

FTSE CHINA A50 INDEX

Monthly Report - January 2012



FTSE CHINA A50 INDEX INTRODUCTION

The FTSE China A50 Index is the benchmark for investors to access the China domestic market through A Shares - securities of companies incorporated in mainland China and traded by Chinese and institutional investors under the Qualified Foreign Institutional Investor (QFII) regulation. It is a real-time, tradable index comprising the largest 50 A Share companies by full market capitalisation of the securities listed on the Shanghai and Shenzhen stock exchanges.

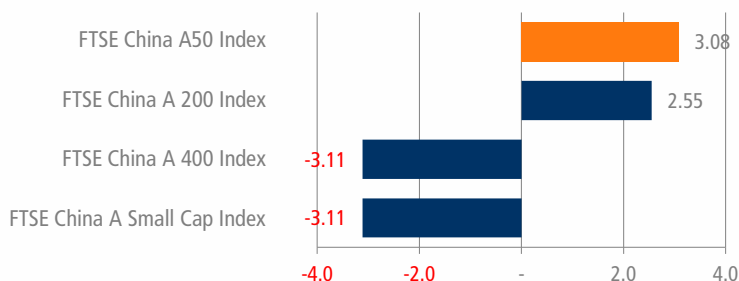
The FTSE China A50 Index is a free-float adjusted, liquidity-screened index. It is reviewed quarterly in March, June, September, and December to ensure the Index remains representative of the underlying China market.

The FTSE China A50 Index is the headline index of FTSE China Index Series, which is designed to represent the performance of the mainland Chinese market that is available to A share investors, but also Chinese companies that are listed overseas. The FTSE China A Index Series dissects the Chinese A Share market into different size segments – the A50 for the largest 50 blue chip companies, the large cap A200, the mid cap A400, the combined large/mid A600, and FTSE China A Small Cap Index that contains the remaining companies that are in the top 98% of the eligible universe. The FTSE China Index Series also contains the flagship FTSE China 25 Index that represents the largest Red Chips and H Shares listed on the Hong Kong Stock Exchange.

FTSE CHINA A50 INDEX COMMENTARY

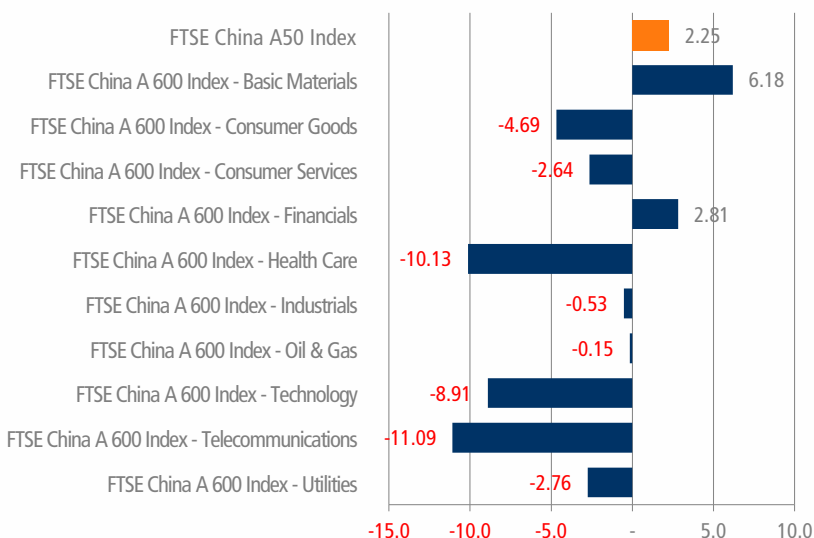
FTSE CHINA A50 INDEX	9177.30	557.52	6.47%	▲
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1-Month Relative Performance against FTSE China A All-Share Index



Source: FTSE Group, total return data in CNY as at 31 January 2012

1-Month Relative Performance against FTSE China A 600 Index



Source: FTSE Group, total return data in CNY as at 31 January 2012

The FTSE China A50 Index finished the month in positive territory in January up 6.47 per cent or 557.52 index points, outperforming the FTSE China A All-Share Index by 3.08 per cent. It is also the best performing segment when compared to other segments of the China A Share market, followed by the FTSE China A 200 Index with a performance of 5.94 per cent.

Compared against the FTSE China A 600 Index, the FTSE China A50 Index relative performance in January was a positive 2.25 per cent. Basic materials is the best performing industry, up 10.40 per cent, followed by the financial companies, up 7.03 per cent. Telecommunications and health care are the worst performing industries in January, down 6.87 per cent and down 5.91 per cent, respectively.

