Morgan Stanley | RESEARCH

FOUNDATION

June 3, 2026 09:00 PM GMT

China Equity Strategy | Asia Pacific

China/HK Flows and Positioning Monthly Tracker – May 2026

MORGAN STANLEY ASIA LIMITED+

Chloe Liu
Equity Strategist
Chloe.Liu@morganstanley.com +852 2848-5497

Laura Wang
Equity Strategist
Laura.Wang@morganstanley.com +852 2848-6653

Vicky Wu
Equity Strategist
Vicky.Wu@morganstanley.com +852 3963-3928

MORGAN STANLEY ASIA (SINGAPORE) PTE.+

Kristal Ji
Equity Strategist
Kristal.Ji@morganstanley.com +65 6834-6949

Daniel K Blake
Equity Strategist
Daniel.Blake@morganstanley.com +65 6834-6597

Key Takeaways

- US and EU mutual funds turned to outflow in May, the first since May 2025 (ex Mar-26); passive inflows slowed and active fund outflows accelerated.
- National Team ETF selling accelerated, while retail participation strengthened with margin financing at a record high and private fund AUM surging.
- Southbound flows slowed significantly, while foreign passive funds tracking CSI 300 continued to see inflows, indicating sustained A-share interest.

Foreign-domiciled long-only fund flows:

- Chinese equity flows from foreign-domiciled (US and EU) funds reversed to a **moderate outflow of US$0.5bn in May**, the first outflow month since May 2025, aside from March 2026, with Middle East conflict. Passive funds inflows slowed to US$1.1bn (vs. US$2.5bn in April), while active fund outflows accelerated to US$1.6bn (vs. US$1.2bn in April) (Exhibit 2).
- On a cumulative basis, foreign fund flows reached **US$10bn in 5M26**, representing 80% of the full-year 2025 inflow total (Exhibit 4 , Exhibit 5).
- Based on the latest available data (with most funds having disclosed position data up to Apr-26), **Global EM** funds' China UW remained stable at 1.3ppt. However, **EM funds and AxJ funds** deepened their underweight positions, with EM funds now at 6.2ppt UW and AxJ funds at 4.0ppt UW (Exhibit 1).
- More details: Fund Flows in China/HK Equities .

A-share market liquidity:

- **National Team outflows,** proxied by CSI 300 ETF flows, accelerated to an estimated US$21bn in May from US$8bn in April, less support amid the strong rally in AI and technology stocks (Exhibit 7).
- **Private fund AUM saw a material increase** of Rmb386bn in May, reflecting active high-net-worth individual participation, while margin financing balance rose 7% MoM to another record high (Exhibit 12 , Exhibit 19).
- More details: A-share Liquidity Track .

Southbound/Northbound flow:

- **Southbound flows** slowed significantly to US$1.6bn in May (vs. US$7.2bn in April). On a cumulative basis, 5M26 southbound inflows reached US$34bn, representing 20% of the full-year 2025 total (Exhibit 3).
- **Foreign passive fund flows into CSI 300 (a proxy for northbound flow)** continued inflows in May, with sustained interest in A-share (Exhibit 19).

Exhibit 1 : Active weights of China/HK equities by regional fund category and manager domicile

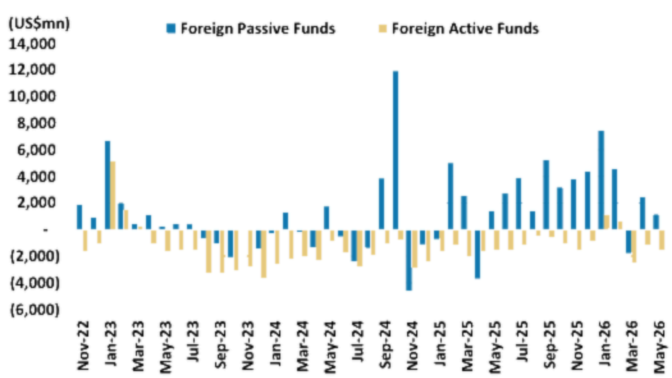
Source: FactSet, MorningStar, EPFR, Morgan Stanley Research. Note: Data refreshed as of May 31, 2026, most funds have disclosed position data up to April 30. Fund universe of each category is formed by the largest 30 active mutual funds under MorningStar regional category. Funds under 'non-US Managers' are mostly domiciled in Europe. We exclude ESG funds, income funds, and systematic funds. All the covered funds are benchmarking to either MSCI or FTSE standard regional indices of All Country World, Asia ex Japan, or Emerging Markets.

Fund Flows in China/HK Equities

For foreign-domiciled mutual funds

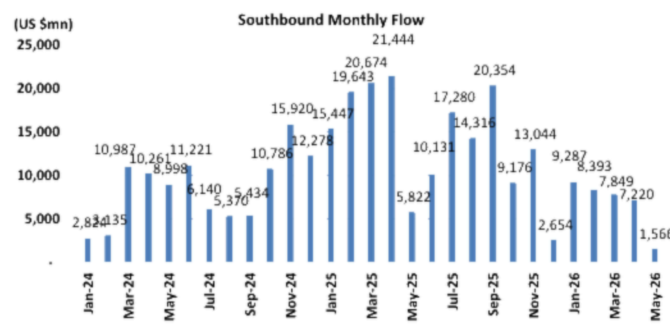
- **By sector:** Active fund managers added the most active weights in Capital Goods, Tech Hardware and Semiconductors vs. last month, while they trimmed most in Consumer Discretionary Distribution & Retail, Consumer Services and Pharmaceuticals Biotech (Exhibit 23).
- **By company:** Montage Technology, Xiaomi and Lenovo were most added, while BABA, Meituan and H World were most trimmed vs. last month (Exhibit 20).
- Also read: Fund Positions Changes vs. Last Month – Top 50 Mutual Fund Holdings, Funds Positions Changes vs. Last Month – By GICS Industry Group

Exhibit 2: Monthly fund flows in China/HK equities by foreign passive and active funds



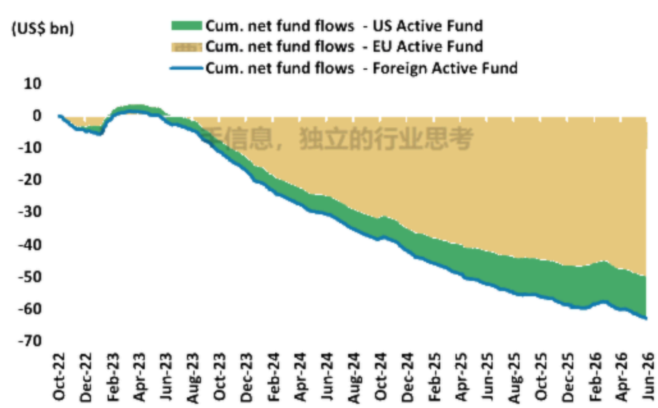
Source: EPFR, Morgan Stanley Research. Note: Data as of May 31, 2026

Exhibit 3: Southbound monthly net fund flows



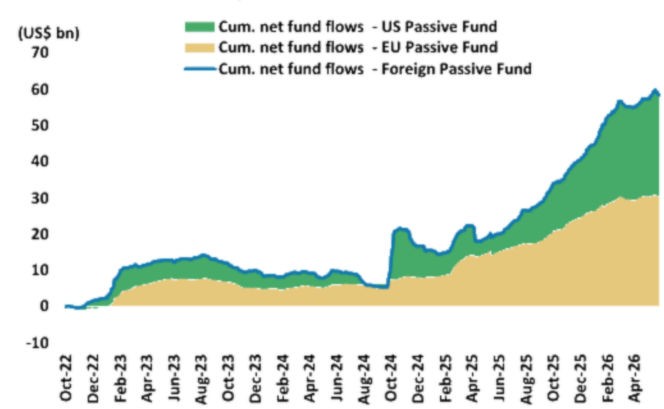
Source: CEIC, Morgan Stanley Research. Note: Data as of May 31, 2026

Exhibit 4: Cumulative fund flows in China/HK equities by both US- and EU-domiciled active funds



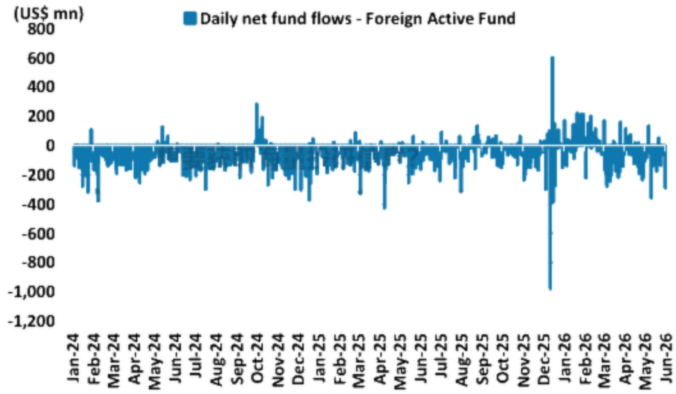
Source: EPFR, Morgan Stanley Research. Note: Data as of May 31, 2026

Exhibit 5: Cumulative fund flows in China/HK equities by both US- and EU-domiciled passive funds



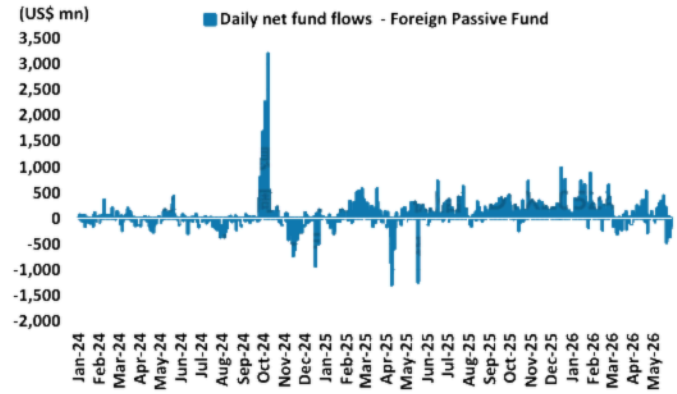
Source: EPFR, Morgan Stanley Research. Note: Data as of May 31, 2026

