

## 2017 Semi-annual CSI&SSE A-Share Index Review

### A-Share Market Review

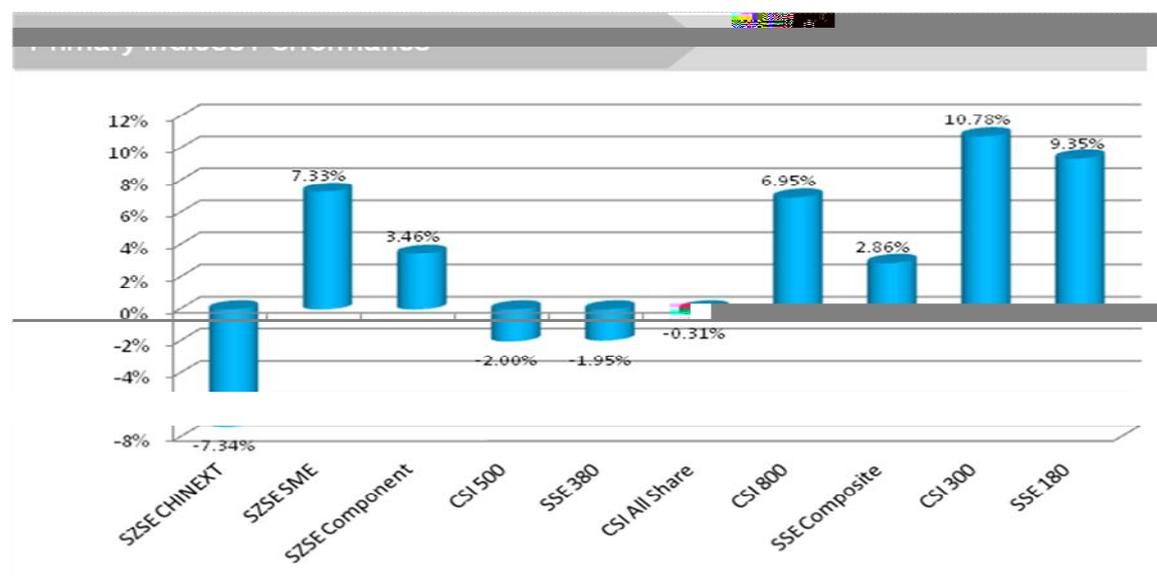
China's A-share market showed differentiation during the first half of 2017, strict supervision and deleveraging went throughout the market. At the beginning of the year, the Central Bank's monetary policy returned to neutral with a deep decline in SZSE SME and SZSE CHNEX, the SZSE CHNEX fell for 8 days, reaching its lowest point since September 2015. In February, due to the first loosening of the index futures and the good performance of main macroeconomic indicators, the Shanghai and Shenzhen markets rose comprehensively. With the convening of the NPC & CPPCC and the steady opening of bond market, the two markets remained stable in March. However, the markets tumbled in April, and in May they diverged again, the small cap stocks continued to fall. In June, although A-shares were included in the MSCI market, the overall market reaction was flat. The semi-annual growth rate of SSE Composite, CSI 300 and SZSE SME are 2.86%, 10.78%, 7.33% respectively, only SZSE CHINEXT dropped 7.34%.

