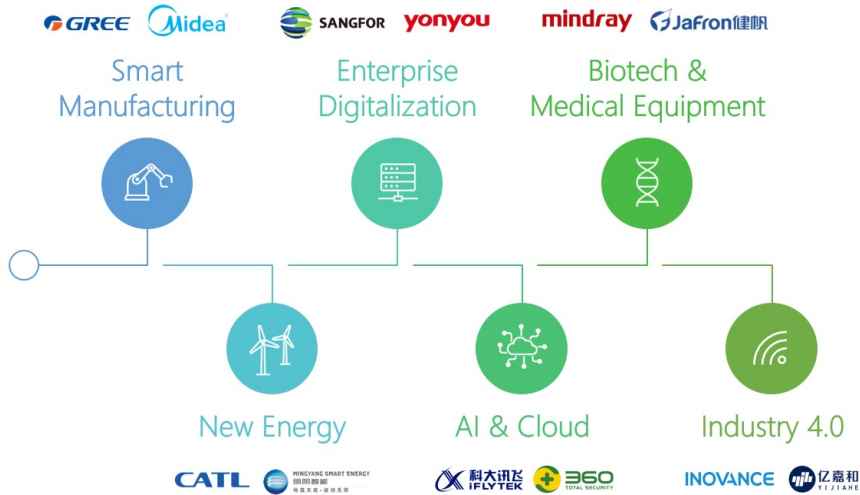


**3173 HK** HKD Counter  
**9173 HK** USD Counter

# Premia CSI Caixin China New Economy ETF

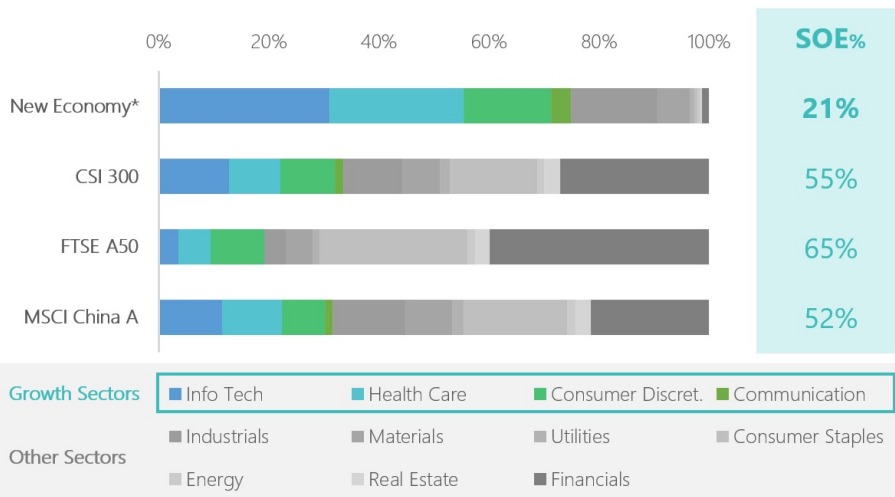
## Strategic growth sectors mainly in A shares markets



## WHY CHINA NEW ECONOMY?

- **2<sup>nd</sup> largest economy** and **2<sup>nd</sup> largest equity market** globally yet under-owned (foreign ownership of A shares onshore equities estimated to be less than 5% as of April 2021 according to the [Institute of International Finance](#) (IIF)<sup>1</sup>)
- Align with opportunities from **megatrends** and **policy-supported sectors** under **China's 14<sup>th</sup> Five Year Plan** which outlines areas of strategic growth priorities to be **"Modern High-tech Society"**
- **Diversified basket of new economy beneficiaries** from policy goals regarding dual circulation, technology, independence, carbon neutrality, new infrastructure, rise of middle income class, aging population and healthcare reform.
- **Home to some of the smartest companies** according to [MIT Technology Review 2021](#)<sup>2</sup>
- **Low correlation** with most global equity markets and on track for **global index inclusion: China A shares to expand from 0.8% to 16.2%** as inclusion factor in MSCI EM expands from 5% to 100%<sup>3</sup>

## Align with new economy quality growth opportunities



\* CSI Caixin Rayliant New Economic Engine Index. Source: Bloomberg, CSI, as of 31 March 2021

1 – China Spotlight: A-share market's coming of age, IIF, April 2021

2 – The Technology Review, MIT, 2021

3 – Source: MSCI (<https://www.msci.com/msci-china-a-inclusion>)