Exhibit 6: Daily net fund flows in China/HK equities by both US- and EU-domiciled active funds



Source: EPFR, Morgan Stanley Research. Note: Data as of May 31, 2026

Exhibit 7 Daily net fund flows in China/HK equities by both US- and EU-domiciled passive funds



Source: EPFR, Morgan Stanley Research. Note: Data as of May 31, 2026

A-share Liquidity Track

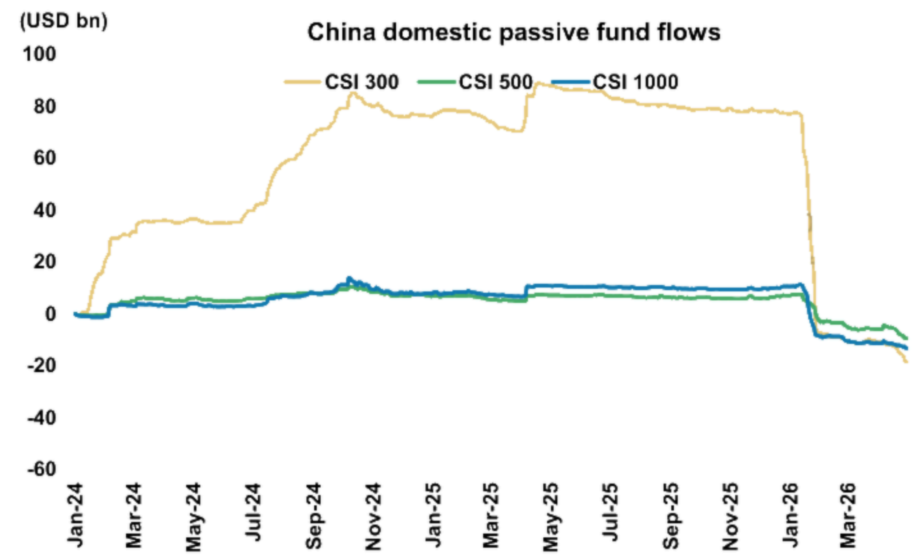
- **National Team ETF selling accelerated in May,** led by CSI 300 ETF outflows of US$21bn, more than doubling from US$8bn in April. (Exhibit 7).
- **Broader domestic passive outflows also picked up:** Across all A-share domestic passive funds (including broad-market index, sector and thematic ETFs), outflows rose to US$53bn in May from US$39bn in April (Exhibit 8).
- **Retail participation strengthened in May:** New account openings increased slightly, daily average small-order net inflows recovered to Rmb33bn daily (vs. Rmb20bn in April). Margin financing balance rebounded 7% MoM to a another record high of Rmb2.9tn, indicating sustained leveraged retail participation (Exhibit 11 , Exhibit 12).
- **Private funds AUM saw a material increase in May:** Private equity fund AUM rose by Rmb386bn, reflecting continued active participation from high-net-worth individuals (Exhibit 13).Onshore equity mutual fund AUM declined, likely driven by National Team redemptions, while hybrid mutual funds maintained their steady uptrend (Exhibit 14).
- **Foreign passive inflows into A-shares continued in May:** Foreign passive funds tracking CSI 300 recorded further net inflows, extending the first turn to inflows in April since 2026 and signaling sustained foreign investor interest (Exhibit 19).

National Team ETF selling accelerated in May, led by CSI 300 ETFs; domestic passive outflows also picked up

We use CSI 300 passive ETF flows as a proxy for the National Team's cumulative buying and selling activity. **CSI 300 ETF outflows more than doubled to US$21bn in May** (vs. US$8bn in April), albeit still well below the US$84bn peak in January. Total outflows across CSI 300, 500, and 1000 ETFs reached US$27bn in May (vs. US$14bn in March and US$110bn in January).

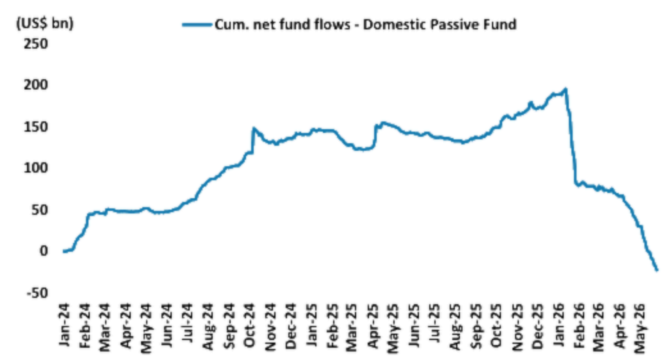
Across all A-share domestic passive funds (including broad-market index ETFs as well as sector and thematic ETFs), outflows also accelerated to US$53bn in May (vs. US$39bn in April and US$108bn in January).

Exhibit 7: China domestic broad-market index ETF flow – ETF selling further accelerated in May



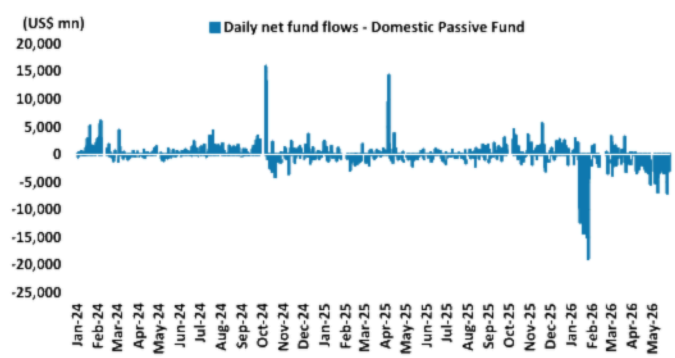
Source: EPFR, Morgan Stanley Research. Data as of May 31, 2026

Exhibit 8: Cumulative fund flows in China/HK equities from Chinese domestic domiciled passive funds



Source: EPFR, Morgan Stanley Research. Note: Data as of May 31, 2026

Exhibit 9: Daily fund flows in China/HK equities from Chinese domestic domiciled passive funds

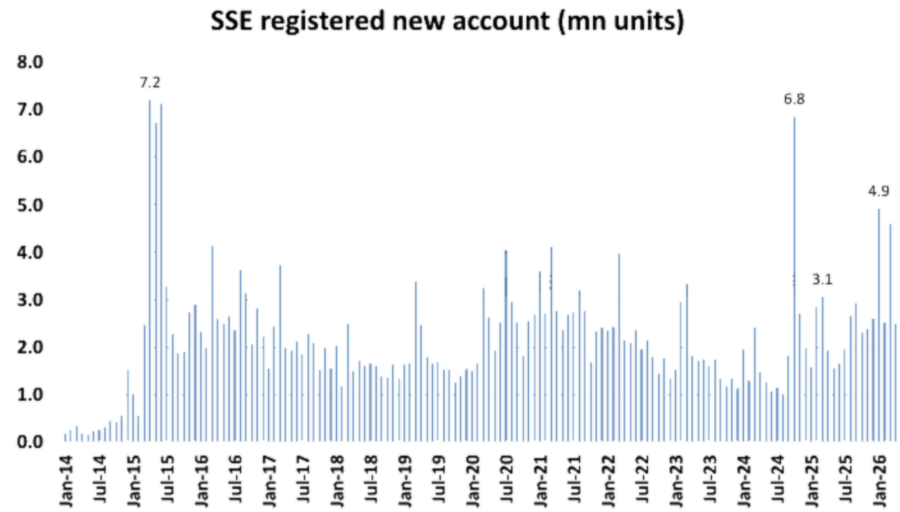


Source: EPFR, Morgan Stanley Research. Note: Data as of May 31, 2026

Retail participation picked up in May: account openings edged higher, small-order inflows strengthened and margin financing hit a new record

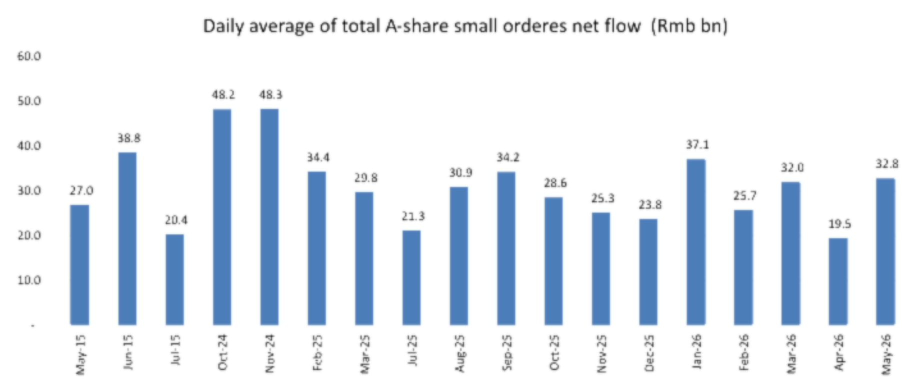
- **New SSE account opening** rose slightly to 2.8mn in May from 2.5mn in April.
- **The daily average net inflow of A-share small orders** (under Rmb40,000, a proxy for retail participation) jumped to Rmb33bn in May from Rmb20bn in April, pointing to notably stronger retail engagement.
- **A-share total margin financing balance** (a proxy for leveraged retail participation) rose a further 7% MoM to a record high of Rmb2.9tn.

