

Exploring the S&P China A-Share LargeCap High Yield 50 Index

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Introduction

In the China A-share market, dividend strategies may help market participants pursue income distribution while participating in equity market performance. However, screening solely for high dividend yield may expose market participants to yield traps: companies whose elevated yield reflects share price weakness rather than sustainable dividend distributions. This is where index design may help address the challenge. A rules-based index methodology can incorporate yield and price momentum criteria to seek a more balanced high dividend yield index approach.

This paper introduces the [S&P China A-Share LargeCap High Yield 50 Index](#), which measures the performance of 50 stocks with high dividend yield and strong price momentum within the [S&P China A Domestic LargeCap](#) universe. The index is weighted by trailing 12-month dividend yield and includes diversification constraints at the stock and sector levels. Our analysis reviews the index methodology, historical performance, market environment behavior, fundamentals, sector profile and hypothetical implications when combined with the CSI 300 Index.

Index Construction

On May 25, 2026, S&P DJI launched the S&P China A-Share LargeCap High Yield 50 Index. Under the index methodology, the initial universe comprises the 100 stocks with the highest dividend yields from the S&P China A Domestic LargeCap, a benchmark that measures the top 70% of the float-adjusted market capitalization (FMC) of the China A-share market. After applying basic size, liquidity and trading history requirements, the index excludes the 50 stocks with the weakest price momentum from this high yield universe. The remaining 50 stocks form the final index constituents and are weighted by dividend yield, subject to single-stock and GICS® sector capping constraints. The index is rebalanced semiannually in January and July. Exhibit 1 summarizes the index methodology.

Exhibit 1: S&P China A-Share LargeCap High Yield 50 Index Methodology

Criteria	Specification
Universe	S&P China A Domestic LargeCap
Size and Liquidity	Trading History: Constituents have been issued for at least one calendar year and have traded for at least 180 days over the trailing 12 months prior to the rebalancing reference date Liquidity: Constituents have a three-month median daily trading value of RMB 20 million FMC: Constituents have an FMC of RMB 1 billion
Selection	1. Rank all eligible stocks from the index universe in descending order by trailing 12-month dividend yield 2. Select the top 100 stocks, with no more than 20 stocks from a single GICS Sector. Current constituents are retained if their dividend yield ranks among the top 150 3. Rank the 100 selected stocks in descending order by momentum value, calculated as the six-month price change. Select the top 50 stocks with the highest momentum value. Current constituents are retained if their momentum ranks among the top 60
Weighting	Weighted by trailing 12-month dividend yield
Constituent Capping	5% cap and 0.05% floor for individual constituents 30% cap on a single GICS sector
Rebalancing	Semiannual, effective on the last business day of January and July
First Value Date	Jan. 30, 2015
Launch Date	May 25, 2026

Source: S&P Dow Jones Indices LLC. Data as of June 30, 2026. Table is provided for illustrative purposes. For more information, please see the [S&P China A-Share LargeCap High Yield 50 Index Methodology](#).

The key differentiator of the index design, compared with other dividend indices, is the momentum screen. Momentum generally measures how a stock's price changes over a specified period; strong price returns indicate positive momentum, while weak price returns indicate negative momentum. Momentum is a widely researched factor in financial literature and can be traced back to Jegadeesh and Titman,¹ who demonstrated that stocks that performed well or poorly over a 3- to 12-month period tended to continue performing well or poorly over the subsequent 3 to 12 months.

¹ Jegadeesh, N. and Titman, S. (1993), "[Returns to Buying Winners and Selling Losers: Implications for Stock Market Efficiency](#)," The Journal of Finance, 48: 65-91.

In this application, the momentum screen is used within a large-cap, high dividend yield universe. Screening out the 50 stocks with the weakest momentum aims to avoid stocks whose high dividend yields may be primarily the result of falling prices. Dividend data tend to be updated less frequently than price data, so a stock may appear to offer a high dividend yield because its price has declined while the dividend amount reflects a payment from several months earlier. For example, China Fortune Land Development paid a dividend of RMB 0.923 on July 12, 2019, when its price was RMB 23.38, implying a dividend yield of 3.95%. Its price then declined to RMB 17.58 by June 30, 2020, implying a dividend yield of 5.25%, purely as a result of the 25% price decline. This does not mean every stock screened out will subsequently perform poorly; rather, the screen is intended to identify high-dividend-yielding stocks whose yields are less likely to reflect recent price declines. The performance implications are discussed in the following section.

Historical Performance

The back-tested history of the S&P China A-Share LargeCap High Yield 50 Index provides insight into its performance over the past decade. As shown in Exhibit 2, from Jan. 31, 2015, to June 30, 2026, the index outperformed the CSI 300 Index, exceeding the benchmark by an annualized 5.8% gain over the full period.

China A-shares posted gains over the one-year period ending June 30, 2026, a period in which dividend-focused indices tended to underperform. Across longer horizons ranging from 3- to 10-year periods, the S&P China A-Share LargeCap High Yield 50 Index consistently outperformed the CSI 300 Index, as illustrated in Exhibit 2. Moreover, the index demonstrated lower volatility than the CSI 300 Index across different sample periods, even without explicit volatility control measures. As a result, the S&P China A-Share LargeCap High Yield 50 Index historically had a stronger risk-adjusted performance profile relative to the CSI 300 Index.

Looking at price returns from Jan. 31, 2015, to June 30, 2026, the S&P China A-Share LargeCap High Yield 50 Index had an annualized price return of 6.93%, outperforming the CSI 300 Index's 3.31%. Dividends and reinvestment also contributed significantly to the index's total return, adding 4.54%, compared with 2.35% for the CSI 300 Index. This indicates that the S&P China A-Share LargeCap High Yield 50 Index's total return was driven by both dividend contributions and capital appreciation during the period.

