

CSI MarketGrader China New Economy Index

The CSI MarketGrader China New Economy Index seeks to follow the most fundamentally sound companies with the best growth prospects in the Consumer Discretionary, Consumer Staples, Health Care, and Technology sectors that are domiciled and listed in Mainland China. CSI and MarketGrader have specifically chosen these four sectors as those with the best prospects for growth and the creation of shareholder value in China's equity market as the country's economic leadership continues to transition to consumption, services and high-tech and away from mostly fixed investments, heavy industry and natural resource development. The index seeks to identify the companies in China with the best growth at a reasonable price (GARP) attributes as the best drivers of long-term capital appreciation. Since the index is equally weighted, it gives each company an equal opportunity to contribute to its overall performance regardless of size or affiliation with the state.

Index Rules

Underlying Universe

All A shares listed in the Shanghai and Shenzhen Stock Exchanges that are covered and rated by MarketGrader, that are not "ST" stocks, and are classified as Consumer Discretionary, Consumer Staples, Health Care and Technology.

Objective

Designed to serve as the basis of investment funds providing access to investors to some of the most promising stocks in China.

Weighting

The index is equally weighted.

Rebalance Frequency

The index is reconstituted and rebalanced twice a year on the next trading day after the close of trading on the second Friday in June and December.

Selection Criteria

All index components are selected based on their overall MarketGrader Grade. Built on a scale between 0 and 100, our Overall Grade is based on our 24 fundamental indicators, which are broken down into four analytical categories: Growth, Value, Profitability and Cash Flow. All of our indicators and our overall grades are calculated daily for all companies under coverage.

Market Cap Requirements

All index constituents must have a minimum total market cap of RMB 1.4 billion. At least 20% of all index constituents (24 companies) must be designated as large or mid caps according to MarketGrader's annual size classification of all Shanghai and Shenzhen-listed equities under coverage.

Liquidity Requirements

A minimum 3-month daily traded value of RMB 14 million and at least RMB 350 million in aggregate trading volume in the trailing 12 months preceding the index selection date.

Licensing opportunities

licensing@marketgrader.com

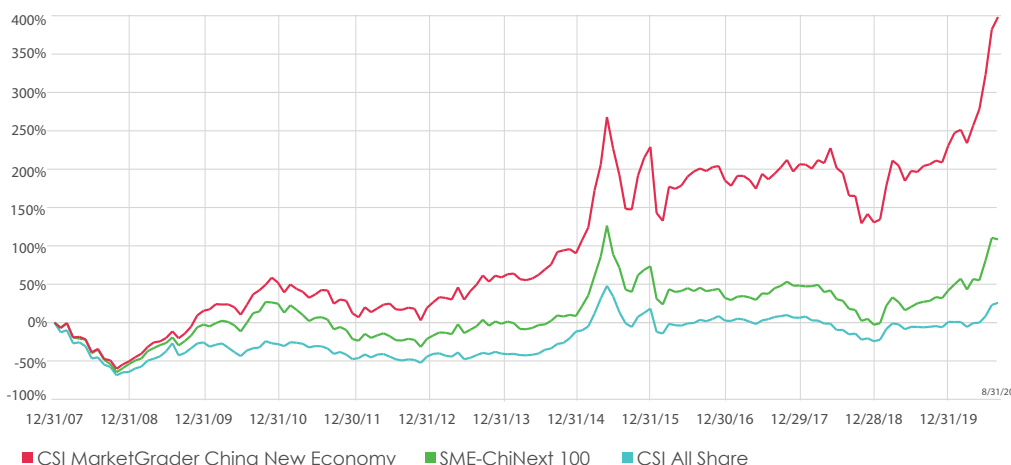
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Performance

Cumulative Total Return, Dec 2007 - Aug 2020*

All data as of Aug 31, 2020



Calendar Year Returns

	CSI MG NE	SME ChiNext	ChiNext	CSI All Share
2020*	50.61%	46.72%	52.58%	24.58%
2019	43.50%	46.27%	44.81%	33.41%
2018	-24.73%	-34.47%	-28.24%	-28.79%
2017	7.34%	12.18%	-10.07%	3.68%
2016	-13.28%	-23.82%	-27.44%	-13.31%
2015	72.96%	59.72%	84.79%	33.78%
2014	19.81%	10.35%	13.38%	48.41%
2013	33.16%	24.92%	83.87%	7.10%
2012	6.45%	0.34%	-1.20%	6.24%
2011	-26.36%	-37.04%	-35.45%	-27.32%
2010	31.89%	27.94%	-	-2.99%
2009	133.33%	111.98%	-	108.10%
2008	-50.56%	-54.02%	-	-64.33%

All values in RMB. *YTD values as of 08/31/2020
Sources: CSI, FactSet, MarketGrader.com

Annualized Returns

	CSI MG NE	SME ChiNext	ChiNext	CSI All Share
3-Years	19.20%	12.90%	14.50%	5.40%
5 -Years	15.00%	7.80%	7.10%	4.90%
Since 12/31/07	13.50%	6.00%	-	1.80%

Cumulative Returns

	CSI MG NE	SME ChiNext	ChiNext	CSI All Share
3-Years	69.50%	44.00%	50.30%	17.30%
5 -Years	100.80%	45.80%	40.60%	27.10%
Since 12/31/07	398.30%	108.50%	-	25.80%

Standard Deviation

	CSI MG NE	SME ChiNext	ChiNext	CSI All Share
3-Years	22.16%	25.26%	26.26%	18.98%
5 -Years	25.92%	26.77%	29.58%	22.49%
Since 12/31/07	28.60%	30.23%	-	28.37%

Sharpe Ratio

	CSI MG NE	SME ChiNext	ChiNext	CSI All Share
3-Years	0.87	0.51	0.55	0.28
5 -Years	0.58	0.29	0.24	0.22
Since 12/31/07	0.47	0.20	-	0.06

All values in RMB. Frequency: Monthly.
Sources: CSI, FactSet, MarketGrader.com

Sources: MarketGrader Research, China Securities Index Co., FactSet.