Exhibit 10: SSE registered new accounts – Slight pick-up in May



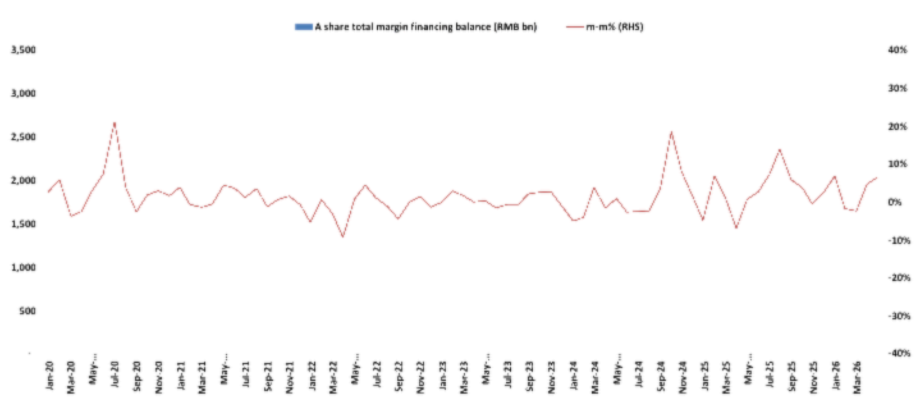
Source: CEIC, Morgan Stanley Research. Data as of May 2026.

Exhibit 11: Daily average of A-share small orders net inflow – Inflows improved significantly in May



Note: Small order refers to those below Rmb40,000
Source: Wind, Morgan Stanley Research. Data as of May, 2025

Exhibit 12: A-share total margin financing balance and MoM % – Another historical high in May with 7% m-m increase



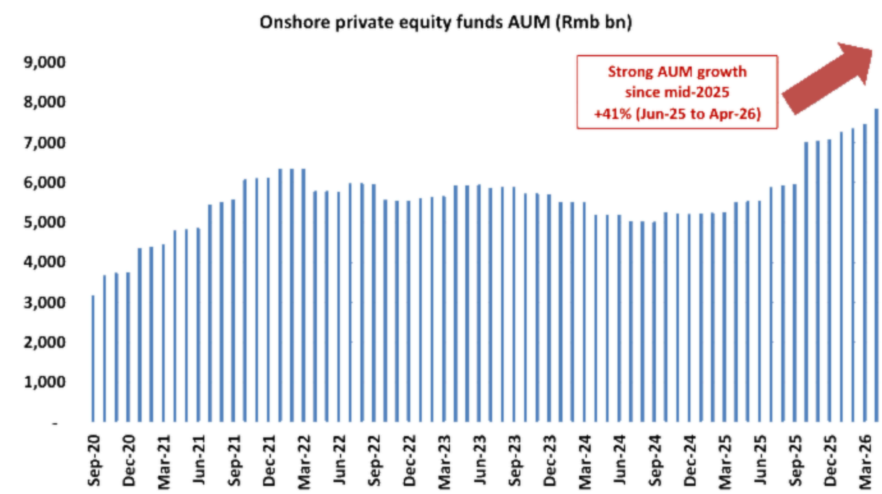
Source: CEIC, Morgan Stanley Research. Data as of May 2026.

Domestic liquidity: High-net-worth individuals continued active participation

- **Private fund AUM recorded a strong increase of Rmb386bn in May** (vs. Rmb108bn in April), indicating sustained active participation from high-net-worth individuals (Exhibit 13).

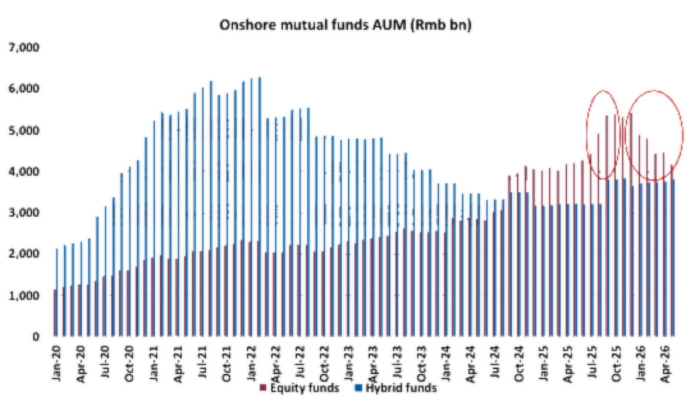
- **Mutual fund AUM showed some divergence:** oNshore equity funds (mostly ETFs) saw a material AUM decline of Rmb299bn in May, likely driven by National Team sell off, while onshore hybrid funds (mostly active funds) continued to record a steady AUM increase of Rmb49bn (Exhibit 14).

Exhibit 13: Onshore private equity funds AUM – Strong AUM increase indicates active HNWI participation in equity market



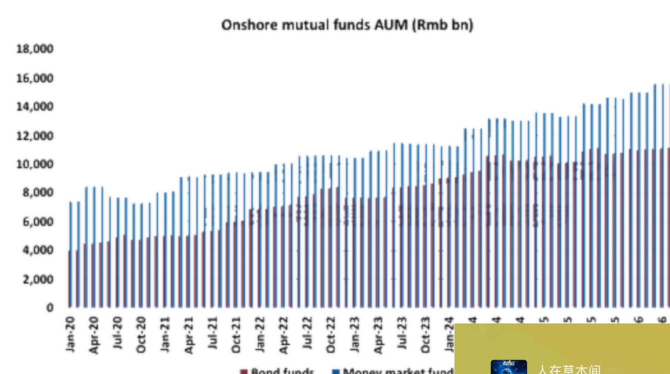
Source: Wind, Morgan Stanley Research. Data as of April 2026.

Exhibit 14: Onshore mutual funds AUM (equity and hybrid funds)



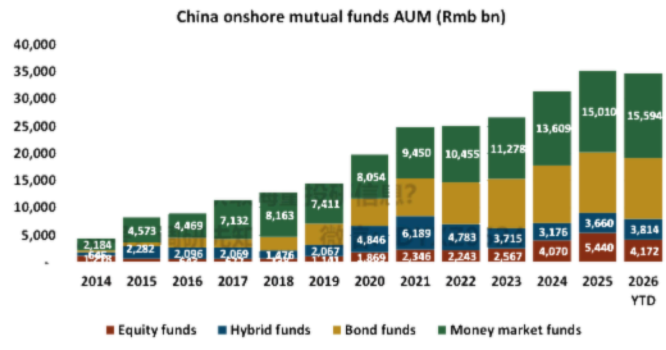
Source: Wind, Morgan Stanley Research. Data as of May 2026

Exhibit 15: Onshore mutual funds AUM (bond and money market funds)



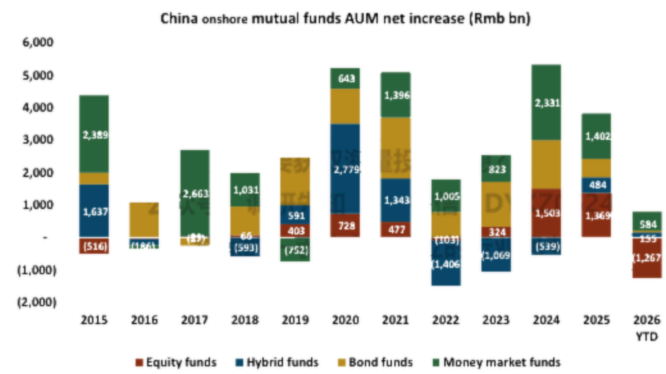
Source: Wind, Morgan Stanley Research. Data as of May 2026

Exhibit 16: China onshore mutual funds AUM, 2014-YTD2026



Source: Wind, Morgan Stanley Research. Data as of May 2026

Exhibit 17: China onshore mutual funds AUM net increase, 2014-YTD2026



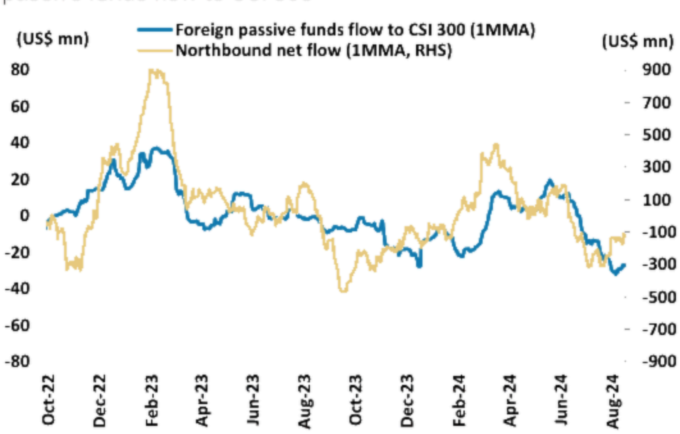
Source: Wind, Morgan Stanley Research. Data as of May 2026

Northbound proxy: Foreign passive inflows into A-shares continued in May

The northbound net flow daily data disclosure was terminated as of August 19, 2024. As an alternative, we look at foreign passive funds flow to CSI 300 as it shows a good correlation with northbound net flow historically.

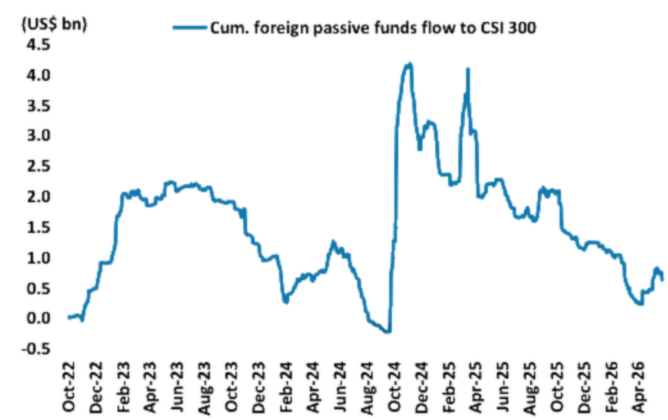
Foreign passive funds tracking CSI 300 continued to record net inflows in May, following the first turn to inflows in April since 2026, signaling renewed foreign investor interest in A-shares.

