

# CNQQ

Rayliant-ChinaAMC  
Transformative China Tech ETF

Overview Deck



**ChinaAMC**

# Strategy Overview

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# Why China Tech — and Why Now?

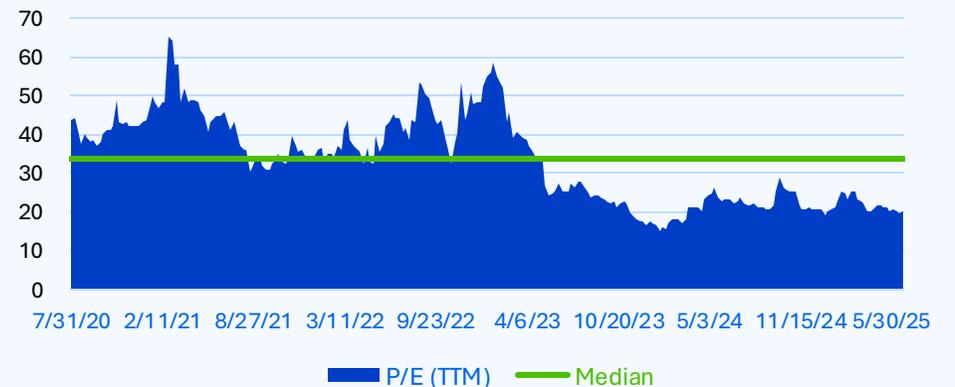
- ▶ **China’s “DeepSeek” moment sparks tech comeback**  
2025 a turning point, as homegrown China tech—most famously, the breakthrough DeepSeek AI model—tipped country’s innovative potential
- ▶ **Broad innovation: from internet to industrial tech**  
China’s innovation expanding from platform internet firms to “hard-tech” leaders in semiconductors, EVs, and advanced manufacturing
- ▶ **Valuations cheap vs. US tech stocks, own history**  
Despite strong earnings recovery, Hang Seng TECH Index trades well below historical median P/E—we see high re-rating potential!
- ▶ **Beijing focus on “high-quality” growth creates policy tailwind**  
Policymakers’ strategic prioritization of “New Quality Productive Forces” and R&D incentives reinforce government support for tech upgrade
- ▶ **Opportunity for global tech diversification**  
As U.S. mega-cap tech valuations reach historic highs, investors seeking diversification may find it in emerging markets with potential for innovation depth

Since 2025, China tech stocks rallied and outperformed US peers



Source: Wind, ChinaAMC. Data as of June 30<sup>th</sup>, 2025

Hang Seng TECH is still below its historical medium valuation



Source: Wind, ChinaAMC. Data as of June 30<sup>th</sup>, 2025



# A Powerful Partnership



The largest ETF manager in China\*, with deep onshore research and direct access to A-share and Hong Kong-listed tech innovators.



U.S.-based quantitative asset manager integrating fundamental research (“quantamental” approach) and global ETF experience.

- The partnership combines **local insights + global ETF expertise**, bringing ChinaAMC’s bottom-up research on China’s tech sector to U.S. investors through Rayliant’s ETF platform.
- **Track record of success:** Rayliant–SMDAM collaboration (Japan Equity Strategy) showcases how Rayliant connects local expertise in international markets with efficient products for use in global investors’ portfolios.



\*Source: Wind, data as of September 30, 2025. Based on total assets under management (AUM) of China-listed ETFs.

# An exceptional “quantamental” combination

China Asset Management Co., Ltd. (ChinaAMC) brings local edge with on the ground research capability and obtains first-hand and in-depth knowledge via active corporate engagement and dialogues with regulators and policymakers.

**240 Million**  
retail investors and  
**350 Thousand**  
institutional investors across the  
globe are served<sup>1</sup>

**27 Years**  
of investment management  
experience in China since 1998



Yimei Li  
CEO

**\$451  
Billion**  
in AUM<sup>1</sup>

**1st**  
ETF issuer in China<sup>6</sup>

**The Largest**  
ETF Manager in China<sup>5</sup>

Rayliant is a quantitative firm that incorporates fundamental insights into their research and portfolio management into a process they call quantamental.

