

FTSE CHINA A INDEX SERIES

FTSE China A50 Index Review Changes Overview - September 2011

FTSE Research September 2011

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Shenzhen Development Bank (A) (000001), Shandong Gold-Mining (A) (600547) and Changsha Zoomlion Hvy Ind S & T Dev (A) (000157) will account for 1.75 per cent, 1.38 per cent and 1.30 per cent of the turnover of the FTSE China A50 Index respectively

Review Overview

The FTSE China A50 Index is the headline index of the FTSE China A Index Series representing the top 50 companies by market capitalisation on the Shanghai and Shenzhen stock exchanges. The FTSE China A Index Series is reviewed quarterly in March, June, September and December to ensure the Indices remain representative of the underlying China market.

Following the September review, the Advisory Committee has approved the following changes to the FTSE China A Index Series. Effective on Monday 19th September 2011, Shenzhen Development Bank (A) (000001), Shandong Gold-Mining (A) (600547) and Changsha Zoomlion Hvy Ind S & T Dev (A) (000157) will be included in the FTSE China A50 Index, replacing Huatai Securities (A) (601688), CSR Corporation (A) (601766) and China Railway Construction (A) (601186). The total two-way index turnover is estimated to be 9.85 per cent.

The FTSE China A50 Index Reserve List contains the next 5 highest ranked companies by full market capitalisation – Inner Mongolia Baotou Steel Rare-Earth Hi-Tech (A) (600111), Hua Xia Bank (A) (600015), Shanxi Lu'an Environmental Energy Development (A) (601699), China Southern Airlines (A) (600029) and Luzhou Laojiao (A) (000568).

Key changes are highlighted below:

Table One: FTSE China A50 Index Constituent Weightings

Rank	Local Code	Constituent Name	ICB Subsector	Weight in Index before change (%)	Weight in Index after change (%)	Change in Weight (%)	Turnover (2-Way) (%)
1	601318	Ping An Insurance (A)	Life Insurance	8.20	7.95	-0.25	0.25
2	600036	China Merchants Bank (A)	Banks	6.68	6.48	-0.21	0.21
3	600000	Shanghai Pudong Development Bank (A)	Banks	5.55	5.38	-0.17	0.17
4	601328	Bank of Communications (A)	Banks	4.90	4.75	-0.15	0.15
5	601166	Industrial Bank (A)	Banks	4.57	4.43	-0.14	0.14
6	600016	China Minsheng Banking (A)	Banks	4.24	4.11	-0.13	0.13
7	600030	Citic Securities (A)	Investment Services	3.84	3.73	-0.12	0.12
8	600519	Kweichow Moutai (A)	Distillers & Vintners	3.67	3.56	-0.11	0.11
9	000002	China Vanke (A)	Real Estate Holding & Development	3.34	3.23	-0.10	0.10
10	000858	Wuliangye Yibin (A)	Distillers & Vintners	3.10	3.00	-0.10	0.10
11	601398	Industrial and Commercial Bank of China (A)	Banks	2.81	2.72	-0.09	0.09
12	002024	Suning Appliance (A)	Specialty Retailers	2.49	2.42	-0.08	0.08
13	600031	Sany Heavy Industry (A)	Commercial Vehicles & Trucks	2.48	2.40	-0.08	0.08
14	601288	Agricultural Bank of China (A)	Banks	2.27	2.20	-0.07	0.07
15	601601	China Pacific Insurance Group (A)	Life Insurance	2.21	2.15	-0.07	0.07
16	600837	Haitong Securities (A)	Investment Services	2.10	2.03	-0.06	0.06
17	601088	China Shenhua Energy (A)	Coal	2.00	1.93	-0.06	0.06
18	601939	China Construction Bank (A)	Banks	1.88	1.82	-0.06	0.06
19	601006	Daqin Railway (A)	Railroads	1.86	1.80	-0.06	0.06
20	000001	Shenzhen Development Bank (A)	Banks	-	1.75	1.75	1.75
21	600050	China United Network Communications (A)	Mobile Telecommunications	1.79	1.74	-0.06	0.06
22	601668	China State Construction Engineering (A)	Heavy Construction	1.78	1.73	-0.06	0.06
23	601899	Zijin Mining Group (A)	Gold Mining	1.76	1.71	-0.05	0.05
24	601857	PetroChina (A)	Integrated Oil & Gas	1.69	1.64	-0.05	0.05
25	000063	ZTE (A)	Telecommunications Equipment	1.59	1.54	-0.05	0.05
26	601600	Aluminum Corp of China (A)	Aluminum	1.45	1.41	-0.04	0.04
27	600547	Shandong Gold-Mining (A)	Gold Mining	-	1.38	1.38	1.38
28	000983	Shanxi Xishan Coal and Electricity Power (A)	Coal	1.40	1.36	-0.04	0.04
29	601989	China Shipbuilding Industry (A)	Commercial Vehicles & Trucks	1.38	1.34	-0.04	0.04
30	000157	Changsha Zoomlion Hvy Ind S & T Dev (A)	Commercial Vehicles & Trucks	-	1.30	1.30	1.30
31	600900	China Yangtze Power (A)	Alternative Electricity	1.32	1.28	-0.04	0.04
32	600028	China Petroleum & Chemical (A)	Integrated Oil & Gas	1.28	1.24	-0.04	0.04
33	600585	Anhui Conch Cement (A)	Building Materials & Fixtures	1.23	1.19	-0.04	0.04
34	600019	Baoshan Iron & Steel (A)	Iron & Steel	1.16	1.13	-0.04	0.04
35	000776	GF Securities (A)	Investment Services	1.16	1.12	-0.04	0.04
36	600362	Jiangxi Copper (A)	Nonferrous Metals	1.11	1.08	-0.03	0.03