How did the momentum screen contribute to historical performance? The index construction can be viewed in two steps: first, creating a 100-stock high-yield basket, and second, excluding the weakest-momentum stocks. For the 100-stock high-yield basket, the S&P China A-Share LargeCap Low Volatility High Dividend 50 – High Dividend 100 Index can be used as a proxy. This attribution index follows the same dividend-yield selection process as the S&P China A-Share LargeCap High Yield 50 Index up to the 100-stock high-yield stage. The historically

excluded low-momentum stocks can then be equal weighted to form a momentum exclusion basket for comparison. Exhibit 2 shows that the S&P China A-Share LargeCap Low Volatility High Dividend 50 – High Dividend 100 Index slightly outperformed the CSI 300 Index over the full period but lagged the S&P China A-Share LargeCap High Yield 50 Index by an annualized 4.89%. The momentum exclusion basket had an annualized gain of only 3.13% in the back-tested period. Historically, excluding low-momentum stocks from the S&P China A-Share LargeCap Low Volatility High Dividend 50 – High Dividend 100 Index was associated with stronger back-tested performance and lower volatility.

Exhibit 2: Back-Tested Historical Performance of the S&P China A-Share LargeCap High Yield 50 Index versus the CSI 300 Index and Attribution Index

Period	CSI 300 Index	S&P China A-Share LargeCap High Yield 50 Index	S&P China A-Share LargeCap Low Volatility High Dividend 50 – High Dividend 100 Index	Momentum Exclusion
Annualized Compounded Return (%)				
Full Period	5.66	11.46	6.57	3.13
1-Year	29.65	10.13	6.50	3.97
3-Year	12.02	12.63	9.51	4.64
5-Year	1.57	11.47	6.82	2.23
10-Year	7.13	12.65	7.11	3.09
Annualized Standard Deviation (%)				
Full Period	20.18	19.03	18.38	19.73
1-Year	14.75	13.48	14.52	15.00
3-Year	18.00	14.72	16.41	20.49
5-Year	18.27	15.32	16.46	19.68
10-Year	17.33	14.85	15.56	17.54
Risk-Adjusted Performance (%)				
Full Period	0.28	0.60	0.36	0.16
1-Year	2.01	0.75	0.45	0.26
3-Year	0.67	0.86	0.58	0.23
5-Year	0.09	0.75	0.41	0.11
10-Year	0.41	0.85	0.46	0.18
Annualized Compounded Price Return (%)				
Full Period	3.31	6.93	2.21	-
Return from Dividends and Reinvestments (%)				
Full Period	2.35	4.54	4.36	-
% of Total Return from Dividends and Reinvestments				
Full Period	41.57	39.56	66.34	-

The Momentum Exclusion is a hypothetical back-tested portfolio based on stocks being excluded by the momentum screen. Source: S&P Dow Jones Indices LLC, FactSet. Data from Jan. 31, 2015, to June 30, 2026. Index performance based on total return in CNY. The S&P China A-Share LargeCap High Yield 50 Index was launched May 25, 2026. The S&P China A-Share LargeCap Low Volatility High Dividend 50 – High Dividend 100 Index (CNY) was launched Jan. 23, 2019. All data prior to such date is back-tested hypothetical data. Past performance is no guarantee of future results. Table is provided for illustrative purposes and reflects hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

Performance across Market Environments

Over the period from Jan. 31, 2015, to June 30, 2026, the S&P China A-Share LargeCap High Yield 50 Index consistently outperformed the CSI 300 Index across various market conditions. While the index surpassed the CSI 300 Index 46.25% of the time in up months, it also outperformed 77.19% of the time in down months.

Over all months, the S&P China A-Share LargeCap High Yield 50 Index outperformed the CSI 300 Index by 0.43%. During up months, the index underperformed by an average of 0.41%. However, the index exhibited defensive characteristics during down months, when it outperformed by an average of 0.84%. This indicates that a significant portion of the index's overall outperformance came during market downturns (see Exhibit 3), consistent with the historical tendency of dividend yield indices to be more defensive in nature.

Exhibit 3: Back-Tested Performance of the S&P China A-Share LargeCap High Yield 50 Index versus the CSI 300 Index during Up and Down Markets

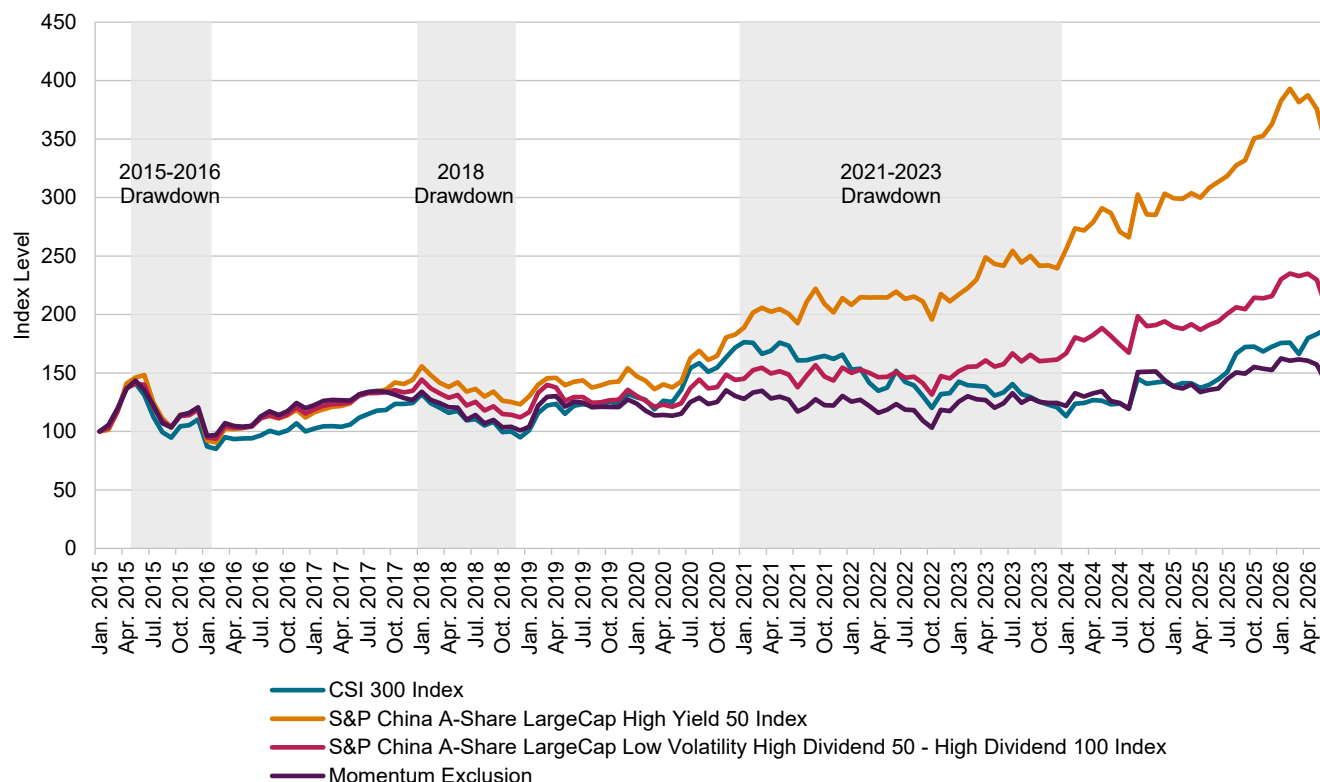
Period	Hit Rate (%)	Monthly Outperformance (%)
All Months	59.12	0.43
Up Months	46.25	-0.41
Down Months	77.19	0.84

