCI ACWI
2019	17.29	17.95	26.69
2018	-14.65	-13.99	-8.79
2017	41.39	43.26	25.66
2016	6.17	5.80	8.53
2015	-8.54	-8.96	-1.90
2014	3.37	5.13	4.72
2013	4.62	3.37	23.49
2012	23.71	22.46	16.56
2011	-18.21	-17.15	-6.95
2010	18.43	20.23	13.50
2009	69.36	72.62	35.47
2008	-50.99	-52.52	-42.20
2007	40.82	40.89	12.48
2006	32.71	34.15	21.90

## INDEX PERFORMANCE – GROSS RETURNS (%) (FEB 28, 2020)

	1 Mo	3 Mo	1 Yr	YTD	ANNUALIZED				Since Nov 30, 2000
					3 Yr	5 Yr	10 Yr		
MPF AC Asia ex Japan Unhedged	-2.51	-1.80	-0.92	-7.48	6.21	4.11	5.70	8.30	
MSCI AC Asia ex Japan	-2.52	-1.40	-0.32	-7.17	7.06	4.46	6.18	8.69	
MSCI ACWI	-7.70	-6.21	3.70	-9.02	7.68	6.22	8.72	5.63	

## FUNDAMENTALS (FEB 28, 2020)

Div Yld (%)	P/E	P/E Fwd	P/BV
2.73	14.38	12.30	1.46
2.52	14.96	12.57	1.55
2.60	17.55	14.90	2.21

## INDEX RISK AND RETURN CHARACTERISTICS (FEB 28, 2020)

	Turnover (%) <sup>1</sup>	ANNUALIZED STD DEV (%) <sup>2</sup>			MAXIMUM DRAWDOWN	
		3 Yr	5 Yr	10 Yr	(%)	Period YYYY-MM-DD
MPF AC Asia ex Japan Unhedged	6.07	14.73	15.70	16.23	63.95	2007-10-29–2008-10-27
MSCI AC Asia ex Japan	9.25	14.82	15.73	16.23	65.39	2007-10-29–2008-10-27
MSCI ACWI	3.48	12.29	12.03	13.22	58.03	2007-10-31–2009-03-09

<sup>1</sup> Last 12 months

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

\* Developed Markets countries in the index include: Hong Kong and Singapore. Emerging Markets countries include: China, India, Indonesia, Korea, Malaysia, the Philippines, Taiwan and Thailand.

The MSCI MPF AC Asia ex Japan 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

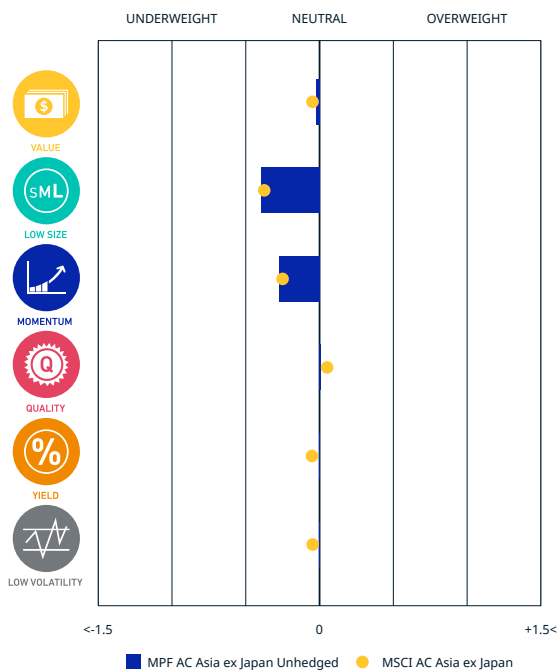
MPF AC Asia ex Japan Unhedged	
Number of Constituents	679
<b>Mkt Cap ( HKD Millions)</b>	
Index	36,299,279.19
Largest	2,265,809.27
Smallest	663.95
Average	53,459.91
Median	19,291.22