Source: FTSE Group, data as at 9th September 2011

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Table One: FTSE China A50 Index Constituent Weightings continued

Rank	Local Code	Constituent Name	ICB Subsector	Weight in Index before change (%)	Weight in Index after change (%)	Change in Weight (%)	Turnover (2-Way) (%)
37	601818	China Everbright Bank (A)	Banks	0.53	1.03	0.50	0.50
38	000792	Qinghai Salt Lake Industry (A)	Specialty Chemicals	1.00	0.97	-0.03	0.03
39	601628	China Life Insurance (A)	Life Insurance	0.99	0.96	-0.03	0.03
40	601988	Bank of China (A)	Banks	0.98	0.95	-0.03	0.03
41	601998	China Citic Bank (A)	Banks	0.94	0.91	-0.03	0.03
42	600104	Saic Motor Corporation (A)	Automobiles	0.88	0.85	-0.03	0.03
43	002304	Jiangsu Yanghe Brewery Joint-Stock (A)	Distillers & Vintners	0.77	0.75	-0.02	0.02
44	601898	China Coal Energy (A)	Coal	0.74	0.72	-0.02	0.02
45	601390	China Railway Group (A)	Heavy Construction	0.67	0.65	-0.02	0.02
46	601919	China COSCO Holdings (A)	Marine Transportation	0.65	0.63	-0.02	0.02
47	601111	Air China (A)	Airlines	0.62	0.62	-0.01	0.01
48	600188	Yanzhou Coal Mining (A)	Coal	0.46	0.45	-0.01	0.01
49	600018	Shanghai International Port (A)	Transportation Services	0.32	0.31	-0.01	0.01
50	601727	Shanghai Electric Group (A)	Industrial Machinery	0.22	0.21	-0.01	0.01
-	601688	Huatai Securities (A)	Investment Services	0.73	-	-0.73	0.73
-	601766	CSR Corporation (A)	Commercial Vehicles & Trucks	0.60	-	-0.60	0.60
-	601186	China Railway Construction (A)	Heavy Construction	0.59	-	-0.59	0.59
Totals				100.00	100.00	-	9.85

