

MSCI China Growth Target Index (USD)

The MSCI China Growth Target Index is based on the MSCI China Index, its parent index, which includes large and mid cap stocks of the Chinese equity market. The index is designed to represent the performance of a strategy that seeks to capture increased exposure to the Growth factor while exhibiting lower or equal ex-ante total risk to the underlying parent index.

CUMULATIVE INDEX PERFORMANCE – NET RETURNS (USD) (AUG 2006 – AUG 2021)



ANNUAL PERFORMANCE (%)

Year	MSCI China Growth Target	MSCI China
2020	30.46	29.49
2019	28.74	23.46
2018	-17.22	-18.88
2017	62.85	54.07
2016	-0.77	0.90
2015	-4.47	-7.82
2014	5.28	7.96
2013	6.55	3.64
2012	24.94	22.75
2011	-20.74	-18.41
2010	-0.39	4.63
2009	59.87	62.29
2008	-50.74	-50.83
2007	67.49	66.24

INDEX PERFORMANCE – NET RETURNS (%) (AUG 31, 2021)

	ANNUALIZED							
	1 Mo	3 Mo	1 Yr	YTD	3 Yr	5 Yr	10 Yr	Since May 31, 2002
MSCI China Growth Target	2.00	-8.59	-5.32	-8.30	10.64	14.09	9.63	13.40
MSCI China	0.00	-13.76	-5.10	-12.26	7.28	10.80	7.25	12.03

FUNDAMENTALS (AUG 31, 2021)

Div Yld (%)	P/E	P/E Fwd	P/BV
1.49	15.90	14.08	2.02
1.61	15.47	13.57	1.91

INDEX RISK AND RETURN CHARACTERISTICS (MAY 31, 2002 – AUG 31, 2021)

	Beta	Tracking Error (%)	Turnover (%) ¹	ANNUALIZED STD DEV (%) ²			SHARPE RATIO ^{2,3}			Since May 31, 2002 (%)	MAXIMUM DRAWDOWN	
				3 Yr	5 Yr	10 Yr	3 Yr	5 Yr	10 Yr		Period YYYY-MM-DD	
MSCI China Growth Target	0.99	3.28	40.66	21.40	19.48	20.55	0.52	0.71	0.52	0.58	73.29	2007-10-30–2008-10-27
MSCI China	1.00	0.00	8.79	21.43	19.19	20.90	0.38	0.57	0.41	0.53	73.30	2007-10-30–2008-10-27

¹ Last 12 months

² Based on monthly net returns data

³ Based on ICE LIBOR 1M

The China mainland equity market is comprised of A, B, H, Red chip and P chip share classes. A shares are incorporated in China and trade on the Shanghai and Shenzhen exchanges; they are quoted in local renminbi and entail foreign investment regulations (QFII). B shares are incorporated in China, and trade on the Shanghai and Shenzhen exchanges; they are quoted in foreign currencies (Shanghai USD, Shenzhen HKD) and are open to foreign investors. H shares are incorporated in China and trade on the Hong Kong exchange and other foreign exchanges. Red chips and P chips are incorporated outside of China and trade on the Hong Kong exchange. Red chips are usually controlled by the state or a province or municipality. P chips are Non state-owned Chinese companies incorporated outside the mainland and traded in Hong Kong. A shares are included starting from June 1, 2018. Currently, only Large Cap A and Mid Cap A shares are included and are represented at 20% of their free float adjusted market capitalization.