India was the best performing Asian market this month with the FTSE India Index seeing a rise of 20.53 per cent in January. The second best performing Asian market was Singapore, with the Straits Times Index (STI) up 14.34 per cent. Malaysia was the worst performer, with the FTSE Bursa Malaysia KLCI rising 3.88 per cent.

FEATURES

- Represents the performance of the mainland Chinese market that is available to 'A' share investors
- Provides coverage of the largest 50 stocks listed on both the Shanghai and Shenzhen stock exchanges
- The index has been designed for the creation of structured products, index tracking funds, ETFs and derivatives
- Stocks are free-floated weighted to ensure that only the investable opportunity set is included within the index
- Stocks are liquidity screened to ensure that the index is tradable
- The index is calculated in accordance with the Industry Classification Benchmark (ICB), the global standard for industry sector analysis
- The index is now distributed on an intra-second streaming basis, including total return index (TRI) values, providing investors with the fastest and most up-to-date read of the China A Share market to respond more rapidly to market events

INFORMATION

Index Universe

FTSE China A All-Share Index

Index Launch

13 December 2003

Base Date

21 July 2003

Base Value

5000

Investability Screens

Free float adjusted and liquidity screened

Index Calculation

Real-time and end-of-day indices available
Real-time calculated on intra-second streaming basis

End-of-Day Distribution

Index available at 20:00 local time (12:00 hours London time GMT or 13:00 hours BST) via FTP and email

Currency

CNY and USD

Review Dates

Quarterly in March, June, September and December

Index Rules

www.ftse.com/china

VENDOR CODES	FTSE	XIN9	BLOOMBERG	TXIN9IC	REUTERS	.FTXIN9
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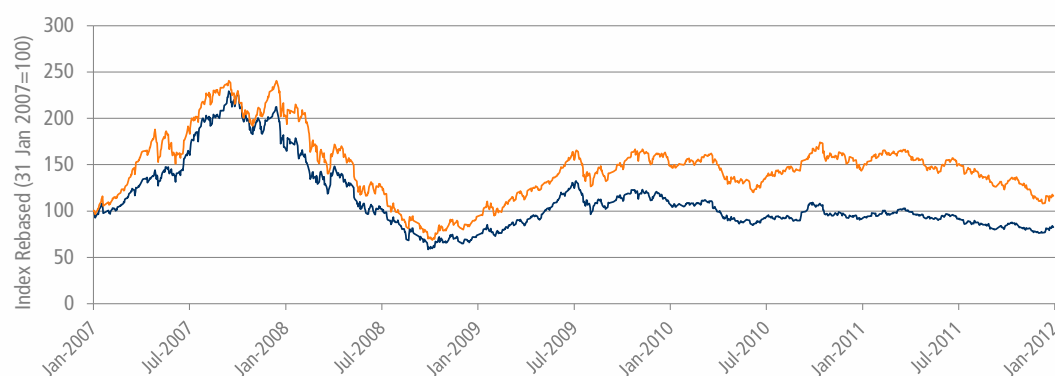
FTSE CHINA A INDEX SERIES

FTSE China A50 Index - January 2012

INDEX OVERVIEW

The FTSE China A50 Index is a real-time tradable index comprising the largest 50 'A' Share companies listed on the Shanghai Stock Exchange and Shenzhen Stock Exchange. The index offers the optimal balance between representativeness and tradability for China's A Share market. It can be used as a basis for on-exchange and OTC derivative products, mutual funds and ETFs.

FTSE CHINA A50 INDEX FIVE-YEAR PERFORMANCE (CNY TOTAL RETURN)



● FTSE China A50 Index

● FTSE China A All-Share Index

Source: FTSE Group - total return data in CNY, as at 31 January 2012

PERFORMANCE HIGHLIGHTS

The FTSE China A50 Index ended the month in positive territory in January up 6.47 per cent, outperforming the FTSE China A All-Share Index by 3.08 per cent.

Year to date the FTSE China A50 Index has a volatility of 24.53 per cent, higher than 2011's volatility of 19.28 per cent.