Source: S&P Dow Jones Indices LLC, FactSet. Data from Jan. 31, 2015, to June 30, 2026. Index performance based on total return in CNY. The S&P China A-Share LargeCap High Yield 50 Index was launched May 25, 2026. All data prior to such date is back-tested hypothetical data. Past performance is no guarantee of future results. Table is provided for illustrative purposes and reflects hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

Exhibit 4 shows the growth of historical index levels for both the CSI 300 Index and the S&P China A-Share LargeCap High Yield 50 Index. The shaded gray areas represent the three major drawdown events experienced in the China A-share market during this period, which divide the full history into seven distinct performance subperiods.

Although Exhibit 4 indicates that, on average, the S&P China A-Share LargeCap High Yield 50 Index underperformed during up markets, the actual outcomes varied across different observation periods. For instance, between Feb. 29, 2016, and Jan. 31, 2018, while the CSI 300 Index rose 55.06%, the S&P China A-Share LargeCap High Yield 50 Index outperformed by 17.09%, posting a 72.15% increase. On the other hand, between Jan. 31, 2024, and June 30, 2026, the index lagged the CSI 300 Index by 30.83%, while the CSI 300 Index increased 65.82%. This example highlights the difference between historical statistical averages and time-series outcomes, as the drivers of performance during different market cycles may vary. The observation that a dividend strategy tended to underperform during up markets might be statistically correct, but that pattern may not necessarily hold in every market cycle.

Exhibit 4: Back-Tested Historical Index Levels of the S&P China A-Share LargeCap High Yield 50 Index versus the CSI 300 Index



The Momentum Exclusion is a hypothetical back-tested portfolio based on stocks being excluded by the momentum screen. Source: S&P Dow Jones Indices LLC, FactSet. Data from Jan. 31, 2015, to June 30, 2026. Index performance based on total return in CNY. The S&P China A-Share LargeCap High Yield 50 Index was launched May 25, 2026. The S&P China A-Share LargeCap Low Volatility High Dividend 50 – High Dividend 100 Index (CNY) was launched Jan. 23, 2019. All data prior to such date is back-tested hypothetical data. Past performance is no guarantee of future results. Chart is provided for illustrative purposes and reflects hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

Next, we explored whether extending the historical investment horizon would mitigate the cyclicity of performance over time. Exhibit 5 illustrates the variation in rolling 3-, 5- and 10-year outperformance of the S&P China A-Share LargeCap High Yield 50 Index compared with the CSI 300 Index.

The back-tested data show that longer performance measurement periods were associated with a higher frequency of outperformance relative to the underlying benchmark. Over the period from Jan. 31, 2015, to June 30, 2026, observations spanning a three-year performance horizon totaled 102 instances. During this timeframe, the S&P China A-Share LargeCap High Yield 50 Index outperformed the CSI 300 Index in 81.4% of cases, yielding an average annualized outperformance of 7.93%.

Expanding the sample horizon to 5 or 10 years revealed an even stronger pattern. In 92.3% of observed instances over the five-year period, the S&P China A-Share LargeCap High Yield 50 Index outperformed the CSI 300 Index, with an average annualized outperformance of 7.87%.

These findings indicate that, over the periods examined, longer measurement horizons were associated with stronger relative performance outcomes.

Exhibit 5: Back-Tested Rolling Performance Observations of the S&P China A-Share LargeCap High Yield 50 Index

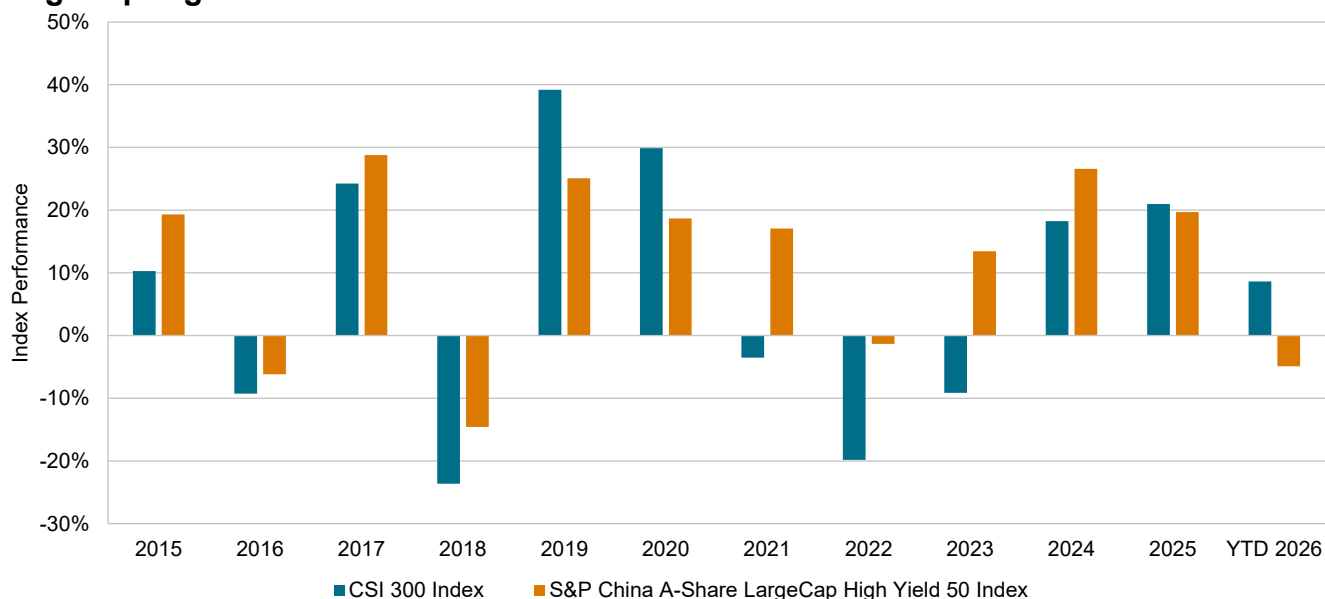
Rolling Premium	S&P China A-Share LargeCap High Yield 50
3-Year	
Number of Observations	102
Number of Outperformance Observations	83
Percentage of Outperformance Observations	81.4
Average Outperformance (%)	7.93
5-Year	
Number of Observations	78
Number of Outperformance Observations	72
Percentage of Outperformance Observations	92.3
Average Outperformance (%)	7.87
10-Year	
Number of Observations	18
Number of Outperformance Observations	18
Percentage of Outperformance Observations	100
Average Outperformance (%)	7.34