## CAPTURE – 300 Companies with Strong R&D and Growth Potential

<p>Universe</p> <p><b>1,500</b></p> <p>by market-cap in the CSI All Share Index</p>	<p>"New Economy" Sector</p> <p><b>870+</b></p> <p>under CSRC Industry Classification</p> <ul style="list-style-type: none"> <li>• Skilled Talents</li> <li>• Asset Light</li> <li>• Advanced Tech</li> <li>• Policy Support</li> <li>• Sustainable Growth</li> </ul>	<p>"Light-Asset"</p> <p><b>400</b></p> <p>Scores higher on non-fixed asset</p> <ul style="list-style-type: none"> <li>• Inventory</li> <li>• Accounts Receivable</li> <li>• Net PP&amp;E</li> </ul>	<p>Financial Health</p> <p><b>300</b></p> <p>Scores higher on financial health</p> <ul style="list-style-type: none"> <li>• Debt Coverage</li> <li>• NOA</li> <li>• Accruals</li> <li>• Cash Ratios</li> <li>• Net Profit Margin</li> </ul>	<p>Annual Rebalancing</p> <p><b>Weighting based on growth &amp; liquidity</b></p>
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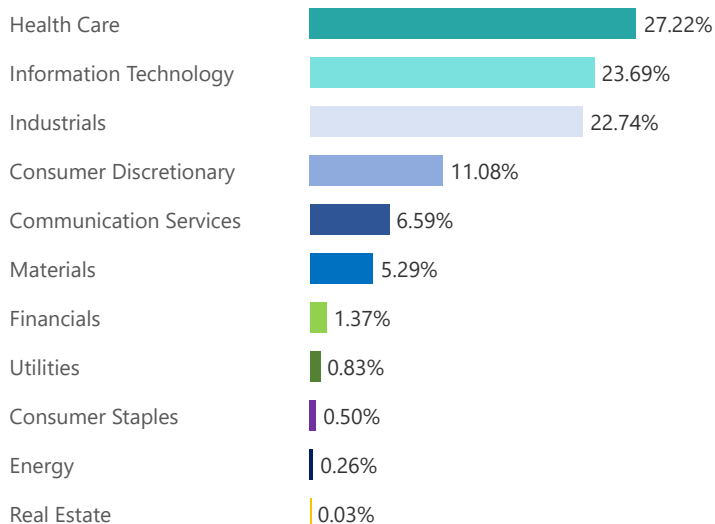
## Why Premia CSI Caixin China New Economy ETF?

- **Capture China's new economy:** exposure to technology advancement, urbanization, rising middle class, consumer upgrade, education, aging population and healthcare
- **Target quality and asset light growth stocks:** multi-factor fundamental strategy in partnership with CSI Caixin Rayliant
- **Cost efficient exposure:** Capped ongoing expenses of 0.50% p.a.

## ABOUT THE ETF

All data as of 29 October 2021

### SECTOR ALLOCATION



### TOP 10 HOLDINGS

Contemporary Amperex Technology Co., Limited.	12.50%
Shenzhen Mindray Bio-Medical Electronics Co., Ltd.	5.23%
Jiangsu Hengrui Medicine Co Ltd	4.96%
China Tourism Group Duty Free Corporation Limited	4.19%
Chang Chun High And New Technology Industry (Group) Inc.	1.68%
GigaDevice Semiconductor (Beijing) Inc.	1.60%
Unigroup Guoxin Microelectronics Co., Ltd.	1.50%
Midea Group CO., LTD	1.47%
Maxscend Microelectronics Company Limited	1.39%
Shenzhen Inovance Technology Co Ltd	1.33%

### KEY FACTS

Manager	Premia Partners Company Limited
Trustee	HSBC Institutional Trust Services (Asia) Limited
Fund Size	RMB 2063 million
Benchmark	CSI Caixin Rayliant New Economic Engine Index
Management Fee	0.50% per annum
Base Currency	RMB
Listing Date	24 October 2017

## INDEX PERFORMANCE



\* Annualized figure from 28/06/2013 to 29/10/2021; performance in CNY. Source: Bloomberg (30/06/2013 to 29/10/2021, indexed 30/06/2013 value at 100)

Index	CSI New Economic Engine	CSI 300	MSCI China A	Shanghai Composite
YTD	-2.4%	-4.1%	0.7%	4.3%
1-Year	7.6%	6.5%	11.6%	12.4%
3-Year Ann	26.8%	18.3%	21.5%	13.4%
5-Year Ann	7.5%	10.3%	7.8%	5.1%
Inception *	13.3%	12.5%	10.9%	9.8%
Volatility *	26.0%	22.7%	23.0%	21.2%
Sharpe *	0.49	0.52	0.44	0.43

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