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China Equity Strategy | Asia Pacific

China/HK Flows and Positioning Monthly Tracker – August 2026

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Key Takeaways

- Foreign fund inflows recovered to US$2bn in Aug from flat flows in Jul. AxJ funds remained OW China but reduced exposure, while EM funds turned more UW.
- A-share liquidity softened in August as National Team ETF flows turned negative amid the market rebound, while retail small-order inflows dropped sharply.
- Southbound inflows slowed sharply, while foreign passive flows into A-shares improved modestly after July's outflows.

Foreign-domiciled long-only fund flows:

- **Foreign-domiciled US and European funds recorded around US$2.0bn of net inflows in August, improving from broadly flat flows in July.** The rebound was driven by around US$2.1bn of passive inflows, while active fund flows were broadly flat (Exhibit 2).
- On a cumulative basis, foreign fund inflows increased to **US$8.9bn in 8M26**, representing 7x of 8M25 inflows (Exhibit 4 , Exhibit 5).
- Based on the latest available positioning data, with most funds having disclosed holdings through July 2026, China positioning has been trimmed slightly, **Global funds** increased China UW to 1.0ppt, **EM funds** to 1.8ppt UW, and **AxJ funds** reduced to a 2.5ppt OW in China (Exhibit 1).
- More details: Fund Flows in China/HK Equities .

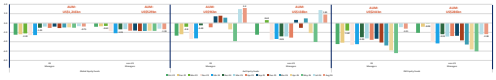
A-share market liquidity:

- **National Team flows,** proxied by CSI 300 ETF flows, returned to net selling in August (US$2.8bn outflow) after the sharp rebound in July (US$6.6bn inflow), amid the market rebound.(Exhibit 7).
- **Retail liquidity weakened in August,** daily average small-order net inflows fell sharply to Rmb10.5bn (lowest level since 2025), with new SSE account openings declining slightly. Margin financing balances, however, rebounded modestly from the July. (Exhibit 12 , Exhibit 13).
- More details: A-share Liquidity Track .

Southbound/Northbound flow:

- **Southbound flows** slowed sharply to US$1.3bn in August from US$8.0bn in July. Cumulative inflows reached approximately US$48bn in 8M26, equivalent to around 39% of the 8M25 inflows (Exhibit 3).
- **Foreign passive fund flows into CSI 300 (a proxy for northbound flow)** reversed to inflows in August (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 Aug 31, 2026, most funds have disclosed position data up to Jul 31. 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.

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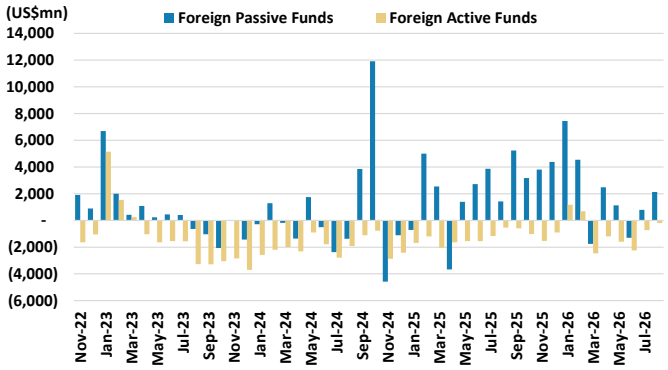
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Fund Flows in China/HK Equities

For foreign-domiciled mutual funds

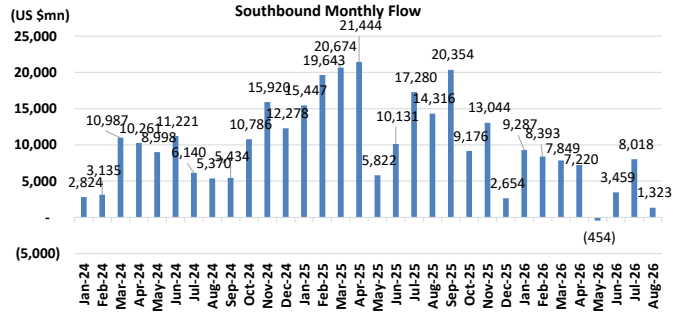
- **By sector:** Active fund managers added the most active weight in Biotech and Materials vs. last month. They reduced exposure most significantly to Consumer Discretionary Distribution & Retail and Media & Entertainment (Exhibit 22).
- **By company:** Wuxi AppTec and Lenovo saw the largest increases in active weight, while BABA and Tencent were among the most reduced positions vs. last month (Exhibit 19).
- 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



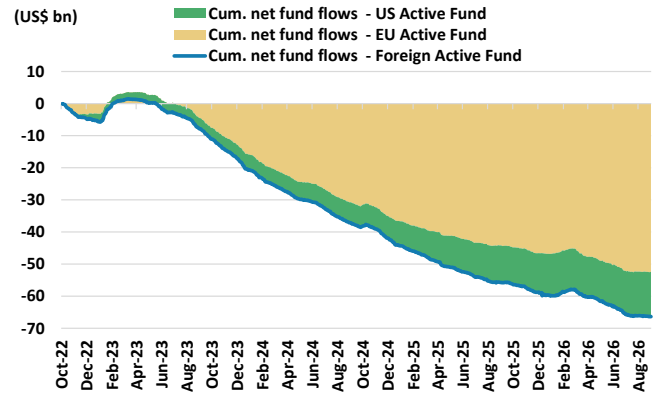
Source: EPFR, Morgan Stanley Research. Note: Data as of August 31, 2026.

Exhibit 3: Southbound monthly net fund flows



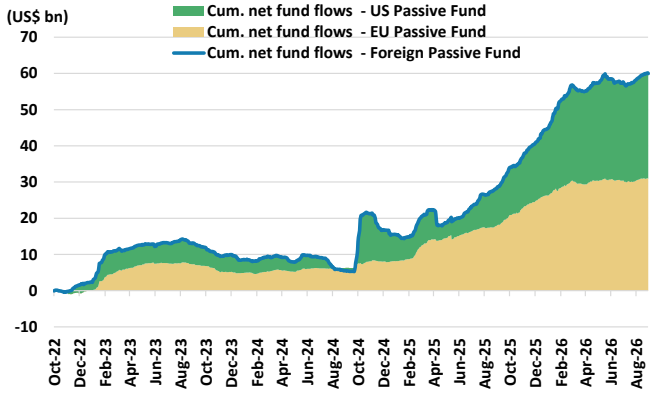
Source: CEIC, Morgan Stanley Research. Note: Data as of August 31, 2026.

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



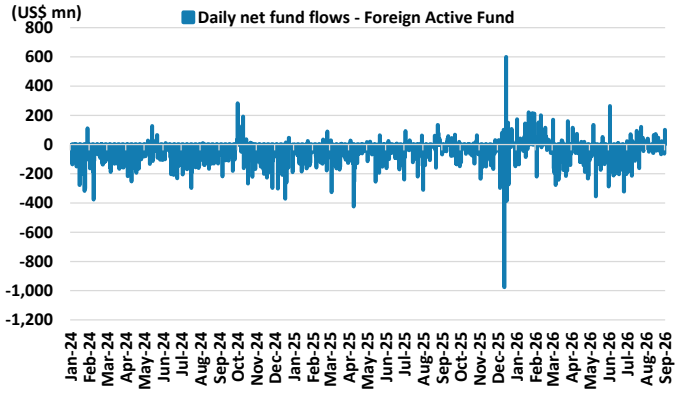
Source: EPFR, Morgan Stanley Research. Note: Data as of August 31, 2026.

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



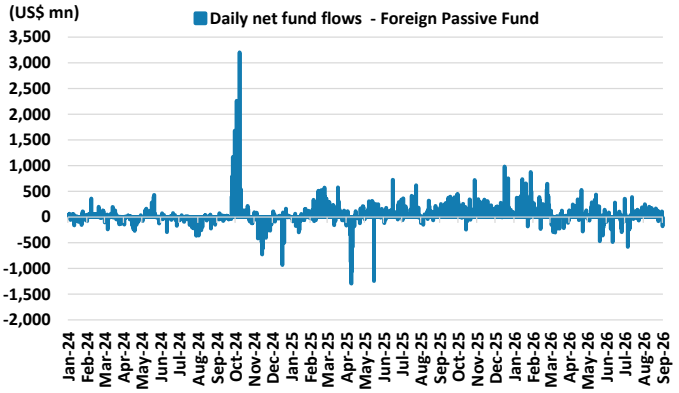
Source: EPFR, Morgan Stanley Research. Note: Data as of August 31, 2026.

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 August 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 August 31, 2026.