Source: S&P Dow Jones Indices LLC, FactSet. Data from Jan. 31, 2015, to June 30, 2026. Index performance based on total return in CNY. The S&P China A-Share LargeCap High Yield 50 Index was launched May 25, 2026. All data prior to such date is back-tested hypothetical data. Past performance is no guarantee of future results. Table is provided for illustrative purposes and reflects hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

Performance Attribution

Over the past decade, the S&P China A-Share LargeCap High Yield 50 Index demonstrated strong overall performance, despite periods of underperformance in 2019 and 2020. After underperforming the CSI 300 Index by 11.21% in 2020, the index posted a strong rebound beginning in 2021, demonstrating resilience amid a challenging broader China A-share equity market environment (see Exhibit 6). However, as China A-shares began to rebound in 2024, the S&P China A-Share LargeCap High Yield 50 Index experienced another cycle of underperformance.

Exhibit 6: Calendar Year Performance of the CSI 300 Index and S&P China A-Share LargeCap High Yield 50 Index



Source: S&P Dow Jones Indices LLC, FactSet. Data from Jan. 31, 2015, to June 30, 2026. Index performance based on total return in CNY. The S&P China A-Share LargeCap High Yield 50 Index was launched May 25, 2026. All data prior to such date is back-tested hypothetical data. Past performance is no guarantee of future results. Chart is provided for illustrative purposes and reflects hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

A closer examination of the recent underperformance in the period from February 2024 to June 2026 provides additional context, as shown in Exhibit 7. In the attribution analysis, the S&P China A Domestic LargeCap is used as a proxy for the CSI 300 Index. The S&P China A-Share LargeCap High Yield 50 Index's performance during this period can be attributed to several factors. First, the lack of weight in Information Technology contributed significantly to underperformance, given the sector's strong run during the period. Companies such as Zhongji Innolight, Eoptolink Technology and Cambricon Technologies generated strong performance, contributing to the CSI 300 Index's outperformance relative to the S&P China A-Share LargeCap High Yield 50 Index. Second, the latter index's overweight in Energy detracted from performance, as positions such as Shanxi Li'An Environment Energy Development, Shaanxi Coal Industry and Yankuang Energy Group generated losses, as shown by the attribution effect. Finally, stock selection within Industrials, including the overweight in Ningbo Sanxing Medical Electric and the exclusion of Contemporary Amperex Technology, also contributed to underperformance. Overall, the drivers of underperformance were attributable to both sector weighting and stock selection effects.

Exhibit 7: Three-Factor Brinson Performance Attribution

Sector	S&P China A-Share LargeCap High Yield 50 Index		S&P China A Domestic LargeCap		Attribution Analysis			
	Average Weight (%)	Total Return (%)	Average Weight (%)	Total Return (%)	Allocation Effect (%)	Selection Effect (%)	Interaction Effect (%)	Total Effect (%)
Information Technology	1.25	81.06	19.32	250.39	-19.72	-15.09	11.97	-22.84
Energy	13.25	25.91	2.84	23.64	-7.88	0.15	-2.79	-10.52
Industrials	18.96	4.92	16.36	60.86	-0.09	-9.87	-0.36	-10.32
Materials	14.82	16.52	10.08	85.65	2.30	-6.69	-0.54	-4.92
Consumer Discretionary	7.54	12.83	7.34	15.06	-1.35	-0.38	0.21	-1.52
Utilities	3.28	3.14	3.58	10.22	-0.50	-0.07	-0.22	-0.79
Communication Services	6.38	17.10	2.15	9.27	-1.34	0.29	0.98	-0.07
Real Estate	2.42	29.65	1.01	-36.62	-1.81	0.64	1.11	-0.07
Financials	26.23	37.87	21.81	35.62	-0.66	0.80	0.63	0.76
Health Care	0.45	36.18	6.42	4.36	3.84	1.13	-0.75	4.22
Consumer Staples	5.42	62.34	9.09	-20.24	1.84	8.07	-0.49	9.42
Total	100.00	25.22	100.00	61.86	-25.37	-21.03	9.75	-36.65

Source: S&P Dow Jones Indices LLC, FactSet. Data from Jan. 31, 2015, to June 30, 2026. Index performance based on total return in CNY. The S&P China A-Share LargeCap High Yield 50 Index was launched May 25, 2026. The S&P China A Domestic LargeCap was launched Nov. 27, 2013. All data prior to such date is back-tested hypothetical data. Past performance is no guarantee of future results. Table is provided for illustrative purposes and reflects hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

A different way to examine performance attribution is through factor regression. We conducted a comprehensive six-factor regression analysis for the full sample period from February 2015 to March 2026. The analysis aimed to identify the underlying factors contributing to historical performance and assess the index's sensitivity to common equity factors.

The six factors considered in the regression analysis were market beta, size, value, profitability, investment and momentum. Monthly performance data for the six factors were sourced from BetaPlus,² a specialized entity focused on analyzing factor behavior within the China A-share market. Notably, the construction of five of the six factors followed the Fama-French five-factor model framework, while the momentum factor was constructed using the Carhart four-factor model framework.

