

# FTSE Total China Connect Index

A total China approach to accessing China's equity market

## Providing comprehensive coverage of large and mid cap Chinese companies, including all major share classes

The FTSE Total China Connect Index combines constituents of the FTSE China Index with constituents of the FTSE China A Index that trade under the Northbound China Stock Connect Scheme Buy-and-Sell List, ensuring accessibility for international investors without the need to acquire QFII/RQFII status. This combination covers all major Chinese share classes, whether listed domestically in China or abroad.

The index includes over 1,000 stocks with more than \$3 trillion USD in net market capitalization.

## Share Classes Included in the FTSE Total China Connect Index

Share Class	Constituent Count	Net Market Cap (USD Millions)	Index Weight (%)
A Share	795	1,400,895	45.7
B Share	32	14,076	0.5
H Share	118	580,152	18.9
P Chip	56	485,528	15.9
Red Chip	39	184,652	6.0
N Share	16	394,417	12.9
S Chip	2	2,804	0.1
Total	1,058	3,062,524	

Source: FTSE Russell, data as of March 30, 2018.

## Benefits

The FTSE Total China Connect Index provides market participants with a comprehensive China equity index suitable for the creation of index tracking funds, derivatives or as a performance benchmark.

Includes all major share classes, including A Shares accessible to international investors through the Northbound China Stock Connect Scheme Buy-and-Sell List.

Construction methodology is consistent with that of the FTSE Global Equity Index Series (FTSE GEIS).

## Features

Covers large and mid cap Chinese companies listed in or outside the People's Republic of China, including A Shares, B Shares, H Shares, Red Chips, P Chips, S Chips and N Shares.

Rules-based, transparent approach to index construction.

Governance structure includes a board of internal experts supported by external advisory committees.

Indexes are reviewed quarterly in March, June, September and December.

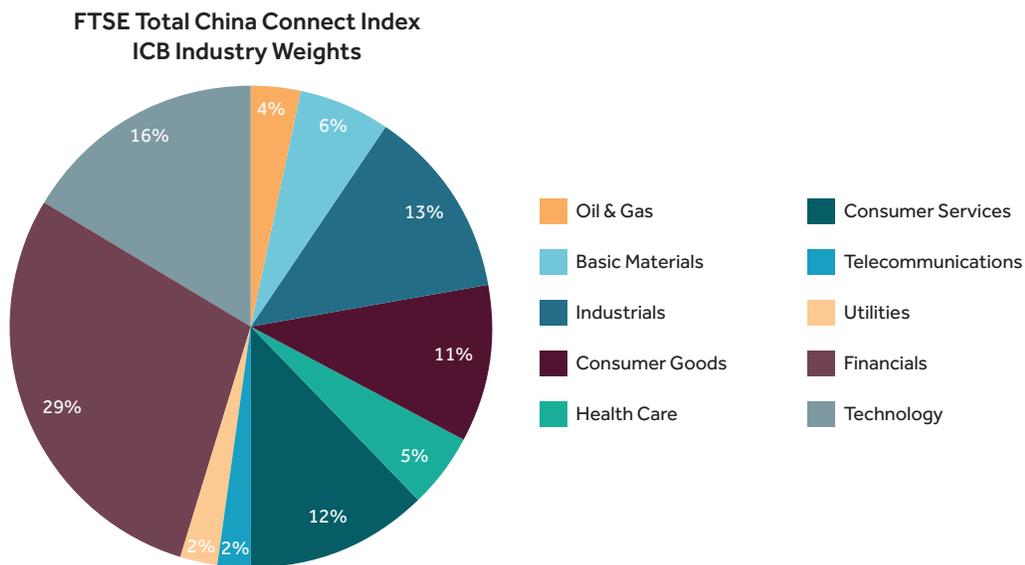
## Methodology summary

### Quarterly reviews

- Index reviews are conducted quarterly in March, June, September and December, with changes implemented after the close of business on the third Friday of the review month.
- At each review, large and mid cap constituents of the FTSE China Index and the FTSE China A Index that trade under the Northbound China Stock Connect Scheme Buy-and-Sell List are eligible for inclusion in the FTSE Total China Connect Index.
- Review implementation takes into consideration the operational nuances of the Northbound China Stock Connect Scheme by accounting for market events such as holiday market closures and daily quota limits.<sup>1</sup>
- Securities are screened for investable weight, size and liquidity based on the FTSE Global Equity Index Series Ground Rules.<sup>2</sup>

### Intra review changes

- Additions to the index do not occur outside of the quarterly review process. Intra-review deletions occur if a constituent is removed from either the FTSE China Index or the FTSE China A Index or if it is removed from the Northbound China Stock Connect scheme Buy-and-Sell List.



Source: FTSE Russell, data as of March 30, 2018.

<sup>1</sup> Please review the [FTSE Total China Connect Index Ground Rules](#) for additional details

<sup>2</sup> For more information please see the [FTSE Global Equity Index Series Ground Rules](#) on [ftserussell.com](http://ftserussell.com)

## China Share Classes Explained

<b>A Share</b>	A Shares are securities of Chinese incorporated companies that trade on either the Shanghai or Shenzhen stock exchanges. They are traded in Renminbi (Chinese Yuan). They can only be traded by residents of the People's Republic of China or under the Qualified Foreign Institutional Investor (QFII), the Renminbi Qualified Foreign Institutional Investor (RQFII) rules, or via the Stock Connect programs.
<b>B Share</b>	B Shares are securities of Chinese incorporated companies that trade on either the Shanghai or Shenzhen stock exchanges. They are traded in US dollars on the Shanghai Stock Exchange and Hong Kong dollars on the Shenzhen Stock Exchange. They can be traded by non-residents of the People's Republic of China and also residents of the People's Republic of China with appropriate foreign currency dealing accounts.
<b>H Share</b>	H Shares are securities of companies incorporated in the People's Republic of China that trade on the Hong Kong Stock Exchange. They are traded in Hong Kong dollars. Like other securities trading on the Hong Kong Stock Exchange, there are no restrictions on who can trade H Shares.
<b>Red Chip</b>	A Red Chip is a company incorporated outside the People's Republic of China that trades on the Hong Kong Stock Exchange and is substantially owned, directly or indirectly, by Mainland China state entities with the majority of its revenue or assets derived from Mainland China.
<b>P Chip</b>	A P Chip is a company* controlled by Mainland Chinese companies or individuals, with the establishment and origin of the company in Mainland China. It must be incorporated outside the People's Republic of China and traded on the Hong Kong Stock Exchange with a majority of its revenue or assets derived from Mainland China.
<b>S Chip</b>	An S Chip is a company controlled by Mainland Chinese companies or individuals, with the establishment and origin of the company in Mainland China. It must be incorporated outside the People's Republic of China and traded on the Singapore Stock Exchange with a majority of its revenue or assets derived from Mainland China.
<b>N Share</b>	N Shares are companies controlled by Mainland Chinese companies or individuals, with the establishment and origin of the company in Mainland China. It must be incorporated outside the People's Republic of China and traded on the New York Stock Exchange, the NASDAQ exchange, or the NYSE American with a majority of its revenue or assets derived from Mainland China.

\* Provided that the company does not satisfy [FTSE Russell's Red Chip definition](#).

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