

press release

Standard Chartered launches SC China Value Index

2 July 2015, Hong Kong – Standard Chartered announced the launch of SC China Value Index (“the Index”) (Bloomberg: SCINCVT3), offering investors a new benchmark following the rollout of the Shanghai-Hong Kong Stock Connect programme.

The Index provides exposure to 25 H-shares that are part of the Shanghai-Hong Kong Stock Connect and are selected on the basis of several criteria. For instance, the Index will select H-shares with the highest discount relative to their A-share counterparts and prioritise sectors which are expected to benefit from a range of prevailing government policies such as "Made in China 2025" and “One Belt One Road”.

As of the end of June 2015, the Index’s 25 constituents were trading at an average discount of 51% relative to their A-share peers. The Index’s preferred sectors included industrials and healthcare. Index components are refreshed quarterly to identify and track the basket of stocks with the greatest upside potential. If and when the Shenzhen-Hong Kong Stock Connect is launched, qualifying H-shares which are dual-listed in Shenzhen will also be considered for inclusion in the Index.

Daily levels of the Index have been published on Bloomberg since 22 May 2015. Based on live performance and back tests, the Index surged 22% from year-end 2014 to end-June 2015, compared to an 11% increase for the HSCEI. The Index’s positive performance could potentially continue with the rollout of the Mainland-Hong Kong Mutual Recognition of Funds programme that started on 1 July 2015, as well as the anticipated launch of Shenzhen-Hong Kong Stock Connect and the Qualified Domestic Individual Investor programme (QDII2).

Simon Yung, Standard Chartered's Head of Equity Structured Products and Warrants Sales, Greater China, said the Index is specifically designed to capture the benefits from the launch of the Shanghai-Hong Kong Stock Connect and the anticipated Shenzhen-Hong Kong Stock Connect, offering clients additional investment solutions.

Yung said: "H-shares are particularly interesting right now because China's easing monetary policy, which translates into a series of rates and reserve-requirement ratio cuts, favours a slow bull market. The gradual removal of China's capital controls is also expected to narrow the discounts of H-shares against A-shares. The gradual RMB internationalisation and capital flow through channels such as the Stock Connect could further support the H-share market."

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Note to Editors

Standard Chartered

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Standard Chartered PLC is listed on the London and Hong Kong Stock Exchanges as well as the Bombay and National Stock Exchanges in India.

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