Source: FTSE Group, data as at 9th September 2011

Table Two: FTSE China A50 Index Sector Breakdown

ICB Industry / Sector	Number of Constituents after change	Change in Constituents	Weight in Index before change (%)	Weight in Index after change (%)	Change in Weight (%)	Turnover (2-Way) (%)
Oil & Gas	2	0	2.97	2.88	-0.09	0.09
Oil & Gas Producers	2	0	2.97	2.88	-0.09	0.09
Basic Materials	10	1	11.09	12.12	1.03	1.72
Chemicals	1	0	1.00	0.97	-0.03	0.03
Industrial Metals & Mining	3	0	3.72	3.61	-0.11	0.11
Mining	6	1	6.36	7.54	1.18	1.57
Industrials	10	-1	11.78	11.56	-0.22	2.82
Construction & Materials	3	-1	4.28	3.57	-0.71	0.71
Industrial Engineering	4	0	4.68	5.26	0.58	2.03
Industrial Transportation	3	0	2.83	2.74	-0.09	0.09
Consumer Goods	4	0	8.42	8.16	-0.26	0.26
Automobiles & Parts	1	0	0.88	0.85	-0.03	0.03
Beverages	3	0	7.54	7.30	-0.23	0.23
Consumer Services	2	0	3.12	3.03	-0.08	0.08
General Retailers	1	0	2.49	2.42	-0.08	0.08
Travel & Leisure	1	0	0.62	0.62	-0.01	0.01
Telecommunications	1	0	1.79	1.74	-0.06	0.06
Mobile Telecommunications	1	0	1.79	1.74	-0.06	0.06
Utilities	1	0	1.32	1.28	-0.04	0.04
Electricity	1	0	1.32	1.28	-0.04	0.04
Financials	19	0	57.92	57.68	-0.24	4.72
Banks	12	1	35.35	36.52	1.17	3.32
Life Insurance	3	0	11.40	11.05	-0.35	0.35
Real Estate Investment & Services	1	0	3.34	3.23	-0.10	0.10
Financial Services	3	-1	7.83	6.88	-0.95	0.95
Technology	1	0	1.59	1.54	-0.05	0.05
Technology Hardware & Equipment	1	0	1.59	1.54	-0.05	0.05
Totals	50	6	100.00	100.00	-	9.85

Source: FTSE Group, data as at 9th September 2011

Huatai Securities (A) (601688), CSR Corporation (A) (601766) and China Railway Construction (A) (601186) before the Index rebalance accounted for 0.73 per cent, 0.60 per cent and 0.59 per cent of the FTSE China A50 Index respectively

Mining will see the largest change in Index weighting, up 1.18 per cent to 7.54 per cent

Financial Services will see the largest fall in Index weighting, down 0.95 per cent to 6.88 per cent

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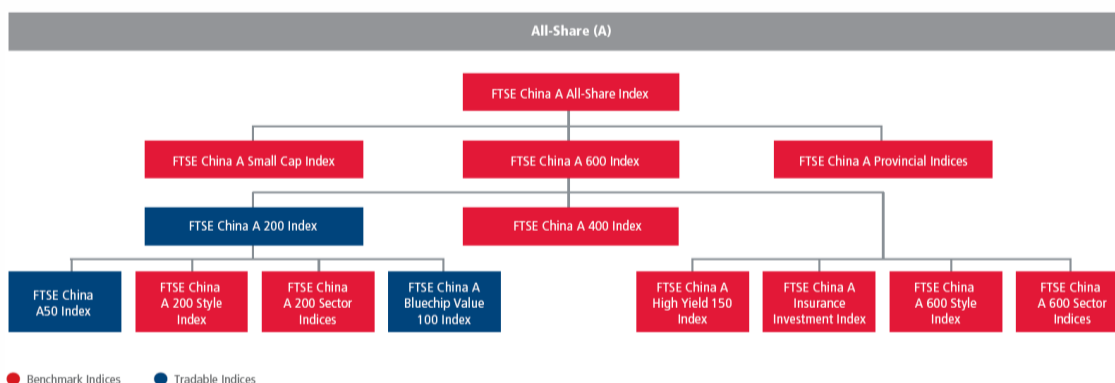
After the FTSE China A50 Index review changes have been applied, the estimated tracking error and estimated correlation to the FTSE China A All-Share Index will be 16.26 per cent and 0.8937 respectively

Table Three: FTSE China A50 Index Estimates Data

Index	Estimated Volatility (%)	Estimated Correlation	Estimated Tracking Error (%)	Estimated Beta
FTSE China A50 Index	33.78	0.8937	16.26	0.84
FTSE China A All-Share Index	36.08	1.0000	-	1.00

Source: FTSE Group / Estimates data provided by emapplications.com, data as at 9th September 2011

Family Tree



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