Exhibit 18: Proxy of northbound net flow – foreign-domiciled passive funds flow to CSI 300



Source: EPFR, Morgan Stanley Research. Note: Data as of August 16, 2024

Exhibit 19: Cumulative fund flows in CSI 300 by foreign-domiciled passive funds



Source: EPFR, Morgan Stanley Research. Note: Data as of May 31, 2026

Fund Positions Changes vs. Last Month – Top 50 Mutual Fund Holdings

Exhibit 20: Top 50 China/HK holdings among long-only EM and China active managers vs. last month

			International & US Funds				International Funds - UCITS			US Funds		
Ticker	Company Name	GICS Industry Group	Portfolio Composite Weights	MSCI China Index Weights	Active Weights	Active Wgt. Changes vs. last month	Portfolio Composite Weights	Active Weights	Active Wgt. Changes vs. last month	Portfolio Composite Weights	Active Weights	Active Wgt. Changes vs. last month
700-HK	Tencent Holdings	Media & Entertainment	13.4%	14.2%	-0.7%	-0.1%	10.7%	-3.4%	0.2%	16.5%	2.4%	-0.4%
9988-HK	Alibaba Group Holding	Consumer Discretionary Distribution & Retail	9.1%	10.3%	-1.2%	-0.6%	8.1%	-2.1%	-0.6%	10.1%	-0.1%	-0.6%
300750-CN	Contemporary Amperex Technology	Capital Goods	4.7%	0.9%	3.8%	0.2%	4.6%	3.7%	0.0%	4.8%	3.9%	0.4%
2318-HK	Ping An Insurance Group	Insurance	3.4%	2.2%	1.2%	0.0%	3.4%	1.2%	0.0%	3.4%	1.2%	0.1%
939-HK	China Construction Bank	Banks	3.4%	4.1%	-0.7%	-0.1%	2.4%	-1.7%	-0.1%	4.4%	0.3%	0.0%
1299-HK	AIA Group	Insurance	2.9%	0.0%	2.9%	0.1%	2.5%	2.5%	0.1%	3.4%	3.4%	0.1%
9999-HK	NetEase	Media & Entertainment	2.0%	1.5%	0.5%	0.3%	2.3%	0.8%	0.2%	1.7%	0.2%	0.3%
2899-HK	Zijin Mining Group	Materials	1.8%	1.2%	0.6%	0.0%	1.4%	0.1%	-0.1%	2.3%	1.1%	0.0%
3968-HK	China Merchants Bank	Banks	1.7%	1.1%	0.6%	0.0%	2.1%	1.0%	0.0%	1.2%	0.1%	0.0%
688008-CN	Montage Technology	Semiconductors & Semiconductor Equipment	1.6%	0.1%	1.6%	0.6%	1.7%	1.6%	0.7%	1.6%	1.5%	0.6%
PDD-US	PDD Holdings	Consumer Discretionary Distribution & Retail	1.5%	2.6%	-1.2%	0.0%	1.6%	-1.0%	-0.1%	1.3%	-1.3%	0.0%
1211-HK	BYD	Automobiles & Components	1.4%	2.0%	-0.6%	0.2%	0.6%	-1.3%	0.1%	2.2%	0.3%	0.2%
000333-CN	Midea Group	Consumer Durables & Apparel	1.3%	0.3%	1.1%	0.0%	1.3%	1.1%	0.0%	1.3%	1.1%	0.0%
HTHT-US	H World Group	Consumer Services	1.2%	0.4%	0.8%	-0.2%	1.0%	0.6%	-0.1%	1.4%	1.0%	-0.3%
600519-CN	Kweichow Moutai	Food Beverage & Tobacco	1.2%	0.6%	0.6%	0.0%	1.3%	0.7%	0.0%	1.1%	0.5%	0.0%
002028-CN	Sieyuan Electric	Capital Goods	1.1%	0.0%	1.1%	0.0%	0.9%	0.9%	0.0%	1.3%	1.3%	0.0%
300124-CN	Shenzhen Inovance Technology	Capital Goods	1.1%	0.0%	1.1%	0.2%	0.8%	0.8%	0.2%	1.4%	1.4%	0.3%
2359-HK	WuXi AppTec	Pharmaceuticals Biotechnology & Life Sciences	1.0%	0.3%	0.7%	-0.1%	0.6%	0.3%	-0.1%	1.5%	1.2%	-0.1%
300308-CN	Zhongji Innolight	Technology Hardware & Equipment	0.9%	0.3%	0.6%	0.2%	1.0%	0.7%	0.3%	0.7%	0.4%	0.1%
2338-HK	Weichai Power	Capital Goods	0.8%	0.4%	0.4%	0.0%	0.7%	0.3%	0.0%	1.0%	0.6%	0.0%
2628-HK	China Life Insurance	Insurance	0.8%	1.0%	-0.3%	0.0%	0.4%	-0.7%	-0.1%	1.3%	0.2%	0.0%
992-HK	Lenovo Group	Technology Hardware & Equipment	0.8%	0.4%	0.3%	0.3%	0.4%	0.0%	0.2%	1.2%	0.8%	0.4%
9888-HK	Baidu	Media & Entertainment	0.8%	1.3%	-0.5%	0.0%	0.7%	-0.5%	0.0%	0.8%	-0.4%	0.0%
1398-HK	Industrial and Commercial Bank of China	Banks	0.7%	2.3%	-1.6%	0.0%	1.0%	-1.3%	-0.1%	0.5%	-1.9%	0.1%
002371-CN	NAURA Technology Group	Semiconductors & Semiconductor Equipment	0.7%	0.1%	0.6%	0.1%	0.7%	0.6%	0.1%	0.8%	0.6%	0.1%
2328-HK	PICC Property & Casualty	Insurance	0.7%	0.5%	0.3%	0.1%	0.6%	0.1%	0.1%	0.9%	0.5%	0.1%
9961-HK	Trip.com Group	Consumer Services	0.7%	1.2%	-0.5%	-0.1%	1.0%	-0.3%	-0.2%	0.4%	-0.8%	-0.1%
857-HK	PetroChina	Energy	0.7%	1.3%	-0.6%	0.0%	0.7%	-0.6%	-0.1%	0.8%	-0.5%	0.1%
600660-CN	Fuyao Glass Industry Grp	Automobiles & Components	0.7%	0.2%	0.5%	-0.1%	0.9%	0.7%	-0.1%	0.4%	0.2%	-0.1%
388-HK	Hong Kong Exchanges & Clearing	Financial Services	0.7%	0.0%	0.7%	0.0%	0.7%	0.7%	0.0%	0.6%	0.6%	0.0%
YMM-US	Full Truck Alln	Transportation	0.6%	0.0%	0.6%	0.0%	0.7%	0.7%	0.0%	0.5%	0.5%	0.0%
1810-HK	Xiaomi	Technology Hardware & Equipment	0.6%	2.4%	-1.8%	0.3%	0.7%	-1.7%	0.2%	0.5%	-1.8%	0.4%
669-HK	Techtronic Industries	Capital Goods	0.6%	0.0%	0.6%	0.0%	0.5%	0.5%	0.0%	0.7%	0.7%	0.0%
3690-HK	Meituan	Consumer Services	0.6%	2.0%	-1.4%	-0.2%	0.7%	-1.3%	0.0%	0.5%	-1.5%	-0.5%
600031-CN	Sany Heavy Industry	Capital Goods	0.6%	0.1%	0.5%	0.0%	0.5%	0.4%	0.0%	0.7%	0.6%	-0.1%
1109-HK	China Resources Land	Real Estate Management & Development	0.6%	0.5%	0.1%	0.0%	0.6%	0.1%	0.0%	0.5%	0.0%	0.0%
3692-HK	Hansoh Pharmaceutical Group	Pharmaceuticals Biotechnology & Life Sciences	0.6%	0.3%	0.3%	-0.1%	0.3%	0.0%	-0.1%	0.9%	0.7%	-0.2%
2020-HK	ANTA Sports Products	Consumer Durables & Apparel	0.5%	0.5%	0.1%	0.0%	0.7%	0.2%	0.0%	0.3%	-0.1%	0.0%
688012-CN	Advanced Micro-Fabrication Equipment	Semiconductors & Semiconductor Equipment	0.5%	0.1%	0.5%	-0.1%	0.5%	0.4%	-0.1%	0.6%	0.5%	-0.1%
600690-CN	Haier Smart Home	Consumer Durables & Apparel	0.5%	0.3%	0.2%	0.0%	0.5%	0.2%	0.0%	0.5%	0.2%	0.0%
1801-HK	Innovent Biologics	Pharmaceuticals Biotechnology & Life Sciences	0.5%	0.6%	-0.1%	0.0%	0.5%	-0.1%	0.0%	0.4%	-0.2%	0.0%
6160-HK	BeOne Medicines	Pharmaceuticals Biotechnology & Life Sciences	0.5%	0.7%	-0.2%	0.1%	0.3%	-0.4%	0.0%	0.6%	-0.1%	0.1%
BZ-US	Kanzhun	Commercial & Professional Services	0.5%	0.2%	0.3%	0.0%	0.5%	0.3%	0.0%	0.4%	0.2%	0.0%
600276-CN	Jiangsu Hengrui Pharmaceuticals	Pharmaceuticals Biotechnology & Life Sciences	0.4%	0.1%	0.3%	0.0%	0.6%	0.5%	0.0%	0.3%	0.2%	0.0%
002463-CN	Wus Printed Circuit	Technology Hardware & Equipment	0.4%	0.1%	0.4%	0.1%	0.5%	0.5%	0.1%	0.3%	0.2%	0.1%
386-HK	China Petroleum Chemical	Energy	0.4%	0.6%	-0.1%	-0.1%	0.1%	-0.4%	0.0%	0.7%	0.2%	-0.2%
2259-HK	Zijin Gold International	Materials	0.4%	0.2%	0.2%	0.0%	0.4%	0.3%	-0.1%	0.4%	0.2%	0.0%
300274-CN	Sungrow Power Supply	Capital Goods	0.4%	0.1%	0.3%	0.1%	0.6%	0.6%	0.2%	0.1%	0.0%	0.0%
TME-US	Tencent Music Entertainment	Media & Entertainment	0.4%	0.2%	0.2%	0.0%	0.3%	0.1%	0.0%	0.5%	0.3%	-0.1%
291-HK	China Resources Beer (Holdings)	Food Beverage & Tobacco	0.4%	0.2%	0.2%	0.0%	0.2%	0.0%	0.0%	0.5%	0.3%	-0.1%

