

CSI Index Monthly Report

December 2017 Issue

CSI Express

- In December, the mainland stock market went east in general. CSI 300 Index was up by 0.62% to 4031 points. CSI 500 Index was down by 0.20% to 6251 points. Shanghai Composite Index dropped 0.30% to 3307 points. Large caps outperformed small caps. Consumers and Health Care led the sector group. Average daily turnover of A-share market further dropped 25% to CNY 372 billion. CSI Universal Bond Index gained 0.25% to 167.86 points. Through the whole year, CSI 300 was up by 21.78%, CSI 500 was down by 0.20%, CSI 1000 lost 17.35% and Shanghai Composite gained 6.56%.

- Index release announcement in December
 - CSI 300 Green Leading Stock Index excludes the companies in high pollution, high energy consuming and overcapacity industries from CSI 300 members, and then selects the top 100 stocks as constituents by the Green Leading Scores calculated from green performance, green income, negative news and environmental sanctions. The free float market cap of the Index is CNY 4.98 trillion.
 - CSI Competitive Advantage Index selects the top 50 stocks which have high market shares, high ROIC and strong competitive advantage as the constituents, based on four dimensions measurement including intangible assets, conversion cost, cost advantage and network effects. The free float market cap of the Index is CNY 2.05 trillion.
 - CSI Equity Incentive Index is composed of A-Share stocks involving ongoing or coming capital event of equity incentive. The free float market cap of the Index is CNY 0.37 trillion.
 - CSI Negotiable Certificate of Deposit AAA Index is composed of Interbank Negotiable Certificates listed on Inter-bank market, with issuer credit rating of AAA, issue term of 1 year or less, and listed over 7 days.
 - CSI High Grade Negotiable Certificate of Deposit Index is composed of Interbank Negotiable Certificates listed on Inter-bank market, with issuer credit rating of AA+ or above, issue term of 1 year or less, and listed over 7 days.
 - CSI CSAM Target Date Indices consists of 3 indices with target year 2025, 2035 2045. According to how much human capital and financial capital people own in their life cycle, CSI CSAM Target Date Indices make asset underlyings for people with different retirement years. The indices are customized for China Southern Asset Management (CSAM).
 - CSI Quality and Growth Low Volatility Index selects 50 stocks which are characterized by high profitability, persistent earnings, abundant cash flow, growth and low volatility as constituents from A-share stocks. The Index is weighted by the inverse of volatility.
 - CSI Founder-Run Companies Index selects the stocks of the largest 50 founder-run companies as the constituents.
 - CSI Investment-Clock Allocation Index constructs multi-asset portfolio based on the Black-Litterman model. In -Clock theory. The index provides a benchmark for conservative asset allocation strategy.

- In December, 7 index products which track CSI-licensed indices were incepted in China mainland market.
 - Huatai Securities AM launched 1 index fund tracking CSI Dividend Low Volatility Index, which raised CNY 614

million.

- China Universal launched 1 ETF tracking SSE Shanghai's Development Index, which raised CNY 4.76 billion. It also launched 1 index fund (LOF) tracking CSI All Share Investment Banking & Brokerage Index, which raised CNY 255 million.
 - CCB Principal launched 1 ETF tracking SSE 50 Index, which raised CNY 211 million.
 - Ping An-UOB launched 1 ETF tracking CSI 300 Index, which raised CNY 5.72 billion. It also launched 1 enhanced index fund tracking CSI 300 Index, which raised CNY 211 million.
 - GF launched 1 ETF tracking CSI Media Index, which raised CNY 275 million.
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- In December, 2 index products which track CSI-licensed indices were listed in ex-China mainland markets.
 - Samsung launched 1 ETF tracking CSI 300 Index on KRX.
 - Ping An launched 1 ETF tracking CSI PingAn 5-10y CGB Benchmark Index on HKEX.
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- By end 2017, there are 502 mutual fund products tracking CSI-licensed indices globally with total AUM CNY 498 billion.

CSI&SSE Major Indices Performance

Index	Close	1M	3M	12M	YTD	12M Volatility	P/E	P/B	Dividend Yield
CSI 300	4,030.85	0.62%	5.07%	21.78%	21.78%	16.05%	14.01	1.59	2.18%
CSI 100	4,081.25	0.65%	8.27%	30.21%	30.21%	14.61%	12.02	1.39	2.61%
CSI 200	4,371.44	0.55%	-0.97%	7.15%	7.15%	20.36%	25.51	2.55	1.07%
CSI 500	6,250.82	-0.20%	-5.34%	-0.20%	-0.20%	23.24%	37.01	2.85	0.65%
CSI 800	4,406.62	0.40%	2.12%	15.16%	15.16%	17.63%	16.35	1.78	1.81%
CSI 1000	7,017.35	-1.90%	-10.52%	-17.35%	-17.35%	25.79%	51.03	3.72	0.39%
CSI Dividend	4,750.79	0.53%	1.68%	17.57%	17.57%	16.11%	10.22	1.18	3.34%
SSE Composite	3,307.17	-0.30%	-1.25%	6.56%	6.56%	16.66%	15.94	1.72	1.77%
SSE 50	2,860.44	-0.11%	7.04%	25.08%	25.08%	15.00%	10.80	1.21	2.83%
SSE 180	8,647.03	-0.31%	4.21%	19.69%	19.69%	15.55%	12.58	1.39	2.39%
SSE 380	5,573.39	1.04%	-3.04%	0.56%	0.56%	22.44%	28.79	2.65	1.05%
SSE MidCap	3,612.65	-0.66%	-0.41%	11.13%	11.13%	18.29%	20.65	2.09	1.43%
SSE SmallCap	4,685.79	0.55%	-4.44%	0.50%	0.50%	22.55%	30.90	2.51	0.96%
SSE Dividend	2,993.99	0.27%	2.55%	16.31%	16.31%	15.43%	8.26	1.05	3.88%

