

Vanguard selects FTSE Total China Connect Index for new ETF

- New FTSE Total China Connect Index covers all major Chinese share classes
- Constituents represent broad range of Chinese companies listed in and outside of China
- Index designed to facilitate easy replication by international investors
- c. \$30 billion AUM benchmarked to FTSE China indexes

FTSE Russell, the global index, data and analytics provider, announced today that its new FTSE Total China Connect Index is to be used as the benchmark for a new China ETF from Vanguard. The Vanguard Total China Index ETF has listed on Hong Kong Stock Exchange and is the first to track the index.

The recently launched FTSE Total China Connect Index is designed to represent the performance of large and mid cap Chinese companies listed in or outside of mainland China. It reflects a broad range of Chinese equities and covers all of the major Chinese shares including A Shares*, B Shares, H Shares, Red Chips, P Chips, S Chips and N Shares. The 1058 constituents in the index have a total investable market capitalisation of over US\$3 trillion.

Mark Makepeace, CEO, FTSE Russell:

“We are delighted that Vanguard has selected the FTSE Total China Connect Index as the benchmark for its newly-listed exchange traded fund. Investor appetite for access to Chinese stocks continues to grow and our new index provides a benchmark for a broad range of companies covering all of the Chinese share classes. The ability to track companies listed both in and outside of mainland China, and from across industry sectors, enhances the representativeness of our China benchmarks and demonstrates FTSE Russell’s strong track record in the region”.

Yan Pu, Head of Portfolio Review, Asia, Vanguard Investments Hong Kong Limited said:

“Vanguard is pleased to collaborate with FTSE Russell to bring to market Vanguard Total China Index ETF. This ETF is the most comprehensive China ETF in Hong Kong, and will give investors a convenient tool to gain broad exposure to the world’s second largest economy. Investors can own Chinese listed companies both in and outside of China in a single trade at low cost.

“At Vanguard, we believe exposure to China has the potential to offer significant long-term benefits for investors, and that the best way to fully capture those potential benefits is to invest in Chinese equities across the globe, share classes and sectors.”



The FTSE Total China Connect Index has been developed in line with FTSE Russell's transparent methodology and risk framework. The index will be reviewed on a quarterly basis in March, June, September and December.

With a strong track record in developing China market indexes, FTSE Russell China benchmarks have become widely recognised by investors and issuers globally as a leading measure of the China equity market and the natural choice for creating China-themed investment products. Approximately \$30 billion of assets under management is benchmarked to FTSE China indexes. Covering both broad market benchmarks and well known tradable indexes, the broad spectrum of indexes cover all Chinese share types, a range of asset classes and various investment themes including style, dividend yield, fundamentally weighted and property. As China continues to open its market to foreign investors, FTSE Russell is also offering market participants a range of benchmark choices to help them prepare for the inclusion of China A Shares in global portfolios.

More information on our broad range of FTSE Russell China benchmarks can be found on our [website](#).

**The A Share constituents are determined by the shares available to international investors through the Northbound China Stock Connect Scheme.*

– Ends –

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About FTSE Russell:

FTSE Russell is a global index leader that provides innovative benchmarking, analytics and data solutions for investors worldwide. FTSE Russell calculates thousands of indexes that measure and benchmark markets and asset classes in more than 70 countries, covering 98% of the investable market globally.

FTSE Russell index expertise and products are used extensively by institutional and retail investors globally. Approximately \$15 trillion is currently benchmarked to FTSE Russell indexes. For over 30 years, leading asset owners, asset managers, ETF providers and investment banks have chosen FTSE Russell indexes to benchmark their investment performance and create ETFs, structured products and index-based derivatives.

A core set of universal principles guides FTSE Russell index design and management: a transparent rules-based methodology is informed by independent committees of leading market participants. FTSE Russell is focused on applying the highest industry standards in index design and governance and embraces the IOSCO Principles. FTSE Russell is also focused on index innovation and customer partnerships as it seeks to enhance the breadth, depth and reach of its offering.

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