

The CSI MarketGrader China New Economy Index

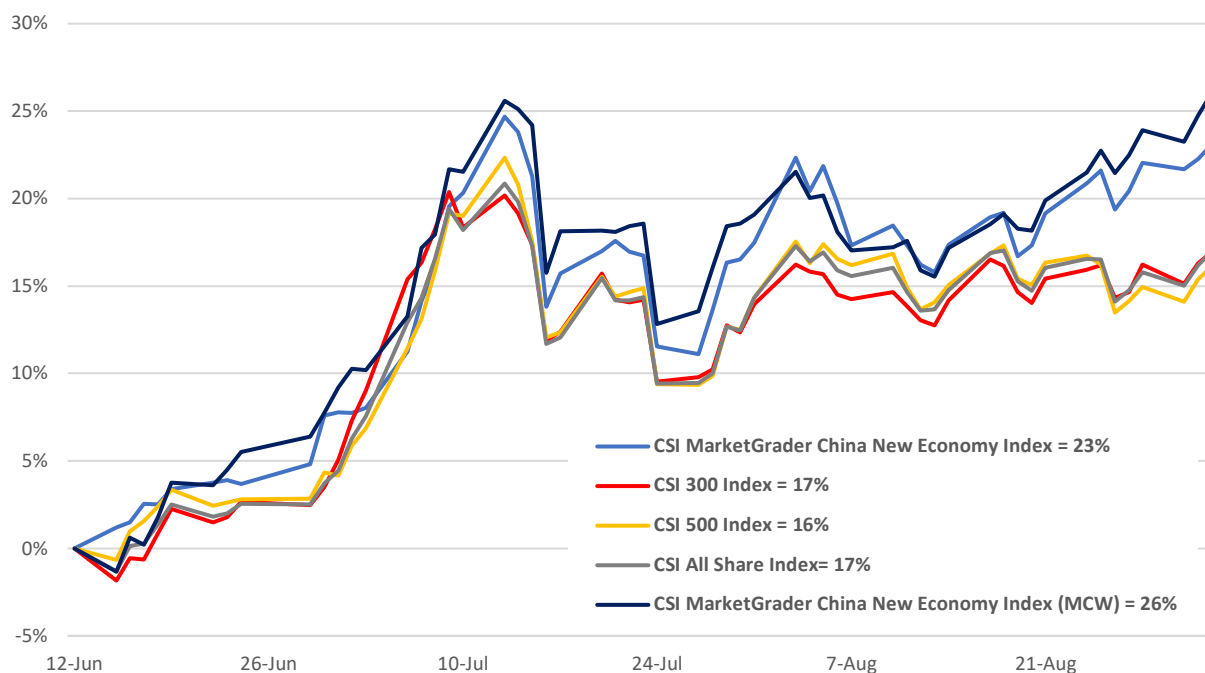
Rebalance Notes – December 2020

The CSI MarketGrader China New Economy Index (MGCNE) completed its most recent semi-annual reconstitution and rebalance on Friday, December 11, at the close of trading on China's stock exchanges. As a result of this latest reshuffle, the Index replaced 58 of its constituents (48%), below the 61 companies it had replaced in June, but still above its historical average of 52 (43%). This suggests that although the Chinese economy is clearly on the mend following the impact of the coronavirus-induced economic shutdowns earlier this year, as we discuss below, the country's corporate sector still has a way to go to get back to where it was in 2019.

Performance Summary: A Tale of Two Quarters

By any account, the six months ended on December 11th (the Index rebalance date) were positive for Chinese equities in general, with the CSI All Share Index gaining 14.8% on a price-only basis (based on AUD returns¹). For MGCNE, though, the semester may be considered a 'tale of two quarters.' From its last rebalance on June 12th, through September 2nd, MGCNE gained 23.5% (price only), well ahead of the CSI All Share Index, which rose 17% during the same time period. The Index also outperformed the large cap benchmark, the CSI 300 Index, which gained 17%, and the small cap benchmark, the CSI 500 Index, which had a 16.1% price return, during the same three-month period. Figure 1 shows MGCNE's performance for the three months through September 2nd, following its June 12th rebalance.

Figure 1. Cumulative Price Return for CSI MarketGrader China New Economy Index between June 12 and September 2, 2020 vs. Select Benchmarks



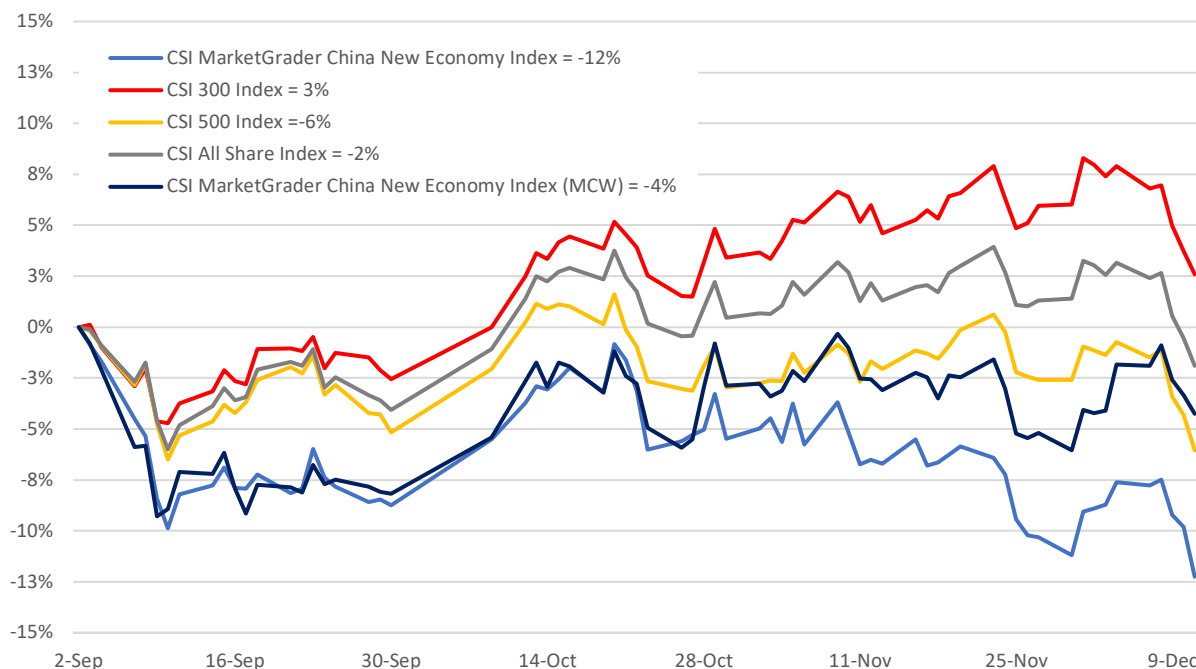
Sources: Bloomberg, MarketGrader

In the three months that followed, though, the Chinese equity rally that had propelled the CSI All Share to a year-to-date gain of 21% hit a wall. Chinese stocks, in the aggregate, started to move sideways and by December most

¹ All returns presented in this document are calculated in Australian Dollars (AUD).