CSI&SSE Size Indices Representativeness

CSI Indices			
Large Cap	Mid Cap	Small Cap	Mini Cap
CSI 100 (33.7%, 11.3%)*	CSI 200 (12.9%, 11.0%)	CSI 500 (14.7%, 16.2%)	CSI 1000 (17.0%, 27.1%)
CSI 300 (46.6%, 22.3%)			
CSI 800 (61.3%, 38.5%)			

Shanghai + Shenzhen A-Share Mkt Cap 51.5 trillion CNY, Average Daily Turnover 372.2 billion CNY

[*] Index (% Mkt Cap of Shanghai+Shenzhen A-Share, % Turnover of Shanghai+Shenzhen A-Share)

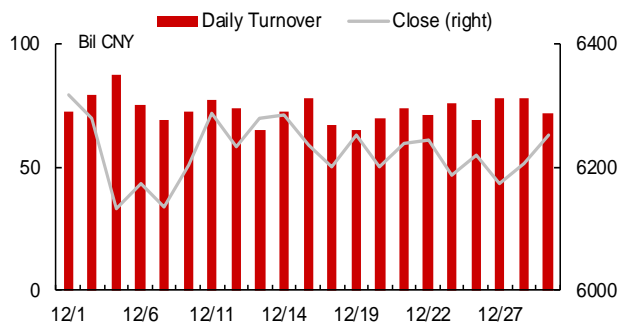
SSE Indices		
Large Cap	Mid Cap	Small Cap
SSE 50 (42.5%, 14.6%)**	SSE MidCap (18.9%, 17.4%)	SSE SmallCap (17.9%, 22.7%)
SSE 180 (61.4%, 31.9%)		SSE 380 (18.5%, 23.2%)

Shanghai A-Share Mkt Cap 29.3 trillion CNY, Average Daily Turnover 169.4 billion CNY

[**] Index (% Mkt Cap of Shanghai A-Share, % Turnover of Shanghai A-Share)

CSI 500 Index Analysis

Overview



Risk-Return Analysis

	1M	3M	6M	12M	YTD
Performance	-0.20%	-5.34%	1.84%	-0.20%	-0.20%
Volatility	14.21%	15.34%	15.01%	14.47%	14.47%
	P/E	P/B	EPS	ROE	ROA
CSI 500	30.50	2.79	0.34	7.39%	7.93%
Energy	47.03	1.75	0.16	0.74%	0.55%
Materials	36.27	2.60	0.28	2.61%	2.50%
Industrials	25.98	2.57	0.36	8.70%	9.21%
Consumer Dis	28.55	2.53	0.39	8.04%	8.26%
Consumer Sta	39.35	3.25	0.32	6.98%	7.03%
Health Care	32.70	3.80	0.49	11.32%	12.12%
Financials	23.01	2.57	0.34	10.57%	12.54%
IT	48.53	4.20	0.30	7.84%	7.90%
Telecom Serv	68.92	4.95	0.22	5.15%	5.35%
Utilities	14.34	1.53	0.38	10.66%	13.33%

Summary

Close	6250.82	Change	-0.20%	# of Stocks	500
Open	6259.96	Average Daily Volume	58.29 Mil Lots	Advanced	194
High	6334.87	Average Daily Turnover	73.36 Bil CNY	Declined	286
Low	6053.24	Turnover Rate	11.34%	Unchanged	20

Top 5 Weighted Stocks

Name	Ticker	Mkt Cap (Bil CNY)	Adjusted Mkt Cap	Wgt	Chg
FANGDA CARBON	600516	51.7	31.0	0.74%	15.11%
JINYU	600201	28.5	28.5	0.68%	16.22%
CJS	600176	47.5	28.5	0.68%	17.70%
NAVINFO	002405	33.8	27.1	0.65%	-0.86%
CCHN	000661	31.1	24.9	0.60%	7.51%

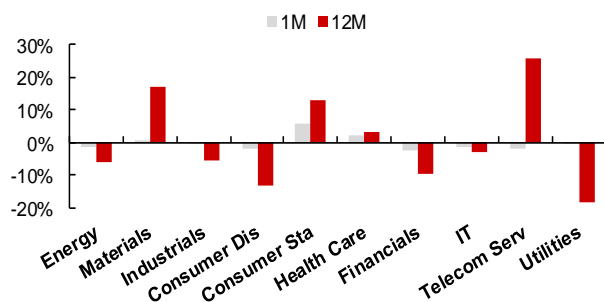
Sector Analysis

Sector	Names	Mkt Cap (Bil CNY)	Wgt	1M	Cont
Energy	13	215	2.38%	-0.42%	-0.89
Materials	74	1380	17.29%	1.16%	0.98
Industrials	117	1732	21.91%	-0.11%	-4.43
Consumer Dis	75	1097	11.56%	-0.61%	-14.36
Consumer Sta	28	536	6.76%	5.20%	22.21
Health Care	53	893	11.78%	2.84%	14.90
Financials	40	658	7.74%	-1.51%	-12.59
IT	76	1203	15.88%	-0.83%	-14.59
Telecom Serv	7	126	1.63%	-0.52%	-3.75
Utilities	17	271	3.06%	0.19%	-0.08

