

# MSCI China A Quality Index (USD)

The MSCI China A Quality Index is based on the MSCI China A Index, its parent index, which captures large and mid-cap representation across across China securities listed on the Shanghai and Shenzhen exchanges. The index covers only those securities that are accessible through "Stock Connect". The index is designed for international investors and is calculated using China A Stock Connect listings based on the offshore RMB exchange rate (CNH). The index aims to capture the performance of quality growth stocks by identifying stocks with high quality scores based on three main fundamental variables: high return on equity (ROE), stable year-over-year earnings growth and low financial leverage. The MSCI Quality Indexes complement existing MSCI Factor Indexes and can provide an effective diversification role in a portfolio of factor strategies.

For a complete description of the index methodology, please see [Index methodology - MSCI](#).

## CUMULATIVE INDEX PERFORMANCE – GROSS RETURNS (USD) (FEB 2010 – FEB 2025)



## ANNUAL PERFORMANCE (%)

Year	MSCI China A Quality	MSCI China A
2024	-3.74	12.03
2023	-18.87	-13.27
2022	-25.65	-25.74
2021	-6.44	3.36
2020	78.75	43.46
2019	56.85	36.40
2018	-27.37	-30.16
2017	69.10	30.07
2016	-7.05	-15.27
2015	20.78	3.46
2014	10.10	48.79
2013	-1.33	-3.39
2012	4.73	11.62
2011	-15.54	-17.17

## INDEX PERFORMANCE – GROSS RETURNS (%) (FEB 28, 2025)

	1 Mo	3 Mo	1 Yr	YTD	ANNUALIZED				Since Nov 25, 2008
					3 Yr	5 Yr	10 Yr		
MSCI China A Quality	1.24	-2.86	-4.69	-1.04	-13.88	-0.66	6.44	8.56	
MSCI China A	2.03	-0.93	11.00	-0.11	-8.33	1.80	1.46	5.53	

## FUNDAMENTALS (FEB 28, 2025)

Div Yld (%)	P/E	P/E Fwd	P/BV
2.54	19.18	15.56	3.97
2.40	16.70	12.83	1.65

## INDEX RISK AND RETURN CHARACTERISTICS (NOV 25, 2008 – FEB 28, 2025)

	Beta	Tracking Error (%)	Turnover (%) <sup>1</sup>	ANNUALIZED STD DEV (%) <sup>2</sup>			SHARPE RATIO <sup>2,3</sup>			Since Nov 25, 2008	MAXIMUM DRAWDOWN	
				3 Yr	5 Yr	10 Yr	3 Yr	5 Yr	10 Yr		(%)	Period YYYY-MM-DD
MSCI China A Quality	0.94	11.31	48.52	28.12	28.31	27.18	-0.54	0.02	0.29	0.39	60.00	2021-02-15–2024-09-17
MSCI China A	1.00	0.00	8.42	24.14	22.75	23.80	-0.42	0.07	0.10	0.29	50.30	2015-06-08–2016-01-28

<sup>1</sup> Last 12 months <sup>2</sup> Based on monthly gross returns data <sup>3</sup> Based on NY FED Overnight SOFR from Sep 1 2021 & on ICE LIBOR 1M prior that date

China A shares are quoted in local currency (Renminbi).

The MSCI China A Quality Index was launched on Sep 27, 2018. Data prior to the launch date is back-tested test (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**

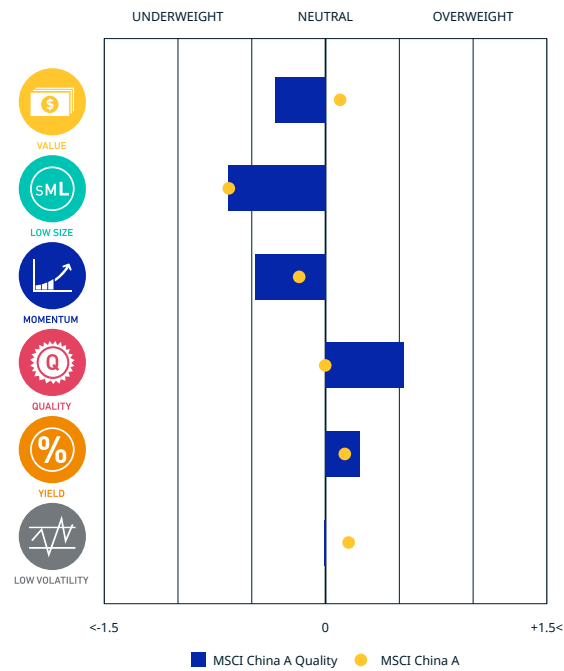
	MSCI China A Quality	MSCI China A
<b>Number of Constituents</b>	90	417
	<b>Weight (%)</b>	
<b>Largest</b>	5.21	4.89
<b>Smallest</b>	0.23	0.04
<b>Average</b>	1.11	0.24
<b>Median</b>	0.63	0.13

**TOP 10 CONSTITUENTS**

	Index Wt. (%)	Parent Index Wt. (%)	Sector
KWEICHOW MOUTAI A (HK-C)	5.21	4.89	Cons Staples
CONTEMPORARY AMP A(HK-C)	5.14	3.02	Industrials
WULIANGYE YIBIN A (HK-C)	4.69	1.32	Cons Staples
SHENZHEN MINDRAY A(HK-C)	4.24	0.80	Health Care
LUXSHARE PREC A (HK-C)	3.49	0.81	Info Tech
SHANXI XINGHUAC A (HK-C)	3.39	0.64	Cons Staples
FOXCONN INDL A (HK-C)	2.93	0.73	Info Tech
MIDEA GROUP CO A (HK-C)	2.72	0.66	Cons Discr
NAURA TECH GRP A (HK-C)	2.58	0.62	Info Tech
LUZHOU LAOJIAO A (HK-C)	2.50	0.48	Cons Staples
<b>Total</b>	<b>36.90</b>	<b>13.97</b>	

**FACTORS - KEY EXPOSURES THAT DRIVE RISK AND RETURN**

**MSCI FACTOR BOX**



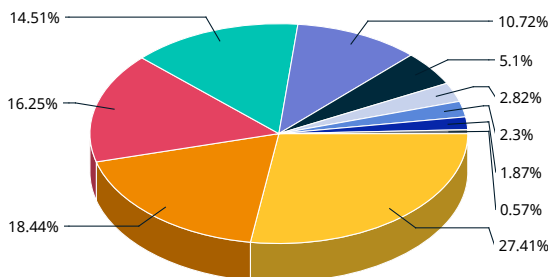
**MSCI FaCS**

- 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 Staples 27.41%
- Information Technology 18.44%
- Industrials 16.25%
- Health Care 14.51%
- Consumer Discretionary 10.72%
- Energy 5.1%
- Materials 2.82%
- Communication Services 2.3%
- Financials 1.87%
- Utilities 0.57%

**MSCI FACTOR BOX AND FaCS FRAMEWORK (Please refer to complete description of the MSCI FaCS methodology [here](#))**

MSCI FaCS is a standard method 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**

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