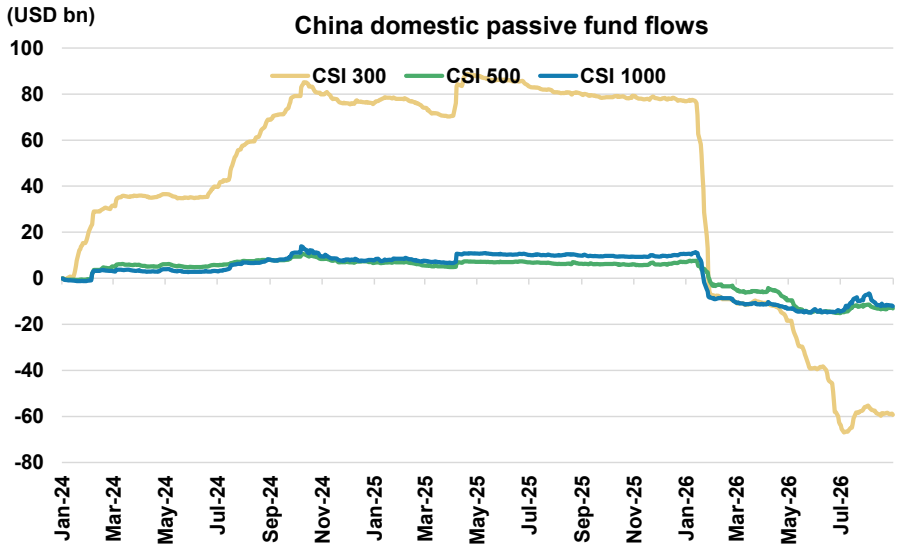
A-share Liquidity Track

- **National Team ETF activity returned to selling in August,** following the sharp rebound in July. CSI 300, CSI 500 and CSI 1000 ETFs all recorded renewed outflows (Exhibit 7).
- **Retail participation weakened:** Daily average small-order net inflows fell sharply to Rmb10.5bn from Rmb31.5bn in July, while new account openings declined to 2.4mn. Margin financing balances, however, recorded a modest m-m rebound (Exhibit 11 Exhibit 12).
- **Foreign passive flows into A-shares improved modestly in August:** Passive funds tracking CSI 300 recorded net inflows after the outflows seen in July. (Exhibit 19).

National Team ETF flows returned to selling in August after July's rebound

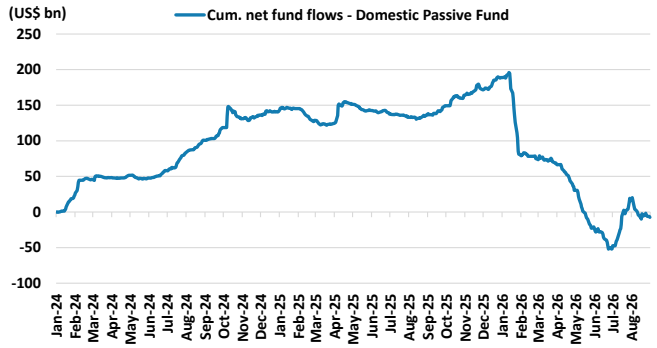
We use CSI 300 passive ETF flows as a proxy for the National Team's cumulative buying and selling activity. Following the inflows in July, broad-market ETF flows turned to outflow again in August, amid a mild market rebound.

Exhibit 7: China domestic broad-market index ETF flow – ETF selling resumed in August



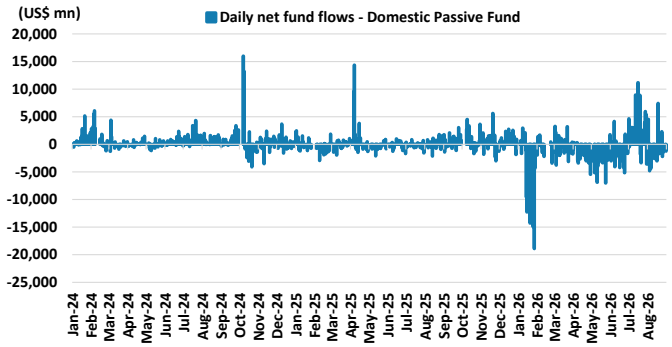
Source: EPFR, Morgan Stanley Research. Data as of August 31, 2026.

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



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

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

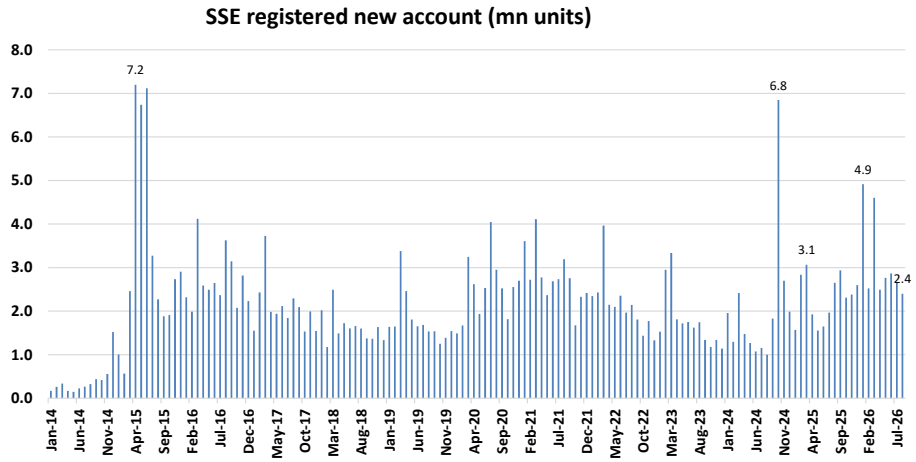


Source: EPFR, Morgan Stanley Research. Note: Data as of August 31, 2026.

Retail participation weakened in August, with small-order inflows falling sharply despite a modest rebound in margin financing

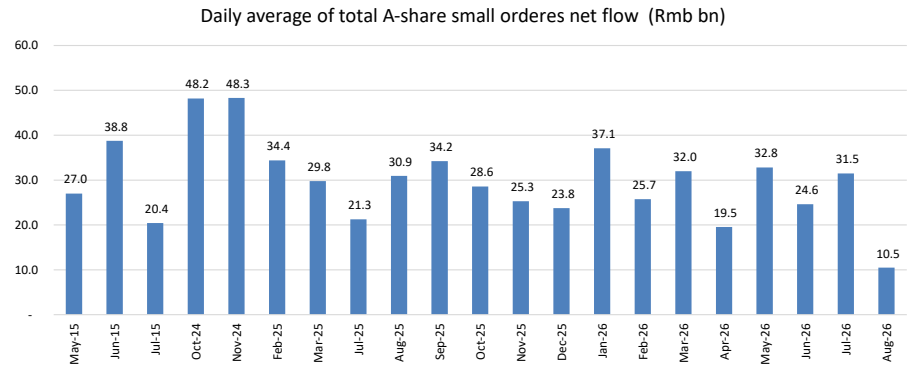
- **New SSE account opening** declined to 2.4mn in August from 2.7mn in July.
- **The daily average net inflow of A-share small orders** (under Rmb40,000, a proxy for retail participation) fell sharply to Rmb10.5bn in August from Rmb31.5bn in July, pointing to weaker retail trading activity.
- **A-share total margin financing balance** (a proxy for leveraged retail participation), rebounded modestly m-m in August after the sharp decline in July, although it remained below the June peak.

Exhibit 10: SSE registered new accounts – Modest decline to 2.4mn in August



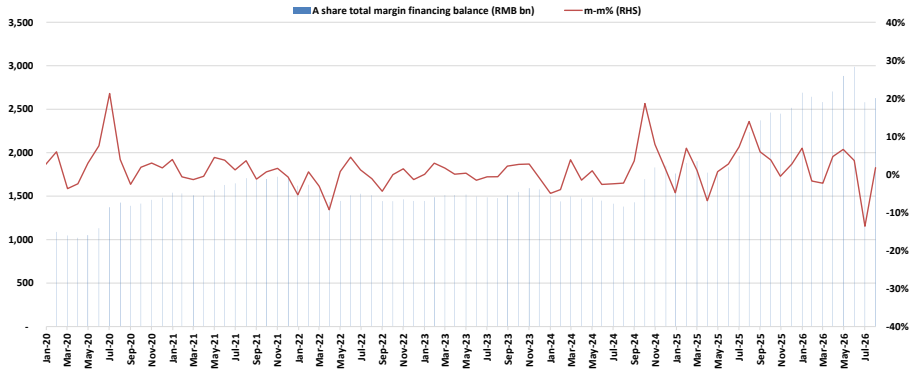
Source: CEIC, Morgan Stanley Research. Data as of August 2026.

Exhibit 11: Daily average of A-share small orders net inflow – Sharp decline to Rmb10.5bn in August



Note: Small order refers to these below Rmb40,000. Source: Wind, Morgan Stanley Research. Data as of August , 2026.