Constituent Performance

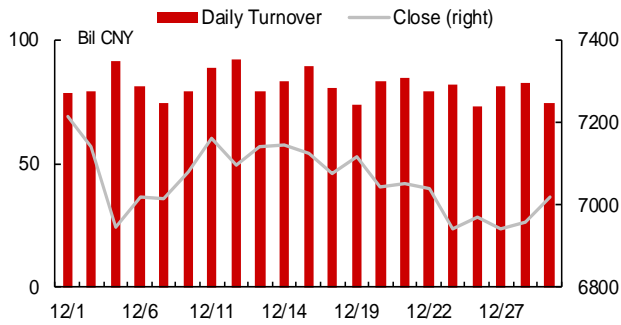
Name	Ticker	Close	1M	Cont	Turnover Rate
Top 5 Performers					
TSINGTAO BREWERY	600600	39.33	28.19%	4.52	21.89%
HUAHAIPHARM	600521	30.12	26.40%	5.94	23.98%
SILAN	600460	15.43	26.06%	3.64	278.45%
CQGAS	600917	11.14	25.59%	0.58	20.21%
LITTLESWAN	000418	67.85	24.43%	4.42	11.74%
Bottom 5 Performers					
BLUEFOCUS	300058	5.52	-21.03%	-3.27	14.99%
SL PHARM	002038	30.97	-18.67%	-4.45	31.05%
G-BITS	603444	183.93	-16.85%	-1.22	64.92%
SLH	002285	11.15	-16.67%	-3.25	62.66%
BTBP	600161	28.79	-16.21%	-2.79	21.98%
Top 5 Contributors					
CJS	600176	16.29	17.70%	6.39	27.94%
FANGDA CARBON	600516	28.88	15.11%	6.12	106.27%
HUAHAIPHARM	600521	30.12	26.40%	5.94	23.98%
JINYU	600201	31.74	16.22%	5.93	18.92%
KELUN PHARMA	002422	24.90	18.51%	5.12	16.17%
Bottom 5 Contributors					
SUNWAY COMM	300136	26.30	-7.72%	-2.35	19.45%
SITI	000563	19.60	-20.33%	-2.18	18.07%
GALAXY BIOMEDICAL	000806	20.77	-10.47%	-1.96	12.41%
CENTURY HUATON	002602	9.63	-12.45%	-1.93	35.65%
CGT GROUP	000066	12.51	-15.59%	-1.76	38.78%

Sector Performance



CSI 1000 Index Analysis

Overview



Risk-Return Analysis

	1M	3M	6M	12M	YTD
Performance	-1.90%	-10.52%	-6.01%	-17.35%	-17.35%
Volatility	14.71%	15.95%	15.56%	15.98%	15.98%
	P/E	P/B	EPS	ROE	ROA
CSI 1000	38.84	3.05	0.26	4.89%	5.17%
Energy	84.70	2.28	0.10	-6.70%	-7.30%
Materials	45.02	3.03	0.21	2.34%	2.54%
Industrials	36.66	3.02	0.27	5.98%	6.46%
Consumer Dis	31.82	2.72	0.32	5.84%	6.08%
Consumer Sta	49.23	3.60	0.23	4.80%	5.05%
Health Care	40.76	3.88	0.32	8.08%	8.56%
Financials	27.64	2.43	0.29	5.51%	5.95%
IT	49.52	3.63	0.25	6.25%	6.40%
Telecom Serv	42.75	3.06	0.23	4.09%	4.34%
Utilities	22.86	2.50	0.25	8.67%	8.93%

Summary

Close	7017.35	Change	-1.90%	# of Stocks	1000
Open	7144.48	Average Daily Volume	70.37 Mil Lots	Advanced	337
High	7221	Average Daily Turnover	81.45 Bil CNY	Declined	631
Low	6879.24	Turnover Rate	10.92%	Unchanged	32

Top 5 Weighted Stocks

Name	Ticker	Mkt Cap (Bil CNY)	Adjusted Mkt Cap	Wgt	Chg
WALVAX	300142	28.1	19.6	0.46%	-9.56%
SCSF	600779	22.9	16.0	0.38%	12.31%
HUATIAN TECH	002185	18.2	14.5	0.34%	3.27%
MCST	300355	20.1	14.1	0.33%	-1.72%
VATTI	002035	17.5	14.0	0.33%	10.20%

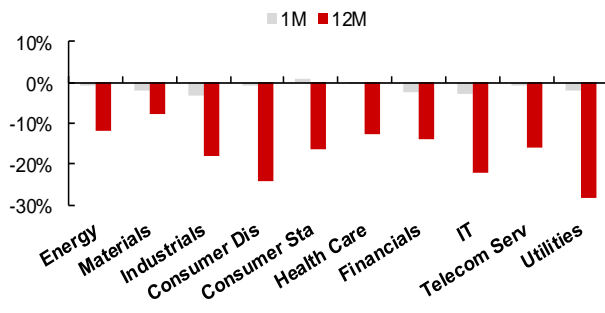
Sector Analysis

Sector	Names	Mkt Cap (Bil CNY)	Wgt	1M	Cont
Energy	28	263	2.93%	-0.39%	-0.41
Materials	141	1366	16.42%	-1.04%	-21.82
Industrials	260	2211	25.76%	-2.72%	-61.95
Consumer Dis	158	1302	13.45%	-0.12%	-7.67
Consumer Sta	57	466	5.36%	1.28%	2.82
Health Care	69	680	7.59%	0.60%	-1.00
Financials	48	455	5.47%	-1.91%	-8.25
IT	185	1378	17.81%	-1.89%	-34.09
Telecom Serv	32	253	3.34%	0.59%	-1.17
Utilities	22	147	1.86%	-1.94%	-2.68