**16 years**  
running quant  
strategies in Asia<sup>2</sup>

**7**  
quantitative  
researchers with  
masters or PhD<sup>2</sup>



**5**  
US-listed ETFs<sup>4</sup>



Jason Hsu, PhD  
Founder & CIO

**50+ Papers**  
published in  
academic journals<sup>3</sup>



<sup>1</sup>Figures based on company-reported data as of September 30, 2025.

<sup>2</sup>Firm history and experience based on Rayliant company records as of October 2025.

<sup>3</sup>Figure based on company records as of October 2025.

<sup>4</sup>Data based on company filings and public listings as of October 2025.

<sup>5</sup>Source: Wind, data as of September 30, 2025. Based on total assets under management (AUM) of China-listed ETFs.

<sup>6</sup>Source: Wind, data as of November 2025. Based on historical records of China-listed ETFs. For informational purposes only.

# Rayliant Portfolio Management Team

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**Jason Hsu, PhD**

Chief Investment Officer

**Expertise**

Asset Allocation, Emerging Market Investing

**Experience | 25 years in industry**

PM, PIMCO All Asset Fund (2002-2015)

Co-founded Research Affiliates

Founded Rayliant (2016)

Chief Economist at East West Bank

**Education** PhD of Finance, UCLA



**Phillip Wool, PhD**

Chief Research Officer

**Expertise**

Global Equities, Asset Allocation

**Experience | 20 years in industry**

PM, Rayliant ETFs (RAYC, RAYD, RAYE, RAYJ)

PM, Rayliant Asset Allocation Portfolios

Professor of Finance, SUNY Buffalo (2013-2017)

**Education** PhD of Finance, UCLA



# CNQQ Overview

Rayliant-ChinaAMC Transformative China Tech ETF

## Investment Methodology

- ▶ Tracks **Solactive ChinaAMC Transformative China Tech Index**, which seeks to measure the performance of Chinese companies involved in technology-related industries such as artificial intelligence, semiconductors, electric vehicles, and advanced manufacturing.
- ▶ Universe = A-shares<sup>1</sup> + HK-listed<sup>2</sup> tech companies.
- ▶ **Selection process:**
  1. Start from Solactive GBS China / Hong Kong All Cap Universe<sup>3</sup>, approximately 3,000 stocks
  2. Filter by sector → tech-related industries
  3. Apply liquidity & market-cap thresholds (≥HKD 20–25 bn)
  4. Rank companies by:
    - R&D expenditure (absolute & ratio to revenue)
    - Market cap (adjusted for R&D score)
  5. Top 100 stocks selected; 10% weight cap applied

## ETF Objective

The Rayliant-ChinaAMC Transformative China Tech ETF (the “Fund”) seeks to track the investment results (before fees and expenses) of the Solactive ChinaAMC Transformative China Tech Index (the “Underlying Index”).

## Key Characteristics

Feature	CNQQ
Feature	CNQQ
# Constituents	~100
Markets covered, by # stocks	~75% A-share / 25% HK-listed
Markets covered, by weight	~50% A-share / 50% HK-listed
Index rebalancing	Semi-annual
Currency	USD
Themes	Technology Innovation + Manufacturing Upgrade
Data-Driven	Incorporates R&D metrics into weighting

<sup>1</sup>“A-shares” are securities listed on mainland Chinese exchanges.

<sup>2</sup>“HK-listed” refers to securities listed on the Hong Kong Stock Exchange.

<sup>3</sup>The Solactive GBS China / Hong Kong All Cap Universe represents all China- and Hong Kong-listed equities that meet Solactive’s market-capitalization and trading-volume criteria.



# How CNQQ Stands Out Among China Tech ETFs

## Unique Selling Points of CNQQ

- **Holistic coverage:** broader than internet-focused peers (KWEB, CQQQ).
- **Next-Gen Tech focus:** includes semiconductors, EVs, industrial tech, biotech.
- **Diversified exposure:** balanced between onshore and offshore listings.
- **Fundamental + Quantamental methodology<sup>1</sup>:** adds innovation metrics like R&D intensity to traditional market-cap weighting.