Exhibit 8 provides a detailed overview of the factor regression output. Compared with the CSI 300 Index, the S&P China A-Share LargeCap High Yield 50 Index exhibited slightly lower market beta sensitivity and stronger sensitivity to the size, value and profitability factors. Unlike the S&P China A-Share LargeCap Low Volatility High Dividend 50 - High Dividend 100 Index, which had a negative momentum loading, the S&P China A-Share LargeCap High Yield

² BetaPlus: <https://www.factorwar.com/data/factor-models/>

50 Index had a momentum loading of 0. This is consistent with the momentum screen offsetting some of the negative momentum characteristics among high dividend yield stocks.

The 5.15% annualized alpha estimated by the six-factor regression, with a confidence interval exceeding 95% and a T-statistic of 2.28, is notable. This indicates that the index generated outperformance that was not attributable to the six common equity factors over the sample period, reflecting historical alpha generation and differentiated performance outcomes.

Exhibit 8: Six-Factor Regression

Category	CSI 300	S&P China A-Share LargeCap High Yield 50 Index	S&P China A-Share LargeCap Low Volatility High Dividend 50 – High Dividend 100 Index
Annualized Alpha (%)	-1.49	5.15	0.16
<i>T-Stats</i>	-1.68	2.28	0.09
Market Beta	1.07	1.02	1.01
<i>T-Stats</i>	71.95	26.79	35.77
Size	-0.28	-0.03	0.07
<i>T-Stats</i>	-12.05	-0.47	1.59
Value	-0.07	0.46	0.39
<i>T-Stats</i>	-2.22	5.61	6.50
Profitability	0.07	0.24	0.31
<i>T-Stats</i>	1.49	1.88	3.34
Investment	-0.05	0.07	0.10
<i>T-Stats</i>	-0.84	0.46	0.85
Momentum	-0.09	0.00	-0.16
<i>T-Stats</i>	-4.13	0.00	-4.03
R-Square	0.98	0.86	0.91

Source: S&P Dow Jones Indices LLC, FactSet, BetaPlus. Data from Jan. 31, 2015, to March 31, 2026. Index performance based on total return in CNY. Past performance is no guarantee of future results. The S&P China A-Share LargeCap High Yield 50 Index was launched May 25, 2026. The S&P China A-Share LargeCap Low Volatility High Dividend 50 – High Dividend 100 Index (CNY) was launched Jan. 23, 2019. All data prior to such date is back-tested hypothetical data. Table is provided for illustrative purposes and reflects hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

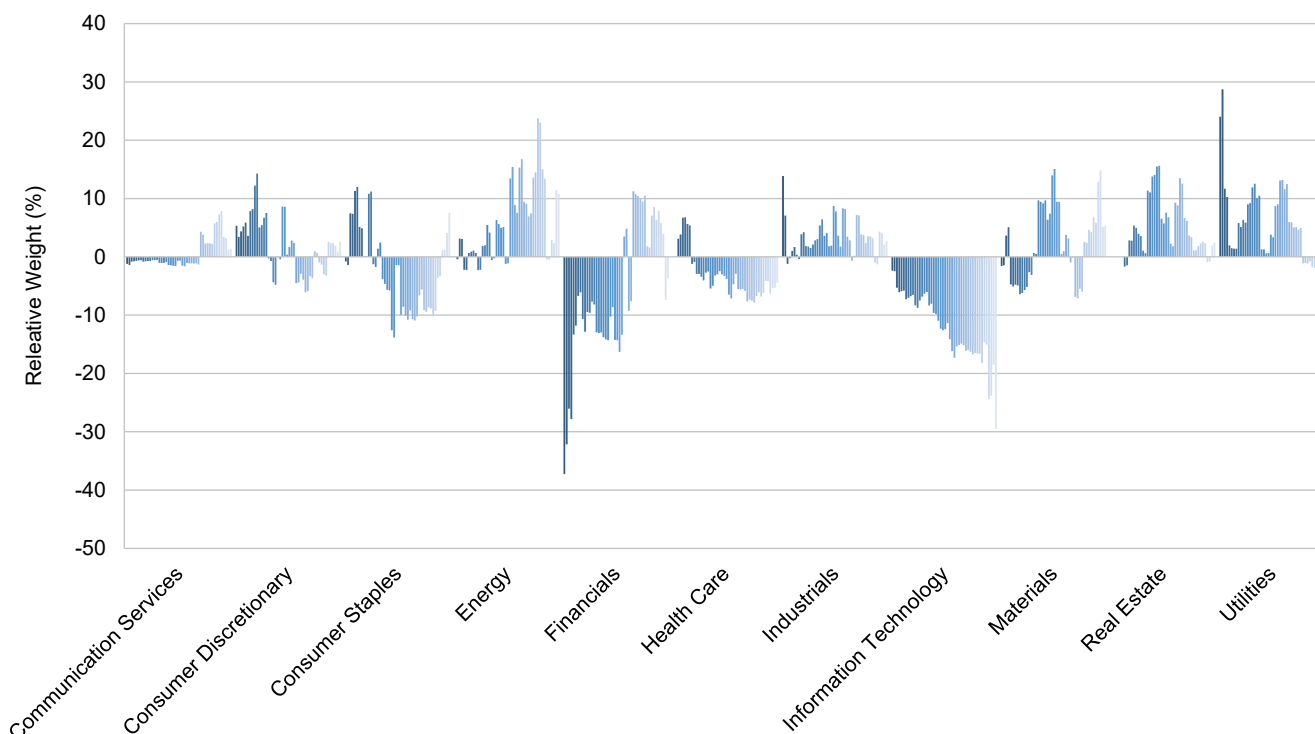
Sector Relative Weights

Exhibit 9 provides a detailed analysis of historical sector weights, highlighting the relative overweight and underweight positions of the GICS sectors within the S&P China A-Share LargeCap High Yield 50 Index compared with the S&P China A Domestic LargeCap. For each GICS sector, the exhibit presents a time series of the relative weight of the sector in the S&P China A-Share LargeCap High Yield 50 Index relative to the S&P China A Domestic LargeCap.

The historical data show persistent overweight to sectors such as Industrials, Energy, Real Estate and Utilities, while sectors such as Information Technology and Health Care tended to be underweight. Fluctuations in relative weights were observed in Communication Services, Consumer Discretionary, Consumer Staples, Materials and Financials.