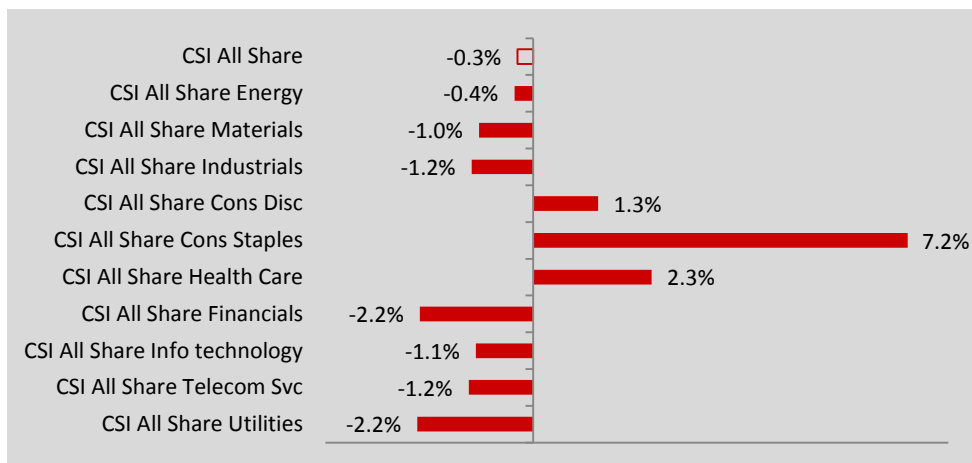
Constituent Performance

Name	Ticker	Close	1M	Cont	Turnover Rate
Top 5 Performers					
BIRD	600130	7.32	33.82%	2.43	64.53%
DONLINKS	000893	9.50	27.69%	1.05	37.29%
GOLDCARD	300349	39.60	25.48%	0.95	27.66%
KINGEE CULTURE	002721	16.00	21.30%	2.03	28.95%
SUNSEA	002313	32.40	21.26%	2.36	26.50%
Bottom 5 Performers					
DALIAN INSULATOF	002606	12.26	-41.26%	-4.22	177.05%
YONGJI PRINTING	603058	12.14	-39.57%	-0.62	16.23%
TONZE	002759	17.69	-36.78%	-2.30	89.68%
NATIONZ	300077	10.00	-36.14%	-5.26	72.67%
LAWTON DEVELOP	600209	10.32	-29.36%	-2.60	123.78%
Top 5 Contributors					
ANKEBIO	300009	25.93	20.21%	3.13	65.33%
SCSF	600779	46.80	12.31%	3.08	33.50%
BIRD	600130	7.32	33.82%	2.43	64.53%
SUNSEA	002313	32.40	21.26%	2.36	26.50%
TIGERMED	300347	35.18	15.42%	2.34	13.09%
Bottom 5 Contributors					
EAST	300376	38.85	-18.93%	-2.91	272.73%
ALLWINNERTECH	300458	11.96	-13.33%	-2.71	34.72%
ZZYL	600568	5.15	-15.02%	-2.54	12.02%
SUNWODA	300207	19.38	-16.03%	-2.44	55.02%
THUNDERSOFT	300496	39.99	-11.47%	-2.42	12.40%