### A-Share Market Overview



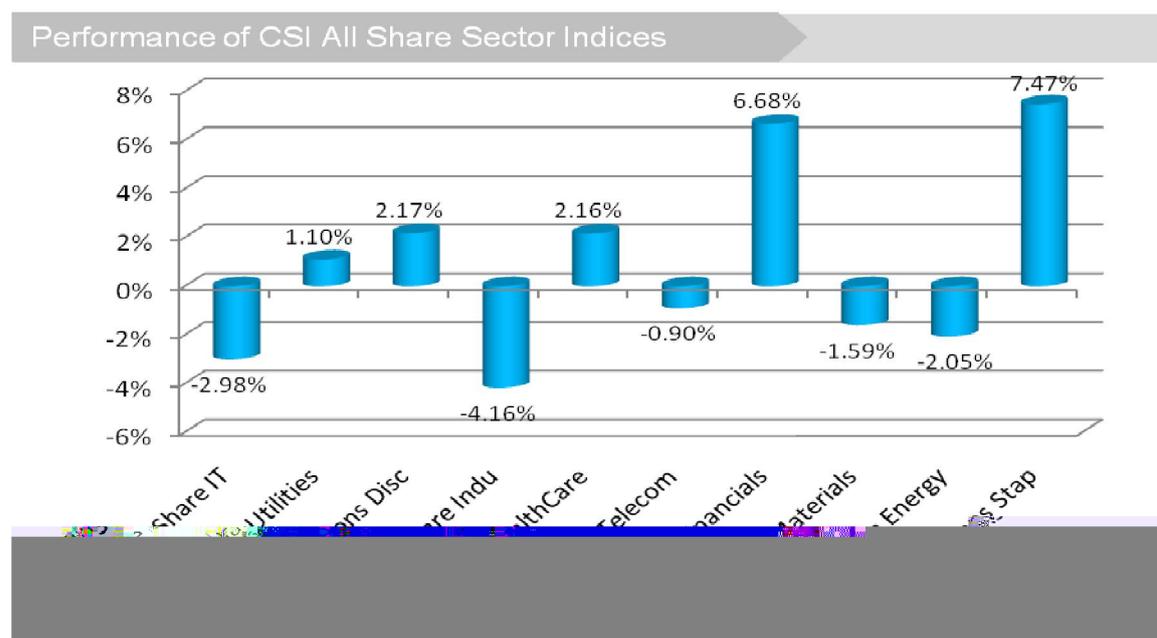
## Performance of Primary Indices

In the first half of 2017, The CSI 300 Index topped the list with a 10.78% percent increase, following the SSE 180 Index, SZSE SME, and CSI 800 Index. SZSE CHINEXT was the worst performer with a 7.34% decrease.



## Performance of CSI Sector Indices

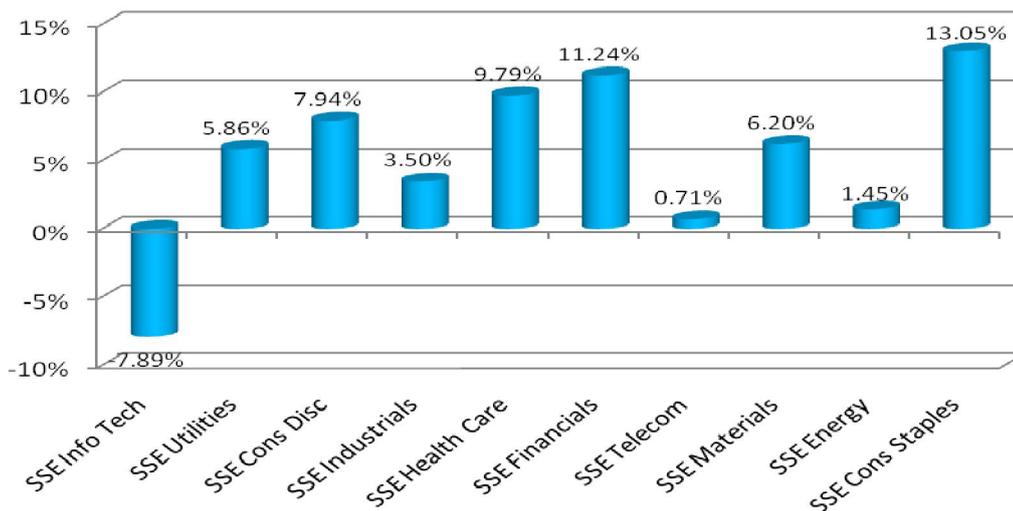
In the first half of the year, the sector indices showed significant differentiation. Consumer staples and financials sectors had the best trends, the semi-annual growth rates were 7.47% and 6.68% respectively. While CSI All Share Industrials Index ranked in the bottom with a 4.16% decrease.



## Performance of SSE Sector Indices

Among SSE index series, SSE Cons Staples Index topped the list with a 13.05% increase, following the SSE Financials Sector Index. On the other hand, SSE Info Tech Index fell by 7.89%.