As of June 30, 2026, Energy, Consumer Staples, Materials and Utilities were the most overweight sectors within the index. For a comprehensive historical GICS sector overview, please see Exhibit 14 in the Appendix.

Exhibit 9: Relative GICS Sector Weights of the S&P China A-Share LargeCap High Yield 50 Index against the S&P China A Domestic LargeCap



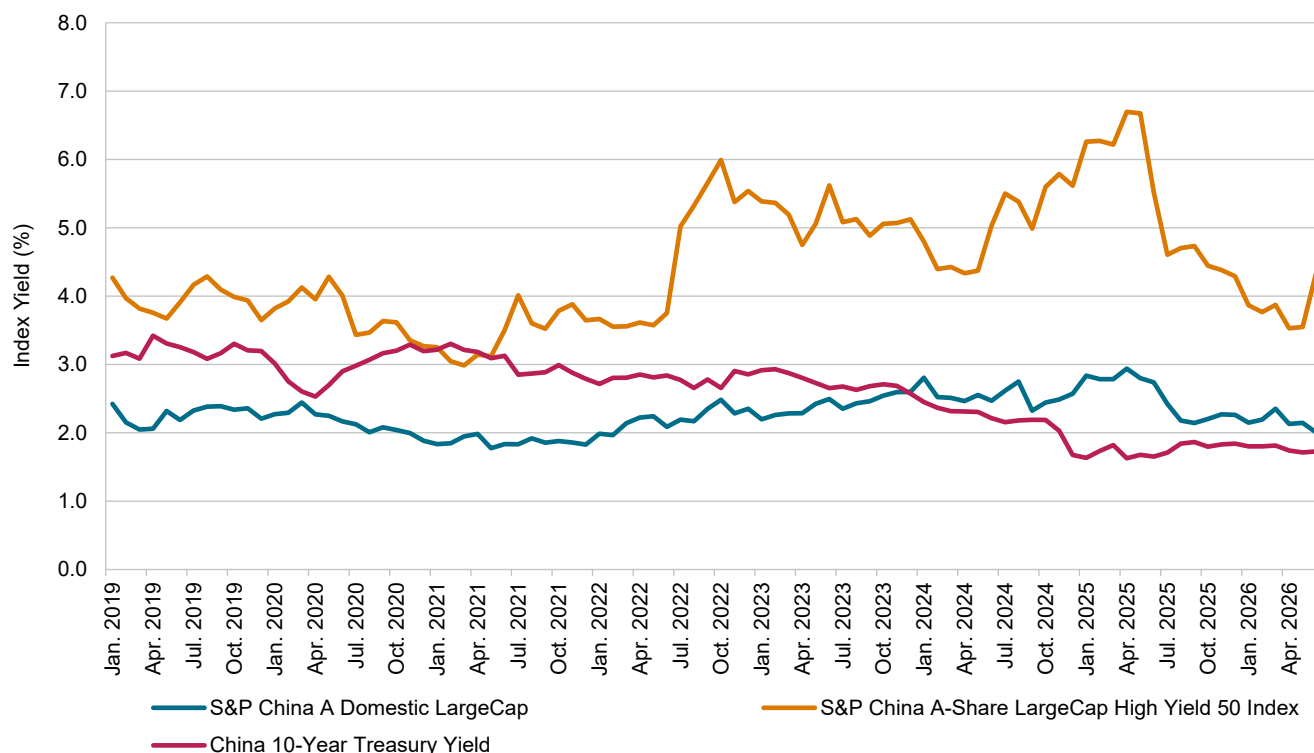
Source: S&P Dow Jones Indices LLC. Data from March 30, 2015, to June 30, 2026. The S&P China A-Share LargeCap High Yield 50 Index was launched May 25, 2026. The S&P China A Domestic LargeCap was launched Nov. 27, 2013. All data prior to such date is back-tested hypothetical data. Chart is provided for illustrative purposes and reflects hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

Dividend Yield and Valuations

The S&P China A-Share LargeCap High Yield 50 Index tended to generate higher dividend yields than both the S&P China A Domestic LargeCap and the China 10-year treasury yield over the period shown in Exhibit 10. As illustrated, the trailing 12-month dividend yield of the S&P China A-Share LargeCap High Yield 50 Index showed a strong upward trend between 2022 and 2025, declined afterward, and then picked up again in 2026.

In contrast, the China 10-year treasury yield followed a downward trajectory over the same period, while the broad market yield remained relatively stable at around 2%. This historical trend highlights the higher dividend yield of the index relative to the broad market and the China 10-year treasury yield, which may be particularly relevant in a market environment characterized by declining interest rates.

Exhibit 10: Yield Comparison



Source: S&P Dow Jones Indices LLC, FactSet. Data from Jan. 31, 2019, to June 30, 2026. The S&P China A-Share LargeCap High Yield 50 Index was launched May 25, 2026. The S&P China A Domestic LargeCap was launched Nov. 27, 2013. All data prior to such date is back-tested hypothetical data. Chart is provided for illustrative purposes and reflects hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

Exhibit 11 highlights the fundamental characteristics of the S&P China A-Share LargeCap High Yield 50 Index. The index was tilted toward companies with lower market capitalization. Additionally, it exhibited substantially lower valuations relative to the S&P China A Domestic LargeCap, along with slightly lower profitability metrics, such as ROE and ROA.