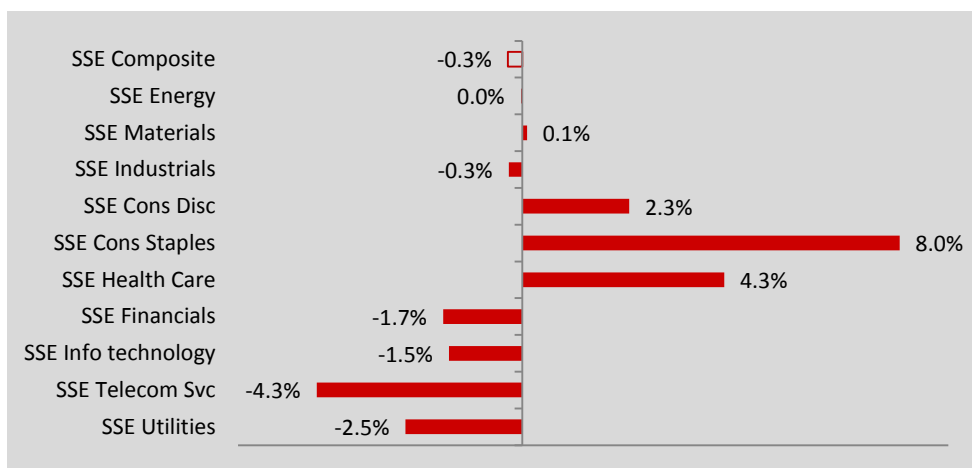
Sector Performance



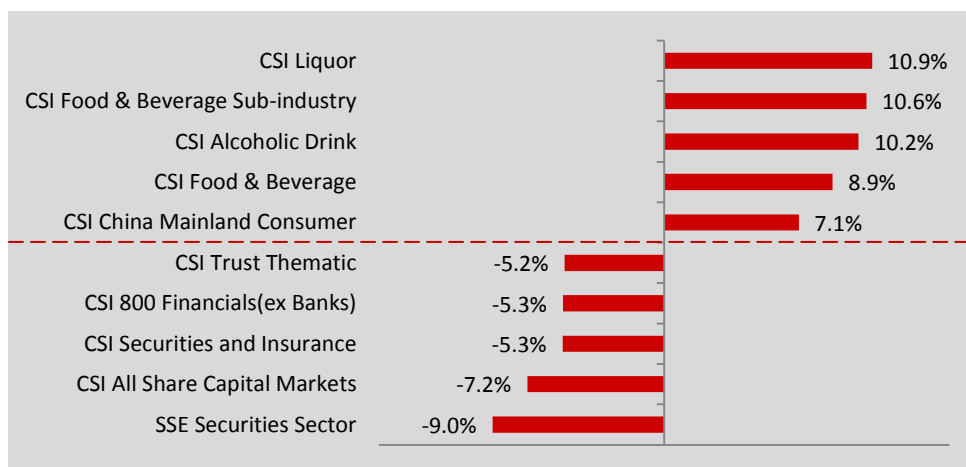
A Share Sector Performance



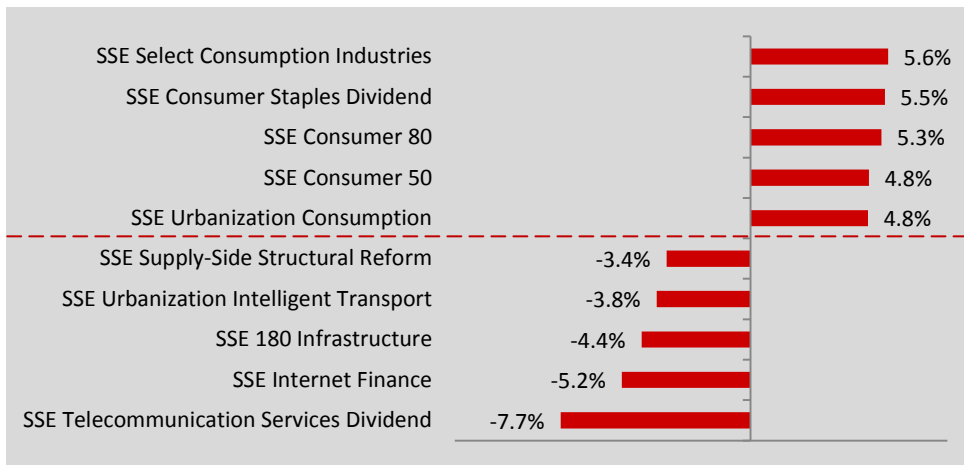
SSE Sector Performance



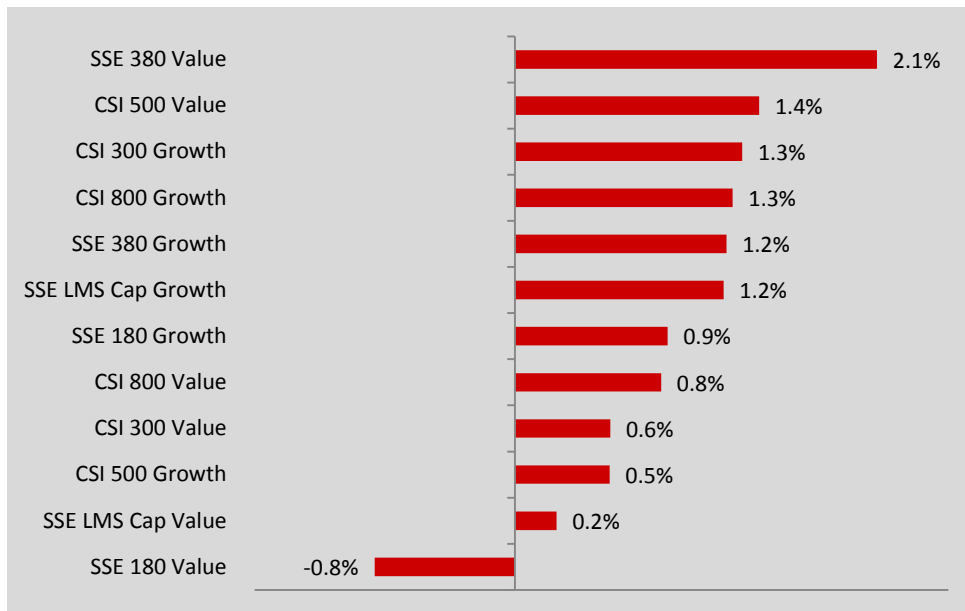
CSI Thematic Indices: Top & Bottom Performers



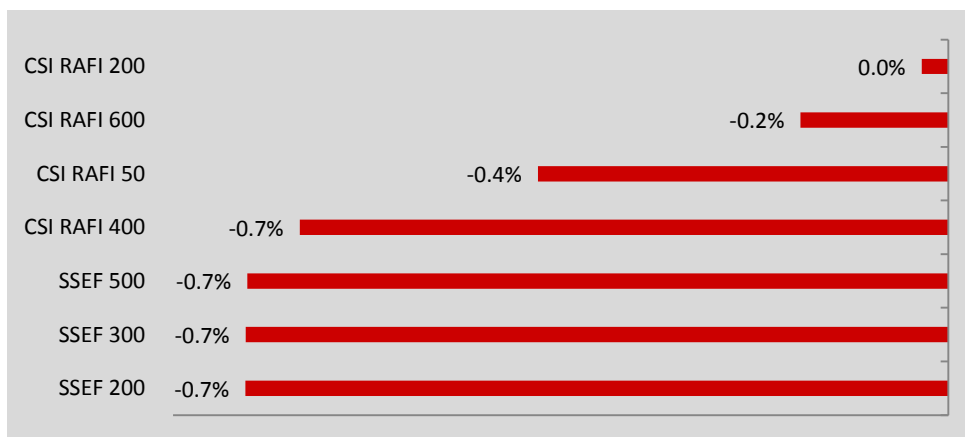
SSE Thematic Indices: Top & Bottom Performers