Exhibit 12: A-share total margin financing balance and m-m % – small rebound in August



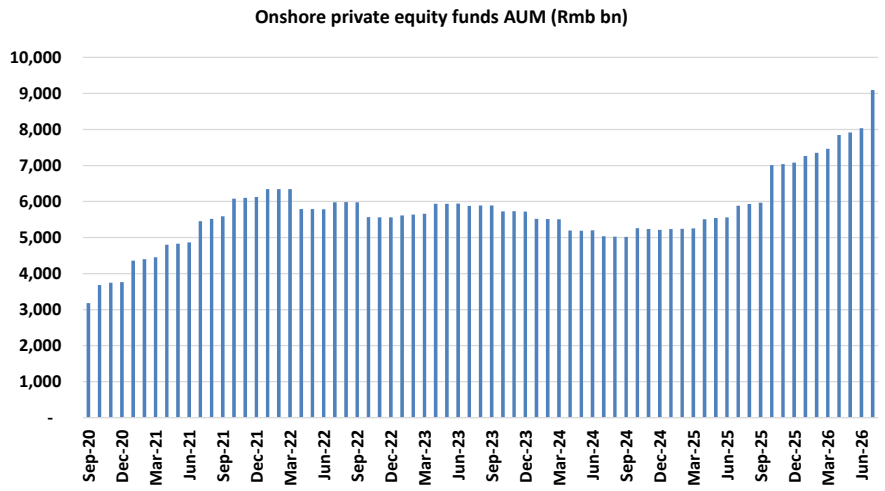
Source: CEIC, Morgan Stanley Research. Data as of August 31, 2026.

Private fund AUM rose sharply again in July, while mutual fund AUM remained resilient in August

- **Private fund AUM recorded another sharp increase in July, rising to above Rmb9tn and reaching a new high.** The continued increase since mid-2025 points to sustained HNWI participation in the equity market (Exhibit 13).

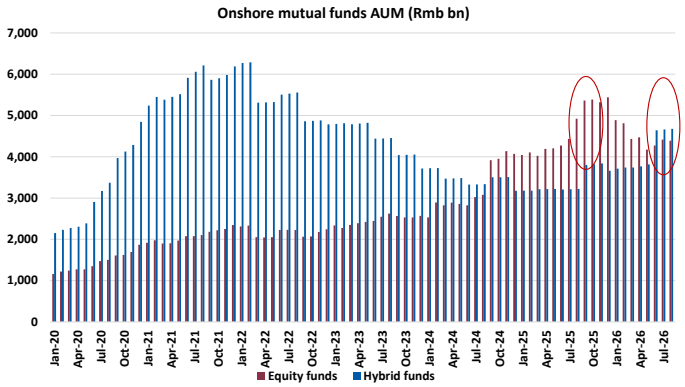
- **Onshore mutual fund AUM remained broadly resilient in August:** Hybrid-fund AUM continued to edge higher, while equity-fund AUM was broadly stable (Exhibit 14).

Exhibit 13: Onshore private equity funds AUM – Another AUM spike in July



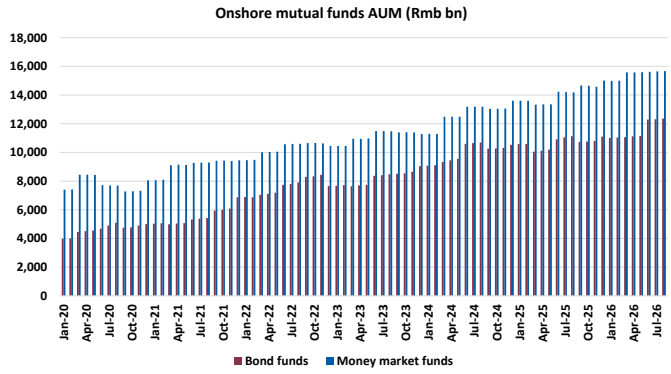
Source: Wind, Morgan Stanley Research. Data as of July 2026.

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



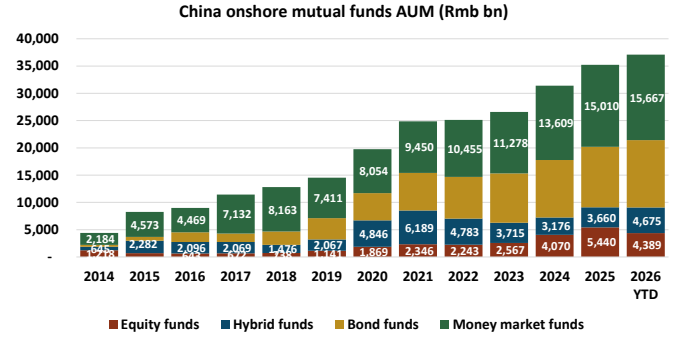
Source: Wind, Morgan Stanley Research. Data as of Aug, 2026.

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



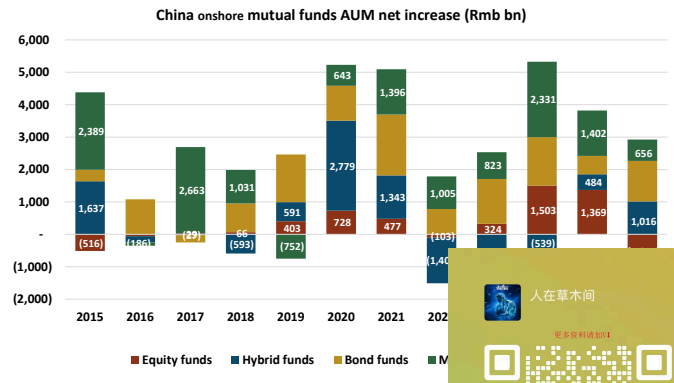
Source: Wind, Morgan Stanley Research. Data as of Aug, 2026.

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



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

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



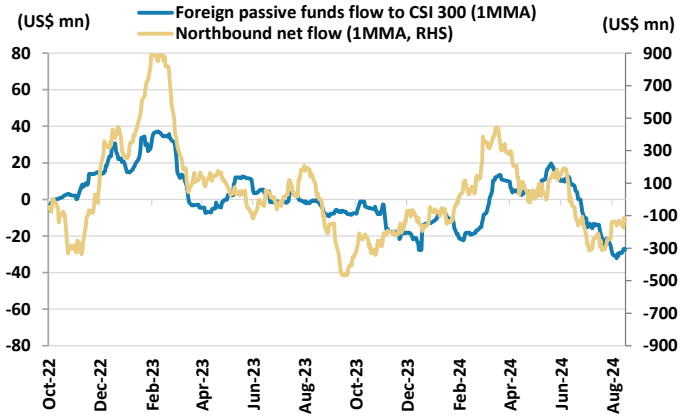
Source: Wind, Morgan Stanley Research. Data as of Aug 2026.

Northbound proxy: Foreign passive into A-shares conti
July

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.

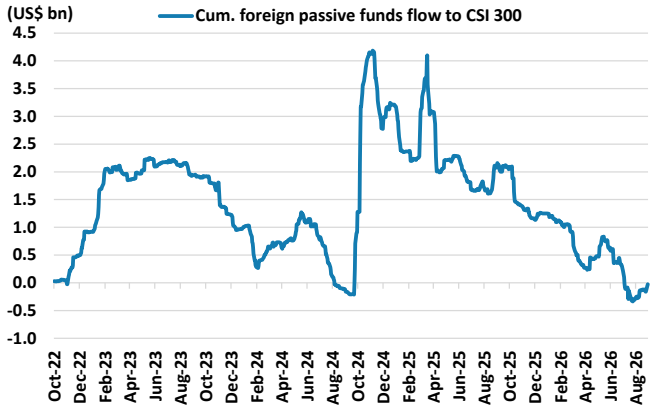
Foreign passive funds tracking CSI 300 recorded modest net inflows in August, partially reversing July's outflows, although cumulative flows remained slightly negative.