Exhibit 11: Historical Index Characteristics

Metric	S&P China A-Share LargeCap High Yield 50 Index	S&P China A Domestic LargeCap
As of June 30, 2026		
Market Cap (RMB Million)	294,325.29	463,333.45
Dividend Yield (%)	4.95	1.14
Price/Earnings	11.57	18.89
Price/Cash Flow	5.52	10.03
Price/Book	1.23	2.02
Price/Sales	1.01	1.80
ROE (%)	14.05	15.59
ROA (%)	6.46	8.42
Quarterly Average from March 31, 2015, to June 30, 2026		
Market Cap (RMB Million)	247,883.87	345,870.41
Dividend Yield (%)	3.90	1.37
Price/Earnings	10.10	14.58
Price/Cash Flow	5.35	6.98
Price/Book	1.31	1.79
Price/Sales	0.98	1.40
ROE (%)	15.32	15.43
ROA (%)	6.37	6.93

Source: S&P Dow Jones Indices LLC, FactSet. Data from March 31, 2015, to June 30, 2026. The S&P China A-Share LargeCap High Yield 50 Index was launched May 25, 2026. The S&P China A Domestic LargeCap was launched Nov. 27, 2013. All data prior to such date is back-tested hypothetical data. Table is provided for illustrative purposes and reflects hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

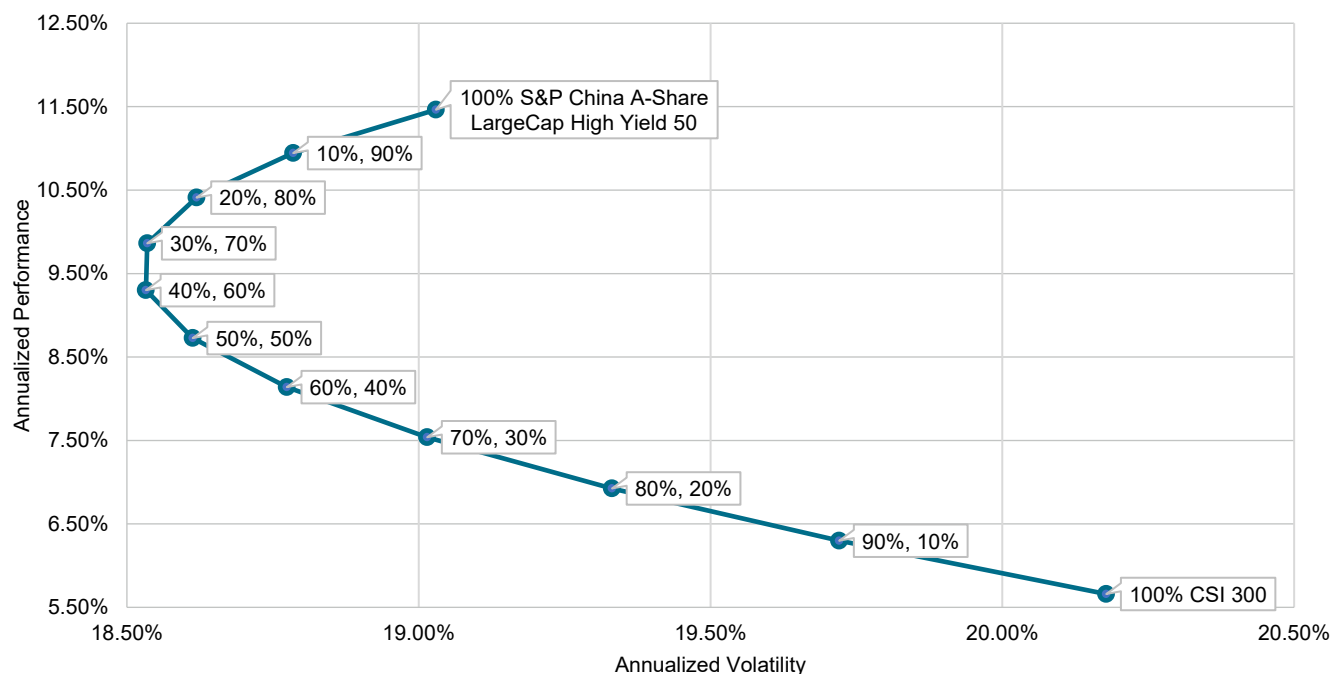
Hypothetical Combination with the CSI 300 Index

Incorporating a dividend strategy into a broad market strategy may result in different risk and performance characteristics. To illustrate, we examined the hypothetical outcomes of combining the S&P China A-Share LargeCap High Yield 50 Index with the CSI 300 Index. Over the period from Jan. 31, 2015, to June 30, 2026, a hypothetical portfolio with a 100% weight in the CSI 300 Index gained 5.66% annually, with annualized volatility of 20.18%.

Exhibit 12 presents the historical risk-adjusted performance resulting from introducing weights in the S&P China A-Share LargeCap High Yield 50 Index in 10% increments within a hypothetical CSI 300 Index composition. Historical data indicate that a 40/60 weighting increased hypothetical annual gains by 364 bps while reducing volatility by 165 bps. With further increases in the weight of the S&P China A-Share LargeCap High Yield 50 Index, historical risk-adjusted performance improved accordingly. In this back-tested analysis, the

hypothetical composition with a 100% weight in the S&P China A-Share LargeCap High Yield 50 Index demonstrated the strongest historical risk-adjusted performance.

Exhibit 12: Hypothetical Index Combination Risk/Performance Profile



All portfolios are hypothetical portfolios.