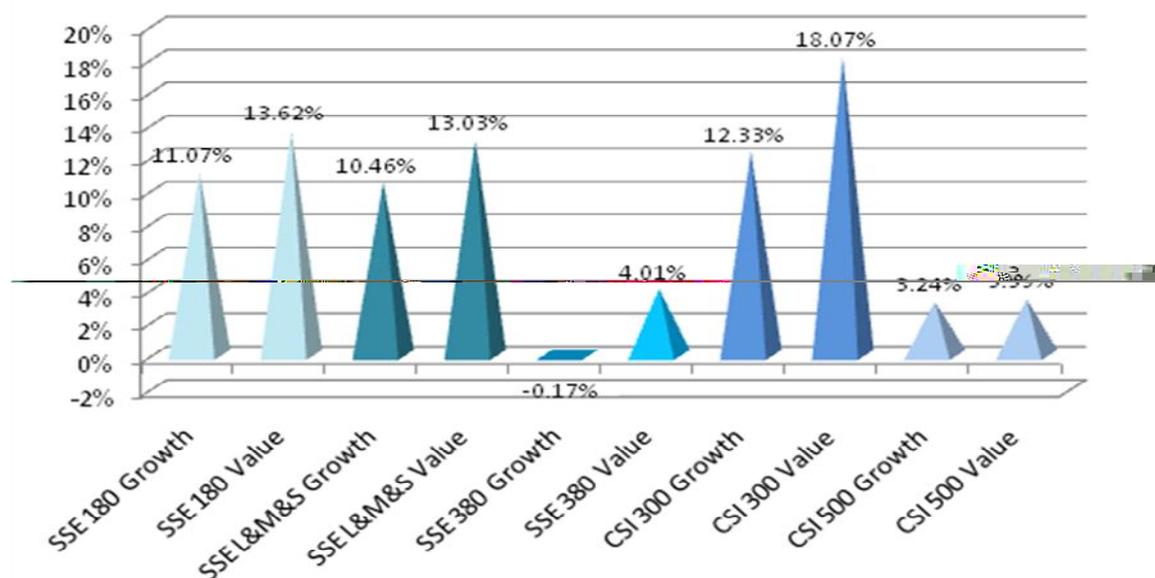
Performance of SSE Sector Indices



## Performance of Style Indices

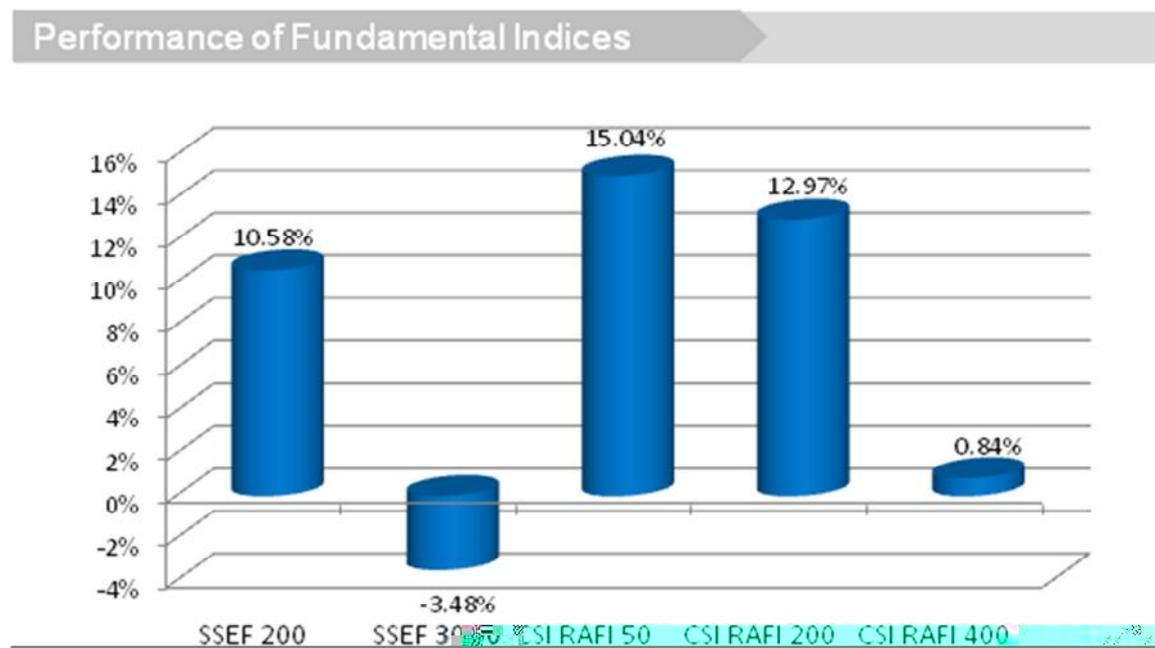
In the first half year of 2017, all 5 value-style indices performed better than the growth-style indices, out of which the CSI 300 style indices and SSE 180 style indices performed best.