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 August 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	14.4%	14.6%	-0.2%	-0.7%	11.6%	-3.0%	-0.6%	17.3%	2.7%	-0.8%
9988-HK	Alibaba Group Holding	Consumer Discretionary Distribution & Retail	8.0%	9.8%	-1.8%	-1.7%	7.5%	-2.2%	-1.7%	8.4%	-1.4%	-1.7%
300750-CN	Contemporary Amperex Technology	Capital Goods	4.5%	1.1%	3.4%	0.0%	4.4%	3.3%	0.0%	4.6%	3.4%	-0.1%
939-HK	China Construction Bank	Banks	3.2%	3.9%	-0.8%	-0.2%	2.7%	-1.3%	-0.1%	3.7%	0.3%	-0.2%
2318-HK	Ping An Insurance Group	Insurance	2.7%	2.1%	0.6%	-0.3%	3.1%	1.0%	-0.3%	2.3%	0.2%	-0.3%
1299-HK	AIA Group	Insurance	2.6%	0.0%	2.6%	-0.1%	2.2%	2.2%	0.0%	3.1%	3.1%	-0.1%
2899-HK	Zijin Mining Grp Co Ltd	Materials	2.3%	1.2%	1.1%	-0.9%	1.8%	0.6%	-0.9%	2.8%	1.6%	-1.0%
9999-HK	NetEase	Media & Entertainment	2.1%	1.8%	0.2%	-0.1%	2.3%	0.5%	-0.1%	1.8%	0.0%	0.0%
2359-HK	WuXi AppTec	Pharmaceuticals Biotechnology & Life Sciences	1.7%	0.4%	1.3%	0.4%	1.1%	0.7%	0.2%	2.3%	1.9%	0.5%
3968-HK	China Merchants Bank	Banks	1.6%	1.2%	0.4%	-0.2%	2.0%	0.8%	-0.2%	1.2%	0.0%	-0.2%
1211-HK	BYD	Automobiles & Components	1.3%	1.9%	-0.6%	-0.3%	0.8%	-1.1%	-0.3%	1.9%	0.0%	-0.3%
000333-CN	Midea Group	Consumer Durables & Apparel	1.3%	0.3%	1.0%	-0.1%	1.4%	1.1%	-0.1%	1.3%	1.0%	0.0%
688008-CN	Montage Technology	Semiconductors & Semiconductor Equipment	1.3%	0.1%	1.2%	0.1%	1.2%	1.1%	0.1%	1.4%	1.3%	0.1%
HTHT-US	H World Group	Consumer Services	1.2%	0.3%	0.9%	0.2%	1.1%	0.8%	0.2%	1.4%	1.1%	0.2%
688012-CN	Advanced Micro-Fabrication Equipment	Semiconductors & Semiconductor Equipment	1.1%	0.1%	1.0%	0.2%	1.0%	0.9%	0.1%	1.1%	1.0%	0.2%
992-HK	Lenovo Group	Technology Hardware & Equipment	1.0%	0.9%	0.1%	0.3%	0.7%	-0.2%	0.3%	1.3%	0.4%	0.3%
PDD-US	PDD Holdings	Consumer Discretionary Distribution & Retail	1.0%	2.0%	-1.0%	-0.1%	1.3%	-0.7%	-0.2%	0.6%	-1.3%	-0.1%
600519-CN	Kweichow Moutai	Food Beverage & Tobacco	1.0%	0.6%	0.4%	-0.1%	1.1%	0.5%	-0.1%	0.8%	0.2%	-0.1%
2628-HK	China Life Insurance	Insurance	0.9%	1.1%	-0.2%	0.0%	0.3%	-0.8%	0.0%	1.6%	0.4%	0.0%
1398-HK	Industrial and Commercial Bank of China	Banks	0.9%	2.6%	-1.7%	-0.1%	1.2%	-1.4%	-0.1%	0.5%	-2.1%	-0.2%
300124-CN	Shenzhen Inovance Technology	Capital Goods	0.9%	0.0%	0.8%	0.0%	0.6%	0.6%	0.0%	1.2%	1.1%	0.0%
2328-HK	PICC Property & Casualty	Insurance	0.8%	0.6%	0.3%	-0.1%	0.6%	0.0%	-0.1%	1.1%	0.6%	-0.1%
002028-CN	Sieyuan Electric	Capital Goods	0.8%	0.0%	0.8%	-0.1%	0.7%	0.7%	0.0%	0.9%	0.9%	-0.1%
6160-HK	BeOne Medicines	Pharmaceuticals Biotechnology & Life Sciences	0.8%	0.8%	0.0%	0.1%	0.7%	-0.1%	0.1%	0.9%	0.1%	0.1%
600660-CN	Fuyao Glass Industry Grp	Automobiles & Components	0.8%	0.2%	0.5%	0.0%	0.9%	0.6%	0.0%	0.7%	0.4%	0.0%
3690-HK	Meituan	Consumer Services	0.8%	2.3%	-1.6%	-0.6%	0.9%	-1.4%	-0.5%	0.6%	-1.7%	-0.6%
002371-CN	NAURA Technology Group	Semiconductors & Semiconductor Equipment	0.7%	0.2%	0.6%	0.0%	0.8%	0.6%	0.0%	0.7%	0.5%	0.0%
2338-HK	Weichai Power	Capital Goods	0.7%	0.4%	0.3%	0.0%	0.6%	0.2%	0.0%	0.8%	0.4%	0.0%
3692-HK	Hansoh Pharmaceutical Group	Pharmaceuticals Biotechnology & Life Sciences	0.7%	0.2%	0.5%	0.1%	0.3%	0.1%	0.0%	1.2%	1.0%	0.2%
1801-HK	Innovent Biologics	Pharmaceuticals Biotechnology & Life Sciences	0.7%	0.6%	0.1%	0.2%	0.8%	0.2%	0.2%	0.6%	0.1%	0.1%
600031-CN	Sany Heavy Industry	Capital Goods	0.7%	0.1%	0.6%	-0.1%	0.5%	0.4%	-0.1%	0.9%	0.8%	-0.1%
669-HK	Techtronic Industries	Capital Goods	0.7%	0.0%	0.7%	0.0%	0.5%	0.5%	0.0%	0.8%	0.8%	0.0%
388-HK	Hong Kong Exchanges & Clearing	Financial Services	0.7%	0.0%	0.7%	0.0%	0.7%	0.7%	0.1%	0.6%	0.6%	0.0%
300308-CN	Zhongji Innolight	Technology Hardware & Equipment	0.6%	0.3%	0.3%	0.2%	0.8%	0.4%	0.2%	0.5%	0.1%	0.2%
600690-CN	Haier Smart Home	Consumer Durables & Apparel	0.6%	0.3%	0.3%	-0.1%	0.5%	0.2%	-0.1%	0.8%	0.5%	-0.1%
9961-HK	Trip.com Group	Consumer Services	0.6%	1.1%	-0.5%	-0.1%	0.8%	-0.3%	-0.2%	0.4%	-0.7%	-0.1%
857-HK	PetroChina	Energy	0.6%	1.1%	-0.5%	-0.1%	0.5%	-0.6%	-0.1%	0.7%	0.5%	-0.1%
YMM-US	Full Truck Alln	Transportation	0.6%	0.3%	0.3%	-0.1%	0.7%	0.4%	-0.1%	0.5%	0.2%	0.0%
2020-HK	ANTA Sports Products	Consumer Durables & Apparel	0.6%	0.5%	0.1%	0.0%	0.7%	0.2%	0.0%	0.4%	0.1%	0.0%
1109-HK	China Resources Land	Real Estate Management & Development	0.6%	0.5%	0.1%	0.0%	0.7%	0.2%	0.0%	0.4%	0.0%	0.0%
9618-HK	JD.com	Consumer Discretionary Distribution & Retail	0.6%	1.5%	-0.9%	-0.3%	0.5%	-0.9%	-0.2%	0.6%	0.9%	-0.3%
9888-HK	Baidu	Media & Entertainment	0.5%	1.1%	-0.6%	0.0%	0.5%	-0.6%	0.0%	0.5%	0.6%	0.1%
BZ-US	Kanzhun	Commercial & Professional Services	0.5%	0.2%	0.3%	0.0%	0.6%	0.3%	0.0%	0.5%	0.3%	0.0%
002475-CN	Luxshare Precision Industry	Technology Hardware & Equipment	0.5%	0.1%	0.3%	0.1%	0.3%	0.1%	0.1%	0.7%	0.6%	0.0%
2259-HK	Zijin Gold International	Materials	0.5%	0.2%	0.3%	0.1%	0.6%	0.4%	0.1%	0.4%	0.2%	0.1%
1208-HK	MMG	Materials	0.5%	0.2%	0.3%	0.0%	0.1%	-0.1%	0.0%	0.9%	0.7%	0.1%
601600-CN	Aluminum Corp of China	Materials	0.4%	0.2%	0.2%	0.0%	0.1%	-0.1%	0.0%	0.8%	0.6%	0.1%
600276-CN	Jiangsu Hengrui Pharmaceuticals	Pharmaceuticals Biotechnology & Life Sciences	0.4%	0.1%	0.3%	-0.1%	0.6%	0.4%	-0.1%	0.3%	0.2%	-0.1%
2319-HK	China Mengniu Dairy	Food Beverage & Tobacco	0.4%	0.3%	0.1%	0.0%	0.6%	0.4%	0.0%	0.2%	0.1%	0.0%
1810-HK	Xiaomi	Technology Hardware & Equipment	0.4%	2.5%	-2.1%	-0.5%	0.5%	-2.0%	-0.5%	0.3%	-2.2%	-0.5%