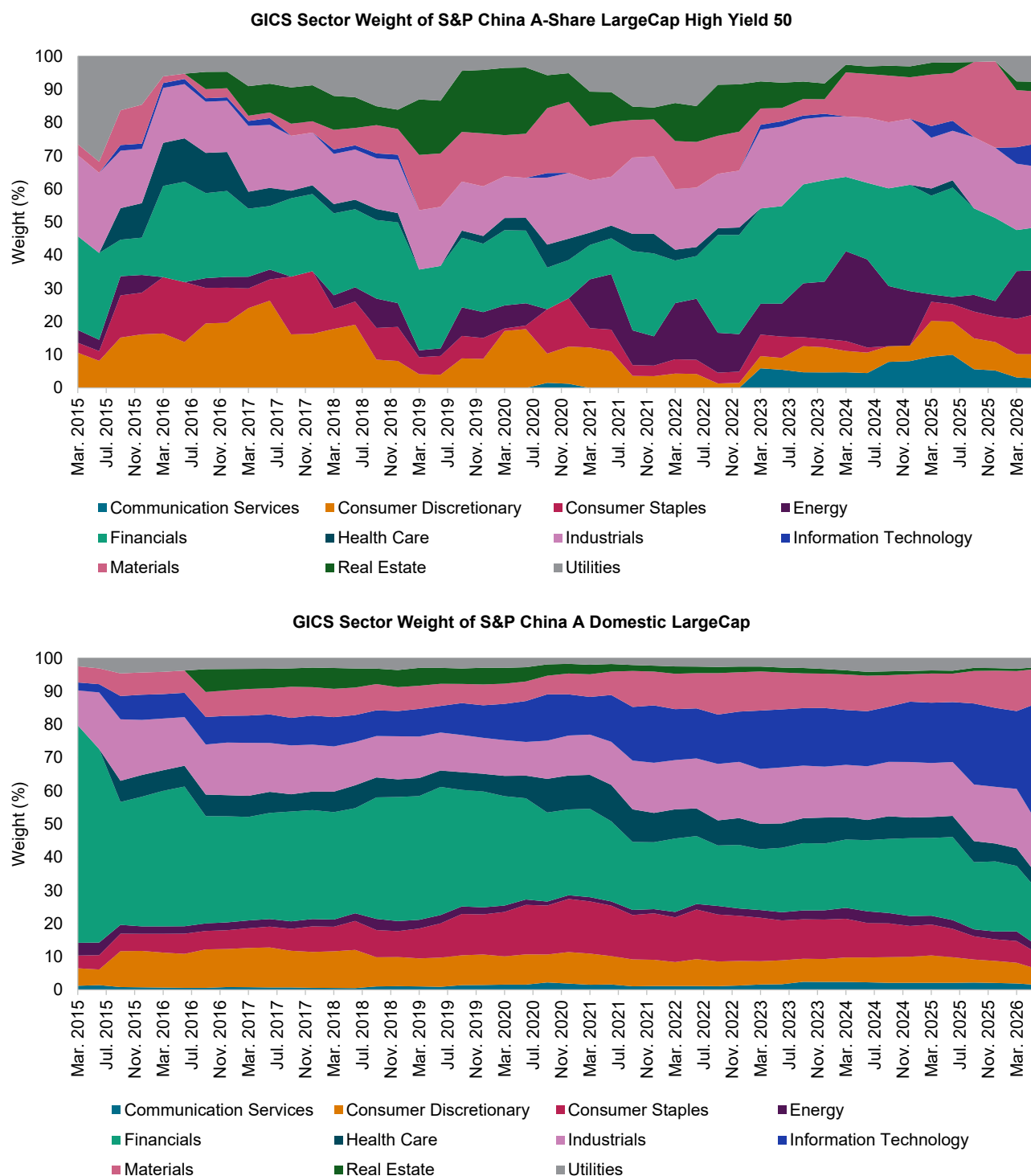
Source: S&P Dow Jones Indices LLC, FactSet. Data from Jan. 31, 2015, to June 30, 2026. Index performance is based on total return in CNY. The S&P China A-Share LargeCap High Yield 50 Index was launched May 25, 2026. All data prior to such date is back-tested hypothetical data. Past performance is no guarantee of future results. Chart is provided for illustrative purposes and reflects hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

Conclusion

The S&P China A-Share LargeCap High Yield 50 Index provides a rules-based approach to high dividend representation in the China A-share large-cap universe, while incorporating a momentum screen that aims to mitigate the risk of yield traps. Historical analysis suggests that the index outperformed the CSI 300 Index with lower volatility over the back-tested period, with higher relative performance during down markets and over longer rolling horizons. Its dividend-oriented construction also historically resulted in higher yields and lower valuations than the broad large-cap benchmark, while our hypothetical portfolio analysis indicates that higher weights in this index were associated with higher historical risk-adjusted performance relative to a hypothetical CSI 300-based composition. Although performance varied across market cycles and recent underperformance reflected sector weighting and stock selection effects, the index historically exhibited higher yields, defensive characteristics and a diversified view of the China A-share equity market.

Appendix

Exhibit 13: GICS Sector Weights



Source: S&P Dow Jones Indices LLC. Data from March 31, 2015, to June 30, 2026. The S&P China A-Share LargeCap High Yield 50 Index was launched May 25, 2026. All data prior to such date is back-tested hypothetical data. The S&P China A Domestic LargeCap was launched Nov. 27, 2013. Charts are provided for illustrative purposes.

Performance Disclosure/Back-Tested Data

The S&P China A-Share LargeCap High Yield 50 Index was launched May 25, 2026. The S&P China A-Share LargeCap Low Volatility High Dividend 50 – High Dividend 100 Index (CNY) was launched January 23, 2019. The S&P China A Domestic LargeCap was launched November 27, 2013. All information presented prior to an index's Launch Date is hypothetical (back-tested), not actual performance, and is based on the index methodology in effect on the index launch date. However, when creating back-tested history for periods of market anomalies or other periods that do not reflect the general current market environment, index methodology rules may be relaxed to capture a large enough universe of securities to simulate the target market the index is designed to measure or strategy the index is designed to capture. For example, market capitalization and liquidity thresholds may be reduced. In addition, forks have not been factored into the back-test data with respect to the S&P Cryptocurrency Indices. For the S&P Cryptocurrency Top 5 & 10 Equal Weight Indices, the custody element of the methodology was not considered; the back-test history is based on the index constituents that meet the custody element as of the Launch Date. Also, the treatment of corporate actions in back-tested performance may differ from treatment for live indices due to limitations in replicating index management decisions. Complete index methodology details are available at www.spglobal.com/spdji. Back-tested performance reflects application of an index methodology and selection of index constituents with the benefit of hindsight and knowledge of factors that may have positively affected its performance, cannot account for all financial risk that may affect results and may be considered to reflect survivor/look ahead bias. Actual returns may differ significantly from, and be lower than, back-tested returns. Past performance is not an indication or guarantee of future results.

Please refer to the methodology for the Index for more details about the index, including the manner in which it is rebalanced, the timing of such rebalancing, criteria for additions and deletions, as well as all index calculations. Back-tested performance is for use with institutions only; not for use with retail investors.

S&P Dow Jones Indices defines various dates to assist our clients in providing transparency. The First Value Date is the first day for which there is a calculated value (either live or back-tested) for a given index. The Base Date is the date at which the index is set to a fixed value for calculation purposes. The Launch Date designates the date when the values of an index are first considered live: index values provided for any date or time period prior to the index's Launch Date are considered back-tested. S&P Dow Jones Indices defines the Launch Date as the date by which the values of an index are known to have been released to the public, for example via the company's public website or its data feed to external parties. For Dow Jones-branded indices introduced prior to May 31, 2013, the Launch Date (which prior to May 31, 2013, was termed "Date of introduction") is set at a date upon which no further changes were permitted to be made to the index methodology, but that may have been prior to the Index's public release date.

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