

China Bedrock Economy Index

October, 2018

Design

- Apply Smart Beta investment strategy
- Select the highest quality publicly listed enterprises as measured by their financial health, economic scale and risk measure
- Distribute weights based on the economic scale

Features

- Overweight on economically large firms
- High investment capacity, high liquidity and low turnover
- Exposure to high value, low vol and high quality risk factors
- Capture the growth of the Chinese bedrock economy

Basic Information¹ (As of Oct. 31, 2018)

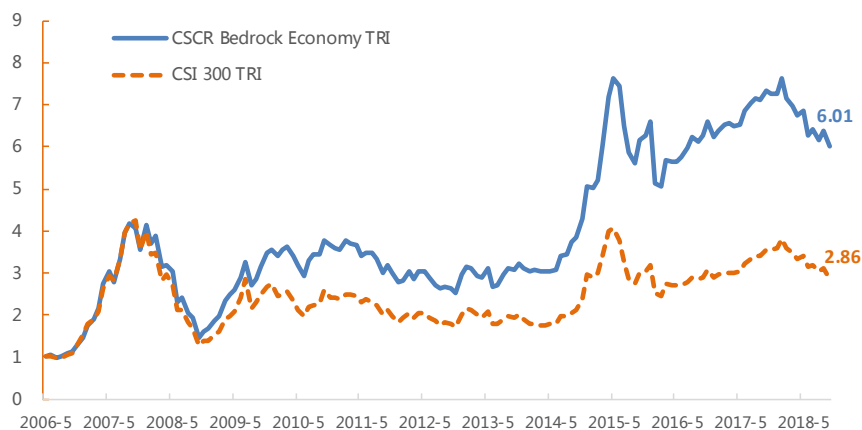
BASIC INFORMATION

Index Name	Short	PRI Ticker	Constituents	SSE Stocks	SZSE Stocks	
CSI Caixin Rayliant Bedrock Economy Index	CSCR Bedrock Economy	930927.CSI	300	198	102	
Constituents	Index Universe	Currency	TRI Ticker	Market Cap Stats	Total (B RMB)	Float (B RMB)
Max 300	China A Share Market	RMB	H20927.CSI	Maximum	2006.57	628.03
Launch	Review	Last Review	Next Review	Minimum	2.89	0.92
12/23/2016	Annually	6/11/2018	6/10/2019	Mean	81.85	24.14
Base Date	Base Point	Last Month Close	This Month Close	Median	22.63	8.19
6/30/2005	1000	10421.24	9818.55	Cap Weighted	300.24	96.66

Index Performance, Risk and Return Characteristics² (As of Oct. 31, 2018)

CUMULATIVE INDEX PERFORMANCE - TOTAL RETURN

2006.6-2018.10 (RMB)



ANNUAL TOTAL RETURN

YEAR	CSI 300	CSCR BEDROCK
2017	24.25%	16.41%
2016	-9.26%	-5.28%
2015	7.22%	29.93%
2014	55.85%	62.68%
2013	-5.33%	5.63%
2012	9.80%	6.79%
2011	-24.05%	-23.13%
2010	-11.58%	0.85%
2009	98.58%	114.34%
2008	-65.61%	-59.77%
2007	163.28%	184.04%

INDEX PERFORMANCE - TOTAL RETURN

	Holding Period Return			Annualized Return			
	YTD	1 Mo	3 Mo	1 Yr	3 Yr	5 Yr	Since 2006.6
CSI 300 TRI	-20.02%	-8.26%	-10.01%	-19.54%	-1.62%	8.14%	8.85%
CSCR Bedrock Economy TRI	-17.35%	-5.78%	-6.41%	-18.07%	-0.74%	14.37%	15.53%