Source: MorningStar, FactSet, Morgan Stanley Research. Note: Data as of May 31, 2024; most funds have disclosed position data up to April 30. Please contact us if you would like to receive the full table. Our fund positioning database methodology is described in section - Methodology of Our Fund Analysis. For important disclosures regarding companies that are the subject of this screen, please see the Morgan Stanley Research Disclosure Website at www.morganstanley.com/researchdisclosures

Fund Positions QTD Changes – Top 50 Mutual Fund Holdings

Exhibit 21: Top 50 China/HK holdings among long-only EM and China active managers vs. last quarter

			International & US Funds				International Funds - UCITS			US Funds		
Ticker	Company Name	GICS Industry Group	Portfolio Composite Weights	MSCI China Index Weights	Active Weights	Active Wgt. Changes QTD	Portfolio Composite Weights	Active Weights	Active Wgt. Changes QTD	Portfolio Composite Weights	Active Weights	Active Wgt. Changes QTD
700-HK	Tencent Holdings	Media & Entertainment	13.4%	14.2%	-0.7%	-0.1%	10.7%	-3.4%	0.2%	16.5%	2.4%	-0.4%
9988-HK	Alibaba Group Holding	Consumer Discretionary Distribution & Retail	9.1%	10.3%	-1.2%	-0.6%	8.1%	-2.1%	-0.6%	10.1%	-0.1%	-0.6%
300750-CN	Contemporary Amperex Technology	Capital Goods	4.7%	0.9%	3.8%	0.2%	4.6%	3.7%	0.0%	4.8%	3.9%	0.4%
2318-HK	Ping An Insurance Group	Insurance	3.4%	2.2%	1.2%	0.0%	3.4%	1.2%	0.0%	3.4%	1.2%	0.1%
939-HK	China Construction Bank	Banks	3.4%	4.1%	-0.7%	-0.1%	2.4%	-1.7%	-0.1%	4.4%	0.3%	0.0%
1299-HK	AIA Group	Insurance	2.9%	0.0%	2.9%	0.1%	2.5%	2.5%	0.1%	3.4%	3.4%	0.1%
9999-HK	NetEase	Media & Entertainment	2.0%	1.5%	0.5%	0.3%	2.3%	0.8%	0.2%	1.7%	0.2%	0.3%
2899-HK	Zijin Mining Group	Materials	1.8%	1.2%	0.6%	0.0%	1.4%	0.1%	-0.1%	2.3%	1.1%	0.0%
3968-HK	China Merchants Bank	Banks	1.7%	1.1%	0.6%	0.0%	2.1%	1.0%	0.0%	1.2%	0.1%	0.0%
688008-CN	Montage Technology	Semiconductors & Semiconductor Equipment	1.6%	0.1%	1.6%	0.6%	1.7%	1.6%	0.7%	1.6%	1.5%	0.6%
PDD-US	PDD Holdings	Consumer Discretionary Distribution & Retail	1.5%	2.6%	-1.2%	0.0%	1.6%	-1.0%	-0.1%	1.3%	-1.3%	0.0%
1211-HK	BYD	Automobiles & Components	1.4%	2.0%	-0.6%	0.2%	0.6%	-1.3%	0.1%	2.2%	0.3%	0.2%
000333-CN	Midea Group	Consumer Durables & Apparel	1.3%	0.3%	1.1%	0.0%	1.3%	1.1%	0.0%	1.3%	1.1%	0.0%
HTHT-US	H World Group	Consumer Services	1.2%	0.4%	0.8%	-0.2%	1.0%	0.6%	-0.1%	1.4%	1.0%	-0.3%
600519-CN	Kweichow Moutai	Food Beverage & Tobacco	1.2%	0.6%	0.6%	0.0%	1.3%	0.7%	0.0%	1.1%	0.5%	0.0%
002028-CN	Sieyuan Electric	Capital Goods	1.1%	0.0%	1.1%	0.0%	0.9%	0.9%	0.0%	1.3%	1.3%	0.0%
300124-CN	Shenzhen Inovance Technology	Capital Goods	1.1%	0.0%	1.1%	0.2%	0.8%	0.8%	0.2%	1.4%	1.4%	0.3%
2359-HK	WuXi AppTec	Pharmaceuticals Biotechnology & Life Sciences	1.0%	0.3%	0.7%	-0.1%	0.6%	0.3%	-0.1%	1.5%	1.2%	0.1%
300308-CN	Zhongji Innolight	Technology Hardware & Equipment	0.9%	0.3%	0.6%	0.2%	1.0%	0.7%	0.3%	0.7%	0.4%	0.1%
2338-HK	Weichai Power	Capital Goods	0.8%	0.4%	0.4%	0.0%	0.7%	0.3%	0.0%	1.0%	0.6%	0.0%
2628-HK	China Life Insurance	Insurance	0.8%	1.0%	-0.3%	0.0%	0.4%	-0.7%	-0.1%	1.3%	0.2%	0.0%
992-HK	Lenovo Group	Technology Hardware & Equipment	0.8%	0.4%	0.3%	0.3%	0.4%	0.0%	0.2%	1.2%	0.8%	0.4%
9888-HK	Baidu	Media & Entertainment	0.8%	1.3%	-0.5%	0.0%	0.7%	-0.5%	0.0%	0.8%	-0.4%	0.0%
1398-HK	Industrial and Commercial Bank of China	Banks	0.7%	2.3%	-1.6%	0.0%	1.0%	-1.3%	-0.1%	0.5%	-1.9%	0.1%
002371-CN	NAURA Technology Group	Semiconductors & Semiconductor Equipment	0.7%	0.1%	0.6%	0.1%	0.7%	0.6%	0.1%	0.8%	0.6%	0.1%
2328-HK	PICC Property & Casualty	Insurance	0.7%	0.5%	0.3%	0.1%	0.6%	0.1%	0.1%	0.9%	0.5%	0.1%
9961-HK	Trip.com Group	Consumer Services	0.7%	1.2%	-0.5%	-0.1%	1.0%	-0.3%	-0.2%	0.4%	-0.8%	-0.1%
857-HK	PetroChina	Energy	0.7%	1.3%	-0.6%	0.0%	0.7%	-0.6%	-0.1%	0.8%	-0.5%	0.1%
600660-CN	Fuyao Glass Industry Grp	Automobiles & Components	0.7%	0.2%	0.5%	-0.1%	0.9%	0.7%	-0.1%	0.4%	0.2%	-0.1%
388-HK	Hong Kong Exchanges & Clearing	Financial Services	0.7%	0.0%	0.7%	0.0%	0.7%	0.7%	0.0%	0.6%	0.6%	0.0%
YMM-US	Full Truck Alln	Transportation	0.6%	0.0%	0.6%	0.0%	0.7%	0.7%	0.0%	0.5%	0.5%	0.0%
1810-HK	Xiaomi	Technology Hardware & Equipment	0.6%	2.4%	-1.8%	0.3%	0.7%	-1.7%	#N/A	0.5%	-1.8%	0.4%
669-HK	Techtronic Industries	Capital Goods	0.6%	0.0%	0.6%	0.0%	0.5%	0.5%	0.0%	0.7%	0.7%	0.0%
3690-HK	Meituan	Consumer Services	0.6%	2.0%	-1.4%	-0.2%	0.7%	-1.3%	0.0%	0.5%	-1.5%	-0.5%
600031-CN	Sany Heavy Industry	Capital Goods	0.6%	0.1%	0.5%	0.0%	0.5%	0.4%	0.0%	0.7%	0.6%	-0.1%
1109-HK	China Resources Land	Real Estate Management & Development	0.6%	0.5%	0.1%	0.0%	0.6%	0.1%	0.0%	0.5%	0.0%	0.0%
3692-HK	Hansoh Pharmaceutical Group	Pharmaceuticals Biotechnology & Life Sciences	0.6%	0.3%	0.3%	-0.1%	0.3%	0.0%	-0.1%	0.9%	0.7%	-0.2%
2020-HK	ANTA Sports Products	Consumer Durables & Apparel	0.5%	0.5%	0.1%	0.0%	0.7%	0.2%	0.0%	0.3%	-0.1%	0.0%
688012-CN	Advanced Micro-Fabrication Equipment	Semiconductors & Semiconductor Equipment	0.5%	0.1%	0.5%	-0.1%	0.5%	0.4%	-0.1%	0.6%	0.5%	-0.1%
600690-CN	Haier Smart Home	Consumer Durables & Apparel	0.5%	0.3%	0.2%	0.0%	0.5%	0.2%	0.0%	0.5%	0.2%	0.0%
1801-HK	Innovent Biologics	Pharmaceuticals Biotechnology & Life Sciences	0.5%	0.6%	-0.1%	0.0%	0.5%	-0.1%	0.0%	0.4%	-0.2%	0.0%
6160-HK	BeOne Medicines	Pharmaceuticals Biotechnology & Life Sciences	0.5%	0.7%	-0.2%	0.1%	0.3%	-0.4%	0.0%	0.6%	-0.1%	0.1%
BZ-US	Kanzhun	Commercial & Professional Services	0.5%	0.2%	0.3%	0.0%	0.5%	0.3%	0.0%	0.4%	0.2%	0.0%
600276-CN	Jiangsu Hengrui Pharmaceuticals	Pharmaceuticals Biotechnology & Life Sciences	0.4%	0.1%	0.3%	0.0%	0.6%	0.5%	0.0%	0.3%	0.2%	0.0%
002463-CN	Wus Printed Circuit	Technology Hardware & Equipment	0.4%	0.1%	0.4%	0.1%	0.5%	0.5%	0.1%	0.3%	0.2%	0.1%
386-HK	China Petroleum Chemical	Energy	0.4%	0.6%	-0.1%	-0.1%	0.1%	-0.4%	0.0%	0.7%	0.2%	-0.2%
2259-HK	Zijin Gold International	Materials	0.4%	0.2%	0.2%	0.0%	0.4%	0.3%	-0.1%	0.4%	0.2%	0.0%
300274-CN	Sungrow Power Supply	Capital Goods	0.4%	0.1%	0.3%	0.1%	0.6%	0.6%	0.2%	0.1%	0.0%	0.0%
TME-US	Tencent Music Entertainment	Media & Entertainment	0.4%	0.2%	0.2%	0.0%	0.3%	0.1%	0.0%	0.5%	0.3%	-0.1%
291-HK	China Resources Beer (Holdings)	Food Beverage & Tobacco	0.4%	0.2%	0.2%	0.0%	0.2%	0.0%	0.0%	0.5%	0.3%	-0.1%

Source: MorningStar, FactSet, Morgan Stanley Research. Note: Data as of May 31, 2026; most funds have disclosed position data up to April 30. Please contact us if you would like to receive the full table. Our fund positioning database methodology is described in section - Methodology of Our Fund Analysis. For important disclosures regarding companies that are the subject of this screen, please see the Morgan Stanley Research Disclosure Website at: www.morganstanley.com/researchdisclosures.