The MSCI China Growth Target Index was launched on Aug 17, 2020. 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

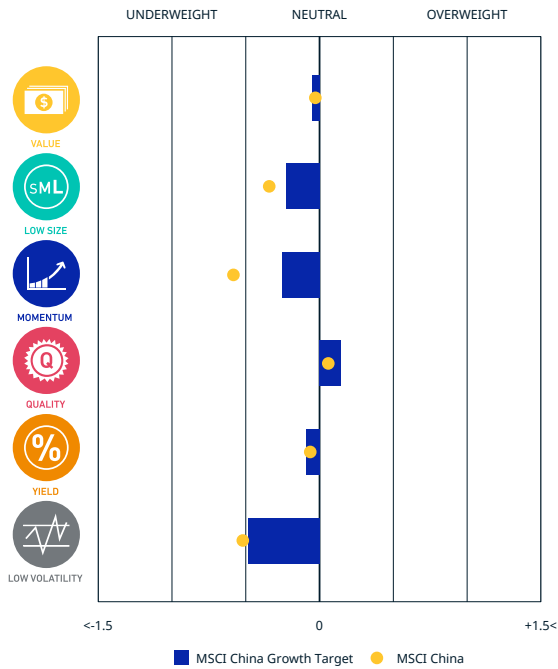
	MSCI China Growth Target	MSCI China
Number of Constituents	139	730
	Weight (%)	
Largest	12.28	12.85
Smallest	0.01	0.00
Average	0.72	0.14
Median	0.25	0.03

TOP 10 CONSTITUENTS

	Index Wt. (%)	Parent Index Wt. (%)	Sector
TENCENT HOLDINGS LI (CN)	12.28	12.85	Comm Svcs
ALIBABA GRP HLDG (HK)	11.25	11.63	Cons Discr
BYD CO H	4.55	0.96	Cons Discr
JD.COM ADR	4.52	2.45	Cons Discr
WUXI BIOLOGICS	4.14	1.88	Health Care
XINYI SOLAR HLDGS (CN)	3.22	0.42	Info Tech
ENN ENERGY HOLDINGS	2.88	0.56	Utilities
BANK OF CHINA H	2.76	1.01	Financials
MEITUAN B	2.44	4.17	Cons Discr
CHINA OVERSEAS LAND & INV	2.36	0.32	Real Estate
Total	50.40	36.26	

FACTORS - KEY EXPOSURES THAT DRIVE RISK AND RETURN

MSCI FACTOR BOX



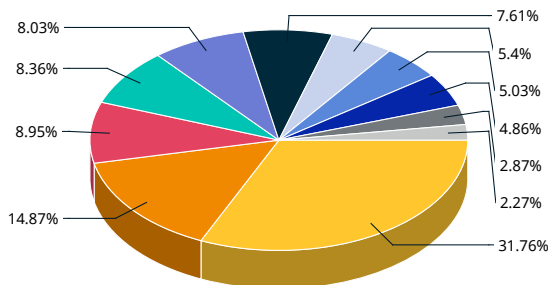
MSCI FaCS

- 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



- Consumer Discretionary 31.76%
- Communication Services 14.87%
- Industrials 8.95%
- Financials 8.36%
- Information Technology 8.03%
- Health Care 7.61%
- Real Estate 5.4%
- Consumer Staples 5.03%
- Utilities 4.86%
- Materials 2.87%
- Energy 2.27%

INDEX METHODOLOGY

The MSCI Growth Target Indexes are constructed by optimization from an underlying Parent Index using MSCI's Barra Equity Risk Model to maximize the index-level exposure to the Growth factor while constraining other non-target factors and maintaining total risk equal to or less than the ex-ante risk of the Parent Index at the time of rebalancing.

MSCI categorizes the MSCI Growth Target Indexes as part of the family of MSCI Factor Indexes, which are designed to reflect the systematic elements of particular investment styles or strategies. While capitalization weighted indexes represent the broad market beta, investors increasingly recognize that there are additional sources of systematic return associated with particular investment styles and strategies, such as value, momentum, volatility, quality etc. that could be represented through alternatively weighted indexes. The Growth factor is an addition to other systematic factors such as Size, Value and Low Volatility and may provide diversification to a factor portfolio or a standalone single factor strategy.

The Indexes are rebalanced on a semi-annual basis, usually as of the close of the last business day of May and November, coinciding with the May and November Semi-Annual Index Reviews (SAIRs) of the MSCI Global Investable Market Indexes.

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.

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