FUNDAMENTALS

12 Mo				
Div Yld	P/E	P/B	P/CF	P/S
2.79%	10.74	1.30	7.59	1.12
3.09%	9.72	1.21	7.84	1.22

INDEX RISK AND RETURN CHARACTERISTICS

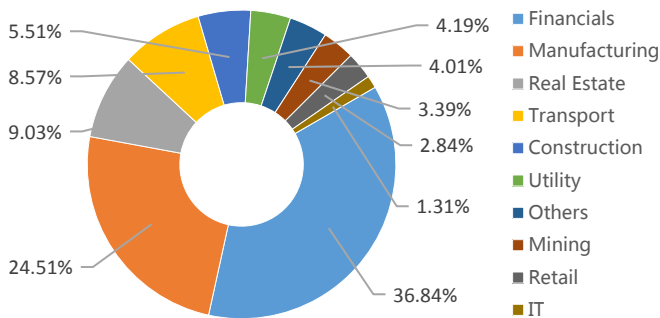
	1 Yr				Since 2006.6			
	Turnover	Volatility	Sharpe Ratio	Max DD	Turnover	Volatility	Sharpe Ratio	Max DD
CSI 300 TRI	11.76%	15.34%	-1.37	-24.62%	12.85%	31.49%	0.20	-70.47%
CSCR Bedrock Economy TRI	39.27%	14.52%	-1.34	-21.19%	45.15%	30.00%	0.43	-65.59%

¹ Data Source: CCXE.

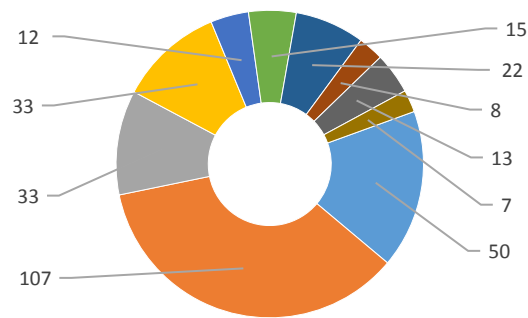
² Data Source: CCXE. All calculation is done by CSI and Caixin Rayliant. Data prior to Dec 23, 2016 is back-tested data. Past performance - whether actual or back-tested - is no indication or guarantee of future performance.

Sector Weights^{3,4} (As of Oct. 31, 2018)

SECTOR WEIGHTS



SECTOR DISTRIBUTION



TOP 10 CONSTITUENTS

Stock Name	Stock Code	Sector	Total (B)	Float (B)	Weights
Ping An Insurance (Group)	601318.SH	Financials	1,163	628	8.00%
China Merchants Bank	600036.SH	Financials	729	297	3.07%
Agricultural Bank of China	601288.SH	Financials	1,354	137	2.22%
ICBC	601398.SH	Financials	2,007	121	1.93%
Bank of Communications	601328.SH	Financials	446	145	1.75%
Industrial Bank	601166.SH	Financials	335	234	1.61%
Shanghai Pudong Development Bank	600000.SH	Financials	322	168	1.36%
China Minsheng Banking Corp.	600016.SH	Financials	280	227	1.36%
China State Construction Engineering	601668.SH	Construction	226	72	1.24%
Bank of China	601988.SH	Financials	1,095	76	1.15%
Total			7,957	2,105	23.69%

Sector and Stock Contributions⁵ (Oct. 2018)

