

MarketGrader New China ESG Index



The MarketGrader New China ESG Index consists of the 100 most fundamentally sound companies, with the best growth prospects, in the Consumer Discretionary, Consumer Staples, Health Care and Technology sectors that are domiciled in China. All eligible issues may be listed on any of the following exchanges: the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the Hong Kong Stock Exchange, the New York Stock Exchange, or the Nasdaq Stock Market. Additionally, all Index constituents are screened according to OWL Analytics's consensus ESG ratings, with only those companies that rank above their regional median eligible for selection. The Index's objective is to provide global investors with access to China's best companies, following best practices according to consensus Environmental, Social and Governance metrics, in the country's fastest growing sectors.

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, the Shenzhen Stock Exchange, the Hong Kong Stock Exchange, the New York Stock Exchange, or the Nasdaq Stock Market. Additionally, all issues traded on China's Mainland exchanges must be part of the Hong Kong Stock Connect Program. 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 on the basis of 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. Additionally, MarketGrader has partnered with OWL Analytics, a pioneer in ESG consensus ratings, to ensure the Index selects only the companies with the highest ESG scores in their regional category.

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 after the close of trading on U.S. exchanges on the third Friday of March and September. The Index constituents are selected on the Tuesday of the previous week, or ten (10) calendar days prior to the reconstitution and rebalance date.

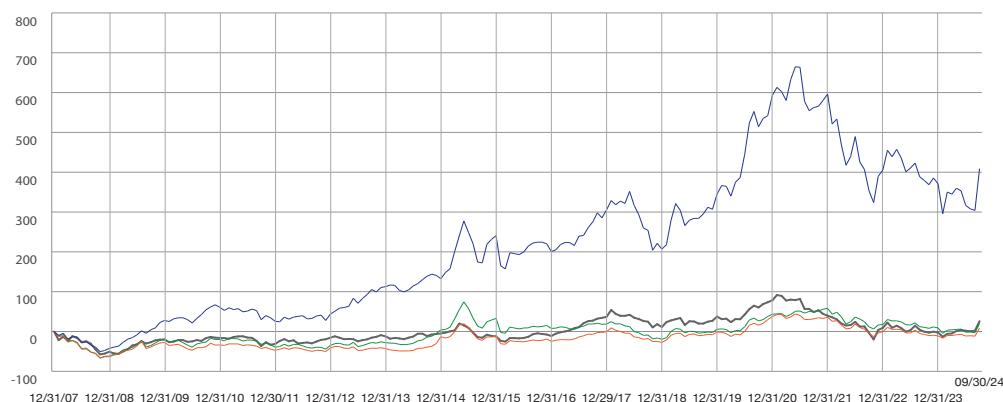
Index Calculation Agent

Refinitiv Indices.

Performance

Cumulative Total Return, Jan. 2008 - Sep. 2024

All data as of September 30, 2024



■ MarketGrader New China ESG Index ■ CSI 300 ■ CSI All Share ■ MSCI China

Calendar Year Returns (%)

	MG New China ESG	CSI 300	CSI All Share	MSCI China
2024*	8.2	22.0	10.2	29.6
2023	-6.9	-11.0	-7.3	-11.0
2022	-28.1	-26.6	-25.8	-21.8
2021	0.4	-1.2	10.3	-19.1
2020	55.6	39.0	35.8	29.7
2019	45.1	36.8	31.2	23.7
2018	-24.3	-27.4	-32.3	-18.8
2017	34.9	32.1	10.3	54.3
2016	-11.7	-15.2	-19.0	1.1
2015	46.5	2.4	27.8	-7.6
2014	9.3	52.1	44.8	8.3
2013	48.2	-2.6	10.2	4.0
2012	14.2	10.9	7.3	23.1
2011	-21.8	-20.5	-23.9	-18.2
2010	25.8	-8.4	0.5	4.8
2009	122.2	98.5	108.0	62.6
2008	-42.5	-63.5	-61.8	-50.8

All values in USD. *YTD Values as of 09/30/24.
Sources: Owl Analytics, FactSet, MarketGrader.com

Annualized Returns (%)

	MG New China ESG	CSI 300	CSI All Share	MSCI China
3-Years	-8.4	-6.4	-7.0	-5.4
5 -Years	5.2	3.7	4.3	1.0
Since 12/31/07	10.2	0.5	1.1	1.4

Cumulative Returns (%)

	MG New China ESG	CSI 300	CSI All Share	MSCI China
3-Years	-23.2	-17.9	-19.7	-15.3
5 -Years	28.8	19.8	23.7	5.1
Since 12/31/07	408.9	8.3	19.9	26.0

Standard Deviation (%)

	MG New China ESG	CSI 300	CSI All Share	MSCI China
3-Years	-23.2	-17.9	-19.7	-15.3
5 -Years	28.8	19.8	23.7	5.1
Since 12/31/07	408.9	8.3	19.9	26.0

Sharpe Ratio

	MG New China ESG	CSI 300	CSI All Share	MSCI China
3-Years	-0.30	-0.27	-0.29	-0.17
5 -Years	0.20	0.17	0.20	0.04
Since 12/31/07	0.41	0.02	0.04	0.05

All values in USD. Frequency: Monthly.

* The MarketGrader New China ESG Index was first published on March 22, 2021. All historical values prior to that date are based on back-testing (i.e., calculations of how the index might have performed in the past if it had existed). Backtested performance information is purely hypothetical and is solely for informational purposes. "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 © 2024.