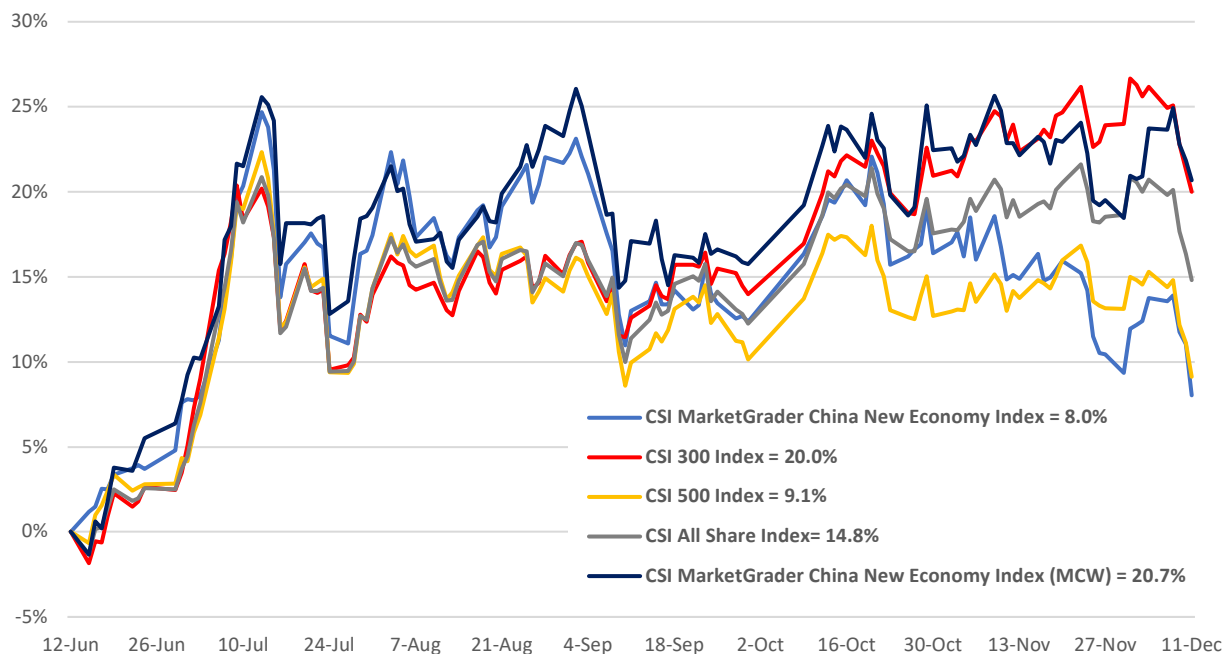
benchmarks had failed to set new highs for the year. Small caps and non-market cap weighted indexes such as MGCNE (whose constituents are equally weighted) suffered greater declines than the large cap and market cap weighted benchmarks, not unusual when markets take a breather after a significant rally (as the market declines smaller companies or equally weighted exposures fall more, proportionally, than larger companies, or market cap weighted exposures). Between September 2nd and December 11th, when MGCNE rebalanced, the index lost 12%, trimming its gain for the year to 28.2%. During the same three-month period, on the other hand, the CSI All Share Index lost only 1.9% while the CSI 300 Index gained 2.6%. And the small cap benchmark, the CSI 500 Index, lost 6%, or half of MGCNE’s decline. Readers should keep in mind, however, that the CSI 500 Index is comprised of the ‘next’ 500 companies, by size, after the 300 largest companies that make up the CSI 300 Index, whereas China’s domestic market is made up of almost 3,000 companies. In other words, while a decent proxy for small caps, the index doesn’t capture the entire small cap universe. Meanwhile, a market cap weighted version of the CSI MarketGrader China New Economy Index lost only 4.3% during the three-month period ended on December 11th, about a third of the decline of the equally weighted version, which was also better than the CSI 500 Index. That the market-cap weighted version of MGCNE did so much better in the last three months than the equally weighted version suggests that most of the Index’s underperformance since September can be attributed to the size factor (with large caps outperforming small caps by a large margin) and not to its security selection among ‘new economy’ sectors, which we discuss in greater detail below. MGCNE’s performance between September 2nd and December 11th, when it completed its most recent rebalance is illustrated in Figure 2. Complete six-month performance for the Index relative to the market benchmarks is shown in Figure 3.

Figure 2. Cumulative Price Return for CSI MarketGrader China New Economy Index between September 2 and December 11, 2020 vs. Select Benchmarks



Sources: Bloomberg, MarketGrader

Figure 3. Cumulative Price Return for CSI MarketGrader China New Economy Index between June and December 2020 Rebalance Dates vs. Select Benchmarks

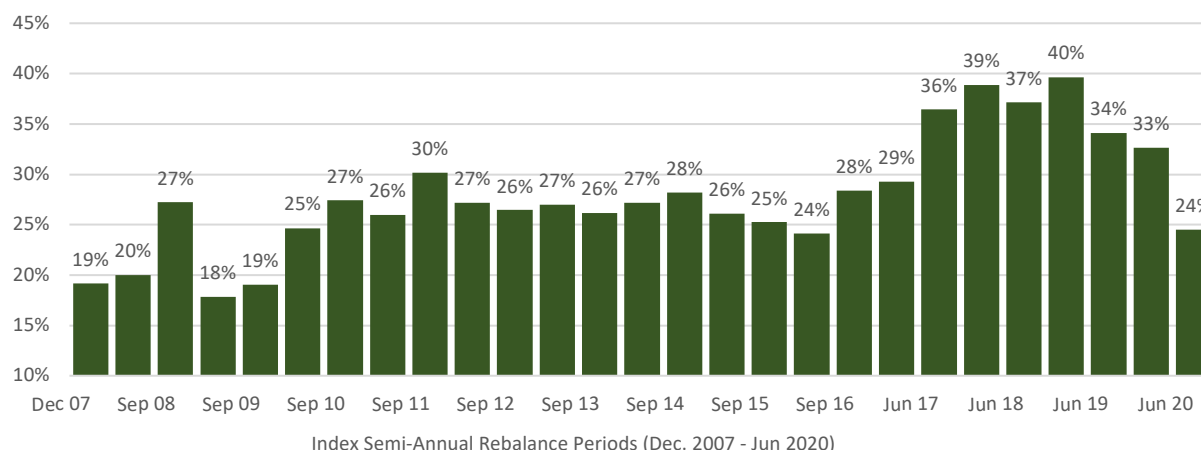


Sources: Bloomberg, MarketGrader

Measuring China's Economic Recovery from the Bottom Up

When MGCNE last rebalanced in June, we wrote about the clear deterioration in company fundamentals across the broad Chinese economy, as measured by the very rapid decline in the number of public companies with positive MarketGrader ratings relative to the market's historical ratings. To recap, the percentage of publicly traded companies in China with a positive MarketGrader rating (meaning, a 'Buy' or 'Hold' rating according to MarketGrader's GARP analysis), had fallen from 34% in June 2019 to 24% at the Index's last rebalance in June. The 10-point decline had been the largest in China's market since positive ratings had fallen from 27% in September 2008, at the peak of the global financial crisis, to 18% in March of 2009 when markets across the world bottomed. Following such precipitous decline, stocks with positive MarketGrader ratings across China had barely recovered to 19% by September of 2009. By March of 2010 they were at 25% of all companies covered by MarketGrader. It wasn't until September of that year, or two years after their prior peak, that they returned to their pre-crisis level of 27%. Figure 4 illustrates the percentage of positive MarketGrader ratings across China's entire domestic market (A shares) between December 2007 and June 2020.

