

MarketGrader China All-Cap Growth Leaders Index



The MarketGrader China All-Cap Growth Leaders Index consists of the 200 most fundamentally sound companies with the best growth prospects in China, whose shares are listed in Shanghai, Shenzhen, Hong Kong or the United States. Its objective is to give investors access to the best companies in one of the world's fastest growing economies without overpaying for their shares. Constituents are selected across all market cap segments and all economic sectors after they have passed rigorous size and liquidity filters.

Index Rules

Investable Universe

All companies domiciled in China that have received a MarketGrader Score consistently for at least six months, whose shares are listed on the Shanghai Stock Exchange, Shenzhen Stock Exchange, Hong Kong Stock Exchange, NASDAQ or the New York Stock Exchange.

Regulatory Requirements

Stocks are ineligible for Index selection if they are classified by China's regulators as "Special Treatment (ST)" stocks; if their shares have been suspended from daily trading in the last six months; or if their foreign ownership on the selection date is equal to or greater than 26% of its free float adjusted market capitalization.

Size Requirements

All companies must have a minimum total market capitalization of USD 200 million on the Index selection date.

Liquidity Requirements

All stocks must have a minimum three-month average daily trading volume of USD 2 million and a minimum 12-month aggregate trading volume of USD 50 million as of the selection date.

Selection Criteria

All Index constituents are selected based on their overall MarketGrader (MG) Score. Built on a scale between zero (0) and 100, this MG Score is based on 24 fundamental indicators across MarketGrader's four rating categories: Growth, Value, Profitability and Cash Flow. All indicators and the final MG Score are calculated daily for all companies under coverage.

Sector Limits

The number of companies in a single economic sector cannot exceed 20% of all Index constituents (40 companies).

Weighting:

The Index is re-weighted at each rebalance date based on each constituent's free float market capitalization, with the total weight per constituent capped at 5% of the entire Index.

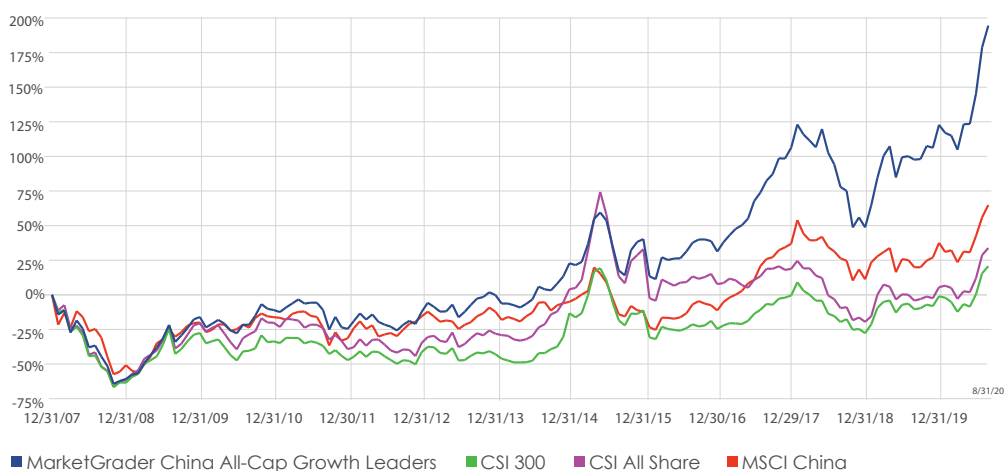
Rebalance Frequency

The Index is reconstituted and rebalanced semi-annually, after the close of trading on U.S. exchanges on the third Friday of March and September.