Source: MorningStar, FactSet, Morgan Stanley Research. Note: Data as of Aug 31, 2026, most funds have disclosed position data up to Jul 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	14.4%	14.6%	-0.2%	-0.7%	11.6%	-3.0%	-0.6%	17.3%	2.7%	-0.8%
9988-HK	Alibaba Group Holding	Consumer Discretionary Distribution & Retail	8.0%	9.8%	-1.8%	-1.7%	7.5%	-2.2%	-1.7%	8.4%	-1.4%	-1.7%
300750-CN	Contemporary Amperex Technology	Capital Goods	4.5%	1.1%	3.4%	0.0%	4.4%	3.3%	0.0%	4.6%	3.4%	-0.1%
939-HK	China Construction Bank	Banks	3.2%	3.9%	-0.8%	-0.2%	2.7%	-1.3%	-0.1%	3.7%	-0.3%	-0.2%
2318-HK	Ping An Insurance Group	Insurance	2.7%	2.1%	0.6%	-0.3%	3.1%	1.0%	-0.3%	2.3%	0.2%	-0.3%
1299-HK	AIA Group	Insurance	2.6%	0.0%	2.6%	-0.1%	2.2%	2.2%	0.0%	3.1%	3.1%	-0.1%
2899-HK	Zijin Mining Grp Co Ltd	Materials	2.3%	1.2%	1.1%	-0.9%	1.8%	0.6%	0.2%	2.8%	1.6%	0.1%
9999-HK	NetEase	Media & Entertainment	2.1%	1.8%	0.2%	-0.1%	2.3%	0.5%	-0.1%	1.8%	0.0%	0.0%
2359-HK	WuXi AppTec	Pharmaceuticals Biotechnology & Life Sciences	1.7%	0.4%	1.3%	0.4%	1.1%	0.7%	0.2%	2.3%	1.9%	0.5%
3968-HK	China Merchants Bank	Banks	1.6%	1.2%	0.4%	-0.2%	2.0%	0.8%	-0.2%	1.2%	0.0%	-0.2%
1211-HK	BYD	Automobiles & Components	1.3%	1.9%	-0.6%	-0.3%	0.8%	-1.1%	-0.3%	1.9%	0.0%	-0.3%
000333-CN	Midea Group	Consumer Durables & Apparel	1.3%	0.3%	1.0%	-0.1%	1.4%	1.1%	-0.1%	1.3%	1.0%	0.0%
688008-CN	Montage Technology	Semiconductors & Semiconductor Equipment	1.3%	0.1%	1.2%	0.1%	1.2%	1.1%	0.1%	1.4%	1.3%	0.1%
HTHT-US	H World Group	Consumer Services	1.2%	0.3%	0.9%	0.2%	1.1%	0.8%	0.2%	1.4%	1.1%	0.2%
688012-CN	Advanced Micro-Fabrication Equipment	Semiconductors & Semiconductor Equipment	1.1%	0.1%	1.0%	0.2%	1.0%	0.9%	0.1%	1.1%	1.0%	0.2%
992-HK	Lenovo Group	Technology Hardware & Equipment	1.0%	0.9%	0.1%	0.3%	0.7%	-0.2%	0.3%	1.3%	0.4%	0.3%
PDD-US	PDD Holdings	Consumer Discretionary Distribution & Retail	1.0%	2.0%	-1.0%	-0.1%	1.3%	-0.7%	-0.2%	0.6%	-1.3%	-0.1%
600519-CN	Kweichow Moutai	Food Beverage & Tobacco	1.0%	0.6%	0.4%	-0.1%	1.1%	0.5%	-0.1%	0.8%	0.2%	-0.1%
2628-HK	China Life Insurance	Insurance	0.9%	1.1%	-0.2%	0.0%	0.3%	-0.8%	0.0%	1.6%	0.4%	0.2%
1398-HK	Industrial and Commercial Bank of Chin	Banks	0.9%	2.6%	-1.7%	-0.1%	1.2%	-1.4%	-0.1%	0.5%	-2.1%	-0.2%
300124-CN	Shenzhen Inovance Technology	Capital Goods	0.9%	0.0%	0.8%	0.0%	0.6%	0.6%	0.0%	1.2%	1.1%	0.0%
2328-HK	PICC Property & Casualty	Insurance	0.8%	0.6%	0.3%	-0.1%	0.6%	0.0%	-0.1%	1.1%	0.6%	-0.1%
002028-CN	Sieyuan Electric	Capital Goods	0.8%	0.0%	0.8%	-0.1%	0.7%	0.7%	0.0%	0.9%	0.9%	-0.1%
6160-HK	BeOne Medicines	Pharmaceuticals Biotechnology & Life Sciences	0.8%	0.8%	0.0%	0.1%	0.7%	-0.1%	0.1%	0.9%	0.1%	0.1%
600660-CN	Fuyao Glass Industry Grp	Automobiles & Components	0.8%	0.2%	0.5%	0.0%	0.9%	0.6%	0.0%	0.7%	0.4%	0.0%
3690-HK	Meituan	Consumer Services	0.8%	2.3%	-1.6%	-0.6%	0.9%	-1.4%	-0.5%	0.6%	-1.7%	-0.6%
002371-CN	NAURA Technology Group	Semiconductors & Semiconductor Equipment	0.7%	0.2%	0.6%	0.0%	0.8%	0.6%	0.0%	0.7%	0.5%	0.0%
2338-HK	Weichai Power	Capital Goods	0.7%	0.4%	0.3%	0.0%	0.6%	0.2%	0.0%	0.8%	0.4%	0.0%
3692-HK	Hansoh Pharmaceutical Group	Pharmaceuticals Biotechnology & Life Sciences	0.7%	0.2%	0.5%	0.1%	0.3%	0.1%	0.0%	1.2%	1.0%	0.2%
1801-HK	Innovent Biologics	Pharmaceuticals Biotechnology & Life Sciences	0.7%	0.6%	0.1%	0.2%	0.8%	0.2%	0.2%	0.6%	-0.1%	0.1%
600031-CN	Sany Heavy Industry	Capital Goods	0.7%	0.1%	0.6%	-0.1%	0.5%	0.4%	-0.1%	0.9%	0.8%	-0.1%
669-HK	Techtronic Industries	Capital Goods	0.7%	0.0%	0.7%	0.0%	0.5%	0.5%	0.0%	0.8%	0.8%	0.0%
388-HK	Hong Kong Exchanges & Clearing	Financial Services	0.7%	0.0%	0.7%	0.0%	0.7%	0.7%	0.1%	0.6%	0.6%	0.0%
300308-CN	Zhongji Innolight	Technology Hardware & Equipment	0.6%	0.3%	0.3%	-0.3%	0.8%	0.4%	0.2%	0.5%	0.1%	0.2%
600690-CN	Haier Smart Home	Consumer Durables & Apparel	0.6%	0.3%	0.3%	-0.1%	0.5%	0.2%	-0.1%	0.8%	0.5%	-0.1%
9961-HK	Trip.com Group	Consumer Services	0.6%	1.1%	-0.5%	-0.1%	0.8%	-0.3%	-0.2%	0.4%	-0.7%	-0.1%
857-HK	PetroChina	Energy	0.6%	1.1%	-0.5%	-0.1%	0.5%	-0.6%	-0.1%	0.7%	-0.5%	-0.1%
YMM-US	Full Truck Alln	Transportation	0.6%	0.3%	0.3%	-0.1%	0.7%	0.4%	-0.1%	0.5%	0.2%	0.0%
2020-HK	ANTA Sports Products	Consumer Durables & Apparel	0.6%	0.5%	0.1%	0.0%	0.7%	0.2%	0.0%	0.4%	-0.1%	0.0%
1109-HK	China Resources Land	Real Estate Management & Development	0.6%	0.5%	0.1%	0.0%	0.7%	0.2%	0.0%	0.4%	0.0%	0.0%
9618-HK	JD.com	Consumer Discretionary Distribution & Retail	0.6%	1.5%	-0.9%	-0.3%	0.5%	-0.9%	-0.2%	0.6%	-0.9%	-0.3%
9888-HK	Baidu	Media & Entertainment	0.5%	1.1%	-0.6%	0.0%	0.5%	-0.6%	0.0%	0.5%	-0.6%	0.1%
BZ-US	Kanzhun	Commercial & Professional Services	0.5%	0.2%	0.3%	0.0%	0.6%	0.3%	0.0%	0.5%	0.3%	0.0%
002475-CN	Luxshare Precision Industry	Technology Hardware & Equipment	0.5%	0.1%	0.3%	0.1%	0.3%	0.1%	0.1%	0.7%	0.6%	0.0%
2259-HK	Zijin Gold International	Materials	0.5%	0.2%	0.3%	0.0%	0.6%	0.4%	0.1%	0.4%	0.2%	0.1%
1208-HK	MMG	Materials	0.5%	0.2%	0.3%	0.0%	0.1%	-0.1%	0.0%	0.9%	0.7%	0.1%
601600-CN	Aluminum Corp of China	Materials	0.4%	0.2%	0.2%	0.0%	0.1%	-0.1%	0.0%	0.8%	0.6%	0.1%
600276-CN	Jiangsu Hengrui Pharmaceuticals	Pharmaceuticals Biotechnology & Life Sciences	0.4%	0.1%	0.3%	-0.1%	0.6%	0.4%	-0.1%	0.3%	0.2%	-0.1%
2319-HK	China Mengniu Dairy	Food Beverage & Tobacco	0.4%	0.3%	0.1%	0.0%	0.6%	0.4%	0.0%	0.2%	-0.1%	0.0%
1810-HK	Xiaomi	Technology Hardware & Equipment	0.4%	2.5%	-2.1%	-0.5%	0.5%	-2.0%	#N/A	0.3%	-2.2%	-0.5%