Figure 4. Percentage of Companies in China with a Positive MG Score, Dec. 2007 – June 2020

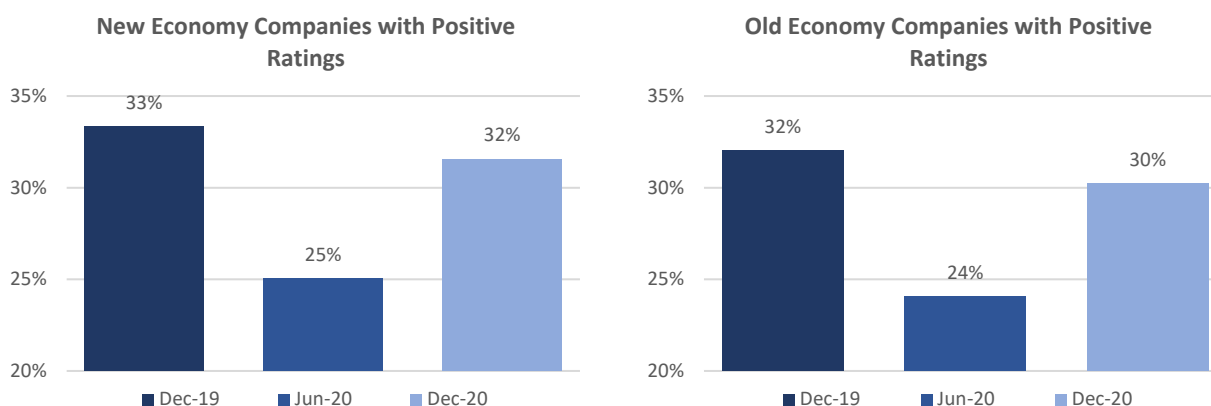


Source: MarketGrader

Investors in China’s equity market would not have to wait as long in 2020 as they did following the 2008 financial crisis in order to see the number of companies with positive ratings rise back to their pre-crisis levels. In fact, by late November (when MarketGrader selects the new constituents to MGCNE), the total number of companies across China with MarketGrader ‘Buy’ or ‘Hold’ ratings had climbed back to 31%, just two points shy of their December 2019 tally of 33%. A closer look at the decline and subsequent recovery on a sector-by-sector basis reveals how the country’s recovery might not be as evenly distributed across all areas of the economy as the government might want investors to believe. Such bottom-up view also offers a useful alternative to the more common top-down views offered by economists and investment strategists and, perhaps most interestingly, reveals where fiscal and monetary policy levers used by the Chinese government to stimulate the economy might have been most effective.

A simple place to begin is by separating ‘new’ vs. ‘old’ economy companies, at least as classified by MarketGrader. According to this classification, MarketGrader’s share of all new economy companies under coverage with positive ratings fell from 33% in December 2019 to 25% in June 2020. Their count has already recovered to 32%, a mere point below their 2019 peak. Old economy companies, on the other hand, experienced a bigger nine-point decline in positive ratings, from 33% of all companies under coverage in December 2019, to 24% in June of this year. Here, the recovery has also been swift, with 31% of all companies rating positively as of last month. This still trails the 2019 peak by two points, or twice as much the ratio as new economy companies. Figure 5 illustrates this difference in recovery between new and old economy companies in the last six months.

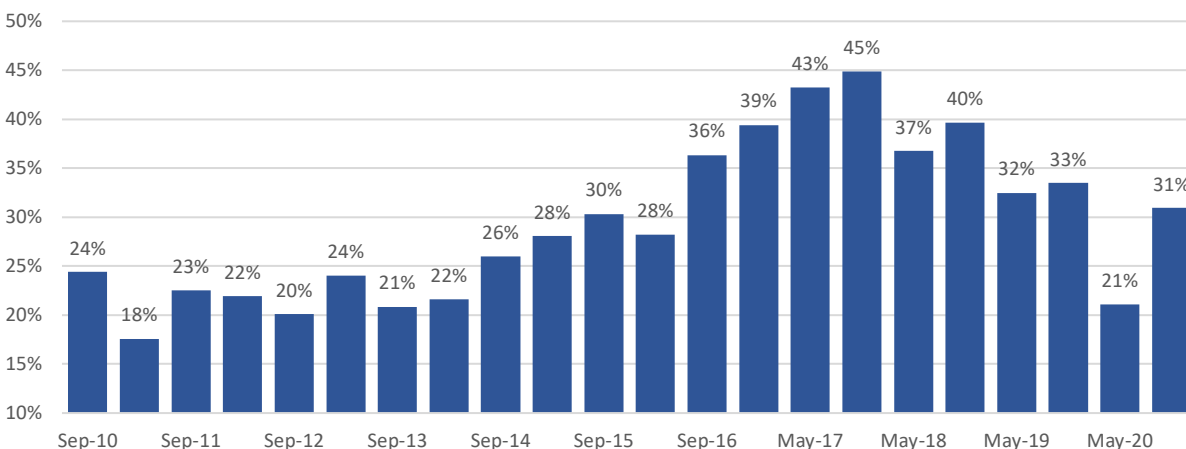
Figure 5. Decline and Recovery in Positive Ratings for ‘New’ and ‘Old’ Economy Companies in China in 2020



Source: MarketGrader

Among our four new economy sectors, in terms of the net percentage of companies that recovered from the June trough, the most impressive performance occurred among Technology stocks, which have recovered, in just six months, a full 10 percentage points in the number of companies with positive MarketGrader ratings. More specifically, after experiencing a 12-point decline from 33% at the end of 2019 to 21% by June of this year, the total number of positive ratings among Technology stocks in China was 31% of the sector's total by early December. As impressive as this recovery has been, though, it still trails the 45% peak in the sector reached in December 2017. Figure 6 shows the trend of positive MarketGrader ratings across China's technology sector since 2007.

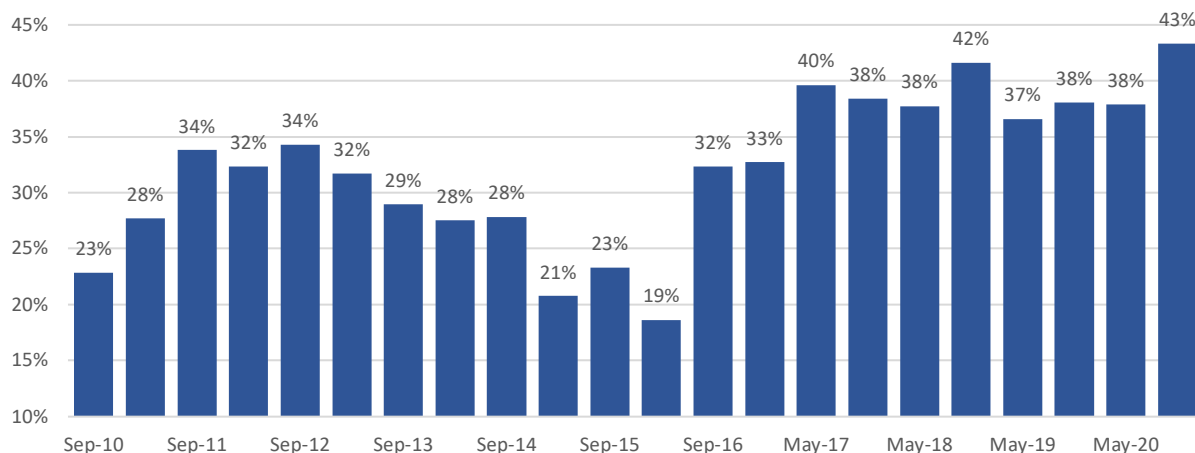
Figure 6. Historical Percentage of Positive MarketGrader Ratings Among Technology Stocks in China



Source: MarketGrader

As impressive as the recovery among Technology companies has been in just six months, one might argue that Consumer Staples companies have been even more impressive in terms of their overall financial results throughout a very challenging 2020. In fact, unlike every other sector in China, old or new economy, Consumer Staples experienced no decline in the percentage of companies with a positive MarketGrader rating between December 2019 and June 2020, with the total remaining at 38% throughout the pandemic and the worst of the country's shutdowns. Furthermore, the total climbed to 43% in the last six months, an all-time high for the sector going back to our first records in 2007. This seems to support our thesis from six months ago when we suggested that while consumers had cut back on discretionary purchases, either by choice (luxury items, cars, large ticket appliances) or by mandate (experiences such as gym memberships, travel, restaurants), spending on staples was, in fact rising. The sector's performance, at least based on the aggregate of ratings across all of its public companies, seems to confirm this trend, which is shown in figure 7.

