

# MSCI Hong Kong-Listed Southbound Quality Index (CNY)

The MSCI Hong Kong-Listed Southbound Quality Index is based on MSCI Hong Kong-Listed Southbound Index, its parent index, which includes large and mid-cap securities that comprises of the MSCI China and MSCI Hong Kong Index which includes H shares, Red Chips, P Chips, Hong Kong listed HSBC as well as Hong Kong securities but excludes B shares and foreign listings. 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. The Index aims to address growing demand arising from the stock connect programmes.

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

## CUMULATIVE INDEX PERFORMANCE – GROSS RETURNS (CNY) (MAR 2009 – MAR 2024)



## ANNUAL PERFORMANCE (%)

Year	MSCI Hong Kong-Listed Southbound Quality	MSCI Hong Kong-Listed Southbound
2023	-16.53	-9.03
2022	-17.33	-7.13
2021	-7.59	-12.68
2020	13.63	7.69
2019	23.75	16.57
2018	-9.25	-9.39
2017	37.53	35.36
2016	10.07	10.72
2015	-0.52	-1.68
2014	6.43	7.63
2013	7.31	3.70
2012	22.72	26.12
2011	-21.60	-21.86
2010	9.72	2.68

## INDEX PERFORMANCE – GROSS RETURNS (%) (MAR 29, 2024)

	1 Mo	3 Mo	1 Yr	YTD	ANNUALIZED			
					3 Yr	5 Yr	10 Yr	Since May 31, 1999
MSCI Hong Kong-Listed Southbound Quality	2.37	-2.25	-19.95	-2.25	-16.40	-4.97	2.68	5.94
MSCI Hong Kong-Listed Southbound	1.79	-1.25	-11.50	-1.25	-11.35	-3.80	3.02	4.04

## FUNDAMENTALS (MAR 29, 2024)

Div Yld (%)	P/E	P/E Fwd	P/BV
3.95	12.87	11.78	2.00
4.10	9.84	8.15	0.98

## INDEX RISK AND RETURN CHARACTERISTICS (MAY 31, 1999 – MAR 29, 2024)

	Beta	Tracking Error (%)	Turnover (%) <sup>1</sup>	ANNUALIZED STD DEV (%) <sup>2</sup>			MAXIMUM DRAWDOWN	
				3 Yr	5 Yr	10 Yr	(%)	Period YYYY-MM-DD
MSCI Hong Kong-Listed Southbound Quality	0.99	6.33	49.10	26.56	23.06	19.89	73.00	2007-10-30–2008-10-27
MSCI Hong Kong-Listed Southbound	1.00	0.00	5.48	23.91	21.00	18.63	68.76	2007-10-29–2008-10-27

<sup>1</sup> Last 12 months

<sup>2</sup> Based on monthly gross returns data

The MSCI Hong Kong-Listed Southbound Quality Index was launched on Jun 26, 2019. 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

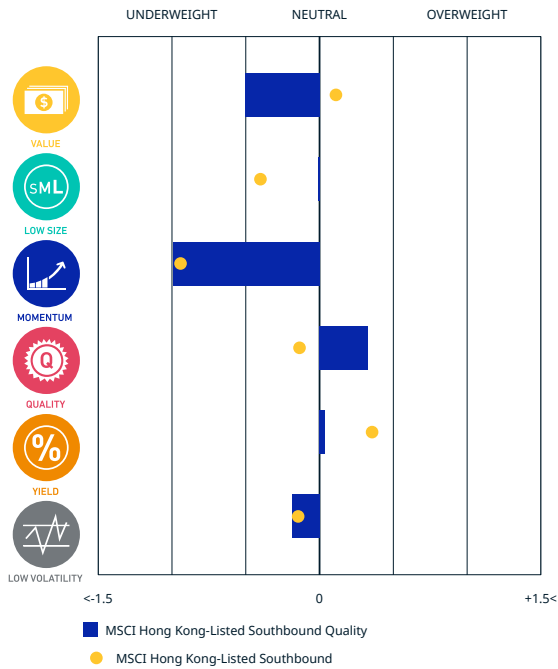
	MSCI Hong Kong-Listed Southbound Quality	MSCI Hong Kong-Listed Southbound
Number of Constituents	55	188
Weight (%)		
Largest	17.60	17.29
Smallest	0.21	0.05
Average	1.82	0.53
Median	0.88	0.17

TOP 10 CONSTITUENTS

	Country	Index Wt. (%)	Parent Index Wt. (%)	Sector
TENCENT HOLDINGS LI (CN)	CN	17.60	17.29	Comm Svcs
HONGKONG EXCH & CLEARING	HK	12.22	2.36	Financials
TECHTRONIC INDUSTRIES CO	HK	5.16	1.26	Industrials
NONGFU SPRING CO H	CN	4.36	0.73	Cons Staples
CHINA SHENHUA ENERGY H	CN	4.07	0.89	Energy
ANTA SPORTS PRODUCTS	CN	3.89	0.91	Cons Discr
CLP HOLDINGS	HK	3.29	0.88	Utilities
ZIJIN MINING GROUP H	CN	2.79	0.73	Materials
LENOVO GROUP	CN	2.51	0.63	Info Tech
PICC PPTY & CASUALTY H	CN	2.46	0.61	Financials
Total		58.35	26.29	

FACTORS - KEY EXPOSURES THAT DRIVE RISK AND RETURN

MSCI FACTOR BOX



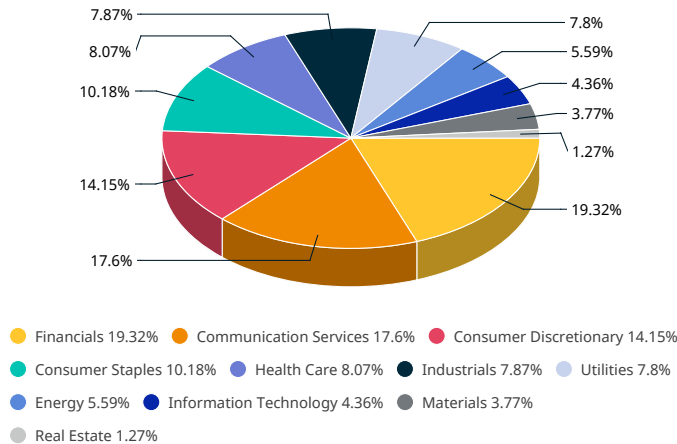
MSCI FaCS

- 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



**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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