FTSE CHINA A50 INDEX HISTORICAL PERFORMANCE TABLE (CNY TOTAL RETURN)

Index Name	CUMULATIVE PERFORMANCE							ANNUALISED PERFORMANCE					Div Yield (%)	
	1M (%)	3M (%)	6M (%)	YTD (%)	1Y (%)	3Y (%)	5Y (%)	3Y (%pa)	5Y (%pa)	2008 (%)	2009 (%)	2010 (%)		2011 (%)
FTSE China A50 Index	6.47	-3.74	-9.58	6.47	-11.73	15.33	-17.38	4.87	-3.75	-67.55	85.78	-22.29	-17.26	2.05
FTSE China A All-Share Index	3.39	-12.27	-22.02	3.39	-22.82	29.44	16.36	8.98	3.08	-64.15	103.21	-3.88	-27.81	1.37

Source: FTSE Group, data as at 31 January 2012

PERFORMANCE OF THE FTSE CHINA A50 INDEX AND SELECTED FTSE ASIA PACIFIC COUNTRY INDICES IN JANUARY (CNY TOTAL RETURN)

Rank	Index Name	Number of Cons	Net Market Cap (CNYbn)	1M Perf (%)
1	FTSE India Index	123	2,143	20.53
2	Straits Times Index (STI)	30	1,338	14.34
3	FTSE Pakistan Index	7	27	13.64
4	FTSE Vietnam Index	26	-	12.93
5	FTSE Philippines Index	13	151	11.92
6	FTSE China 25 Index	25	-	11.92
7	FTSE Korea Index	112	3,953	10.86
8	FTSE ASFA Australia 200 Index	200	6,872	10.32
9	FTSE Hong Kong Index	121	3,116	9.50
10	FTSE TWSE Taiwan 50 Index	50	2,374	8.59
11	FTSE SET Large Cap Index	30	802	7.98
12	FTSE New Zealand Index	12	107	6.55
13	FTSE China A50 Index	50	1,334	6.47
14	FTSE Indonesia Index	24	712	4.77
15	FTSE Japan Index	452	13,665	4.72
16	FTSE Bursa Malaysia KLCI	30	1,002	3.88

Source: FTSE Group, data as at 31 January 2012

FTSE CHINA A50 INDEX HISTORICAL REVIEW TURNOVER

Review Month	Number of Adds	Number of Dels	BEFORE REVIEW		AFTER REVIEW		2-Way Turnover (%)
			Number of Cons	Net Market Cap (CNYm)	Number of Cons	Net Market Cap (CNYm)	
March 2011	3	3	50	2,488,990	50	2,621,116	13.38
June 2011	2	2	50	2,449,202	50	2,470,633	6.73
September 2011	3	3	50	2,327,985	50	2,403,914	9.94
December 2011	1	1	50	2,200,385	50	2,240,896	5.51
						Total	35.56

Note: The majority of index changes occurs at the index reviews in March, June, September and December. Review changes to the index may include constituent additions/deletions, shares in issue and free float changes, and changes due to corporate events.

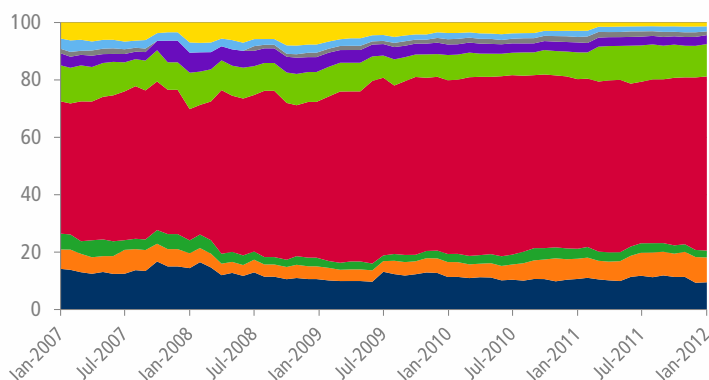
Source: FTSE Group, data as at 31 January 2012

FTSE CHINA A INDEX SERIES

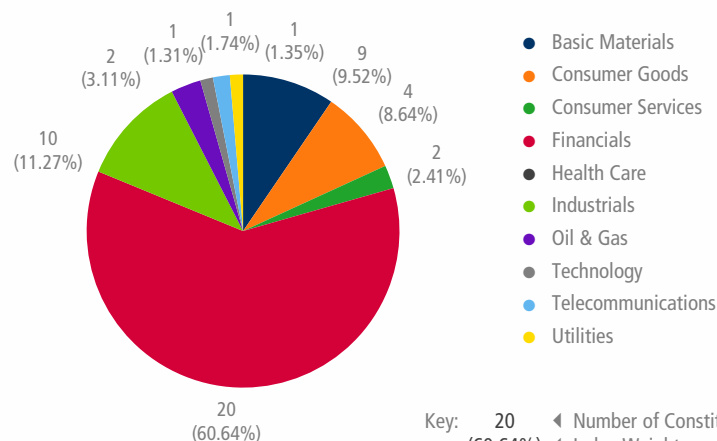
FTSE China A50 Index - January 2012



FIVE-YEAR HISTORICAL INDUSTRY BREAKDOWN (%)