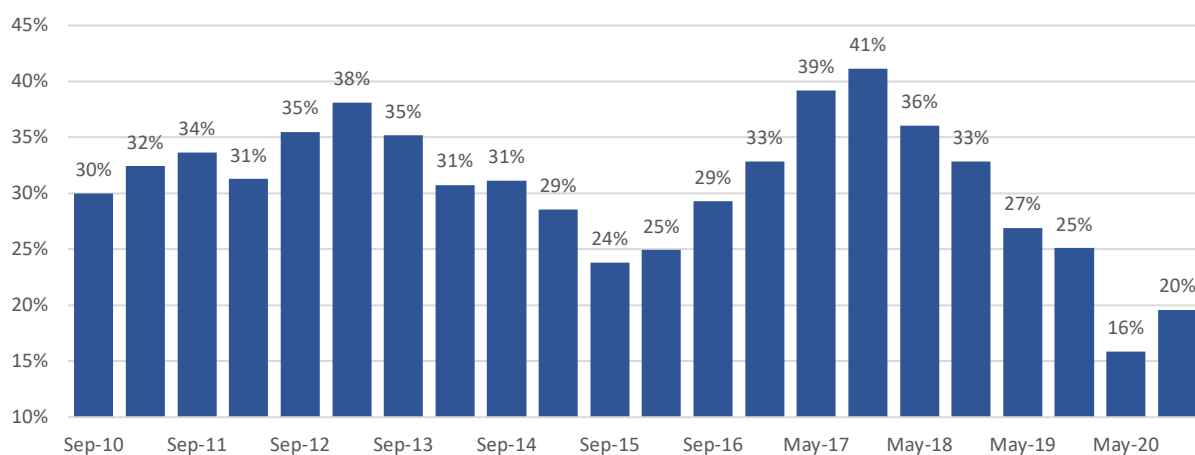
Figure 7. Historical Percentage of Positive MarketGrader Ratings Among Consumer Staples Stocks in China



Source: MarketGrader

The biggest contrast to Consumer Staples is, of course, Consumer Discretionary which, from a fundamental, bottom-up perspective, still has some way to go to return to pre-pandemic levels. The sector went from 25% of all companies having a positive rating by the end of 2019 to a mere 16% in June 2020, the lowest level among not only new economy sectors but, in fact, across all economic sectors in China. Since then, the sector has recovered partially, with 20% of all companies getting a positive MarketGrader rating by early December, as may be seen in Figure 8. The Chinese consumer is undoubtedly on the mend and more areas of the Consumer Discretionary sector will reactivate once travel, tourism and everything that revolves around ‘experiences’ normalizes. Nevertheless, our view is that there will be plenty of companies left behind after the massive transformation in how people consume goods and services. For this reason, sound security selection will be important for investors in the sector. Fortunately, in terms of company count, the sector is the fourth largest in China (behind Industrials, Technology and Materials), with 342 public companies, giving MarketGrader plenty of room for selection when reselecting MGCNE every six months.

Figure 8. Historical Percentage of Positive MarketGrader Ratings Among Consumer Discretionary Stocks in China

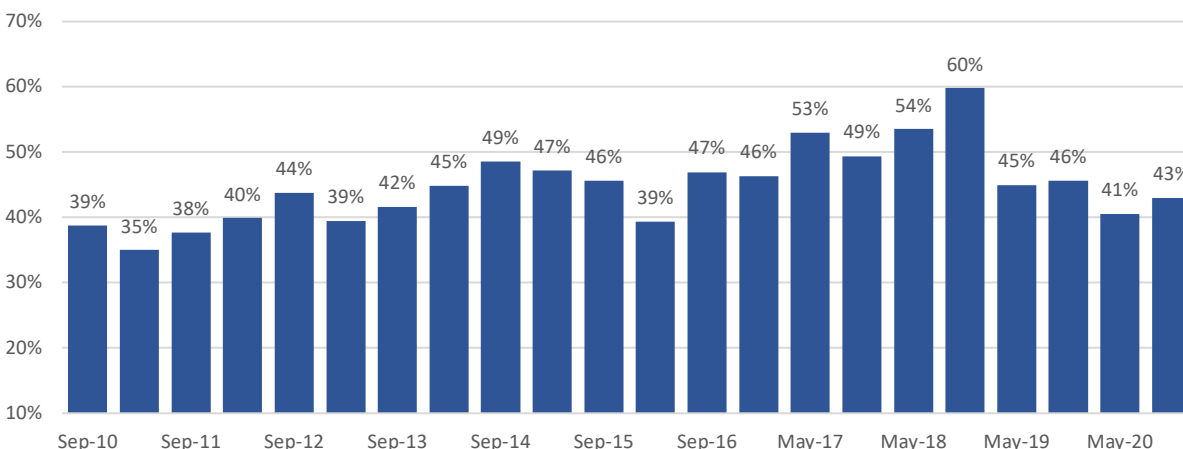


Source: MarketGrader

Lastly, Health Care was a sector that, from the perspective of its proportion of positive ratings, suffered little as a result of the pandemic. Positive ratings declined five points, from 46% in December to 41% in June, the highest number among all sectors in China despite the five-point drop. Since then, the total number of Health Care names

with a positive MarketGrader rating has climbed back to 43%, also the highest among all sector in China along with Consumer Staples. This is shown in Figure 9.

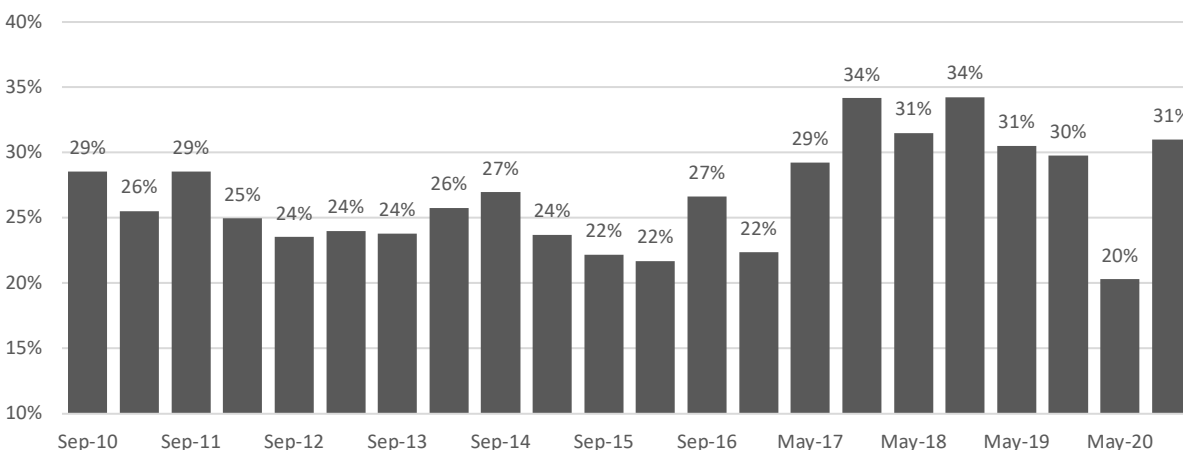
Figure 9. Historical Percentage of Positive MarketGrader Ratings Among Health Care Stocks in China