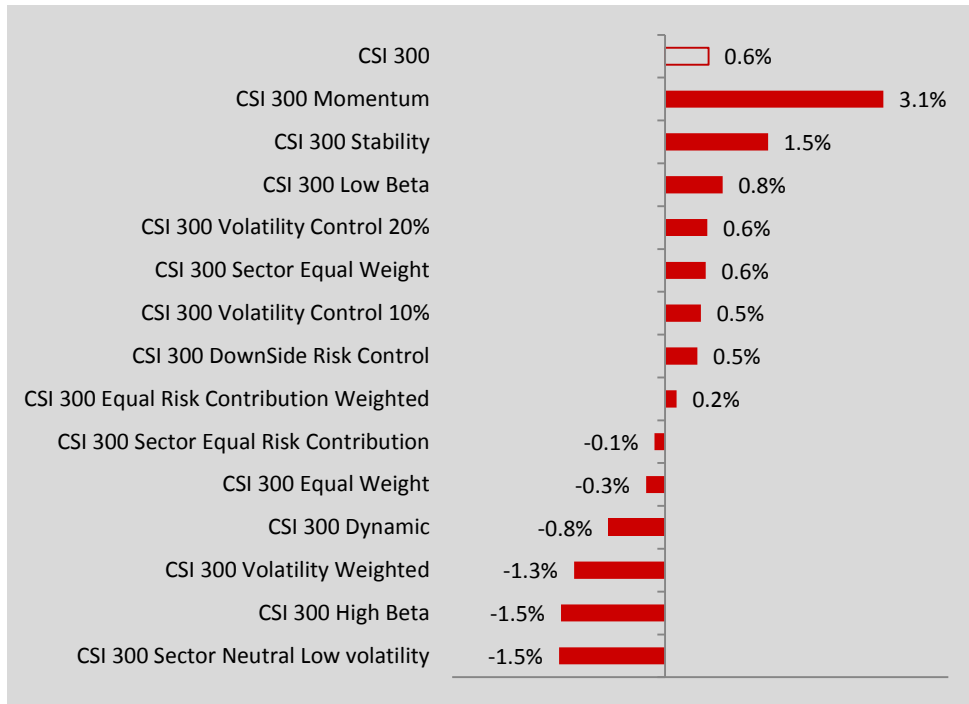
CSI&SSE Style Indices



CSI&SSE Fundamental Indices

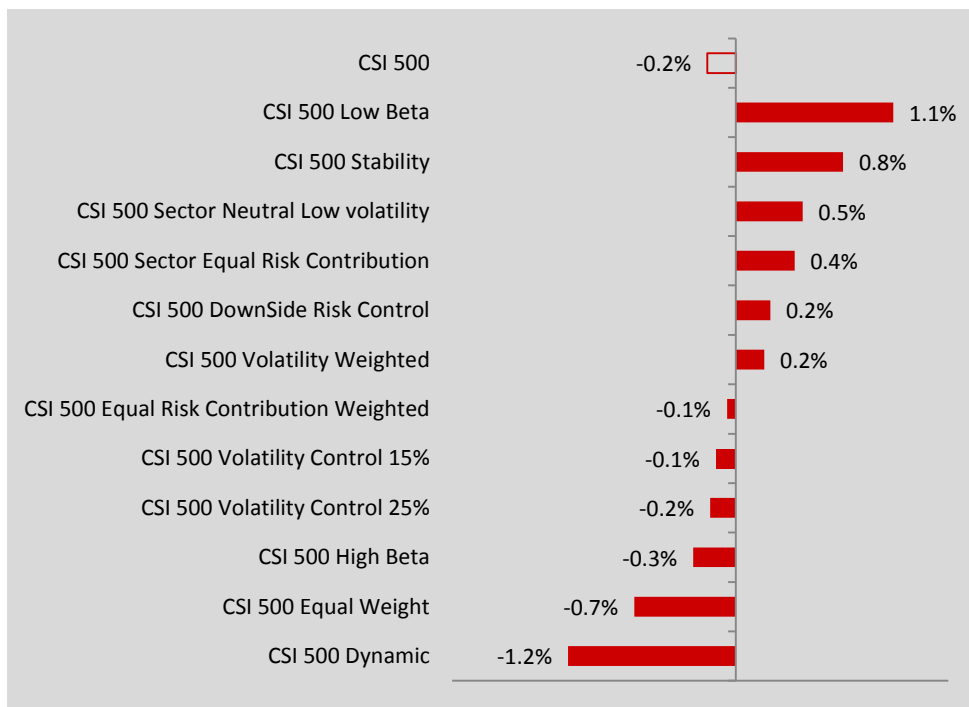


CSI 300 vs. Smart Beta Indices*



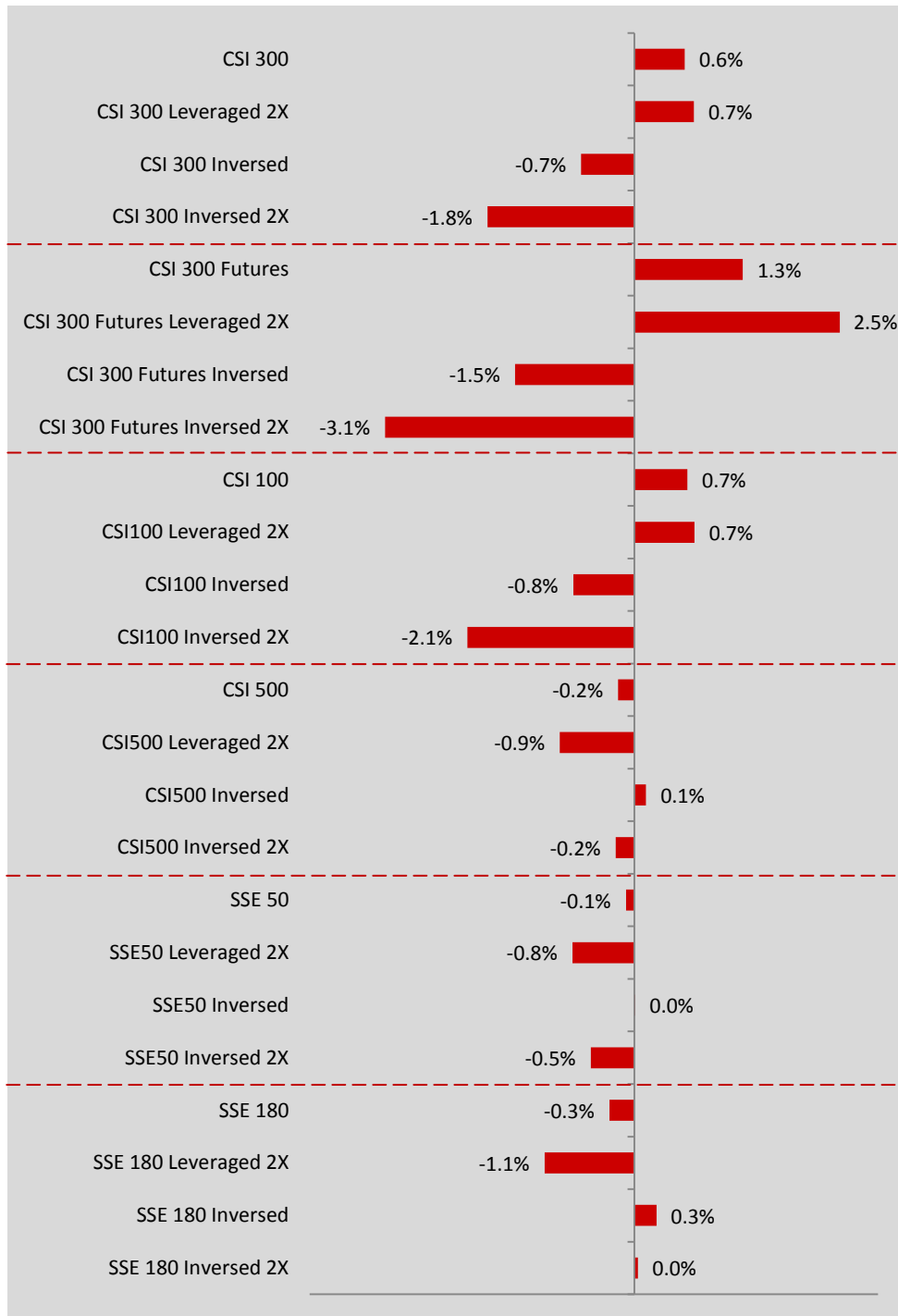