Performance of Style Indices



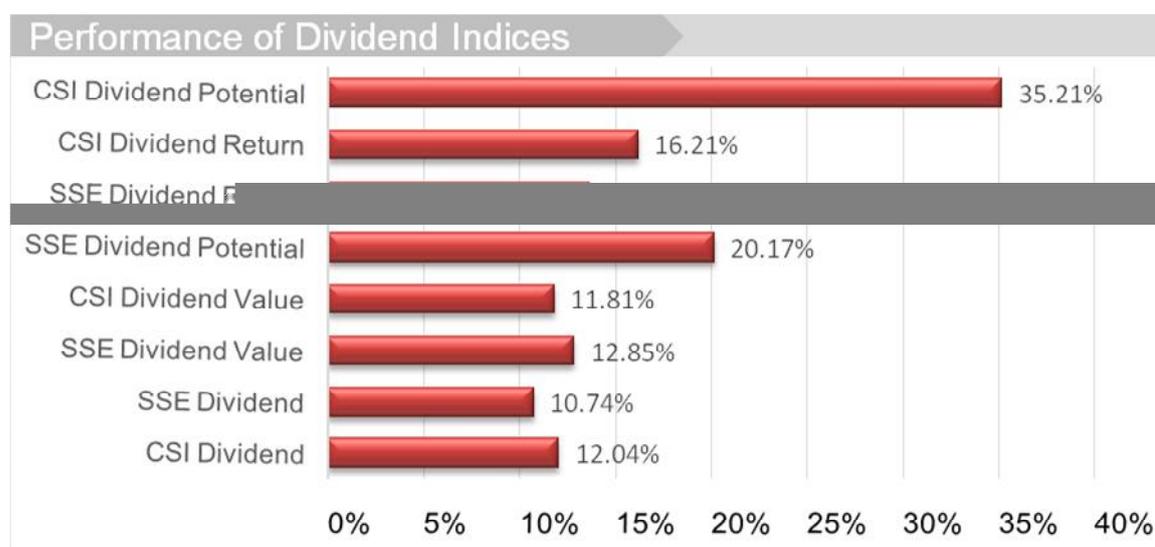
## Performance of Fundamental Indices

In this half year, the CSI RAFI 50 Index had the best performance with a 15.04% increase. However, the fundamental indices with small cap stocks as constituents such as SSE F300 and CSI RAFI 400 had worst growth rate. Especially SSE F300 Index, the growth rate reached -3.48%.