Source: MarketGrader

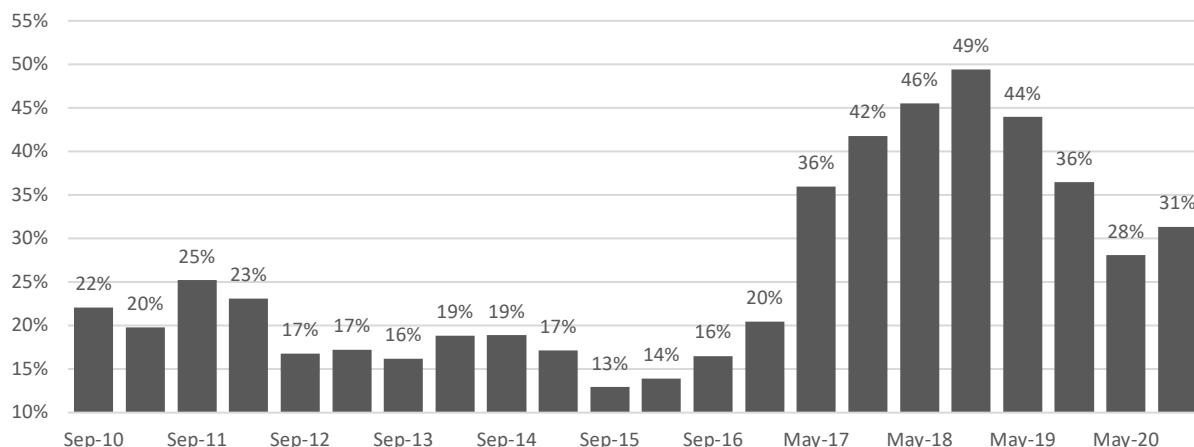
The story for ‘old economy’ sectors has been quite different than what we have described for ‘new economy’ sectors since the pandemic started. Only two of five old economy sectors in our analysis (we excluded Telecommunications since, based on company count it is too small to assign any significance to its ratings distribution) have begun to recover from the pandemic, at least as measured their MarketGrader scores. Industrials and Materials, two sectors we believe have benefitted from the government’s fiscal and monetary stimulus the most, have seen an improvement in positive ratings between June and early December. The recovery has been most impressive among Industrials, which gained 11 points, from a June low of 20% of companies with positive ratings to 31% now, a point higher than a year ago. For Materials the recovery has been much more modest, from 28% to 31%, still five points lower than a year earlier. Whether the improvement among these two industries is sustainable is anyone’s guess, especially as global supply chains continue to be rearranged all around the world as a result of ongoing trade friction between China and much of the rest of the world. In our view it is only a matter of time before overcapacity concerns and misallocation of resources among State-Owned Enterprises (SOEs), which dominate these two sectors, return to the fore once short-term stimulus policies subside.

Figure 10. Historical Percentage of Positive MarketGrader Ratings Among Industrial Stocks in China



Source: MarketGrader

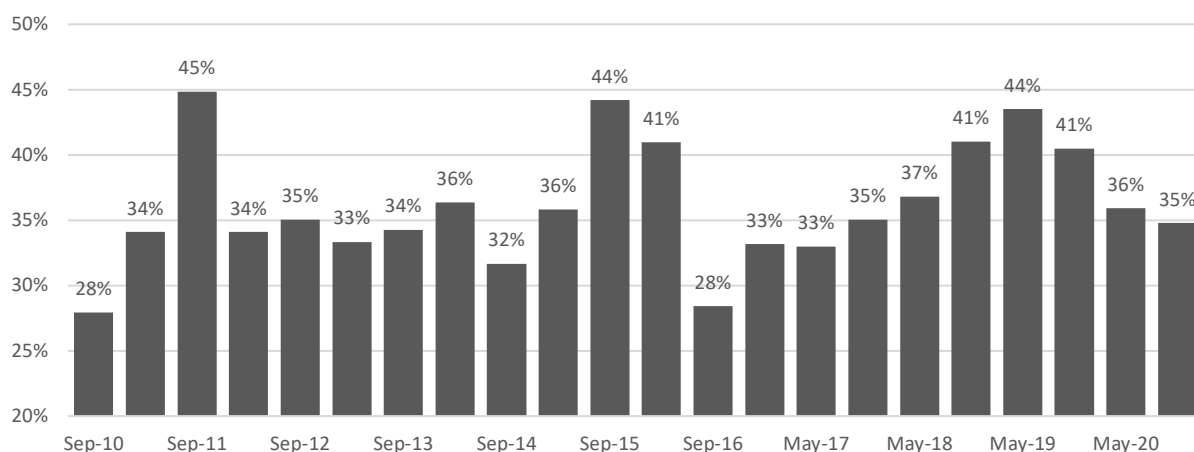
Figure 11. Historical Percentage of Positive MarketGrader Ratings Among Materials Stocks in China



Source: MarketGrader

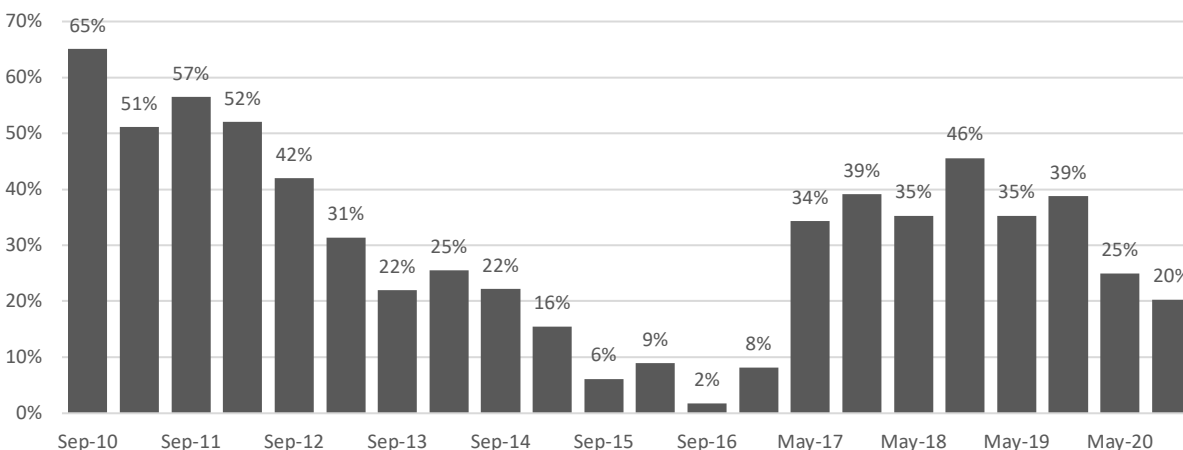
More worrisome for Chinese investors with large exposures to the country’s ‘old economy’ has been the performance among Financials—the sector with the largest representation, by far, in the country’s benchmarks—Energy and Utilities. Financials had a decline in positive ratings from 41% at the end of 2019 to 36% in June 2020. Since then, the total has declined further, to 35%. For Energy, the slide from 39% a year ago to 25% in June has continued at a worrisome pace, with a further five-point drop to 20% most recently. Lastly, and perhaps a harbinger of true economic activity in China in the last six months, among Utilities the number of companies with a positive rating dropped from 18% in June to 15% today. This followed a decline from 21% last December, suggesting that resource utilization across the country has failed to return to pre-pandemic levels.