Fund Positions Changes YTD 2026 – Top 50 Mutual Fund Holdings

Exhibit 22: Top 50 China/HK holdings among long-only EM and China active managers, YTD

			International & US Funds				International Funds - UCITS			US Funds		
Ticker	Company Name	GICS Industry Group	Portfolio Composite Weights	MSCI China Index Weights	Active Weights	Active Wgt. Changes YTD	Portfolio Composite Weights	Active Weights	Active Weights Changes YTD	Portfolio Composite Weights	Active Weights	Active Weights Changes YTD
700-HK	Tencent Holdings	Media & Entertainment	13.4%	14.2%	-0.7%	-0.5%	10.7%	-3.4%	2.1%	16.5%	2.4%	-1.6%
9988-HK	Alibaba Group Holding	Consumer Discretionary Distribution & Retail	9.1%	10.3%	-1.2%	-1.2%	8.1%	-2.1%	-0.2%	10.1%	-0.1%	-1.1%
300750-CN	Contemporary Amperex Technology	Capital Goods	4.7%	0.9%	3.8%	1.5%	4.6%	3.7%	1.0%	4.8%	3.9%	1.8%
2318-HK	Ping An Insurance Group	Insurance	3.4%	2.2%	1.2%	0.0%	3.4%	1.2%	0.0%	3.4%	1.2%	0.0%
939-HK	China Construction Bank	Banks	3.4%	4.1%	-0.7%	0.1%	2.4%	-1.7%	-0.5%	4.4%	0.3%	0.5%
1299-HK	AIA Group	Insurance	2.9%	0.0%	2.9%	0.2%	2.5%	2.5%	0.1%	3.4%	3.4%	0.2%
9999-HK	NetEase	Media & Entertainment	2.0%	1.5%	0.5%	0.4%	2.3%	0.8%	0.5%	1.7%	0.2%	0.5%
2899-HK	Zijin Mining Group	Materials	1.8%	1.2%	0.6%	0.1%	1.4%	0.1%	-0.4%	2.3%	1.1%	0.4%
3968-HK	China Merchants Bank	Banks	1.7%	1.1%	0.6%	-0.1%	2.1%	1.0%	0.0%	1.2%	0.1%	-0.2%
688008-CN	Montage Technology	Semiconductors & Semiconductor Equipment	1.6%	0.1%	1.6%	0.8%	1.7%	1.6%	0.9%	1.6%	1.5%	0.7%
PDD-US	PDD Holdings	Consumer Discretionary Distribution & Retail	1.5%	2.6%	-1.2%	-0.5%	1.6%	-1.0%	-0.1%	1.3%	-1.3%	-1.0%
1211-HK	BYD	Automobiles & Components	1.4%	2.0%	-0.6%	0.2%	0.6%	-1.3%	0.0%	2.2%	0.3%	0.6%
000333-CN	Midea Group	Consumer Durables & Apparel	1.3%	0.3%	1.1%	0.2%	1.3%	1.1%	0.1%	1.3%	1.1%	0.2%
HTHT-US	H World Group	Consumer Services	1.2%	0.4%	0.8%	0.0%	1.0%	0.6%	-0.2%	1.4%	1.0%	0.0%
600519-CN	Kweichow Moutai	Food Beverage & Tobacco	1.2%	0.6%	0.6%	0.1%	1.3%	0.7%	0.1%	1.1%	0.5%	0.0%
002028-CN	Sieyuan Electric	Capital Goods	1.1%	0.0%	1.1%	0.1%	0.9%	0.9%	0.0%	1.3%	1.3%	0.0%
300124-CN	Shenzhen Inovance Technology	Capital Goods	1.1%	0.0%	1.1%	0.1%	0.8%	0.8%	0.1%	1.4%	1.4%	0.2%
2359-HK	WuXi AppTec	Pharmaceuticals Biotechnology & Life Sciences	1.0%	0.3%	0.7%	0.3%	0.6%	0.3%	0.1%	1.5%	1.2%	0.5%
300308-CN	Zhongji Innolight	Technology Hardware & Equipment	0.9%	0.3%	0.6%	0.5%	1.0%	0.7%	0.6%	0.7%	0.4%	0.4%
2338-HK	Weichai Power	Capital Goods	0.8%	0.4%	0.4%	0.2%	0.7%	0.3%	0.1%	1.0%	0.6%	0.3%
2628-HK	China Life Insurance	Insurance	0.8%	1.0%	-0.3%	-0.4%	0.4%	-0.7%	-0.1%	1.3%	0.2%	-0.7%
992-HK	Lenovo Group	Technology Hardware & Equipment	0.8%	0.4%	0.3%	0.4%	0.4%	0.0%	0.1%	1.2%	0.8%	0.8%
9888-HK	Baidu	Media & Entertainment	0.8%	1.3%	-0.5%	0.2%	0.7%	-0.5%	0.2%	0.8%	-0.4%	0.3%
1398-HK	Industrial and Commercial Bank of Chin	Banks	0.7%	2.3%	-1.6%	-0.2%	1.0%	-1.3%	-0.3%	0.5%	-1.9%	-0.2%
002371-CN	NAURA Technology Group	Semiconductors & Semiconductor Equipment	0.7%	0.1%	0.6%	0.3%	0.7%	0.6%	0.1%	0.8%	0.6%	0.4%
2328-HK	PICC Property & Casualty	Insurance	0.7%	0.5%	0.3%	0.0%	0.6%	0.1%	-0.1%	0.9%	0.5%	0.1%
9961-HK	Trip.com Group	Consumer Services	0.7%	1.2%	-0.5%	-0.1%	1.0%	-0.3%	0.1%	0.4%	-0.8%	-0.1%
857-HK	PetroChina	Energy	0.7%	1.3%	-0.6%	-0.2%	0.7%	-0.6%	-0.3%	0.8%	-0.5%	-0.1%
600660-CN	Fuyao Glass Industry Grp	Automobiles & Components	0.7%	0.2%	0.5%	-0.1%	0.9%	0.7%	-0.1%	0.4%	0.2%	-0.1%
388-HK	Hong Kong Exchanges & Clearing	Financial Services	0.7%	0.0%	0.7%	0.0%	0.7%	0.7%	0.0%	0.6%	0.6%	0.0%
YMM-US	Full Truck Alln	Transportation	0.6%	0.0%	0.6%	-0.2%	0.7%	0.7%	-0.1%	0.5%	0.5%	-0.4%
1810-HK	Xiaomi	Technology Hardware & Equipment	0.6%	2.4%	-1.8%	0.1%	0.7%	-1.7%	0.2%	0.5%	-1.8%	0.3%
669-HK	Techtronic Industries	Capital Goods	0.6%	0.0%	0.6%	0.1%	0.5%	0.5%	0.0%	0.7%	0.7%	0.2%
3690-HK	Meituan	Consumer Services	0.6%	2.0%	-1.4%	-0.6%	0.7%	-1.3%	0.0%	0.5%	-1.5%	-0.8%
600031-CN	Sany Heavy Industry	Capital Goods	0.6%	0.1%	0.5%	0.2%	0.5%	0.4%	-0.1%	0.7%	0.6%	0.3%
1109-HK	China Resources Land	Real Estate Management & Development	0.6%	0.5%	0.1%	-0.1%	0.6%	0.1%	-0.1%	0.5%	0.0%	-0.1%
3692-HK	Hansoh Pharmaceutical Group	Pharmaceuticals Biotechnology & Life Sciences	0.6%	0.3%	0.3%	-0.1%	0.3%	0.0%	-0.1%	0.9%	0.7%	0.0%
2020-HK	ANTA Sports Products	Consumer Durables & Apparel	0.5%	0.5%	0.1%	0.1%	0.7%	0.2%	-0.2%	0.3%	-0.1%	0.2%
688012-CN	Advanced Micro-Fabrication Equipment	Semiconductors & Semiconductor Equipment	0.5%	0.1%	0.5%	0.1%	0.5%	0.4%	0.0%	0.6%	0.5%	0.1%
600690-CN	Haier Smart Home	Consumer Durables & Apparel	0.5%	0.3%	0.2%	0.0%	0.5%	0.2%	-0.1%	0.5%	0.2%	0.1%
1801-HK	Innovent Biologics	Pharmaceuticals Biotechnology & Life Sciences	0.5%	0.6%	-0.1%	0.0%	0.5%	-0.1%	0.0%	0.4%	-0.2%	0.1%
6160-HK	BeOne Medicines	Pharmaceuticals Biotechnology & Life Sciences	0.5%	0.7%	-0.2%	0.1%	0.3%	-0.4%	0.1%	0.6%	-0.1%	0.1%
BZ-US	Kanzhun	Commercial & Professional Services	0.5%	0.2%	0.3%	0.0%	0.5%	0.3%	0.1%	0.4%	0.2%	0.0%
600276-CN	Jiangsu Hengrui Pharmaceuticals	Pharmaceuticals Biotechnology & Life Sciences	0.4%	0.1%	0.3%	0.0%	0.6%	0.5%	0.0%	0.3%	0.2%	-0.1%
002463-CN	Wus Printed Circuit	Technology Hardware & Equipment	0.4%	0.1%	0.4%	0.3%	0.5%	0.5%	0.2%	0.3%	0.2%	0.3%
386-HK	China Petroleum Chemical	Energy	0.4%	0.6%	-0.1%	0.2%	0.1%	-0.4%	0.0%	0.7%	0.2%	0.3%
2259-HK	Zijin Gold International	Materials	0.4%	0.2%	0.2%	-0.2%	0.4%	0.3%	-0.4%	0.4%	0.2%	0.0%
300274-CN	Sungrow Power Supply	Capital Goods	0.4%	0.1%	0.3%	0.1%	0.6%	0.6%	0.3%	0.1%	0.0%	-0.1%
TME-US	Tencent Music Entertainment	Media & Entertainment	0.4%	0.2%	0.2%	-0.3%	0.3%	0.1%	-0.1%	0.5%	0.3%	-0.4%
291-HK	China Resources Beer (Holdings)	Food Beverage & Tobacco	0.4%	0.2%	0.2%	-0.1%	0.2%	0.0%	-0.1%	0.5%	0.3%	0.0%