[*] The smart beta indices are not necessarily based on the CSI 300 universe.

CSI 500 vs. Smart Beta Indices

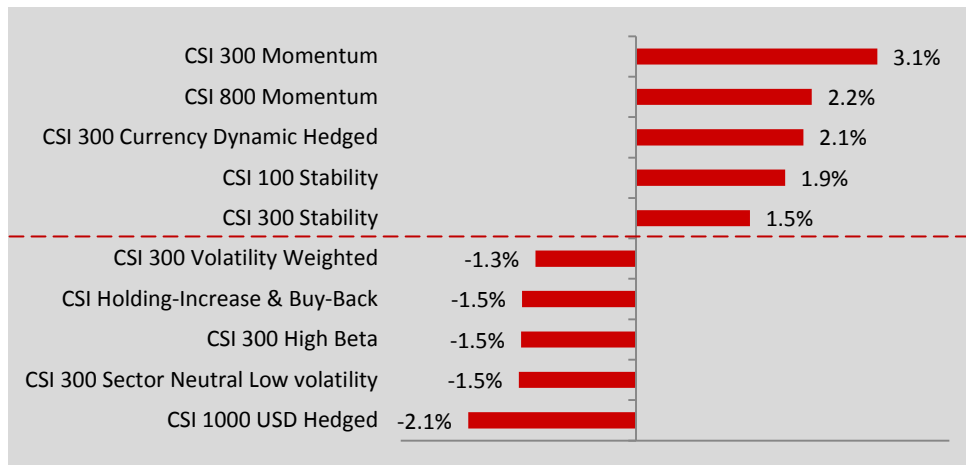


[*] The smart beta indices are not necessarily based on the CSI 500 universe.