Figure 12. Historical Percentage of Positive MarketGrader Ratings Among Financial Stocks in China



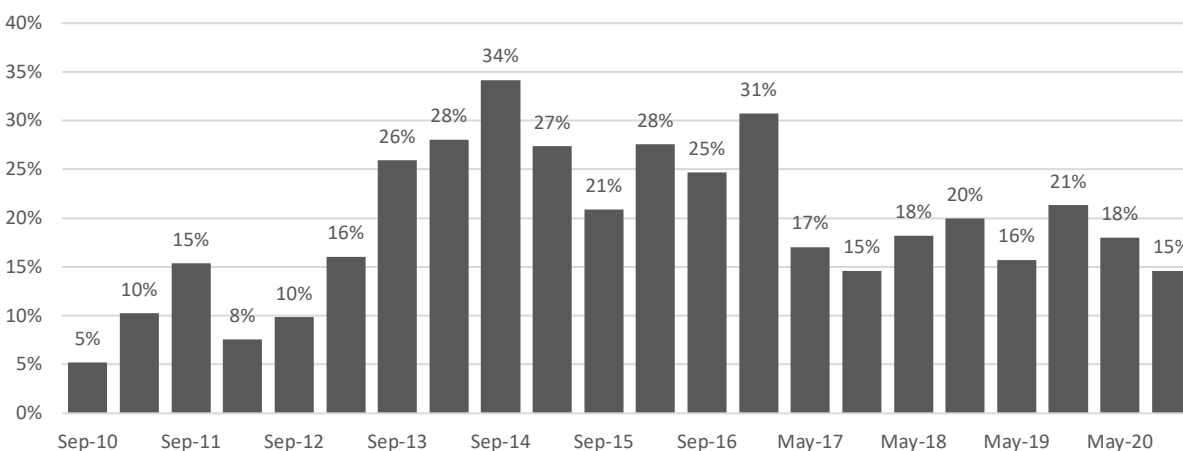
Source: MarketGrader

Figure 13. Historical Percentage of Positive MarketGrader Ratings Among Energy Stocks in China



Source: MarketGrader

Figure 14. Historical Percentage of Positive MarketGrader Ratings Among Utility Stocks in China



Source: MarketGrader

Breaking Down the New CSI MarketGrader China New Economy Index

Unsurprisingly, based on the across-the-board improvement in new economy sectors discussed above, MGCNE saw a significant improvement in company fundamentals following its most recent reconstitution and rebalance. The Index’s average grade, relative to the outgoing portfolio, improved from 66 to 73. The Index’s growth metrics were the most improved, based on our breakdown of representative fundamental metrics into growth, value and quality, with meaningful improvements in sales, operating income and net income growth. Meanwhile, valuation metrics were little changed, with both trailing and forward P/Es essentially in line with the outgoing crop of constituents. The Index’s fundamental metrics are summarized in Figure 15.

Figure 15. Select Company Fundamentals for CSI MarketGrader China New Economy Index Constituents Before and After December 2020 Reconstitution

	December 2020 Selection		June 2020 Selection	
	Mean	Median	Mean	Median
MarketGrader Score	73	71	66	66
Market Cap (RMB)	\$51,349	\$14,366	\$77,318	\$13,786
Market Cap (AUD)	\$10,270	\$2,873	\$15,464	\$2,757
Growth				
Sales Growth - 3 Years	149%	83%	114%	76%
Operating Income Growth - 3 Years	608%	144%	520%	132%
Net Income Growth - 3 Years	664%	141%	542%	117%
Value				
Forward P/E Ratio	35	25	32	25
Trailing P/E Ratio	36	26	35	26
Earnings Yield	5%	4%	5%	4%
Price to Book Ratio	8	6	7	5
Quality				
Return on Equity	24%	20%	23%	20%
Operating Margin	21%	19%	22%	19%
Debt to Capital Ratio	18%	16%	16%	14%

Sources: FactSet, MarketGrader

A total of 22 companies were selected to MGCNE for the first time ever, while 21 were selected once again to the Index after an absence of at least two years. One of the Index's oldest holdings, Kweichow Moutai (600519.CN), which was first selected on to MGCEN in 2007, missed the cut for the first time in 13 years. Since it was first selected to the Index, though, it gained 1,325% (including dividends), underscoring the Index's knack for harnessing the growth in some of China's most dynamic companies². Twenty-four companies that have been in the Index for at least two consecutive years, however, remain. The list appears in Figure 16. And while the Index is obviously selected from across four 'new economy' sectors, a total of 46 industries are represented in its latest iteration. They are represented in Figure 17, while the complete list of MGCNE constituents appears in Appendix 1.

² Kweichow Moutai's stock performance is based on AUD total returns from December 31, 2007 through December 11, 2020.

Figure 16. Industries Represented in CSI MarketGrader China New Economy Index, December 2020