Source: MorningStar, FactSet, Morgan Stanley Research. Note: Data as of May 31, 2026, most funds have disclosed position data up to April 30. Please contact us if you would like to receive the full table. Our fund positioning database methodology is described in section - Methodology of Our Fund Analysis. For important disclosures regarding companies that are the subject of this screen, please see the Morgan Stanley Research Disclosure Website at: www.morganstanley.com/researchdisclosures

Funds Positions Changes vs. Last Month – By GICS Industry Group

Exhibit 23: Active fund positions in China/HK equities by GICS Industry Group vs. last month

GICS Industry Group	MSCI China Index Weights	International & US Funds: Portfolio Composite Weights	International & US Funds: Active Weights	International & US Funds: Active Weights Changes vs. last month	International Funds - UCITS: Portfolio Composite Weights	International Funds - UCITS: Active Weights	International Funds - UCITS: Active Weights Changes vs. last month	US Funds: Portfolio Composite Weights	US Funds: Active Weights	US Funds: Active Weights Changes vs. last month
Capital Goods	3.8%	13.6%	9.7%	0.7%	14.4%	10.6%	0.4%	12.6%	8.8%	0.9%
Insurance	4.9%	8.5%	3.6%	0.1%	7.6%	2.7%	0.0%	9.6%	4.7%	0.2%
Semiconductors & Semiconductor Equipment	2.3%	4.2%	1.9%	0.4%	4.9%	2.5%	0.7%	3.4%	1.1%	0.1%
Consumer Durables & Apparel	1.7%	3.6%	1.9%	-0.1%	4.1%	2.4%	-0.1%	3.1%	1.4%	0.0%
Food Beverage & Tobacco	2.6%	3.4%	0.8%	-0.1%	3.5%	0.9%	-0.1%	3.3%	0.7%	-0.2%
Commercial & Professional Services	0.2%	0.6%	0.4%	0.0%	0.8%	0.6%	0.0%	0.5%	0.3%	0.0%
Health Care Equipment & Services	0.4%	0.7%	0.3%	0.0%	0.7%	0.4%	0.0%	0.6%	0.3%	0.0%
Real Estate Management & Development	1.5%	1.7%	0.1%	0.0%	2.1%	0.6%	0.0%	1.2%	-0.4%	0.0%
Transportation	1.4%	1.6%	0.2%	0.0%	1.8%	0.4%	0.0%	1.4%	-0.1%	-0.1%
Household & Personal Products	0.1%	0.2%	0.0%	0.0%	0.2%	0.1%	0.0%	0.2%	0.0%	0.0%
Materials	5.6%	5.6%	0.0%	-0.1%	5.5%	-0.1%	-0.3%	5.7%	0.1%	0.1%
Telecommunication Services	0.3%	0.2%	-0.1%	-0.1%	0.3%	0.0%	-0.1%	0.1%	-0.2%	0.0%
Consumer Staples Distribution & Retail	0.4%	0.3%	-0.1%	0.0%	0.4%	0.1%	0.0%	0.1%	-0.3%	0.0%
Financial Services	1.9%	1.5%	-0.3%	-0.3%	2.0%	0.1%	-0.3%	1.0%	-0.9%	-0.3%
Pharmaceuticals Biotechnology & Life Sciences	4.6%	4.4%	-0.2%	-0.3%	4.2%	-0.4%	-0.4%	4.6%	0.0%	-0.2%
Software & Services	1.1%	0.2%	-0.9%	0.0%	0.4%	-0.8%	0.0%	0.1%	-1.0%	0.0%
Consumer Services	4.9%	3.9%	-1.0%	-0.5%	4.0%	-0.9%	-0.1%	3.7%	-1.2%	-1.0%
Technology Hardware & Equipment	6.2%	4.6%	-1.6%	0.6%	5.2%	-1.0%	0.7%	3.8%	-2.4%	0.5%
Utilities	1.9%	0.6%	-1.3%	0.1%	0.5%	-1.4%	0.1%	0.7%	-1.2%	0.1%
Automobiles & Components	4.8%	3.3%	-1.5%	0.1%	3.3%	-1.5%	0.0%	3.3%	-1.5%	0.2%
Energy	3.6%	1.4%	-2.1%	-0.2%	1.2%	-2.3%	-0.2%	1.7%	-1.9%	-0.2%
Media & Entertainment	18.4%	17.2%	-1.1%	0.1%	14.7%	-3.7%	0.4%	20.2%	1.8%	-0.1%
Consumer Discretionary Distribution & Retail	15.0%	11.5%	-3.5%	-0.6%	10.8%	-4.2%	-0.6%	12.2%	-2.8%	-0.6%
Banks	12.4%	7.1%	-5.3%	0.1%	7.0%	-5.4%	-0.3%	7.2%	-5.2%	0.6%

Source: MorningStar, FactSet, Morgan Stanley Research. Note: Data as of May 31, 2024; most funds have disclosed position data up to April 30. Please contact us if you would like to receive the full table. Our fund positioning database methodology is described in section - Methodology of Our Fund Analysis.

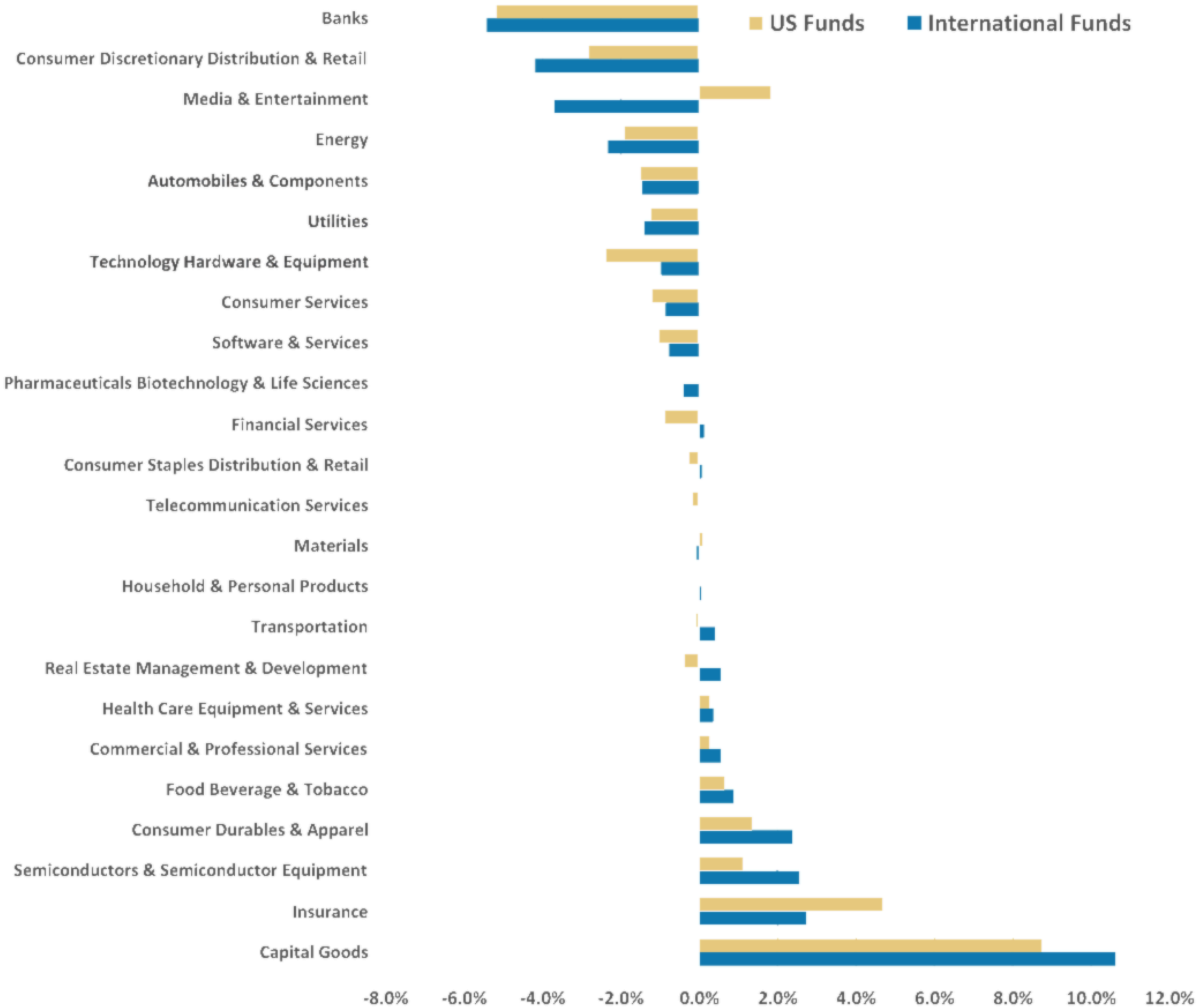
Fund Positions QTD Changes – By GICS Industry Group