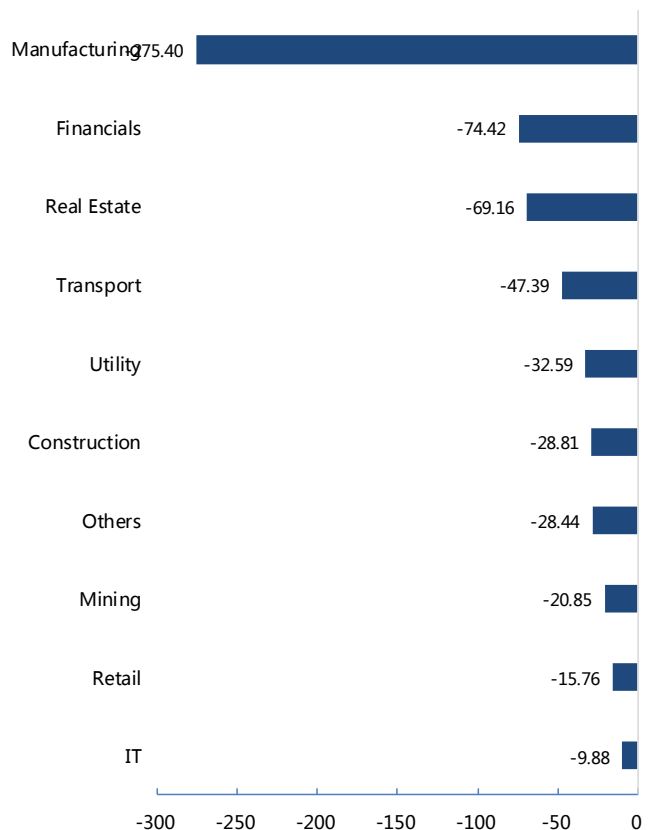
TOP 10 CONTRIBUTED STOCKS (2018.10)

Code	Name	Wt %	Contrib.
000750.SZ	Sealand Securities	0.30	8.48
600026.SH	COSCO SHIPPING Energy Transportation	0.34	4.59
601328.SH	Bank of Communications	1.75	4.58
600000.SH	Shanghai Pudong Development Bank	1.36	4.37
601099.SH	The Pacific Securities	0.16	3.23
600675.SH	China Enterprise	0.35	3.19
600369.SH	Southwest Securities	0.25	3.11
600547.SH	Shandong Gold Mining	0.27	2.64
601872.SH	China Merchants Energy Shipping	0.35	2.51
600048.SH	Poly Real Estate Group	0.72	2.40

BOTTOM 10 CONTRIBUTED STOCKS (2018.10)

Code	Name	Wt %	Contrib.
601318.SH	Ping An Insurance (Group)	8.00	-60.08
600104.SH	SAIC Motor	0.96	-21.51
600036.SH	China Merchants Bank	3.07	-18.54
600028.SH	China Petroleum & Chemical Corporation	1.03	-12.92
600519.SH	Kweichow Moutai	0.31	-9.94
600803.SH	ENN Ecological Holdings	0.26	-9.34
600240.SH	Beijing Huaye Capital Holdings	0.12	-9.30
000860.SZ	Beijing Shunxin Agriculture	0.24	-8.03
000620.SZ	Macrolink Cultural Tainment Development	0.22	-7.55
600741.SH	HUAYU Automotive Systems	0.25	-7.17

SECTOR CONTRIBUTIONS



³ Based on CSRC Industry Classification (2012)

^{4,5} Data Source: CCXE.

About Caixin Rayliant Smart Beta

Caixin Rayliant Smart Beta is the joint venture between Caixin Insight Group and Rayliant Global Advisors. Caixin Rayliant Smart Beta was formed in 2017. This partnership brings together the vast data, research, and publishing capabilities across the Caixin family of companies with the smart beta and index-construction expertise of Rayliant Global Advisors. Dr. Jason Hsu serves as the Chief Index Architect of Caixin Rayliant Smart Beta and Dr. Jason Tuan serves as the CEO of the company. Dr. Jason Hsu is the founder and chairman of Rayliant Global Advisors and co-founder and Vice-Chairman of Research Affiliates. Dr. Jason Tuan is a Managing Director of Rayliant Global Advisors.



About Caixin Insight Group

Caixin Insight Group was founded by Caixin Media Group's Editor-in-Chief Hu Shuli, along with support from senior leaders within academia and the financial services industry. The mission of Caixin Insight Group is to be the highest quality Chinese business and financial information services provider to global institutions. The goal is to aid in the healthy development of the Chinese capital markets.

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