

# MarketGrader China New Economy Index

The MarketGrader China New Economy Index consists of the 120 most fundamentally sound companies domiciled in China and traded publicly in the Shanghai Stock Exchange or the Shenzhen Stock Exchange from the Consumer Discretionary, Consumer Staples, Health Care and Technology sectors. Constituents are selected based on MarketGrader's Score, which rewards companies with strong growth characteristics and sound fundamental indicators of quality, without overpaying for their shares. The Index's objective is to give investors access to the best compounders of growth in the fastest growing sectors in one of the world's fastest growing economies.

## Index Rules

### Investable Universe

All companies domiciled in China that have received a MarketGrader Score consistently for at least six months and whose shares are listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange. Only companies that belong to the Consumer Discretionary, Consumer Staples, Health Care, and Technology sectors are eligible for selection.

### 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; if their shares cannot be owned by U.S. persons according to U.S. regulators; or if their foreign ownership on the selection date is equal to or greater than 26% of the company's free float adjusted market capitalization.

### Size and Liquidity Requirements

All companies must have a minimum total market capitalization of at least USD 500 million, and a three-month average daily trading volume of USD 5 million on the Index selection date.

### Selection Methodology

Index constituents are selected based on the strength of their fundamentals as measured by the MarketGrader Score (0 to 100), which seeks to identify high quality companies with strong growth prospects without overpaying for their shares.

### Weighting Methodology

All Index constituents are equally weighted on the Friday following the selection date and one week prior to the Index's official rebalance date.

### Index Selection, Reconstitution, and Rebalance Dates

The Index is reconstituted and rebalanced twice a year on the next trading day following the close of trading on Mainland Chinese exchanges on the second Friday in June and December.

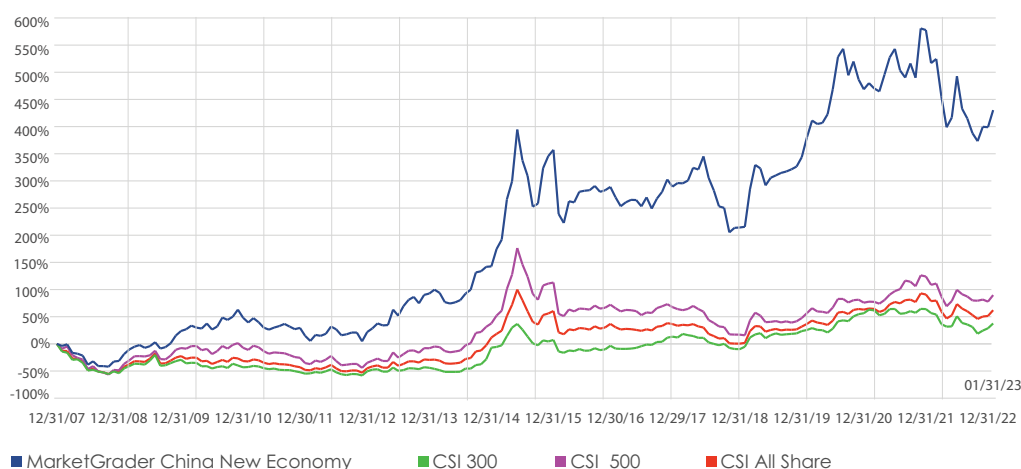
### Index Calculation Agent

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## Performance

### Cumulative Total Return, Jan. 2008 - Jan. 2023

All data as of January 31, 2023



### Calendar Year Returns (%)

	MG China New Economy	CSI 300	CSI 500	CSI All Share
2023*	6.3	6.9	6.8	7.0
2022	-26.3	-21.6	-20.7	-20.7
2021	19.2	4.9	27.5	17.1
2020	28.2	26.6	19.2	23.7
2019	41.2	37.0	26.1	31.3
2018	-20.7	-19.3	-28.7	-24.7
2017	7.1	22.3	-1.0	2.1
2016	-19.1	-14.8	-22.2	-18.6
2015	88.4	15.2	54.6	43.8
2014	25.9	66.3	49.8	58.3
2013	58.1	13.1	41.0	27.9
2012	6.2	9.5	0.9	6.0
2011	-22.6	-20.5	-30.4	-23.9
2010	19.8	-19.6	0.5	-11.8
2009	80.3	53.9	80.1	61.2
2008	-31.4	-54.0	-48.7	-51.9

### Annualized Returns (%)

	MG China New Economy	CSI 300	CSI 500	CSI All Share
3-Years	3.4	3.1	6.6	5.8
5 -Years	6.0	3.1	3.2	3.7
Since 12/31/07	11.7	2.1	4.3	3.3

### Cumulative Returns (%)

	MG China New Economy	CSI 300	CSI 500	CSI All Share
3-Years	10.0	9.6	21.3	18.5
5 -Years	34.0	16.3	17.2	19.9
Since 12/31/07	430.0	37.6	89.8	62.0

### Standard Deviation (%)

	MG China New Economy	CSI 300	CSI 500	CSI All Share
3-Years	22.5	18.0	18.6	17.8
5 -Years	22.9	18.1	20.5	18.8
Since 12/31/07	27.1	25.8	29.2	26.3

### Sharpe Ratio

	MG China New Economy	CSI 300	CSI 500	CSI All Share
3-Years	0.15	0.17	0.36	0.33
5 -Years	0.26	0.17	0.16	0.20
Since 12/31/07	0.43	0.08	0.15	0.12

All values in AUD. \*YTD Values as of 01/31/23.  
Sources: FactSet, MarketGrader.com

Frequency: Monthly.  
Sources: FactSet, MarketGrader.com

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

\* The MarketGrader China New Economy Index was first published on September 20, 2021. Its predecessor index, which is based on the same methodology, the CSI MarketGrader China New Economy 120 Index, was first published on March 20, 2015. Back tested performance information is purely hypothetical and is solely for informational purposes. Back tested 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 © 2023.