Exhibit 24: Active fund positions in China/HK equities by GICS Industry Group vs. last quarter

		International & US Funds			International Funds - UCITS			US Funds		
GICS Industry Group	MSCI China Index Weights	Portfolio Composite Weights	Active Weights	Active Weights Changes QTD	Portfolio Composite Weights	Active Weights	Active Weights Changes QTD	Portfolio Composite Weights	Active Weights	Active Weights Changes QTD
Capital Goods	3.8%	13.6%	9.7%	0.7%	14.4%	10.6%	0.4%	12.6%	8.8%	0.9%
Insurance	4.9%	8.5%	3.6%	0.1%	7.6%	2.7%	0.0%	9.6%	4.7%	0.2%
Semiconductors & Semiconductor Equipment	2.3%	4.2%	1.9%	0.4%	4.9%	2.5%	0.7%	3.4%	1.1%	0.1%
Consumer Durables & Apparel	1.7%	3.6%	1.9%	-0.1%	4.1%	2.4%	-0.1%	3.1%	1.4%	0.0%
Food Beverage & Tobacco	2.6%	3.4%	0.8%	-0.1%	3.5%	0.9%	-0.1%	3.3%	0.7%	-0.2%
Commercial & Professional Services	0.2%	0.6%	0.4%	0.0%	0.8%	0.6%	0.0%	0.5%	0.3%	0.0%
Health Care Equipment & Services	0.4%	0.7%	0.3%	0.0%	0.7%	0.4%	0.0%	0.6%	0.3%	0.0%
Real Estate Management & Development	1.5%	1.7%	0.1%	0.0%	2.1%	0.6%	0.0%	1.2%	-0.4%	0.0%
Transportation	1.4%	1.6%	0.2%	0.0%	1.8%	0.4%	0.0%	1.4%	-0.1%	-0.1%
Household & Personal Products	0.1%	0.2%	0.0%	0.0%	0.2%	0.1%	0.0%	0.2%	0.0%	0.0%
Materials	5.6%	5.6%	0.0%	-0.1%	5.5%	-0.1%	-0.3%	5.7%	0.1%	0.1%
Telecommunication Services	0.3%	0.2%	-0.1%	-0.1%	0.3%	0.0%	-0.1%	0.1%	-0.2%	0.0%
Consumer Staples Distribution & Retail	0.4%	0.3%	-0.1%	0.0%	0.4%	0.1%	0.0%	0.1%	-0.3%	0.0%
Financial Services	1.9%	1.5%	-0.3%	-0.3%	2.0%	0.1%	-0.3%	1.0%	-0.9%	-0.3%
Pharmaceuticals Biotechnology & Life Sciences	4.6%	4.4%	-0.2%	-0.3%	4.2%	-0.4%	-0.4%	4.6%	0.0%	-0.2%
Software & Services	1.1%	0.2%	-0.9%	0.0%	0.4%	-0.8%	-0.1%	0.1%	-1.0%	0.0%
Consumer Services	4.9%	3.9%	-1.0%	-0.5%	4.0%	-0.9%	-0.1%	3.7%	-1.2%	-1.0%
Technology Hardware & Equipment	6.2%	4.6%	-1.6%	0.6%	5.2%	-1.0%	0.7%	3.8%	-2.4%	0.5%
Utilities	1.9%	0.6%	-1.3%	0.1%	0.5%	-1.4%	0.1%	0.7%	-1.2%	0.1%
Automobiles & Components	4.8%	3.3%	-1.5%	0.1%	3.3%	-1.5%	0.0%	3.3%	-1.5%	0.2%
Energy	3.6%	1.4%	-2.1%	-0.2%	1.2%	-2.3%	-0.2%	1.7%	-1.9%	-0.2%
Media & Entertainment	18.4%	17.2%	-1.1%	0.1%	14.7%	-3.7%	0.4%	20.2%	1.8%	-0.1%
Consumer Discretionary Distribution & Retail	15.0%	11.5%	-3.5%	-0.6%	10.8%	-4.2%	-0.6%	12.2%	-2.8%	-0.6%
Banks	12.4%	7.1%	-5.3%	0.1%	7.0%	-5.4%	-0.3%	7.2%	-5.2%	0.6%

Source: MorningStar, FactSet, Morgan Stanley Research. Note: Data as of May 31, 2026; most funds have disclosed position data up to April 30. Please contact us if you would like to receive the full table. Our fund positioning database methodology is described in section - Methodology of Our Fund Analysis.

Exhibit 25: Latest active weights vs. MSCI China by GICS industry group



Source: MorningStar, FactSet, Morgan Stanley Research. Note: Data as of May 31, 2025; most funds have disclosed position data up to April 30. Our fund positioning database methodology is described in section - Methodology of Our Fund Analysis.

Fund Positions Changes YTD 2026 – By GICS Industry Group

Exhibit 26: Active fund positions in China/HK equities by GICS Industry Group, YTD

		US & SICAV Funds			International Funds - UCITS			US Funds		
GICS Industry Group	MSCI China Index Weights	Portfolio Composite Weights	Active Weights	Active Weights Changes YTD	Portfolio Composite Weights	Active Weights	Active Weights Changes YTD	Portfolio Composite Weights	Active Weights	Active Weights Changes YTD
Capital Goods	3.8%	13.6%	9.7%	3.0%	14.4%	10.6%	1.3%	12.6%	8.8%	2.8%
Insurance	4.9%	8.5%	3.6%	-0.2%	7.6%	2.7%	-0.1%	9.6%	4.7%	-0.3%
Semiconductors & Semiconductor Equipment	2.3%	4.2%	1.9%	1.0%	4.9%	2.5%	1.0%	3.4%	1.1%	0.6%
Consumer Durables & Apparel	1.7%	3.6%	1.9%	-0.1%	4.1%	2.4%	-0.7%	3.1%	1.4%	0.2%
Food Beverage & Tobacco	2.6%	3.4%	0.8%	0.0%	3.5%	0.9%	0.0%	3.3%	0.7%	0.1%
Commercial & Professional Services	0.2%	0.6%	0.4%	0.1%	0.8%	0.6%	0.1%	0.5%	0.3%	0.0%
Health Care Equipment & Services	0.4%	0.7%	0.3%	0.0%	0.7%	0.4%	-0.1%	0.6%	0.3%	0.1%
Real Estate Management & Development	1.5%	1.7%	0.1%	-0.1%	2.1%	0.6%	-0.1%	1.2%	-0.4%	-0.2%
Transportation	1.4%	1.6%	0.2%	-0.3%	1.8%	0.4%	-0.3%	1.4%	-0.1%	-0.4%
Household & Personal Products	0.1%	0.2%	0.0%	0.0%	0.2%	0.1%	0.0%	0.2%	0.0%	0.0%
Materials	5.6%	5.6%	0.0%	-0.1%	5.5%	-0.1%	-1.5%	5.7%	0.1%	0.6%
Telecommunication Services	0.3%	0.2%	-0.1%	-0.1%	0.3%	0.0%	-0.1%	0.1%	-0.2%	0.0%
Consumer Staples Distribution & Retail	0.4%	0.3%	-0.1%	0.0%	0.4%	0.1%	0.0%	0.1%	-0.3%	0.0%
Financial Services	1.9%	1.5%	-0.3%	0.0%	2.0%	0.1%	0.1%	1.0%	-0.9%	-0.2%
Pharmaceuticals Biotechnology & Life Sciences	4.6%	4.4%	-0.2%	0.2%	4.2%	-0.4%	-0.3%	4.6%	0.0%	0.5%
Software & Services	1.1%	0.2%	-0.9%	-0.4%	0.4%	-0.8%	-0.5%	0.1%	-1.0%	-0.4%
Consumer Services	4.9%	3.9%	-1.0%	-0.8%	4.0%	-0.9%	-0.1%	3.7%	-1.2%	-1.3%
Technology Hardware & Equipment	6.2%	4.6%	-1.6%	0.9%	5.2%	-1.0%	1.1%	3.8%	-2.4%	1.0%
Utilities	1.9%	0.6%	-1.3%	-0.1%	0.5%	-1.4%	-0.1%	0.7%	-1.2%	0.0%
Automobiles & Components	4.8%	3.3%	-1.5%	0.0%	3.3%	-1.5%	-0.3%	3.3%	-1.5%	0.2%
Energy	3.6%	1.4%	-2.1%	-0.4%	1.2%	-2.3%	-0.8%	1.7%	-1.9%	-0.2%
Media & Entertainment	18.4%	17.2%	-1.1%	-0.3%	14.7%	-3.7%	2.7%	20.2%	1.8%	-1.1%
Consumer Discretionary Distribution & Retail	15.0%	11.5%	-3.5%	-2.0%	10.8%	-4.2%	-0.6%	12.2%	-2.8%	-2.3%
Banks	12.4%	7.1%	-5.3%	-0.4%	7.0%	-5.4%	-1.1%	7.2%	-5.2%	0.2%

Source: MorningStar, FactSet, Morgan Stanley Research. Note: Data as of May 31, 2026, most funds have disclosed position data up to April 30. Our fund positioning database methodology is described in section - Methodology of Our Fund Analysis.

Methodology of Our Fund Analysis

Coverage: Our SICAV fund universe in this analysis is formed by taking the 40 largest active funds in "International Funds: MorningStar China Equity" and the 40 largest active funds in "International Funds: MorningStar Emerging Markets Equity", covering total AUM of US$173bn.

Our US fund universe in this analysis is formed by taking the 20 largest active funds in "US Funds: MorningStar China Equity" and the 40 largest active funds in "US Funds: MorningStar Emerging Markets Equity", covering total AUM of US$312bn.

Rationale: We track only the funds with the largest AUM because of their better data quality. Changes in individual securities positions across different funds are aggregated based on market value. Please note that not every individual fund discloses month-end positions, so our estimations are for best-effort market indication purposes rather than factual reported data.