

# MSCI China ESG Screened Index (USD)

The MSCI China ESG Screened Index is based on the MSCI China Index, its parent index, and includes large and mid-cap securities of the Chinese equity markets. The index excludes companies from the parent index that are associated with controversial, civilian and nuclear weapons and tobacco, that derive revenues from thermal coal and oil sands extraction and that are not compliant with the United Nations Global Compact principles.

## CUMULATIVE INDEX PERFORMANCE – GROSS RETURNS (USD) (MAY 2012 – MAR 2021)



## ANNUAL PERFORMANCE (%)

Year	MSCI China ESG Screened	MSCI China
2020	29.71	29.67
2019	24.15	23.66
2018	-19.09	-18.75
2017	56.07	54.33
2016	0.79	1.11
2015	-5.57	-7.62
2014	8.53	8.26
2013	6.34	3.96

## INDEX PERFORMANCE – GROSS RETURNS (%) (MAR 31, 2021)

	1 Mo	3 Mo	1 Yr	YTD	ANNUALIZED				Since May 31, 2012
					3 Yr	5 Yr	10 Yr	Since May 31, 2012	
MSCI China ESG Screened	-6.28	-0.48	43.63	-0.48	8.41	16.50	na	11.84	
MSCI China	-6.28	-0.43	43.81	-0.43	8.41	16.29	na	11.14	

## FUNDAMENTALS (MAR 31, 2021)

Div Yld (%)	P/E	P/E Fwd	P/BV
1.29	19.59	15.91	2.35
1.33	19.42	15.78	2.32

## INDEX RISK AND RETURN CHARACTERISTICS (MAY 31, 2012 – MAR 31, 2021)

	Beta	Tracking Error (%)	Turnover (%) <sup>1</sup>	ANNUALIZED STD DEV (%) <sup>2</sup>			SHARPE RATIO <sup>2,3</sup>			Since May 31, 2012	MAXIMUM DRAWDOWN	
				3 Yr	5 Yr	10 Yr	3 Yr	5 Yr	10 Yr		(%)	Period YYYY-MM-DD
MSCI China ESG Screened	1.01	0.64	10.60	20.39	18.39	na	0.42	0.86	na	0.64	41.46	2015-04-27–2016-02-12
MSCI China	1.00	0.00	9.92	20.23	18.21	na	0.42	0.85	na	0.61	42.13	2015-04-27–2016-02-12

<sup>1</sup> Last 12 months

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

<sup>3</sup> Based on ICE LIBOR 1M

The MSCI China ESG Screened Index was launched on Jul 20, 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

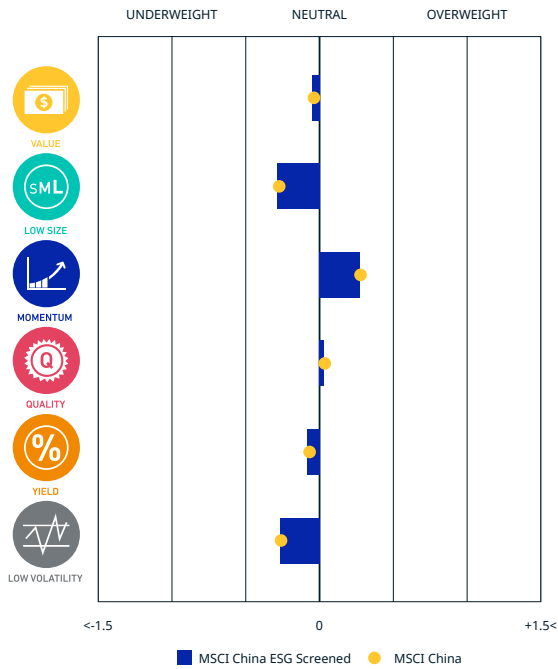
	MSCI China ESG Screened	MSCI China
<b>Number of Constituents</b>	683	709
	Weight (%)	
<b>Largest</b>	14.99	14.78
<b>Smallest</b>	0.00	0.00
<b>Average</b>	0.15	0.14
<b>Median</b>	0.02	0.02

### TOP 10 CONSTITUENTS

	Index Wt. (%)	Parent Index Wt. (%)	Sector
TENCENT HOLDINGS LI (CN)	14.99	14.78	Comm Svcs
ALIBABA GROUP HLDG ADR	14.27	14.07	Cons Discr
MEITUAN B	4.59	4.53	Cons Discr
CHINA CONSTRUCTION BK H	2.69	2.65	Financials
JD.COM ADR	2.42	2.39	Cons Discr
PING AN INSURANCE H	2.36	2.32	Financials
BAIDU ADR	1.95	1.92	Comm Svcs
PINDUODUO ADR A	1.75	1.72	Cons Discr
NIO A ADR	1.66	1.64	Cons Discr
XIAOMI CORP B	1.58	1.55	Info Tech
<b>Total</b>	<b>48.25</b>	<b>47.57</b>	

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

#### MSCI FACTOR BOX



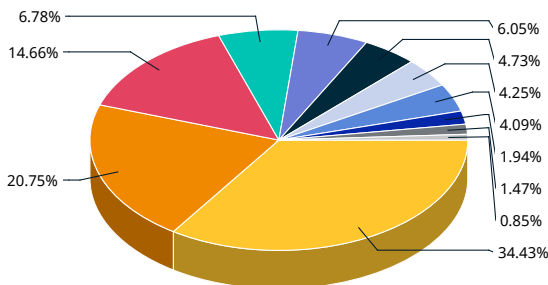
#### MSCI FaCS

- 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 Discretionary 34.43%
- Communication Services 20.75%
- Financials 14.66%
- Health Care 6.78%
- Information Technology 6.05%
- Industrials 4.73%
- Consumer Staples 4.25%
- Real Estate 4.09%
- Materials 1.94%
- Utilities 1.47%
- Energy 0.85%

## INDEX METHODOLOGY

The MSCI ESG Screened Indexes aim to represent the performance of an investment strategy that excludes companies from the parent index that are involved in business activities of Controversial Weapons, Nuclear Weapons, Civilian Firearms, Tobacco, Thermal Coal, Oil Sands. In addition to the above, companies that fail to comply with the United Nations Global Compact Principles are also excluded from the MSCI ESG Screened Indexes. The indexes are maintained following the [MSCI Global Investable 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 in February, May, August and November, coinciding with the quarterly and semiannually index reviews of 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](http://www.msci.com).

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