

MSCI Hong Kong Small Cap Index (USD)

The MSCI Hong Kong Small Cap Index is designed to measure the performance of the small cap segment of the Hong Kong market. With 77 constituents, the index represents approximately 14% of the free float-adjusted market capitalization of the Hong Kong equity universe.

CUMULATIVE INDEX PERFORMANCE – GROSS RETURNS (USD) (MAY 2005 – MAY 2020)



ANNUAL PERFORMANCE (%)

Year	Hong Kong Small Cap	MSCI World Small Cap	MSCI ACWI Small Cap
2019	2.33	26.78	25.23
2018	-26.81	-13.48	-14.03
2017	15.69	23.19	24.32
2016	-7.93	13.25	12.10
2015	-13.30	0.12	-0.63
2014	-12.19	2.32	2.20
2013	26.91	32.92	29.18
2012	23.15	18.14	18.63
2011	-26.18	-8.71	-10.96
2010	39.20	26.57	26.71
2009	109.32	44.75	51.30
2008	-65.24	-41.60	-43.42
2007	32.36	1.12	7.20
2006	25.81	17.56	21.38

INDEX PERFORMANCE – GROSS RETURNS (%) (MAY 29, 2020)

	1 Mo	3 Mo	1 Yr	YTD	ANNUALIZED				Since Dec 29, 2000
					3 Yr	5 Yr	10 Yr	Since Dec 29, 2000	
Hong Kong Small Cap	-3.28	-11.13	-17.11	-18.16	-13.40	-13.60	-2.41	3.45	
MSCI World Small Cap	7.12	-3.63	-1.74	-14.88	2.04	4.01	9.12	8.37	
MSCI ACWI Small Cap	6.63	-4.32	-2.91	-15.40	1.29	3.19	8.29	8.03	

FUNDAMENTALS (MAY 29, 2020)

Div Yld (%)	P/E	P/E Fwd	P/BV
4.40	9.97	11.62	0.63
1.91	23.73	23.74	1.58
2.02	22.58	21.86	1.53

INDEX RISK AND RETURN CHARACTERISTICS (MAY 29, 2020)

	Turnover (%) ¹	ANNUALIZED STD DEV (%) ²			SHARPE RATIO ^{2,3}			Since Dec 29, 2000	MAXIMUM DRAWDOWN	
		3 Yr	5 Yr	10 Yr	3 Yr	5 Yr	10 Yr		(%)	Period YYYY-MM-DD
Hong Kong Small Cap	23.46	17.00	17.79	18.88	-0.86	-0.80	-0.07	0.19	75.73	2007-07-25–2008-10-27
MSCI World Small Cap	10.23	20.82	17.88	16.67	0.12	0.24	0.56	0.44	40.89	2020-01-20–2020-03-23
MSCI ACWI Small Cap	10.54	20.59	17.69	16.53	0.08	0.20	0.52	0.43	40.90	2020-01-20–2020-03-23

¹ Last 12 months

² Based on monthly gross returns data

³ Based on ICE LIBOR 1M

The MSCI Hong Kong Small Cap Index was launched on Jan 01, 2001. 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

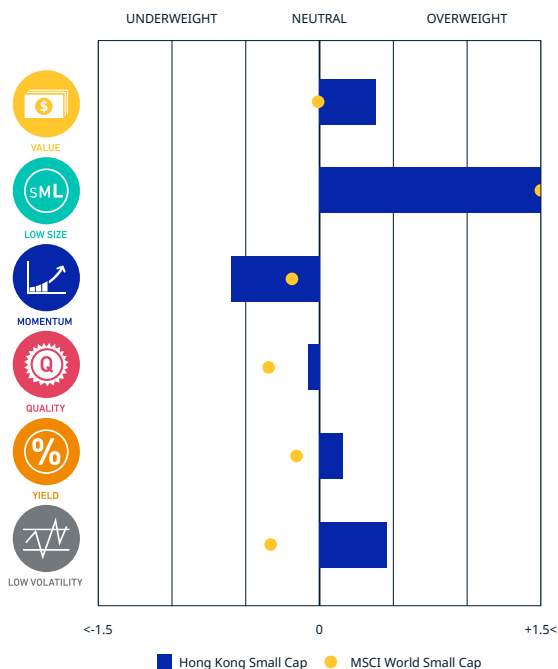
Hong Kong Small Cap	
Number of Constituents	77
Mkt Cap (USD Millions)	
Index	38,292.67
Largest	2,105.77
Smallest	24.67
Average	497.31
Median	345.88

TOP 10 CONSTITUENTS

	Float Adj Mkt Cap (USD Billions)	Index Wt. (%)	Sector
MICROPORT SCI (HK)	2.11	5.50	Health Care
MINTH GROUP (HK)	2.03	5.30	Cons Discr
XINYI GLASS HOLDING CO	1.91	4.99	Cons Discr
HYSAN DEVELOPMENT	1.70	4.43	Real Estate
HANG LUNG GROUP	1.69	4.43	Real Estate
MELCO INTL DEVELOPMENT	1.29	3.36	Cons Discr
SITC INTL HOLDINGS	1.26	3.30	Industrials
HKBN	1.24	3.23	Comm Svcs
MAN WAH HOLDINGS	1.19	3.10	Cons Discr
AUSNUTRIA DAIRY (HK)	1.14	2.97	Cons Staples
Total	15.54	40.59	

FACTORS - KEY EXPOSURES THAT DRIVE RISK AND RETURN

MSCI FACTOR BOX



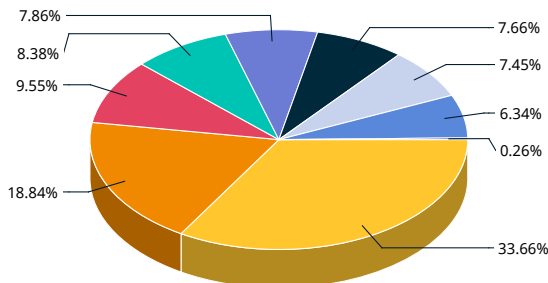
MSCI FaCS

- 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 33.66%
- Real Estate 18.84%
- Industrials 9.55%
- Health Care 8.38%
- Financials 7.86%
- Information Technology 7.66%
- Communication Services 7.45%
- Consumer Staples 6.34%
- Energy 0.26%

INDEX METHODOLOGY

The index is based on the [MSCI Global Investable Market Indexes \(GIMI\) Methodology](#)—a comprehensive and consistent approach to index construction that allows for meaningful global views and cross regional comparisons across all market capitalization size, sector and style segments and combinations. This methodology aims to provide exhaustive coverage of the relevant investment opportunity set with a strong emphasis on index liquidity, investability and replicability. The index is reviewed quarterly—in February, May, August and November—with the objective of reflecting change in the underlying equity markets in a timely manner, while limiting undue index turnover. During the May and November semi-annual index reviews, the index is rebalanced and the large and mid capitalization cutoff points are recalculated.

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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