## Investor Benefits

- Access to *the full China tech ecosystem*, not just internet giants.
- Exposure to *potential growth drivers* (AI, robotics, clean energy).
- Reduced concentration risk from single sectors or ADRs<sup>2</sup>.

ETF	Focus	A-share Exposure	# Holdings	Pros	Considerations
CNQQ	Next-Gen Tech	~50%	~100	Provides exposure to both onshore and offshore Chinese technology companies across multiple sub-industries.	Relatively new index with a shorter live performance history.
CQQQ <sup>3</sup>	Broad Tech (FTSE)	~34%	~147	Offers diversified exposure to large- and mid-cap Chinese technology companies.	Primarily invested in Hong Kong-listed securities; limited access to onshore A-shares.
KWEB <sup>4</sup>	Internet	0%	~47	Provides focused exposure to Chinese internet and e-commerce companies listed overseas.	Concentrated in a single industry segment; may experience higher volatility.

<sup>1</sup>“Fundamental” analysis evaluates a company’s financial and qualitative factors. “Quantamental” refers to quantitative investment models that integrate such fundamental insights.

<sup>2</sup>ADR (American Depositary Receipt): A U.S.-traded certificate representing shares of a non-U.S. company.

<sup>3</sup>“CQQQ” refers to the Invesco China Technology ETF, which tracks the FTSE China Incl A 25% Technology Capped Index.

<sup>4</sup>“KWEB” refers to the KraneShares CSI China Internet ETF, which tracks the CSI Overseas China Internet Index.



# Peer Landscape

## Broad-based exposure to China tech

CNQQ offers exposure not just to internet and social media stocks, but to *hard tech* that is a key part of China's innovative transformation

### Index weights by GICS<sup>1</sup> sub-industries

	CNQQ	%	KWEB	%	CQQQ	%	HSTECH	%
<b>1</b>	Packaged Software	16.6	Packaged Software	24.1	Packaged Software	26.1	Packaged Software	19.0
<b>2</b>	Internet Retail	13.9	Internet Retail	19.0	Semiconductors	12.8	Internet Retail	15.4
<b>3</b>	Electrical Products	12.4	Internet Software/Services	14.2	IT Services	11.0	Motor Vehicles	12.0
<b>4</b>	Telecom. Equipment	10.2	IT Services	7.1	Internet Software/Services	8.7	IT Services	8.6
<b>5</b>	Semiconductors	8.5	Air Freight/Couriers	7.0	Air Freight/Couriers	8.5	Semiconductors	8.6
<b>6</b>	Air Freight/Couriers	8.0	Department Stores	6.6	Department Stores	8.4	Air Freight/Couriers	7.9
<b>7</b>	Industrial Machinery	7.9	Other Consumer Services	6.1	Electronic Components	6.7	Telecom. Equipment	7.8
<b>8</b>	Pharmaceuticals	3.6	Real Estate Development	3.8	Industrial Machinery	3.4	Other Consumer Services	4.0
<b>9</b>	Internet Software/Services	3.1	Miscellaneous Commercial Services	3.6	Data Processing Services	3.2	Computer Processing Hardware	3.5
<b>10</b>	Others	15.8	Others	8.4	Others	12.1	Others	13.2

Source: ChinaAMC, Solactive, FactSet, as of March 3<sup>rd</sup>, 2025.

Note: Data of CNQQ is based on respective underlying index, data as of March 3<sup>rd</sup>, 2025. Data for KWEB, CQQQ, and HSTECH are derived from each ETF's most recent publicly available holdings and index provider data as of March 3<sup>rd</sup>, 2025.

<sup>1</sup>GICS (Global Industry Classification Standard): A system developed by MSCI and S&P Dow Jones Indices to classify companies by sector and industry.