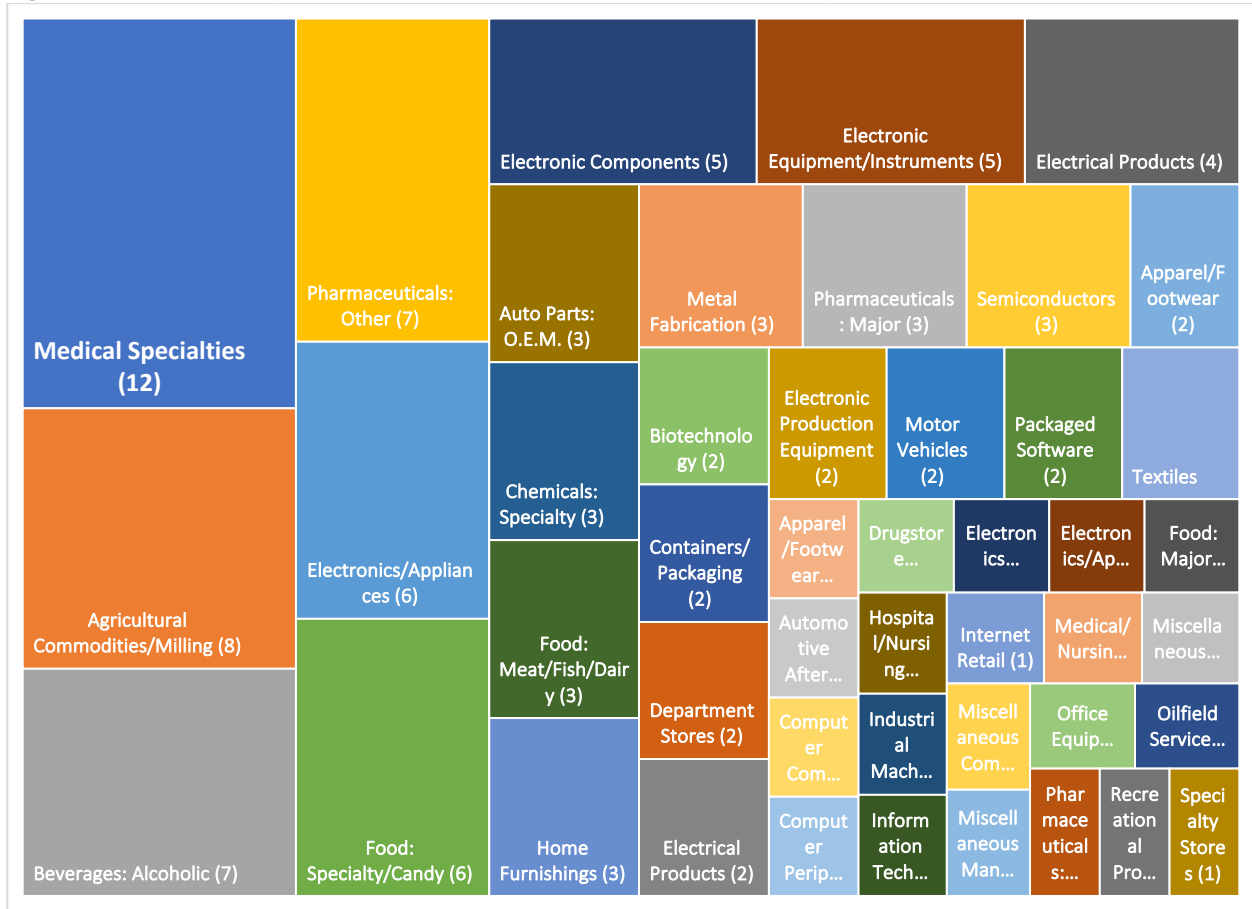


Figure 17. Companies Selected to the Index in at Least Two Consecutive Years

Ticker	Company Name	Consecutive Years Selected	MarketGrader Score
603288.CN	Foshan Haitian Flavouring & Food Co., Ltd. Class A	5	65.40
000858.CN	Wuliangye Yibin Co., Ltd. Class A	5	70.96
002677.CN	Zhejiang Meida Industrial Co., Ltd. Class A	5	76.13
600298.CN	Angel Yeast Co., Ltd. Class A	3	65.25
603369.CN	Jiangsu King's Luck Brewery Joint-stock Co., Ltd. Class A	3	65.74
600779.CN	Sichuan Swellfun Co., Ltd. Class A	3	65.90
600809.CN	Shanxi Xinghuacun Fen Wine Factory Co. Ltd. Class A	3	68.47
000568.CN	Luzhou Laojiao Company Limited Class A	3	70.36
603816.CN	Jason Furniture (Hangzhou) Co., Ltd. Class A	3	70.77
603444.CN	G-Bits Network Technology (Xiamen) Co., Ltd. Class A	3	71.89
000661.CN	Changchun High & New Technology Industry (Group) Inc. Class A	3	82.07
002746.CN	Shandong Xiantan Co., Ltd. Class A	2	66.22
002299.CN	Fujian Sunner Development Co., Ltd. Class A	2	66.85
002557.CN	Chacha Food Co Ltd. Class A	2	67.96
002475.CN	Luxshare Precision Industry Co. Ltd. Class A	2	69.16
002463.CN	WUS PRINTED CIRCUIT (KUNSHAN) CO., LTD. Class A	2	70.98
601799.CN	Changzhou Xingyu Automotive Lighting Systems Co., Ltd Class A	2	73.11
002755.CN	Beijing Aosaikang Pharmaceutical Co., Ltd. Class A	2	74.10
300132.CN	Fujian Green Pine Co., Ltd. Class A	2	74.26
300529.CN	Jafron Biomedical Co., Ltd. Class A	2	74.47
300482.CN	Guangzhou Wondfo Biotech Co., Ltd. Class A	2	74.97
000895.CN	Henan Shuanghui Investment & Development Co., Ltd. Class A	2	75.29
002605.CN	Shanghai Yaoji Technology Co., Ltd. Class A	2	76.53
002832.CN	BIEM.L.FDLKK Garment Co., Ltd. Class A	2	79.61
603288.CN	Foshan Haitian Flavouring & Food Co., Ltd. Class A	5	65.40

IMPORTANT INFORMATION

The CSI MarketGrader China New Economy Index is tracked by the VanEck Vectors China New Economy ETF (ASX:CNEW) issued by VanEck Investments Limited ACN 146 596 116 AFSL 416755 ('VanEck'). This is general advice only, not personal financial advice. It is intended for use by financial services professionals only. The PDS is available at www.vaneck.com.au. An investment in CNEW carries risks associated with: China; financial markets generally, individual company management, industry sectors, ASX trading time differences, foreign currency, sector concentration, political, regulatory and tax risks, fund operations, liquidity and tracking an index. See the PDS for details. No member of the VanEck group of companies guarantees the repayment of capital, the payment of income, performance, or any particular rate of return from the fund. "MarketGrader" And "CSI MarketGrader China New Economy Index" are trademarks of MarketGrader.com Corporation. MarketGrader does not sponsor, endorse, sell or promote CNEW and makes no representation regarding the advisability of investing in CNEW. The inclusion of a particular security in the Index does not reflect in any way an opinion of MarketGrader or its affiliates with respect to the investment merits of such security.

Appendix 1. The CSI MarketGrader China New Economy Index – December 2020 Selections

Ticker	Company Name	Market Cap (AUD, 000)	Overall Grade
Consumer Discretionary			
002154.CN	Baoxiniao Holding Co Ltd Class A	901	73.3
002832.CN	BIEM.L.FDLKK Garment Co., Ltd. Class A	1,814	79.6
603877.CN	Ningbo Peacebird Fashion Co., Ltd. Class A	3,584	72.9
000581.CN	Weifu High-Technology Group Co. Ltd. Class A	5,135	72.3
001696.CN	Chongqing Zongshen Power Machinery Co. Ltd. Class A	1,855	65.2
601799.CN	Changzhou Xingyu Automotive Lighting Systems Co., Ltd Class A	10,808	73.1
601966.CN	Shandong Linglong Tyre Co., Ltd. Class A	8,854	68.5
000785.CN	Easyhome New Retail Group Co., Ltd Class A	10,499	83.2
600814.CN	Hangzhou Jiebai Group Co., Ltd. Class A	872	67.0
002406.CN	Xuchang Yuandong Drive Shaft Co., Ltd. Class A	862	70.1
603515.CN	Oppl Lighting Co., Ltd. Class A	4,753	67.0
002362.CN	Hanwang Technology Co., Ltd. Class A	1,175	73.0
000921.CN	Hisense Home Appliances Group Co., Ltd. Class A	4,584	65.6
002351.CN	Edifier Technology Co., Ltd. Class A	2,915	67.8
002508.CN	Hangzhou Robam Appliances Co., Ltd. Class A	8,086	71.2
002614.CN	Xiamen Comfort Science & Technology Group Co. Ltd. Class A	1,866	67.0
002677.CN	Zhejiang Meida Industrial Co., Ltd. Class A	2,250	76.1
002705.CN	Guangdong Xinbao Electrical Appliances Holdings Co., Ltd. Class A	7,228	74.6
002489.CN	Yotrio Group Co., Ltd Class A	1,869	65.0
603313.CN	Healthcare Co. Ltd. Class A	2,474	77.0
603816.CN	Jason Furniture (Hangzhou) Co., Ltd. Class A	9,818	70.8
300413.CN	Mango Excellent Media Co., Ltd. Class A	24,997	72.7
300464.CN	Guangdong SACA Precision Manufacturing Co., Ltd. Class A	1,540	66.5
300580.CN	Wuxi Best Precision Machinery Co., Ltd. Class A	1,016	67.4
000800.CN	FAW Jiefang Group Co., Ltd Class A	11,312	67.5
601965.CN	China Automotive Engineering Research Institute Co., Ltd. Class A	2,940	69.8
603600.CN	UE Furniture Co., Ltd. Class A	1,096	76.0
002605.CN	Shanghai Yaoji Technology Co., Ltd. Class A	2,305	76.5
600655.CN	Shanghai Yuyuan Tourist Mart Group Co., Ltd. Class A	7,213	66.5
000955.CN	Xinlong Holding (Group) Co., Ltd. Class A	857	85.5
Consumer Staples			
002124.CN	Tech-bank Food Co., Ltd.	3,873	90.1
002157.CN	Jiangxi Zhengbang Technology Co., Ltd. Class A	8,676	84.5
002299.CN	Fujian Sunner Development Co., Ltd. Class A	6,226	66.9
002567.CN	Tangrenshen Group Co., Ltd. Class A	1,553	72.2
002714.CN	Muyuan Foods Co., Ltd. Class A	53,533	80.8
002746.CN	Shandong Xiantan Co., Ltd. Class A	1,140	66.2
300498.CN	Wen's Foodstuff Group Co., Ltd. Class A	24,249	65.2
300511.CN	Shanghai Xuerong Bio-Technology Co. Ltd. Class A	1,242	70.9
000568.CN	Luzhou Laojiao Company Limited Class A	57,995	70.4
000799.CN	Jiugui Liquor Co., Ltd. Class A	7,406	75.1
000858.CN	Wuliangye Yibin Co., Ltd. Class A	211,936	71.0
600779.CN	Sichuan Swellfun Co., Ltd. Class A	7,673	65.9
600809.CN	Shanxi Xinghuaacun Fen Wine Factory Co. Ltd. Class A	47,312	68.5
603198.CN	Anhui Yingjia Distillery Co., Ltd. Class A	5,411	70.9
603369.CN	Jiangsu King's Luck Brewery Joint-stock Co., Ltd. Class A	13,225	65.7
002568.CN	Shanghai Bairun Investment Holding Group Co. Ltd. Class A	7,827	75.2
300132.CN	Fujian Green Pine Co., Ltd. Class A	2,694	74.3
300138.CN	Chenguang Biotech Group Co., Ltd. Class A	1,778	67.2
600298.CN	Angel Yeast Co., Ltd. Class A	7,875	65.3
000895.CN	Henan Shuanghui Investment & Development Co., Ltd. Class A	34,231	75.3
002726.CN	Shandong Longda Meat Foodstuff Co Ltd Class A	2,474	71.6
600975.CN	Hunan New Wellful Co., Ltd. Class A	1,074	71.8
002216.CN	Sanquan Foods Co., Ltd. Class A	4,498	71.0
002557.CN	Chacha Food Co Ltd. Class A	5,517	68.0
002661.CN	Kemen Noodle Manufacturing Co., Ltd. Class A	1,220	67.2
603288.CN	Foshan Haitian Flavouring & Food Co., Ltd. Class A	105,224	65.4
603609.CN	Liaoning Wellhope Agri-Tech Joint Stock Co Ltd Class A	2,347	66.0
603886.CN	Ganso Co., Ltd. Class A	904	66.0
000048.CN	Shenzhen Kingkey Smart Agriculture Times Co., Ltd. Class A	2,540	70.0
000529.CN	Guangdong Guanghong Holdings Co., Ltd. Class A	806	75.5