Source: MorningStar, FactSet, Morgan Stanley Research. Note: Data as of Aug 31, 2026, most funds have disclosed position data up to Jul 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	14.4%	14.6%	-0.2%	-0.1%	11.6%	-3.0%	2.6%	17.3%	2.7%	-1.3%
9988-HK	Alibaba Group Holding	Consumer Discretionary Distribution & Retail	8.0%	9.8%	-1.8%	-1.9%	7.5%	-2.2%	-0.3%	8.4%	-1.4%	-2.3%
300750-CN	Contemporary Amperex Technology	Capital Goods	4.5%	1.1%	3.4%	1.1%	4.4%	3.3%	0.6%	4.6%	3.4%	1.3%
939-HK	China Construction Bank	Banks	3.2%	3.9%	-0.8%	0.0%	2.7%	-1.3%	-0.1%	3.7%	-0.3%	-0.1%
2318-HK	Ping An Insurance Group	Insurance	2.7%	2.1%	0.6%	-0.6%	3.1%	1.0%	-0.3%	2.3%	0.2%	-0.9%
1299-HK	AIA Group	Insurance	2.6%	0.0%	2.6%	-0.1%	2.2%	2.2%	-0.2%	3.1%	3.1%	0.0%
2899-HK	Zijin Mining Grp Co Ltd	Materials	2.3%	1.2%	1.1%	#N/A	1.8%	0.6%	#N/A	2.8%	1.6%	#N/A
9999-HK	NetEase	Media & Entertainment	2.1%	1.8%	0.2%	0.1%	2.3%	0.5%	0.1%	1.8%	0.0%	0.2%
2359-HK	WuXi AppTec	Pharmaceuticals Biotechnology & Life Sciences	1.7%	0.4%	1.3%	0.9%	1.1%	0.7%	0.5%	2.3%	1.9%	1.2%
3968-HK	China Merchants Bank	Banks	1.6%	1.2%	0.4%	-0.3%	2.0%	0.8%	-0.2%	1.2%	0.0%	-0.3%
1211-HK	BYD	Automobiles & Components	1.3%	1.9%	-0.6%	0.2%	0.8%	-1.1%	0.2%	1.9%	0.0%	0.3%
000333-CN	Midea Group	Consumer Durables & Apparel	1.3%	0.3%	1.0%	0.1%	1.4%	1.1%	0.1%	1.3%	1.0%	0.1%
688008-CN	Montage Technology	Semiconductors & Semiconductor Equipment	1.3%	0.1%	1.2%	0.4%	1.2%	1.1%	0.4%	1.4%	1.3%	0.5%
HTHT-US	H World Group	Consumer Services	1.2%	0.3%	0.9%	0.1%	1.1%	0.8%	0.0%	1.4%	1.1%	0.0%
688012-CN	Advanced Micro-Fabrication Equipment	Semiconductors & Semiconductor Equipment	1.1%	0.1%	1.0%	0.6%	1.0%	0.9%	0.5%	1.1%	1.0%	0.6%
992-HK	Lenovo Group	Technology Hardware & Equipment	1.0%	0.9%	0.1%	0.2%	0.7%	-0.2%	-0.1%	1.3%	0.4%	0.5%
PDD-US	PDD Holdings	Consumer Discretionary Distribution & Retail	1.0%	2.0%	-1.0%	-0.3%	1.3%	-0.7%	0.2%	0.6%	-1.3%	-1.0%
600519-CN	Kweichow Moutai	Food Beverage & Tobacco	1.0%	0.6%	0.4%	-0.1%	1.1%	0.5%	-0.1%	0.8%	0.2%	-0.2%
2628-HK	China Life Insurance	Insurance	0.9%	1.1%	-0.2%	-0.3%	0.3%	-0.8%	-0.2%	1.6%	0.4%	-0.5%
1398-HK	Industrial and Commercial Bank of China	Banks	0.9%	2.6%	-1.7%	-0.3%	1.2%	-1.4%	-0.3%	0.5%	-2.1%	-0.4%
300124-CN	Shenzhen Inovance Technology	Capital Goods	0.9%	0.0%	0.8%	-0.1%	0.6%	0.6%	-0.1%	1.2%	1.1%	-0.1%
2328-HK	PICC Property & Casualty	Insurance	0.8%	0.6%	0.3%	0.0%	0.6%	0.0%	-0.2%	1.1%	0.6%	0.2%
002028-CN	Sieyuan Electric	Capital Goods	0.8%	0.0%	0.8%	-0.3%	0.7%	0.7%	-0.2%	0.9%	0.9%	-0.5%
6160-HK	BeOne Medicines	Pharmaceuticals Biotechnology & Life Sciences	0.8%	0.8%	0.0%	0.4%	0.7%	-0.1%	0.3%	0.9%	0.1%	0.4%
600660-CN	Fuyao Glass Industry Grp	Automobiles & Components	0.8%	0.2%	0.5%	0.0%	0.9%	0.6%	-0.1%	0.7%	0.4%	0.1%
3690-HK	Meituan	Consumer Services	0.8%	2.3%	-1.6%	-0.8%	0.9%	-1.4%	-0.1%	0.6%	-1.7%	-1.1%
002371-CN	NAURA Technology Group	Semiconductors & Semiconductor Equipment	0.7%	0.2%	0.6%	0.3%	0.8%	0.6%	0.2%	0.7%	0.5%	0.3%
2338-HK	Weichai Power	Capital Goods	0.7%	0.4%	0.3%	0.1%	0.6%	0.2%	0.1%	0.8%	0.4%	0.1%
3692-HK	Hansoh Pharmaceutical Group	Pharmaceuticals Biotechnology & Life Sciences	0.7%	0.2%	0.5%	0.1%	0.3%	0.1%	0.0%	1.2%	1.0%	0.3%
1801-HK	Innovent Biologics	Pharmaceuticals Biotechnology & Life Sciences	0.7%	0.6%	0.1%	0.2%	0.8%	0.2%	0.3%	0.6%	-0.1%	0.2%
600031-CN	Sany Heavy Industry	Capital Goods	0.7%	0.1%	0.6%	0.3%	0.5%	0.4%	-0.1%	0.9%	0.8%	0.5%
669-HK	Techtronic Industries	Capital Goods	0.7%	0.0%	0.7%	0.2%	0.5%	0.5%	0.0%	0.8%	0.8%	0.3%
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%
300308-CN	Zhongji Innolight	Technology Hardware & Equipment	0.6%	0.3%	0.3%	0.0%	0.8%	0.4%	0.2%	0.5%	0.1%	-0.1%
600690-CN	Haier Smart Home	Consumer Durables & Apparel	0.6%	0.3%	0.3%	0.1%	0.5%	0.2%	-0.2%	0.8%	0.5%	0.3%
9961-HK	Trip.com Group	Consumer Services	0.6%	1.1%	-0.5%	-0.1%	0.8%	-0.3%	0.0%	0.4%	-0.7%	0.0%
857-HK	PetroChina	Energy	0.6%	1.1%	-0.5%	-0.1%	0.5%	-0.6%	-0.3%	0.7%	-0.5%	0.0%
YMM-US	Full Truck Alln	Transportation	0.6%	0.3%	0.3%	-0.5%	0.7%	0.4%	-0.4%	0.5%	0.2%	-0.7%
2020-HK	ANTA Sports Products	Consumer Durables & Apparel	0.6%	0.5%	0.1%	0.1%	0.7%	0.2%	-0.2%	0.4%	-0.1%	0.2%
1109-HK	China Resources Land	Real Estate Management & Development	0.6%	0.5%	0.1%	-0.1%	0.7%	0.2%	0.0%	0.4%	0.0%	-0.1%
9618-HK	JD.com	Consumer Discretionary Distribution & Retail	0.6%	1.5%	-0.9%	-0.1%	0.5%	-0.9%	-0.1%	0.6%	-0.9%	-0.2%
9888-HK	Baidu	Media & Entertainment	0.5%	1.1%	-0.6%	0.2%	0.5%	-0.6%	0.2%	0.5%	-0.6%	0.2%
BZ-US	Kanzhun	Commercial & Professional Services	0.5%	0.2%	0.3%	0.1%	0.6%	0.3%	0.1%	0.5%	0.3%	0.1%
002475-CN	Luxshare Precision Industry	Technology Hardware & Equipment	0.5%	0.1%	0.3%	0.2%	0.3%	0.1%	0.0%	0.7%	0.6%	0.5%
2259-HK	Zijin Gold International	Materials	0.5%	0.2%	0.3%	-0.3%	0.6%	0.4%	-0.4%	0.4%	0.2%	-0.2%
1208-HK	MMG	Materials	0.5%	0.2%	0.3%	0.1%	0.1%	-0.1%	0.0%	0.9%	0.7%	0.3%
601600-CN	Aluminum Corp of China	Materials	0.4%	0.2%	0.2%	0.4%	0.1%	-0.1%	0.0%	0.8%	0.6%	0.9%
600276-CN	Jiangsu Hengrui Pharmaceuticals	Pharmaceuticals Biotechnology & Life Sciences	0.4%	0.1%	0.3%	0.0%	0.6%	0.4%	0.0%	0.3%	0.2%	-0.1%
2319-HK	China Mengniu Dairy	Food Beverage & Tobacco	0.4%	0.3%	0.1%	0.1%	0.6%	0.4%	0.2%	0.2%	-0.1%	0.1%
1810-HK	Xiaomi	Technology Hardware & Equipment	0.4%	2.5%	-2.1%	-0.2%	0.5%	-2.0%	-0.1%	0.3%	-2.2%	0.0%

