

# FTSE China SOE Sustainable Prosperity Index

Data as at: 29 March 2024

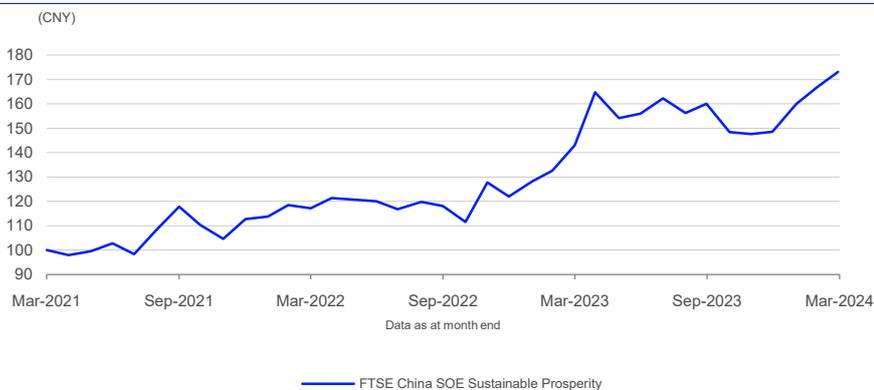
The FTSE China SOE Sustainable Prosperity Index measures the performance of China's State-owned Enterprises (SOEs) listed in Mainland China and Hong Kong with emphasis on globalisation and sustainable development.

The FTSE China SOE Sustainable Prosperity Index is comprised of 100 constituents, including 80 A Share companies and 20 Hong Kong listed Chinese companies. Eligible securities for inclusion in the FTSE China SOE Sustainable Prosperity Index consist of:

- A Shares from the FTSE China A Free Index that are classified as SOEs under SASAC
- H Shares and Red Chips from the FTSE Emerging plus US Executive Order Exclusions Index that are classified as SOEs under SASAC and trade under the Southbound China Stock Connect Scheme Buy-and-Sell List

Constituent weightings are determined through modifying the total revenue weight by tilting towards global revenues and green revenues as well as three style factors, namely quality, low volatility and yield.

## 3-Year Performance - Total Return



## Performance and Volatility - Total Return

Index (CNY)	Return %						Return pa %*		Volatility %**		
	3M	6M	YTD	12M	3YR	5YR	3YR	5YR	1YR	3YR	5YR
FTSE China SOE Sustainable Prosperity	16.6	8.2	16.6	21.0	73.2	63.2	20.1	10.3	18.3	17.5	18.3

\* Compound annual returns measured over 3 and 5 years respectively

\*\* Volatility – 1YR based on 12 months daily data. 3YR based on weekly data (Wednesday to Wednesday). 5YR based on monthly data

## Year-on-Year Performance - Total Return

Index % (CNY)	2019	2020	2021	2022	2023
FTSE China SOE Sustainable Prosperity	27.1	-19.7	22.5	8.3	21.7

## FEATURES

### Objective

The indexes are designed for the creation of index tracking funds, derivatives and as a performance benchmark.

### Investability

Stocks are selected and weighted to ensure that the index is investable.

### Capping

On a semi-annual basis constituent weights are capped at 15% at the company level. The aggregate weight of H Shares and Red Chips is capped at 15%.

### Liquidity

Stocks are screened to ensure that the index is tradable.

### Transparency

Index methodologies are freely available on the FTSE Russell website.

### Availability

The index is calculated based on price and total return methodologies, available real-time and end of day.

### Industry Classification Benchmark (ICB)

Index constituents are categorized in accordance with the Industry Classification Benchmark (ICB), the global standard for industry sector analysis.

## Return/Risk Ratio and Drawdown - Total Return

Index (CNY)	Return/Risk Ratio				Drawdown (%)			
	1YR	3YR	5YR	10YR	1YR	3YR	5YR	10YR
FTSE China SOE Sustainable Prosperity	1.3	1.1	0.6	-	-17.0	-17.0	-24.4	-

Return/Risk Ratio – based on compound annual returns and volatility in Performance and Volatility table  
 Drawdown - based on daily data

## Top 10 Constituents

Constituent	ICB Supersector	Net MCap (CNYm)	Wgt %
PetroChina (A)	Energy	526,753	16.05
China Petroleum & Chemical (A)	Energy	484,129	14.75
China State Construction Engineering (A)	Construction and Materials	285,332	8.69
China Mobile (A)	Telecommunications	157,800	4.81
CNOOC (A)	Energy	142,067	4.33
China Railway Construction (A)	Construction and Materials	141,966	4.33
China Mobile (Red Chip)	Telecommunications	135,519	4.13
China Railway Group (A)	Construction and Materials	133,112	4.06
China Shenhua Energy (A)	Energy	101,128	3.08
CNOOC (Red Chip)	Energy	94,516	2.88
<b>Totals</b>		<b>2,202,320</b>	<b>67.10</b>

## ICB Supersector Breakdown

ICB Code	ICB Supersector	No. of Cons	Net MCap (CNYm)	Wgt %
1010	Technology	1	1,185	0.04
1510	Telecommunications	7	481,083	14.66
2010	Health Care	4	18,505	0.56
3010	Banks	1	21,035	0.64
3020	Financial Services	2	990	0.03
3510	Real Estate	5	46,702	1.42
4010	Automobiles and Parts	2	5,939	0.18
4510	Food Beverage and Tobacco	1	2,436	0.07
4520	Personal Care Drug and Grocery Stores	2	54,730	1.67
5010	Construction and Materials	15	816,077	24.86
5020	Industrial Goods and Services	19	180,240	5.49
5510	Basic Resources	9	102,838	3.13
5520	Chemicals	7	25,982	0.79
6010	Energy	12	1,407,924	42.90
6510	Utilities	13	116,456	3.55
<b>Totals</b>		<b>100</b>	<b>3,282,121</b>	<b>100.00</b>

## Index Characteristics

Attributes	FTSE China SOE Sustainable Prosperity
Number of constituents	100
Dividend Yield %	4.56
Constituent (Wgt %)	
Average	1.00
Largest	16.05
Median	0.17
Top 10 Holdings (Wgt %)	67.11

## CHINESE SHARE CLASS DEFINITIONS

## INFORMATION

## Index Universe

A Shares from the FTSE China A Free Index that are classified as SOEs under SASAC

H Shares and Red Chips from the FTSE Emerging plus US Executive Order Exclusions Index that are classified as SOEs under SASAC and trade under the Southbound China Stock Connect Scheme Buy-and-Sell List

## Index Launch

27 September 2019

## Base Date

17 March 2017

## Base Value

1000

## Investability Screen

Actual free float applied and liquidity screened

## Index Calculation

Real-time and end-of-day indexes available

## End-of-Day Distribution

Via FTP and email

## Currency

CNY, USD

## Review Dates

Semi-annually in March and September

### **A Share**

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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 Share**

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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.

### **H Share**

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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.

### **Red Chip**

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A Red Chip is a company incorporated outside the People's Republic of China (PRC) 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.

### **P Chip**

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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 (PRC) and traded on the Hong Kong Stock Exchange 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.

### **S Chip**

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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 (PRC) and traded on the Singapore Stock Exchange with a majority of its revenue or assets derived from Mainland China.

### **N Share**

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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 (PRC) 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.

For more information on a definition of the various share classes and investment restrictions, please see [http://www.ftse.com/products/downloads/Guide\\_to\\_Chinese\\_Share\\_Classes.pdf](http://www.ftse.com/products/downloads/Guide_to_Chinese_Share_Classes.pdf)

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