Ticker	Company Name	Market Cap (AUD, 000)	Overall Grade
Health Care			
000661.CN	Changchun High & New Technology Industry (Group) Inc. Class A	28,881	82.1
002030.CN	Da An Gene Co., Ltd. of Sun Yat-Sen University Class A	6,161	90.7
002727.CN	Yixintang Pharmaceutical Group Co., Ltd. Class A	4,445	68.0
300015.CN	Aier Eye Hospital Group Co., Ltd. Class A	56,951	69.0
002793.CN	Luoxin Pharmaceuticals Group Stock Co., Ltd. Class A	3,747	71.7
002022.CN	Shanghai Kehua Bio-Engineering Co., Ltd. Class A	1,905	81.5
002223.CN	Jiangsu Yuyue Medical Equipment & Supply Co., Ltd. Class A	5,778	83.5
002382.CN	Blue Sail Medical Co., Ltd. Class A	4,061	83.8
002432.CN	Andon Health Co., Ltd. Class A	817	83.8
300206.CN	Edan Instruments, Inc. Class A	2,085	91.2
300246.CN	Guangdong Biolight Meditech Co., Ltd. Class A	853	84.9
300453.CN	Jiang Xi Sanxin Medtec Co Ltd Class A	822	69.9
300463.CN	Maccura Biotechnology Co., Ltd. Class A	4,994	75.9
300482.CN	Guangzhou Wondfo Biotech Co., Ltd. Class A	4,704	75.0
300529.CN	Jafron Biomedical Co., Ltd. Class A	10,971	74.5
603309.CN	WELL LEAD MEDICAL CO LTD Class A	693	69.9
603987.CN	Shanghai Kindly Enterprises Development Group Co., Ltd. Class A	1,274	70.0
300244.CN	Dian Diagnostics Group Co., Ltd. Class A	4,254	75.8
002755.CN	Beijing Aosaikang Pharmaceutical Co., Ltd. Class A	3,015	74.1
300119.CN	Tianjin Ringpu Bio-technology Co., Ltd. Class A	1,750	74.8
300016.CN	Beijing Beilu Pharmaceutical Co., Ltd. Class A	1,093	68.5
300595.CN	Ovctek China, Inc. Class A	8,636	69.4
600211.CN	Tibet Rhodiola Pharmaceutical Holding Co. Class A	3,722	69.6
000513.CN	Livzon Pharmaceutical Group, Inc. Class A	8,469	71.8
000915.CN	Shandong Shanda Wit Science and Technology Co., Ltd. Class A	1,304	70.3
002001.CN	Zhejiang NHU Co. Ltd. Class A	14,160	68.5
002107.CN	Shandong Wohua Pharmaceutical Co., Ltd. Class A	1,061	74.2
002332.CN	Zhejiang Xianju Pharmaceutical Co., Ltd. Class A	2,586	71.5
002626.CN	Xiamen Kingdomway Group Co. Class A	4,422	76.5
300122.CN	Chongqing Zhifei Biological Products Co., Ltd. Class A	43,200	75.3
Technology			
300502.CN	Eoptolink Technology Inc., Ltd. Class A	3,911	67.5
600845.CN	Shanghai Baosight Software Co., Ltd. Class A	14,438	71.4
002803.CN	Xiamen Jihong Technology Co., Ltd. Class A	3,027	87.6
300566.CN	Ningbo Exciton Technology Co., Ltd. Class A	1,023	66.6
002322.CN	Ningbo Ligong Environment and Energy Technology Co., Ltd. Class A	988	67.3
002401.CN	COSCO SHIPPING Technology Co Ltd Class A	831	69.0
002724.CN	Ocean's King Lighting Science & Technology Co., Ltd. Class A	1,246	76.1
300360.CN	Hangzhou Sunrise Technology Co., Ltd. Class A	1,051	68.3
002138.CN	Shenzhen Sunlord Electronics Co., Ltd. Class A	4,337	68.2
002463.CN	WUS PRINTED CIRCUIT (KUNSHAN) CO., LTD. Class A	6,653	71.0
002475.CN	Luxshare Precision Industry Co. Ltd. Class A	73,736	69.2
002484.CN	Nantong Jianghai Capacitor Co., Ltd. Class A	1,870	68.5
300433.CN	Lens Technology Co. Ltd. Class A	26,636	68.5
002139.CN	Shenzhen Topband Co., Ltd. Class A	1,926	74.5
300259.CN	Suntront Technology Co. Ltd. Class A	1,329	67.3
300371.CN	Huizhong Instrumentation Co. Ltd. Class A	511	66.9
300462.CN	Shanghai Huaming Intelligent Terminal Equipment Co., Ltd. Class A	977	83.6
300602.CN	Shenzhen FRD Science & Technology Co., Ltd. Class A	2,279	69.4
002214.CN	Zhejiang Dali Technology Co Ltd Class A	2,104	71.0
300552.CN	Beijing Wanji Technology Co. Ltd. Class A	1,548	76.5
300188.CN	Xiamen Meiya Pico Information Co., Ltd. Class A	3,760	68.5
002777.CN	Sichuan Jiuyuan Yinhai Software Co Ltd Class A	1,497	66.8
300394.CN	Suzhou TFC Optical Communication Co., Ltd. Class A	2,415	76.2
603005.CN	China Wafer Level CSP Co., Ltd. Class A	4,491	69.9
300390.CN	Suzhou TA&A Ultra Clean Technology Co Ltd Class A	1,792	77.8
603258.CN	Hangzhou Electronic Soul Network Technology Co., Ltd. Class A	1,661	78.5
603444.CN	G-Bits Network Technology (Xiamen) Co., Ltd. Class A	6,081	71.9
300327.CN	Sino Wealth Electronic Ltd. Class A	2,011	72.3
300373.CN	Yangzhou Yangjie Electronic Technology Co., Ltd. Class A	4,319	70.0
603986.CN	GigaDevice Semiconductor (Beijing), Inc. Class A	18,738	69.5

Source: MarketGrader