

## China A Shares - Alignment of FTSE Russell Ground Rules

10 June 2019

FTSE Russell announces changes to the following index rules due to the inclusion of China A shares in the FTSE Global Equity Index Series (GEIS) commencing from June 2019.

### 1) FTSE China A All Cap Index Series

- a) The index series review process is now aligned with the FTSE GEIS index review process and the rules have been updated to reference the FTSE GEIS index rules.
- b) The inclusion to the index rules of the **FTSE China A Stock Connect CNH Indexes** which will be launched in June 2019 and reflect the China A share companies that are members of FTSE GEIS.
- c) A change in the timing of selecting the **FTSE China A Stock Connect Index** companies. Companies will now be selected on a quarterly basis in March, June, September and December, using data as at the close of business on the Wednesday before the first Friday of the review month. Companies will be deleted intra-review if they are removed from the Northbound China Stock Connect Scheme Buy-and-Sell List. Deletions will be concurrent with the Northbound China Stock Connect Scheme Buy-and-Sell List. Where limited notification has been provided of a change to the Northbound China Stock Connect Scheme Buy-and-Sell List, FTSE Russell will provide notice advising of the timing of the change.

### 2) FTSE Global China A Inclusion Index Series

- a) FTSE Russell announced on **01 February 2019** ([China A Shares Updated FAQ Technical Notice](#)) that we will be aligning the FTSE Global China A Inclusion factor with the inclusion factor used in FTSE GEIS by March 2020. The rules have been updated to reference the FTSE GEIS index rules. Further information on the alignment of the inclusion factor are included in the [China A Shares FAQ](#) which is available on the FTSE Russell website.

### 3) FTSE Total China Connect Index

- a) The FTSE Total China Connect Index will be aligned with the constituents of the FTSE China Index and the rules have been updated to reference the FTSE GEIS index rules. Please note that China A shares are included at 100 per cent of their investability weight, i.e. no inclusion factor is applied and constituents are weighted by free float/foreign ownership restriction.
- b) A change in the timing of selecting China A shares. As part of the FTSE GEIS index reviews, China A shares will now be selected on a quarterly basis in March, June, September and December, using data as at the close of business on the Wednesday before the first Friday of the review month. Companies will be deleted intra-review if they are removed from the Northbound China Stock Connect Scheme Buy-and-Sell List. The deletion will be concurrent with the Northbound China Stock Connect Scheme Buy-and-Sell List. Where limited notification has been provided of a change to the Northbound China Stock Connect Scheme Buy-and-Sell List, FTSE Russell will provide notice advising of the timing of the change.

### 4) FTSE China Index Series

- a) The index rules have been updated to align the inclusion of China A shares with companies that are members of FTSE GEIS.

Updated copies of FTSE China Ground Rules are available on the FTSE Russell website: [www.ftserussell.com](http://www.ftserussell.com)

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