Source: MorningStar, FactSet, Morgan Stanley Research. Note: Data as of Aug 31, 2026, most funds have disclosed position data up to Jul 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

		International & US Funds			International Funds - UCITS			US Funds		
GICS Industry Group	MSCI China Index Weights	Portfolio Composite Weights	Active Weights	Active Weights Changes vs. last month	Portfolio Composite Weights	Active Weights	Active Weights Changes vs. last month	Portfolio Composite Weights	Active Weights	Active Weights Changes vs. last month
Capital Goods	3.8%	12.5%	8.7%	0.1%	13.0%	9.2%	0.2%	11.9%	8.1%	0.1%
Insurance	5.0%	7.7%	2.7%	-0.6%	6.8%	1.9%	-0.6%	8.6%	3.7%	-0.5%
Consumer Durables & Apparel	1.7%	3.6%	1.9%	-0.2%	3.9%	2.2%	-0.3%	3.2%	1.5%	-0.1%
Semiconductors & Semiconductor Equipment	2.6%	4.4%	1.8%	1.7%	5.2%	2.6%	1.8%	3.6%	1.0%	1.7%
Pharmaceuticals Biotechnology & Life Sciences	4.7%	6.0%	1.3%	0.8%	5.8%	1.1%	0.8%	6.2%	1.5%	0.8%
Materials	5.2%	6.5%	1.3%	0.7%	5.9%	0.7%	0.7%	7.1%	1.9%	0.6%
Commercial & Professional Services	0.2%	0.7%	0.5%	0.0%	0.9%	0.6%	0.1%	0.5%	0.3%	0.0%
Food Beverage & Tobacco	2.5%	3.0%	0.5%	-0.3%	3.2%	0.7%	-0.3%	2.8%	0.2%	-0.2%
Health Care Equipment & Services	0.3%	0.7%	0.4%	0.0%	0.8%	0.5%	0.0%	0.7%	0.3%	0.0%
Consumer Staples Distribution & Retail	0.3%	0.4%	0.1%	0.0%	0.6%	0.3%	0.0%	0.1%	-0.2%	0.0%
Transportation	1.6%	1.7%	0.1%	-0.1%	1.9%	0.2%	-0.2%	1.5%	-0.1%	-0.1%
Real Estate Management & Development	1.5%	1.6%	0.0%	0.0%	2.0%	0.4%	0.0%	1.1%	-0.4%	0.0%
Household & Personal Products	0.1%	0.1%	0.0%	0.0%	0.1%	0.0%	0.0%	0.1%	0.0%	0.0%
Telecommunication Services	0.3%	0.1%	-0.1%	0.0%	0.2%	0.0%	0.0%	0.0%	-0.2%	0.0%
Financial Services	1.9%	1.6%	-0.4%	0.2%	2.0%	0.0%	0.2%	1.1%	-0.8%	0.3%
Software & Services	0.9%	0.2%	-0.7%	0.0%	0.2%	-0.7%	0.0%	0.2%	-0.7%	0.0%
Consumer Services	5.0%	4.1%	-0.8%	-0.6%	4.4%	-0.6%	-0.6%	3.9%	-1.1%	-0.6%
Automobiles & Components	4.4%	3.4%	-1.0%	-0.5%	3.4%	-1.0%	-0.6%	3.4%	-1.0%	-0.4%
Media & Entertainment	18.9%	17.7%	-1.2%	-0.9%	15.1%	-3.8%	-0.8%	20.5%	1.6%	-0.9%
Utilities	1.8%	0.6%	-1.2%	0.0%	0.6%	-1.3%	0.0%	0.6%	-1.2%	0.0%
Technology Hardware & Equipment	6.7%	5.0%	-1.8%	2.5%	5.3%	-1.4%	2.7%	4.6%	-2.1%	2.3%
Energy	3.3%	1.3%	-2.1%	-0.1%	1.0%	-2.3%	-0.1%	1.5%	-1.8%	-0.1%
Consumer Discretionary Distribution & Retail	14.0%	9.9%	-4.1%	-2.1%	9.9%	-4.1%	-2.1%	9.9%	-4.0%	-2.1%
Banks	12.9%	7.1%	-5.8%	-0.6%	7.6%	-5.3%	-0.5%	6.6%	-6.4%	-0.7%

Source: MorningStar, FactSet, Morgan Stanley Research. Note: Data as of Aug 31, 2026, most funds have disclosed position data up to Jul 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.

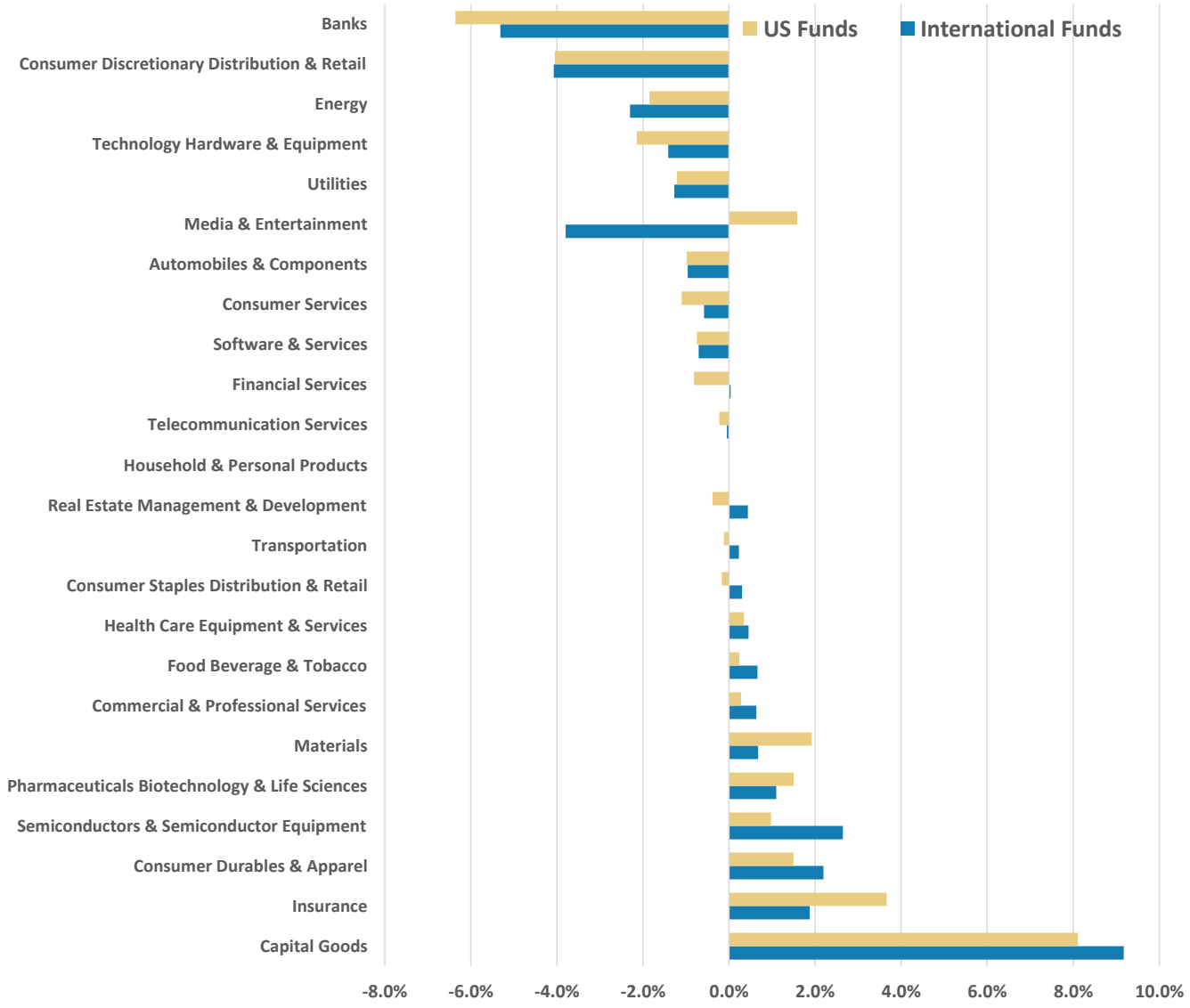
Fund Positions QTD Changes – By GICS Industry Group