Performance

Cumulative Total Return, Jan. 2008 - Aug. 2020*

All data as of Aug 31, 2020



Calendar Year Returns

	MG China All-Cap Gr.	CSI 300	CSI All Share	MSCI China
2020*	32.17%	22.00%	26.80%	19.87%
2019	49.77%	36.84%	31.16%	23.66%
2018	-27.89%	-27.36%	-32.26%	-18.75%
2017	57.17%	32.13%	10.25%	54.33%
2016	-6.44%	-15.21%	-19.00%	1.11%
2015	14.27%	2.44%	27.82%	-7.62%
2014	23.07%	52.08%	44.82%	8.26%
2013	13.90%	-2.57%	10.22%	3.96%
2012	16.20%	10.92%	7.33%	23.10%
2011	-15.30%	-20.48%	-23.90%	-18.24%
2010	5.97%	-8.39%	0.50%	4.83%
2009	114.08%	98.46%	107.97%	62.63%
2008	-60.77%	-63.50%	-61.81%	-50.83%

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

Annualized Returns

	MG China All-Cap Gr.	CSI 300	CSI All Share	MSCI China
3-Years	17.30%	8.90%	4.00%	9.40%
5 -Years	20.10%	8.20%	3.40%	13.90%
Since 12/31/07	8.90%	1.50%	2.30%	4.00%

Cumulative Returns

	MG China All-Cap Gr.	CSI 300	CSI All Share	MSCI China
3-Years	61.40%	29.10%	12.60%	31.00%
5 -Years	150.30%	48.00%	18.00%	91.80%
Since 12/31/07	194.50%	20.70%	33.80%	64.90%

Standard Deviation

	MG China All-Cap Gr.	CSI 300	CSI All Share	MSCI China
3-Years	22.60%	21.35%	21.48%	20.41%
5 -Years	23.42%	22.66%	24.43%	20.24%
Since 12/31/07	25.99%	28.44%	28.88%	24.51%

Sharpe Ratio

	MG China All-Cap Gr.	CSI 300	CSI All Share	MSCI China
3-Years	0.77	0.42	0.19	0.46
5 -Years	0.86	0.36	0.14	0.69
Since 12/31/07	0.34	0.05	0.08	0.16

Frequency: Monthly.
Sources: FactSet, MarketGrader.com

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* The MarketGrader China All-Cap Growth Leaders Index was first published on February 21, 2020. 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. MSCI brands and product names are the trademarks, service marks, or registered trademarks of MSCI or its subsidiaries in the United States and other jurisdictions. MarketGrader.com © 2020.

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

Index Bio

Average Market Cap	USD \$15,341.96
Median Market Cap	USD \$2,426.85
Average 3 Mo. Dollar Volume	USD \$93,860,126.22
Average 3 Mo. Trading Volume	17,437,518.00
Last Rebalance Date	3/23/20
Companies Replaced	87
Biggest Sector Increase	Consumer Discretionary
Biggest Sector Decrease	Health Care

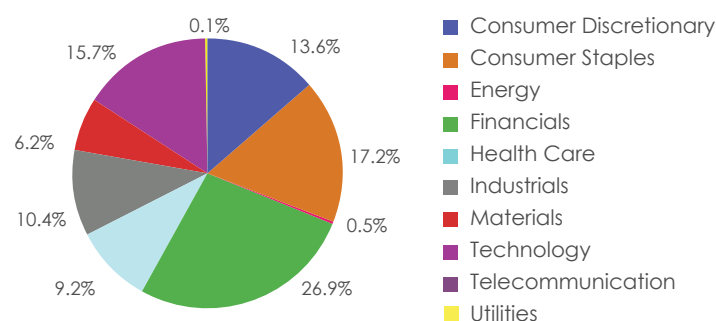
Fundamental Attributes

	Median
Trailing P/E Ratio	18.8
Forward P/E Ratio	15.6
Earnings Yield	5.9%
Price/Book Ratio	3.8
Revenue Change - 3 Years	86.4%
Operating Income Change - 3 Years	136.7%
Operating Margin	19.3%
Earnings per Share (EPS) 3-Year Growth	31.8%
Long-Term Debt to Capital	20.2%
Return on Equity	19.1%
Dividend Yield	1.42%