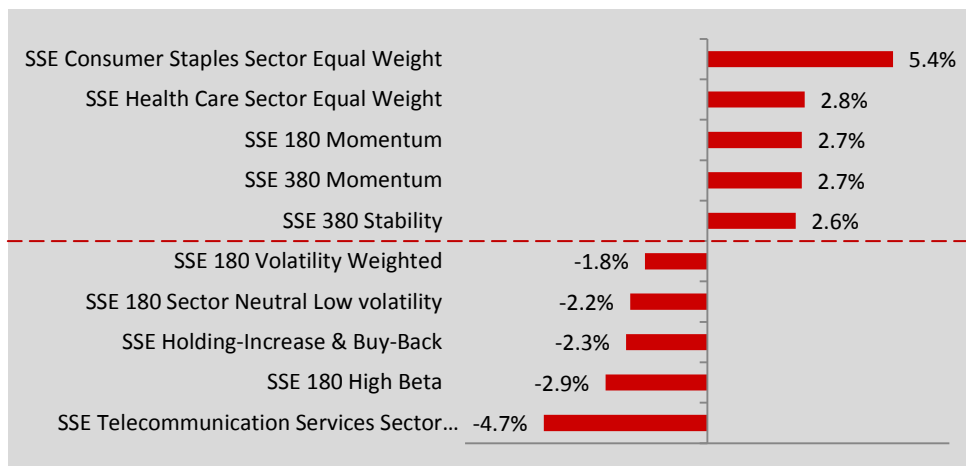
CSI & SSE Leveraged/Inversed Indices



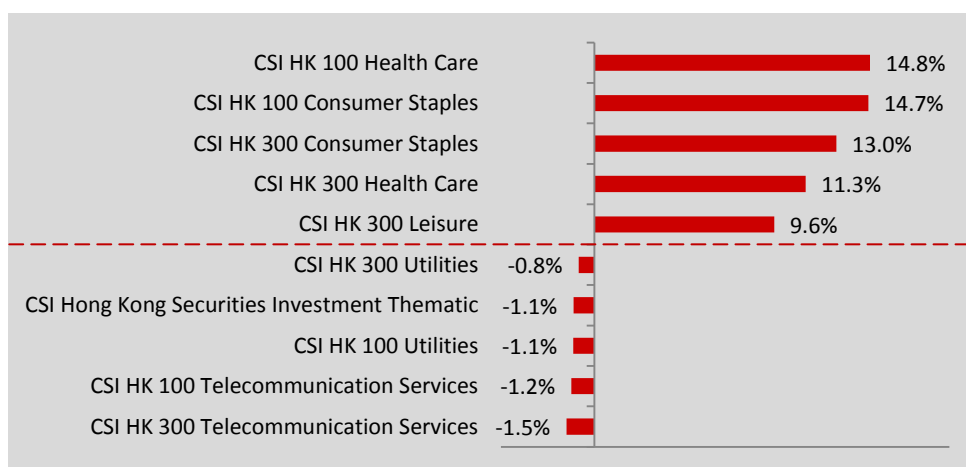
CSI Strategy Indices: Top & Bottom Performers



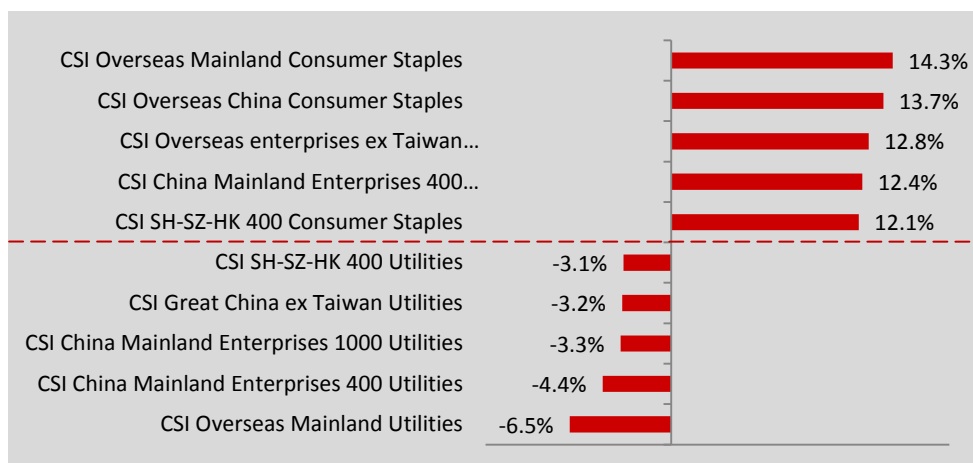
SSE Strategy Indices: Top & Bottom Performers



CSI Overseas Indices (HK Series, in HKD): Top & Bottom Performers



CSI Overseas Indices (Other Series, in CNY): Top & Bottom Performers



CSI&SSE Major Bond Indices

Index	Close	1M	YTD	Duration	Modified Duration	Convexity	YTM
CSI Universal Bond	167.86	0.25%	0.28%	3.93	3.78	18.26	4.87
CSI Aggregate Bond	175.00	0.25%	-0.34%	4.62	4.45	21.84	4.84
CSI 1 Bond	151.68	0.24%	3.22%	0.45	0.43	0.33	4.73
CSI Aggregate Bond (1-3)	170.89	0.29%	2.22%	1.89	1.81	2.67	4.96
CSI Aggregate Bond (3-7)	178.26	0.33%	0.24%	3.97	3.80	9.94	4.81
CSI Aggregate Bond (7-10)	170.18	0.27%	-3.45%	7.17	6.90	29.48	4.69
CSI Aggregate Bond (10+)	172.56	-0.27%	-6.37%	13.47	13.07	131.97	4.80
CSI Treasury Bond	166.89	0.22%	-1.87%	6.35	6.19	41.90	4.02
CSI Financial Bond	169.86	0.18%	-0.64%	4.30	4.11	15.52	4.86
CSI Corporate Bond	196.18	0.36%	1.30%	3.27	3.10	8.81	5.63
CSI Short Term Note	155.24	0.27%	4.23%	0.36	0.34	0.24	5.94
CSI 50 Bond	143.70	0.32%	-1.42%	4.78	4.58	16.77	4.60
CSI Medium Term Note 50	137.00	0.59%	0.49%	2.47	2.33	4.26	6.15
CSI Short Term Note 50	138.33	0.21%	3.43%	0.25	0.23	0.15	5.68
SSE Corporate Bond 30	142.34	0.20%	0.09%	-	-	-	-
SSE Convertible Bond	266.29	0.79%	0.79%	-	-	-	-

Disclaimer

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