### TOP 10 CONSTITUENTS

	Country	Float Adj Mkt Cap ( HKD Billions)	Index Wt. (%)	Sector
TENCENT HOLDINGS LI (CN)	CN	2,265.81	6.24	Comm Svcs
ALIBABA GROUP HLDG ADR	CN	2,218.47	6.11	Cons Discr
TAIWAN SEMICONDUCTOR MFG	TW	2,051.26	5.65	Info Tech
SAMSUNG ELECTRONICS CO	KR	1,700.59	4.68	Info Tech
HSBC HOLDINGS (HK)	HK	1,098.69	3.03	Financials
AIA GROUP	HK	951.80	2.62	Financials
CHINA CONSTRUCTION BK H	CN	620.31	1.71	Financials
PING AN INSURANCE H	CN	495.55	1.37	Financials
RELIANCE INDUSTRIES	IN	419.04	1.15	Energy
HOUSING DEV FINANCE CORP	IN	394.36	1.09	Financials
Total		12,215.89	33.65	

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

#### MSCI FACTOR BOX



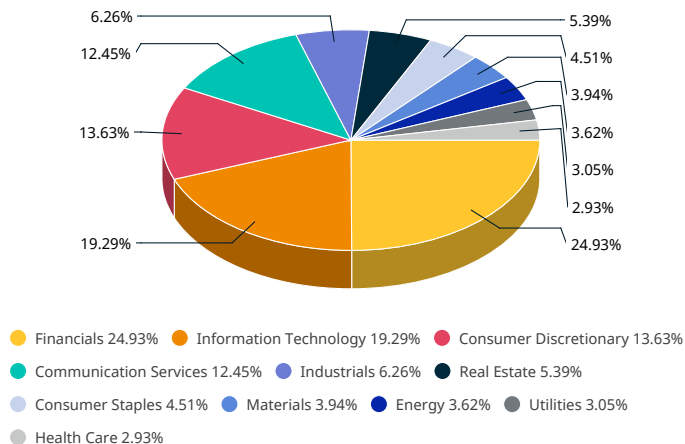
#### MSCI FaCS

- 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

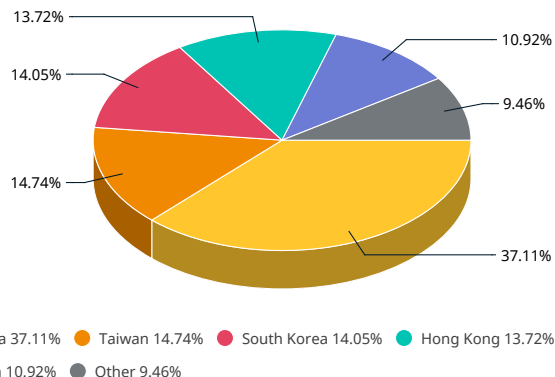
MSCI FaCS provides absolute factor exposures relative to a broad global index - MSCI ACWI IMI.

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).

The information contained herein (the "Information") may not be reproduced or disseminated in whole or in part without prior written permission from MSCI. The Information may not be used to verify or correct other data, to create indexes, risk models, or analytics, or in connection with issuing, offering, sponsoring, managing or marketing any securities, portfolios, financial products or other investment vehicles. Historical data and analysis should not be taken as an indication or guarantee of any future performance, analysis, forecast or prediction. None of the Information or MSCI index or other product or service constitutes an offer to buy or sell, or a promotion or recommendation of, any security, financial instrument or product or trading strategy. Further, none of the Information or any MSCI index is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. The Information is provided "as is" and the user of the Information assumes the entire risk of any use it may make or permit to be made of the Information. NONE OF MSCI INC. OR ANY OF ITS SUBSIDIARIES OR ITS OR THEIR DIRECT OR INDIRECT SUPPLIERS OR ANY THIRD PARTY INVOLVED IN THE MAKING OR COMPILING OF THE INFORMATION (EACH, AN "MSCI PARTY") MAKES ANY WARRANTIES OR REPRESENTATIONS AND, TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH MSCI PARTY HEREBY EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. WITHOUT LIMITING ANY OF THE FOREGOING AND TO THE MAXIMUM EXTENT PERMITTED BY LAW, IN NO EVENT SHALL ANY OF THE MSCI PARTIES HAVE ANY LIABILITY REGARDING ANY OF THE INFORMATION FOR ANY DIRECT, INDIRECT, SPECIAL, PUNITIVE, CONSEQUENTIAL (INCLUDING LOST PROFITS) OR ANY OTHER DAMAGES EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES. The foregoing shall not exclude or limit any liability that may not by applicable law be excluded or limited.

© 2020 MSCI Inc. All rights reserved.