# How CNQQ Fits in a Portfolio

## Positioning

- Complements existing Emerging Markets or China allocations by adding allocation focused on growth potential tech sectors.
- Provides a diversified alternative to expensive U.S. mega-cap tech exposure.
- Suitable for:
  1. Growth-oriented investors seeking exposure to China tech innovation
  2. Investors looking to diversify that are aiming for a balanced mix of internet and industrial tech exposure
- Works as a satellite allocation alongside core Emerging Markets equity ETFs.



# A Holistic Portfolio of China's Tech Leaders

- ~100 constituents across diverse tech sub-industries.
- Top holdings include CATL, BYD, NAURA Technology, Alibaba, Xiaomi.
- Balanced allocation: ~50% A-share<sup>1</sup>, ~50% HK-listed<sup>2</sup>.
- Top sectors (62% total weight): Electrical Products, Telecom Equipment, Industrial Machinery, Software, Biotech.

## Top 10 Holdings of the Solactive ChinaAMC Transformative China Tech Index (as of June 30, 2025)

Company	Listing	Sector	Weight
Tencent	HK	Internet Services	9.9%
Xiaomi Corp	HK	Consumer Electronics	9.3%
Alibaba Group	HK	Internet Platform	9.2%
CATL	A-share	Battery & EV	6.8%
Meituan	HK	Internet Platform	6.3%
Netease	HK	Internet Services	3.5%
BYD	A-share	EV & Components	2.7%
Naura Tech	A-share	Semiconductor Equip.	2.2%
Jiangsu Hengru	A-share	Biotech	1.7%
Baidu	HK	Internet Services	1.7%

Source: Wind, Solactive, ChinaAMC, Bloomberg, as of Jun 30, 2025.

<sup>1</sup>"A-share" are securities listed on mainland Chinese exchanges.

<sup>2</sup>"HK-listed" refers to securities listed on the Hong Kong Stock Exchange.

The securities identified and described do not represent all of the securities purchased, sold or recommended for client accounts. The reader should not assume that an investment in the securities identified was or will be profitable.



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# Important Information

**Investors should consider the investment objectives, risks, and charges and expenses of the Fund(s) before investing. The prospectus contains this and other information about the Fund(s) and should be read carefully before investing. The prospectus may be obtained at [www.funds.rayliant.com](http://www.funds.rayliant.com).**

Investing involves risk, including the possible loss of principal. International investments may involve risk of capital loss from unfavorable fluctuation in currency values, from differences in generally accepted accounting principles or from economic or political instability in other nations. Emerging markets involve heightened risks related to the same factors as well as increased volatility and lower trading volume. Narrowly focused investments and investments focusing on a single country may be subject to higher volatility.

These Funds may trade securities actively, which could increase its transaction costs (thereby lowering its performance) and could increase the amount of taxes you owe by generating short-term gains, which may be taxed at a higher rate.

The Fund is newly formed and has no operating history.

Shares of ETFs are bought and sold at market price (not NAV) and are not individually redeemed from the funds. Brokerage commissions will reduce returns.

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NAV Return represents the closing price of underlying securities.

Market Return is calculated using the price which investors buy and sell ETF shares in the market. The market returns in the table are based upon the midpoint of the bid/ask spread at 4:00 pm EST, and do not represent the returns you would have received if you traded shares at other times.

## **Informational Purposes**

This document is for informational purposes only. It is not a recommendation to buy or sell any financial instrument and should not be construed as investment advice. No offer may be made without also providing the Prospectus, and the information in the Prospectus is controlling.

## **Risk of Investing**

Investing involves risk, including the risk of total loss of principal. Please consider the following risks before investing in the ETF or any other investment strategy or product.

## **Investment Objectives**

There can be no assurance that any investment will achieve its stated objectives.

## **Quantitative Investments**

Investments that are managed according to a quantitative model can perform differently from the market as a whole.

## **International and Geographic Focus Risk**

International investments may involve risk of capital loss from unfavorable fluctuation in currency values, from differences in generally accepted accounting principles or from social, economic or political instability in other nations. The Fund focuses its investments in a single country and as a result, it may be subject to greater price volatility and risk of loss.

## **Smaller Companies**

Investments in smaller companies typically exhibit higher volatility.

## **Reasonable Care**

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