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Index composition data as of January 31, 2023. All currency values in AUD.

## Index Bio

Average Market Cap (in millions)	AUD 15,037
Median Market Cap (in millions)	AUD 3,697
Average 3 Mo. Dollar Volume (in millions)	AUD 91
Average 3 Mo. Trading Volume	9,960,641
Last Rebalance Date	12/12/22
Companies Replaced	66

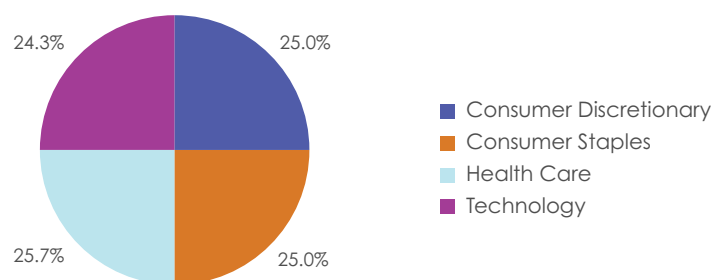
## Fundamental Attributes

	Median
Trailing P/E Ratio	22.8
Forward P/E Ratio	23.5
Earnings Yield	5.1%
Price/Book Ratio	4.6
Revenue Change - 3 Years	115.4%
Operating Income Change - 3 Years	240.7%
Operating Margin	23.6%
Earnings per Share (EPS) 3-Year Growth	41.5%
Long-Term Debt to Capital	8.7%
Return on Equity	22.7%
Dividend Yield	1.14%

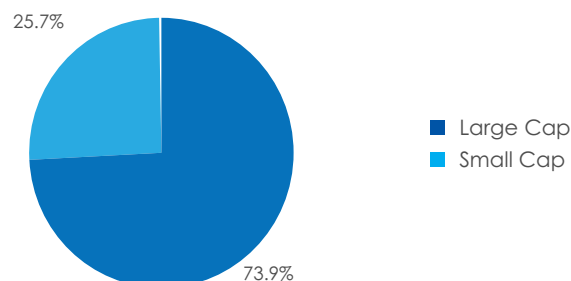
## Top 20 Stocks by Fundamentals

Ticker	Name	Grade
688068.CN	Beijing Hotgen Biotech Co. Ltd.	● 98.2
002932.CN	Wuhan Easy Diagnosis Biomedicine	● 95.8
300639.CN	Guangdong HybriBio Biotech Co	● 93.3
002432.CN	Andon Health Co., Ltd. Class A	● 93.0
002030.CN	Daan Gene Co., Ltd. Class A	● 89.7
300363.CN	Porton Pharma Solutions Ltd. Class	● 88.9
688575.CN	Shenzhen YHLO Biotech Co. Ltd.	● 87.1
600438.CN	Tongwei Co. Ltd. Class A	● 87.0
603392.CN	Beijing Wantai Biological Pharma-	● 86.1
603387.CN	Getein Biotech, Inc. Class A	● 84.9
603882.CN	Guangzhou Kingmed Diagnostics	● 84.6
300502.CN	Eoptolink Technology Inc., Ltd.	● 84.2
002821.CN	Asymchem Laboratories (Tianjin)	● 83.2
002597.CN	Anhui Jinhe Industrial Co., Ltd Class	● 82.5
300841.CN	Chengdu Kanghua Biological	● 82.5
600873.CN	MeiHua Holdings Group Co Ltd.	● 81.2
688298.CN	Zhejiang Orient Gene Biotech Co.,	● 80.8
688767.CN	Hangzhou Biotest Biotech Co., Ltd.	● 80.6
002517.CN	Kingnet Network Co., Ltd. Class A	● 80.4
300628.CN	Yealink Network Technology Co.	● 79.7

## Sector Breakdown (based on constituent count)



## Market Cap Breakdown (based on constituent count)



## Most Selections Since Inception

Ticker	Name	Times
600519.CN	Kweichow Moutai Co., Ltd. Class A	30
000568.CN	Luzhou Laojiao Company Limited	29
000858.CN	Wuliangye Yibin Co., Ltd. Class A	29
600809.CN	Shanxi Xinghuacun Fen Wine Fac-	26
000848.CN	Cheng De Lolo Co., Ltd. Class A	23
000895.CN	Henan Shuanghui Investment &	22
600660.CN	Fuyao Glass Industry Group Co.,	21
002032.CN	Zhejiang Supor Co., Ltd. Class A	20
002304.CN	Jiangsu Yanghe Brewery Joint-	20
002154.CN	Baoxiniao Holding Co., Ltd. Class A	15
000799.CN	Jiugui Liquor Co., Ltd. Class A	15
000596.CN	Anhui Gujing Distillery Co., Ltd.	13
000915.CN	Shandong Wit Dyne Health Co.,	13
603369.CN	Jiangsu King's Luck Brewery Joint-	13
603444.CN	G-Bits Network Technology (Xia-	12
600563.CN	Xiamen Faratronic Co. Ltd. Class A	12
300482.CN	Guangzhou Wondfo Biotech Co.,	11
603589.CN	Anhui Kouzi Distillery Co., Ltd. Class	11
600702.CN	Shede Spirits Co., Ltd. Class A	10
002216.CN	Sanquan Foods Co., Ltd. Class A	10