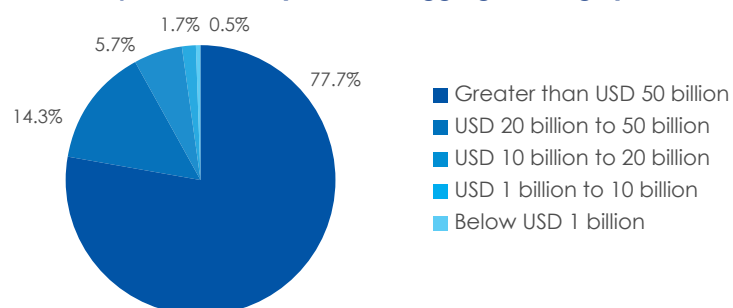
Top 20 Stocks by Fundamentals

Ticker	Name	Grade
603606.CN	Ningbo Orient Wires & Cables Co	● 88.69
600585.CN	Anhui Conch Cement Company	● 83.40
000789.CN	Jiangxi Wannianqing Cement Co.,	● 82.74
000529.CN	Guangdong Guanghong Holdings	● 82.12
603309.CN	WELL LEAD MEDICAL CO LTD Class	● 82.03
002028.CN	Sieyuan Electric Co., Ltd. Class A	● 81.04
002714.CN	Muyuan Foods Co., Ltd. Class A	● 80.56
002677.CN	Zhejiang Meida Industrial Co. Ltd.	● 80.44
BABA	Alibaba Group Holding Ltd. Spon-	● 80.05
601012.CN	LONGi Green Energy Technology	● 79.71
600486.CN	Jiangsu Yangnong Chemical Co.	● 78.64
000661.CN	Changchun High & New Technolo-	● 78.59
603218.CN	Riyue Heavy Industry Co., Ltd.	● 78.10
1579.HK	Yihai International Holding Ltd.	● 77.91
603012.CN	Shanghai Chuangli Group Co. Ltd.	● 77.74
300462.CN	Shanghai Huaming Intelligent Ter-	● 77.02
603699.CN	Neway Valve (Suzhou) Co., Ltd.	● 77.02
000672.CN	Gansu Shangfeng Cement Co.,	● 76.68
002014.CN	Huangshan Novel Co., Ltd. Class A	● 76.61
600846.CN	Shanghai Tongji Science & Tech-	● 76.58

Sector Breakdown (based on aggregate weight)



Market Cap Breakdown (based on aggregate weight)



Most Selections Since Inception

Ticker	Name	Times
600519.CN	Kweichow Moutai Co., Ltd. Class A	24
NTESE	NetEase, Inc. Sponsored ADR	22
600276.CN	Jiangsu Hengrui Medicine Co., Ltd.	20
000568.CN	Luzhou Laojiao Company Limited	20
000858.CN	Wuliangye Yibin Co., Ltd. Class A	20
2020.HK	ANTA Sports Products Ltd.	20
000651.CN	Gree Electric Appliances, Inc. of	18
002032.CN	Zhejiang Supor Co., Ltd. Class A	17
002415.CN	Hangzhou Hikvision Digital Technol-	17
2382.HK	Sunny Optical Technology (Group)	16
002142.CN	Bank of Ningbo Co., Ltd. Class A	15
600763.CN	Topchoice Medical Corp. Class A	15
600809.CN	Shanxi Xinghuacun Fen Wine Fac-	15
601009.CN	Bank of Nanjing Co., Ltd. Class A	15
867.HK	China Medical System Holdings Ltd.	15
000895.CN	Henan Shuanghui Investment &	13
600566.CN	HUBEI JUMPCAN PHARMACEUTICAL	12
600436.CN	Zhangzhou Pientzehuang Pharma-	12
601166.CN	Industrial Bank Co., Ltd. Class A	12
ATHM	Autohome, Inc. Sponsored ADR	11