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%	12.5%	8.7%	0.1%	13.0%	9.2%	0.2%	11.9%	8.1%	0.1%
Insurance	5.0%	7.7%	2.7%	-0.6%	6.8%	1.9%	-0.6%	8.6%	3.7%	-0.5%
Consumer Durables & Apparel	1.7%	3.6%	1.9%	-0.2%	3.9%	2.2%	-0.3%	3.2%	1.5%	-0.1%
Semiconductors & Semiconductor Equipment	2.6%	4.4%	1.8%	1.7%	5.2%	2.6%	1.7%	3.6%	1.0%	1.7%
Pharmaceuticals Biotechnology & Life Sciences	4.7%	6.0%	1.3%	0.8%	5.8%	1.1%	0.8%	6.2%	1.5%	0.8%
Materials	5.2%	6.5%	1.3%	0.7%	5.9%	0.7%	0.7%	7.1%	1.9%	0.6%
Commercial & Professional Services	0.2%	0.7%	0.5%	0.0%	0.9%	0.6%	0.1%	0.5%	0.3%	0.0%
Food Beverage & Tobacco	2.5%	3.0%	0.5%	-0.3%	3.2%	0.7%	-0.3%	2.8%	0.2%	-0.2%
Health Care Equipment & Services	0.3%	0.7%	0.4%	0.0%	0.8%	0.5%	0.0%	0.7%	0.3%	0.0%
Consumer Staples Distribution & Retail	0.3%	0.4%	0.1%	0.0%	0.6%	0.3%	0.0%	0.1%	-0.2%	0.0%
Transportation	1.6%	1.7%	0.1%	-0.1%	1.9%	0.2%	-0.2%	1.5%	-0.1%	-0.1%
Real Estate Management & Development	1.5%	1.6%	0.0%	0.0%	2.0%	0.4%	0.0%	1.1%	-0.4%	0.0%
Household & Personal Products	0.1%	0.1%	0.0%	0.0%	0.1%	0.0%	0.0%	0.1%	0.0%	0.0%
Telecommunication Services	0.3%	0.1%	-0.1%	0.0%	0.2%	0.0%	0.0%	0.0%	-0.2%	0.0%
Financial Services	1.9%	1.6%	-0.4%	0.2%	2.0%	0.0%	0.2%	1.1%	-0.8%	0.3%
Software & Services	0.9%	0.2%	-0.7%	0.0%	0.2%	-0.7%	0.0%	0.2%	-0.7%	0.0%
Consumer Services	5.0%	4.1%	-0.8%	-0.6%	4.4%	-0.6%	-0.6%	3.9%	-1.1%	-0.6%
Automobiles & Components	4.4%	3.4%	-1.0%	-0.5%	3.4%	-1.0%	-0.6%	3.4%	-1.0%	-0.4%
Media & Entertainment	18.9%	17.7%	-1.2%	-0.9%	15.1%	-3.8%	-0.8%	20.5%	1.6%	-0.9%
Utilities	1.8%	0.6%	-1.2%	0.0%	0.6%	-1.3%	0.0%	0.6%	-1.2%	0.0%
Technology Hardware & Equipment	6.7%	5.0%	-1.8%	2.5%	5.3%	-1.4%	2.7%	4.6%	-2.1%	2.3%
Energy	3.3%	1.3%	-2.1%	-0.1%	1.0%	-2.3%	-0.1%	1.5%	-1.8%	-0.1%
Consumer Discretionary Distribution & Retail	14.0%	9.9%	-4.1%	-2.1%	9.9%	-4.1%	-2.1%	9.9%	-4.0%	-2.1%
Banks	12.9%	7.1%	-5.8%	-0.6%	7.6%	-5.3%	-0.5%	6.6%	-6.4%	-0.7%

Source: MorningStar, FactSet, Morgan Stanley Research. Note: Data as of Aug 31, 2026, most funds have disclosed position data up to Jul 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 Aug 31, 2026, most funds have disclosed position data up to Jul 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%	12.5%	8.7%	1.9%	13.0%	9.2%	-0.1%	11.9%	8.1%	2.2%
Insurance	5.0%	7.7%	2.7%	-1.1%	6.8%	1.9%	-1.0%	8.6%	3.7%	-1.3%
Consumer Durables & Apparel	1.7%	3.6%	1.9%	-0.1%	3.9%	2.2%	-0.9%	3.2%	1.5%	0.4%
Semiconductors & Semiconductor Equipment	2.6%	4.4%	1.8%	1.0%	5.2%	2.6%	1.1%	3.6%	1.0%	0.5%
Pharmaceuticals Biotechnology & Life Sciences	4.7%	6.0%	1.3%	1.7%	5.8%	1.1%	1.2%	6.2%	1.5%	2.0%
Materials	5.2%	6.5%	1.3%	1.1%	5.9%	0.7%	-0.7%	7.1%	1.9%	2.4%
Commercial & Professional Services	0.2%	0.7%	0.5%	0.1%	0.9%	0.6%	0.2%	0.5%	0.3%	0.0%
Food Beverage & Tobacco	2.5%	3.0%	0.5%	-0.3%	3.2%	0.7%	-0.3%	2.8%	0.2%	-0.4%
Health Care Equipment & Services	0.3%	0.7%	0.4%	0.1%	0.8%	0.5%	0.0%	0.7%	0.3%	0.2%
Consumer Staples Distribution & Retail	0.3%	0.4%	0.1%	0.2%	0.6%	0.3%	0.3%	0.1%	-0.2%	0.1%
Transportation	1.6%	1.7%	0.1%	-0.4%	1.9%	0.2%	-0.5%	1.5%	-0.1%	-0.4%
Real Estate Management & Development	1.5%	1.6%	0.0%	-0.2%	2.0%	0.4%	-0.2%	1.1%	-0.4%	-0.2%
Household & Personal Products	0.1%	0.1%	0.0%	-0.1%	0.1%	0.0%	-0.1%	0.1%	0.0%	0.0%
Telecommunication Services	0.3%	0.1%	-0.1%	-0.1%	0.2%	0.0%	-0.1%	0.0%	-0.2%	-0.1%
Financial Services	1.9%	1.6%	-0.4%	-0.1%	2.0%	0.0%	0.0%	1.1%	-0.8%	-0.1%
Software & Services	0.9%	0.2%	-0.7%	-0.2%	0.2%	-0.7%	-0.4%	0.2%	-0.7%	-0.1%
Consumer Services	5.0%	4.1%	-0.8%	-0.6%	4.4%	-0.6%	0.2%	3.9%	-1.1%	-1.2%
Automobiles & Components	4.4%	3.4%	-1.0%	0.5%	3.4%	-1.0%	0.2%	3.4%	-1.0%	0.7%
Media & Entertainment	18.9%	17.7%	-1.2%	-0.4%	15.1%	-3.8%	2.6%	20.5%	1.6%	-1.3%
Utilities	1.8%	0.6%	-1.2%	0.0%	0.6%	-1.3%	0.0%	0.6%	-1.2%	0.0%
Technology Hardware & Equipment	6.7%	5.0%	-1.8%	0.8%	5.3%	-1.4%	0.7%	4.6%	-2.1%	1.3%
Energy	3.3%	1.3%	-2.1%	-0.4%	1.0%	-2.3%	-0.8%	1.5%	-1.8%	-0.1%
Consumer Discretionary Distribution & Retail	14.0%	9.9%	-4.1%	-2.5%	9.9%	-4.1%	-0.5%	9.9%	-4.0%	-3.6%
Banks	12.9%	7.1%	-5.8%	-0.9%	7.6%	-5.3%	-1.0%	6.6%	-6.4%	-1.0%

Source: MorningStar, FactSet, Morgan Stanley Research. Note: Data as of Aug 31, 2026, most funds have disclosed position data up to Jul 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$166bn.

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$302bn.

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.

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Global Stock Ratings Distribution

(as of August 31, 2026)

The Stock Ratings described below apply to Morgan Stanley's Fundamental Equity Research and do not apply to Debt Research produced by the Firm.

For disclosure purposes only (in accordance with FINRA requirements), we include the category headings of Buy, Hold, and Sell alongside our ratings of Overweight, Equal-weight, Not-Rated and Underweight. Morgan Stanley does not assign ratings of Buy, Hold or Sell to the stocks we cover. Overweight, Equal-weight, Not-Rated and Underweight are not the equivalent of buy, hold, and sell but represent recommended relative weightings (see definitions below). To satisfy regulatory requirements, we correspond Overweight, our most positive stock rating, with a buy recommendation; we correspond Equal-weight and Not-Rated to hold and Underweight to sell recommendations, respectively.

	Coverage Universe		Investment Banking Clients (IBC)			Other Material Investment Services Clients (MISC)	
Stock Rating Category	Count	% of Total	Count	% of Total IBC	% of Rating Category	Count	% of Total Other MISC
Overweight/Buy	1555	42%	450	48%	29%	767	44%
Equal-weight/Hold	1577	43%	395	42%	25%	770	44%
Not-Rated/Hold	3	0%	1	0%	33%	1	0%
Underweight/Sell	559	15%	93	10%	17%	216	12%
Total	3,694		939			1754	

Data include common stock and ADRs currently assigned ratings. Investment Banking Clients are companies from whom Morgan Stanley received investment banking compensation in the last 12 months. Due to rounding off of decimals, the percentages provided in the "% of total" column may not add up to exactly 100 percent.

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Overweight (O). The stock's total return is expected to exceed the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Equal-weight (E). The stock's total return is expected to be in line with the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

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Underweight (U). The stock's total return is expected to be below the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Unless otherwise specified, the time frame for price targets included in Morgan Stanley Research is 12 to 18 months.

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Attractive (A): The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be attractive vs. the relevant broad market benchmark, as indicated below.

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