

## MSCI Launches China Tech Indexes Reflecting the Growth of China's "Smart Economy"

**HONG KONG – February 4, 2021** – MSCI Inc. (NYSE: MSCI), a leading provider of critical decision support tools and services for the global investment community, has launched the MSCI China Tech 100 Index and the MSCI China A Onshore Tech 100 Index to meet the needs of international and domestic investors looking to invest in companies that are at the forefront of the technology and innovation-led economy in China.

**Jack Lin, Head of APAC Client Coverage**, commented, "For the past five years, China has been transitioning from an 'old economy' focused on manufacturing to a 'smart economy' driven by consumption and services, with Chinese companies increasingly taking leading positions globally in terms of innovation and R&D expenditure."

He added, "The industrial innovation and growth of a technology-based digital ecosystem is transforming traditional sectors and creating new sectors. This has placed limitations on the traditional single-sector-based approach in terms of measuring the performance of technologies that are transforming activities as diverse as consumption, mobility, automation and healthcare services. Investors have expressed demand for innovative solutions that are unconstrained by traditional industry classifications and that is what these new broad-based indexes are designed to deliver."

With a methodology combining 27 technology sub-themes, these indexes are constructed with an understanding that companies in the technology value chain may be found not just in information technology but may exist across many traditional industries. They offer a sector-agnostic methodology, with inclusion criteria independent of a company's industry or sector classification, allowing broader representation across multiple industries and sectors.

The indexes aim to represent the performance of growth-orientated, disruptive companies that are, through technology, transforming business models and how businesses interact with society. They are designed to include stocks from the consumer, communication services, healthcare and information technology sectors, which may see a rise in the number of companies as the smart economy grows. The target business activities or sub-themes can be expanded and evolved to reflect the development of technology innovation over time.

**Doug Walls, Head of Index, APAC**, said, "China has enjoyed high levels of economic growth over the past 30 years of economic reform, and is set to contribute 19% of global gross domestic product (GDP) by 2024. Its overall R&D spending has hit USD 463 billion in recent years, second only to the US. During the past few years, technological innovation was identified as a key enabler to transform China's economy and has been embedded in many sectors and across the whole product and service lifecycle, turning China into a global leader in technology and the digital ecosystem. These indexes aim to support investors that are looking for ways to capitalise on this trend."

The indexes have several potential applications for institutional investors:

- Enable asset owners to issue mandates on themes or combination of themes related to China tech
- As an investment policy benchmark to guide strategic asset allocation
- As the underlying index for products such as ETFs and mutual funds
- As a transparent benchmark to measure performance of asset managers

- As a tool to enable banks to develop thematic structured products

-Ends-

## About MSCI

MSCI is a leading provider of critical decision support tools and services for the global investment community. With over 50 years of expertise in research, data and technology, we power better investment decisions by enabling clients to understand and analyze key drivers of risk and return and confidently build more effective portfolios. We create industry-leading research-enhanced solutions that clients use to gain insight into and improve transparency across the investment process. To learn more, please visit [www.msci.com](http://www.msci.com).

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