MarketGrader New China ESG Index

Index composition data as of September 30, 2024. All currency values in USD.

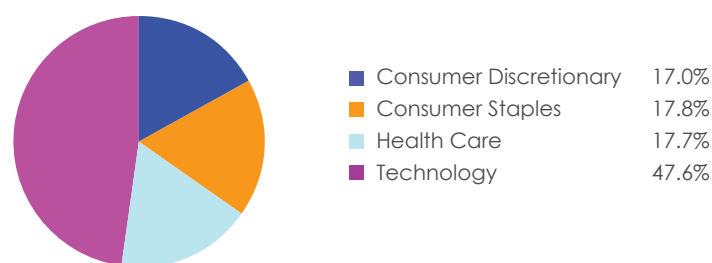
Index Bio

Average Market Cap (millions of USD)	\$15,244
Median Market Cap (millions of USD)	\$6,085
Average 3 Mo. Dollar Volume	\$67,416,545
Average 3 Mo. Trading Volume	15,232,984
Last Rebalance Date	9/23/24
Companies Replaced	38
Biggest Sector Increase	Technology
Biggest Sector Decrease	Consumer Staples

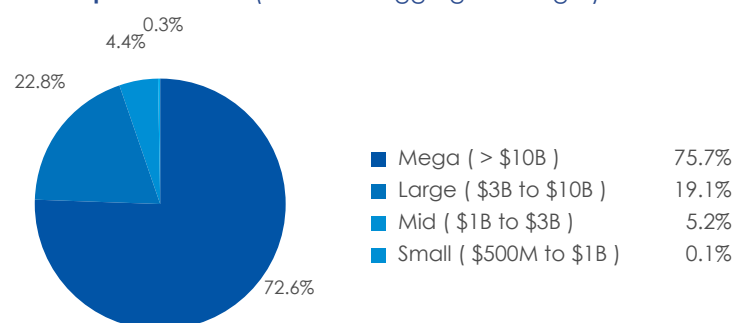
Fundamental Attributes

	Median
Trailing P/E Ratio	18.7
Forward P/E Ratio	18.1
Earnings Yield	5.6%
Price/Book Ratio	3.5
Revenue Change - 3 Years	47.0%
Operating Income Change - 3 Years	61.5%
Operating Margin	16.4%
Earnings per Share (EPS) 3-Year Growth	19.9%
Long-Term Debt to Capital	12.8%
Return on Equity	18.2%
Dividend Yield	2.03%

Sector Breakdown (Based on aggregate weight)



Market Cap Breakdown (Based on aggregate weight)



Top 20 Stocks by Fundamentals

Ticker	Name	Grade
603198.CN	Anhui Yingjia Distillery Co., Ltd.	● 82.1
9992.HK	Pop Mart International Group	● 80.4
600779.CN	Sichuan Swellfun Co., Ltd. Class A	● 78.7
3692.HK	Hansoh Pharmaceutical Group	● 78.0
601567.CN	Ningbo Sanxing Medical Electric	● 77.6
MNSO	MINISO Group Holding Ltd. Spon-	● 77.1
300360.CN	Hangzhou Sunrise Technology Co.,	● 76.4
300760.CN	Shenzhen Mindray Bio-Medical	● 76.4
002517.CN	Kingnet Network Co., Ltd. Class A	● 76.3
300832.CN	Shenzhen New Industries Biomed-	● 74.5
605499.CN	Eastroc Beverage (Group) Co. Ltd.	● 73.8
688169.CN	Beijing Roborock Technology Co.	● 73.4
300628.CN	Yealink Network Technology Co.	● 73.1
300002.CN	Beijing Ultrapower Software Co.,	● 72.6
600062.CN	China Resources Double-Crane	● 72.3
300308.CN	Zhongji Innolight Co., Ltd. Class A	● 72.3
300679.CN	Electric Connector Technology	● 71.8
300627.CN	Shanghai HuaCe Navigation Tech-	● 71.7
600809.CN	Shanxi Xinghuacun Fen Wine Fac-	● 71.6
000858.CN	Wuliangye Yibin Co., Ltd. Class A	● 71.4

Most Selections Since Inception

Ticker	Name	Times
000858.CN	Wuliangye Yibin Co., Ltd. Class A	32
700.HK	Tencent Holdings Ltd.	32
2020.HK	ANTA Sports Products Ltd.	29
600809.CN	Shanxi Xinghuacun Fen Wine Fac-	25
000661.CN	Changchun High-Tech Industry	24
000999.CN	China Resources Sanjiu Medical &	24
002032.CN	Zhejiang Supor Co., Ltd. Class A	23
002001.CN	Zhejiang NHU Co. Ltd. Class A	22
000423.CN	Dong-E-E-Jiao Co., Ltd. Class A	22
600887.CN	Inner Mongolia Yili Industrial Group	22
600276.CN	Jiangsu Hengrui Pharmaceuticals	21
002304.CN	Jiangsu Yanghe Brewery Joint-	21
600563.CN	Xiamen Faratronic Co. Ltd. Class A	19
600690.CN	Haier Smart Home Co., Ltd. Class A	18
300015.CN	Aier Eye Hospital Group Co., Ltd.	18
600161.CN	Beijing Tiantan Biological Products	17
600750.CN	Jiangzhong Pharmaceutical Co.,	16
600779.CN	Sichuan Swellfun Co., Ltd. Class A	16
600062.CN	China Resources Double-Crane	15
300122.CN	Chongqing Zhifei Biological Prod-	14