



## FTSE China A Free Cash Flow Focus Index – Ground Rule Update

19 December 2024

FTSE Russell would like to inform index users of the following changes to the FTSE China A Free Cash Flow Focus Index.

- Exclude the Financials (ICB 30) and Real Estate (ICB 35)
- Exclude securities with negative latest 12-month free cash flow or negative enterprise value
- Change the quality screen from 20% to 30%
- Change the risk screen from 50% to 30%
- Change the free cash yield (fcf2p) definition to Latest 12-month free cash flow/enterprise value
- Change the composite score weights to 0.8 (fcf2p), 0.067(b2p), 0.067(d2p), 0.067(e2p)\*
- Remove the exponentially weighted moving average from the composite score calculation
- Change the review frequency to quarterly review

\*fcf2p = Latest 12-month free cash flow/enterprise value, b2p = Latest book value/full market capitalisation,

d2p = Latest 12-month dividend yield, e2p = Latest 12-month net income/full market capitalisation

An updated copy of the FTSE China A Free Cash Flow Focus Index Ground Rules (v 1.0) is now available using the following link [FTSE China A Free Cash Flow Focus Index Ground Rules](#)

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