* The CSI MarketGrader China New Economy 120 Index was first published on March 20, 2015. Backtested performance information is purely hypothetical and is solely for informational purposes. Backtested performance does not represent actual performance, and should not be interpreted as an indication of actual performance. Past performance is not indicative of future results. CSI is a registered trademark of China Securities Index Co. MarketGrader.com © 2020.

CSI MarketGrader China New Economy Index

Index composition data as of Aug 31, 2020 - All currency values in RMB.

Index Bio

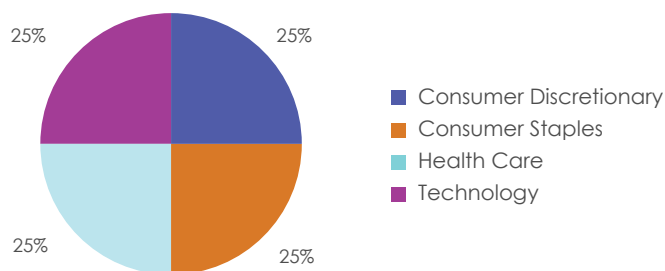
Average Market Cap	RMB 77,151.04
Median Market Cap	RMB 17,022.50
Average 3 Mo. RMB Volume	RMB 713,542,038.31
Average 3 Mo. Trading Volume	19,743,183.00
Last Rebalance Date	6/15/20
Companies Replaced	61

Fundamental Attributes

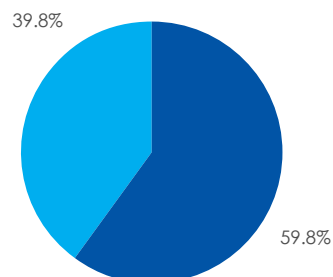
Median

Trailing P/E Ratio	30.2
Forward P/E Ratio	31.1
Earnings Yield	3.9%
Price/Book Ratio	6.7
Revenue Change - 3 Years	72.6%
Operating Income Change - 3 Years	134.5%
Operating Margin	19.0%
Earnings per Share (EPS) 3-Year Growth	27.4%
Long-Term Debt to Capital	14.4%
Return on Equity	21.1%
Dividend Yield	0.81%

Sector Breakdown (based on constituent count)



Market Cap Breakdown (based on constituent count)



Top 20 Stocks by Fundamentals

Ticker	Name	Grade
300552.CN	Beijing Wanji Technology Co. Ltd.	● 94.16
300206.CN	Edan Instruments, Inc. Class A	● 89.26
300246.CN	Guangdong Biolight Meditech	● 87.51
002803.CN	Xiamen Jihong Technology Co.,	● 87.20
300497.CN	Jiangxi Fushine Pharmaceutical	● 86.37
002223.CN	Jiangsu Yuyue Medical Equipment	● 84.88
300390.CN	Suzhou TA&A Ultra Clean Technol-	● 83.71
300482.CN	Guangzhou Wondfo Biotech Co.,	● 82.20
000529.CN	Guangdong Guanghong Holdings	● 82.12
603309.CN	WELL LEAD MEDICAL CO LTD Class	● 82.03
002100.CN	Tecon Biology Co., Ltd. Class A	● 81.45
002714.CN	Muyuan Foods Co., Ltd. Class A	● 80.56
002677.CN	Zhejiang Meida Industrial Co. Ltd.	● 80.44
000955.CN	Xinlong Holding (Group) Co., Ltd.	● 79.49
603609.CN	Liaoning Wellhope Agri-Tech Joint	● 79.47
300371.CN	Huizhong Instrumentation Co. Ltd.	● 79.08
002124.CN	Tech-bank Food Co., Ltd.	● 78.61
000661.CN	Changchun High & New Technolo-	● 78.59
300462.CN	Shanghai Huaming Intelligent Ter-	● 77.02
002555.CN	Wuhu Sanqi Interactive Entertain-	● 76.52

Most Selections Since Inception

Ticker	Name	Times
600519.CN	Kweichow Moutai Co., Ltd. Class A	27
000568.CN	Luzhou Laojiao Company Limited	24
000858.CN	Wuliangye Yibin Co., Ltd. Class A	24
600276.CN	Jiangsu Hengrui Medicine Co., Ltd.	21
600809.CN	Shanxi Xinghuacun Fen Wine Fac-	21
000895.CN	Henan Shuanghui Investment &	20
000538.CN	Yunnan Baiyao Group Co. Ltd.	17
002001.CN	Zhejiang NHU Co. Ltd. Class A	16
002035.CN	Vatti Corp. Ltd. Class A	16
600298.CN	Angel Yeast Co., Ltd. Class A	16
600436.CN	Zhangzhou Pientzehuang Pharma-	15
002415.CN	Hangzhou Hikvision Digital Technol-	15
002236.CN	Zhejiang Dahua Technology Co.	13
000661.CN	Changchun High & New Technolo-	13
002507.CN	Chongqing Fuling Zhacai Group	13
603288.CN	Foshan Haitian Flavouring & Food	13
600183.CN	Shengyi Technology Co., Ltd. Class	11
600566.CN	HUBEI JUMPCAN PHARMACEUTICAL	11
600779.CN	Sichuan Swellfun Co., Ltd. Class A	11
002508.CN	Hangzhou Robam Appliances Co.,	11