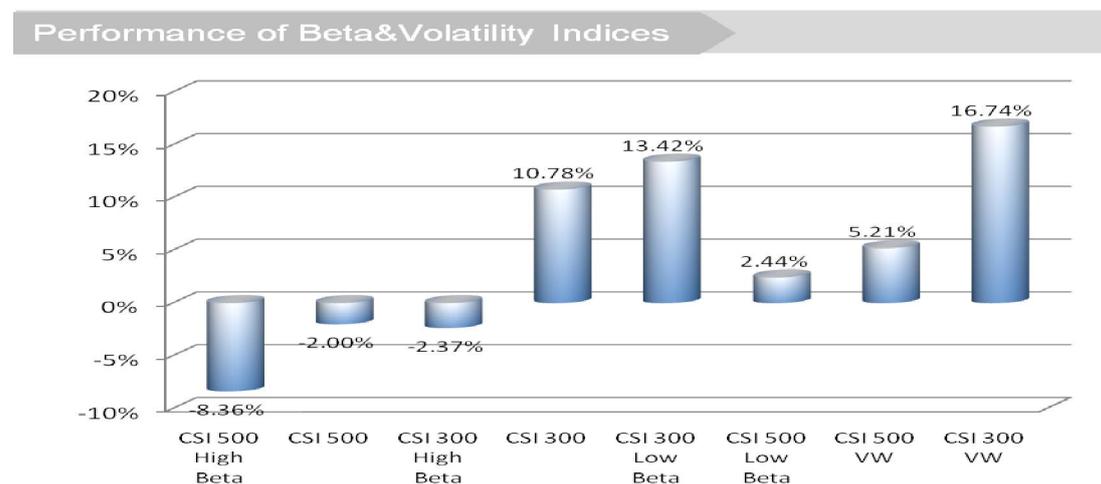
## Performance of Dividend Indices

During this period, all Dividend Indices increased, and CSI Dividend Potential Index had the best growth rate of 35.21%.



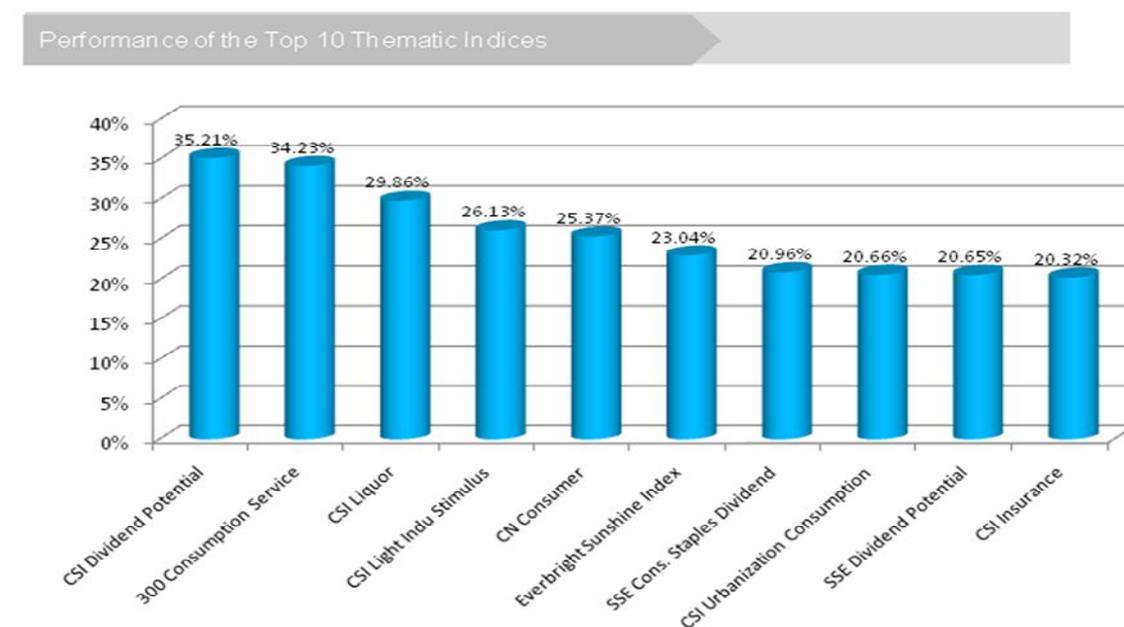
## Performance of Beta and Volatility indices

In the first half of 2017, the Low Beta and Volatility indices performed better than their mother indices, but the High Beta indices did not. And the CSI 300 Volatility Weighted Index topped the list with a 16.74% increase.



## Performance of Thematic indices

In the first half of 2017, CSI Dividend Potential Index had the most excellent performance, followed by 300 Consumption Service Index and Liquor sector. Notably, CSI Dividend Potential Index and 300 Consumption Service Index had the relative highest growth rates of 35.21% and 34.23% respectively.



Yet, there still were many sector & thematic indices fell behind of the market benchmark, most of these indices concentrated in culture, sports and national defense sectors.

Performance of the last 10 Thematic Indices