INDUSTRY BREAKDOWN



Key: 20 ◀ Number of Constituents (60.64%) ◀ Index Weight

Source: FTSE Group, data as at 31 January 2012

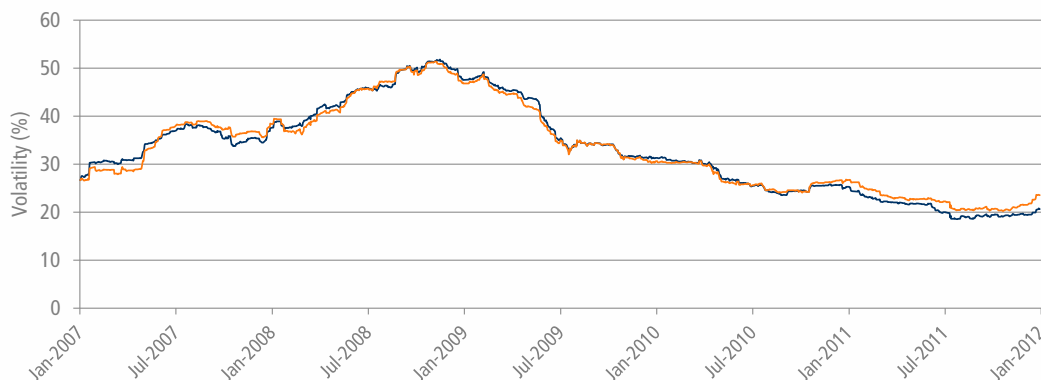
FTSE CHINA A50 INDEX HISTORICAL VOLATILITY TABLE (CNY TOTAL RETURN)

Index Name	YTD (%)*	1Y (%)*	3Y (%)**	5Y (%)***	2008 (%)*	2009 (%)*	2010 (%)*	2011 (%)*
FTSE China A50 Index	24.53	19.53	26.39	39.04	48.77	32.32	24.08	19.28
FTSE China A All-Share Index	33.10	21.83	27.59	39.41	48.37	32.22	24.48	21.14

* Based on annualised daily total log returns. ** Based on annualised weekly total log returns. *** Based on annualised monthly total log returns.

Source: FTSE Group, data as at 31 January 2012

FTSE CHINA A50 INDEX HISTORICAL ROLLING VOLATILITY (CNY TOTAL RETURN)



● FTSE China A50 Index
● FTSE China A All-Share Index

Index volatility is calculated on a rolling 180 days basis.

Source: FTSE Group, data as at 31 January 2012

FTSE CHINA A50 INDEX HISTORICAL TRACKING ERROR (CNY TOTAL RETURN)

Index Name	YTD (%)*	1Y (%)*	3Y (%)**	5Y (%)***	2008 (%)*	2009 (%)*	2010 (%)*	2011 (%)*
FTSE China A50 Index	12.94	8.78	11.88	14.20	13.76	10.66	11.30	8.57

* Based on annualised daily total log returns. ** Based on annualised weekly total log returns. *** Based on annualised monthly total log returns.

Note: FTSE China A All-Share Index is used as the benchmark for the calculation of the tracking error

Source: FTSE Group, data as at 31 January 2012

FTSE CHINA A50 INDEX HISTORICAL CORRELATION AGAINST FTSE CHINA A ALL-SHARE INDEX (CNY TOTAL RETURN)

Index Name	YTD (%)*	1Y (%)*	3Y (%)**	5Y (%)***	2008 (%)*	2009 (%)*	2010 (%)*	2011 (%)*
FTSE China A50 Index	0.9395	0.9158	0.9040	0.9311	0.9599	0.9446	0.8915	0.9147

* Based on annualised daily total log returns. ** Based on annualised weekly total log returns. *** Based on annualised monthly total log returns.

Note: FTSE China A All-Share Index is used as the benchmark for the calculation of the correlation

Source: FTSE Group, data as at 31 January 2012

FTSE CHINA A INDEX SERIES

FTSE China A50 Index - January 2012

FTSE CHINA A50 INDEX HISTORICAL SHARPE RATIO (CNY TOTAL RETURN)

Index Name	YTD*	1Y*	3Y**	5Y***	2008*	2009*	2010*	2011*
FTSE China A50 Index	3.0656	-0.8415	0.0499	-0.0992	2.1401	-2.3725	1.8748	-1.1294
FTSE China A All-Share Index	1.2098	-1.3686	0.1872	0.0756	2.5720	-2.1859	2.1591	-0.2424

* Based on annualised daily total log returns. ** Based on annualised weekly total log returns. *** Based on annualised monthly total log returns.

Note: China 3-Month interbank offered rate (CHIBOR) is used as the risk free rate.

Source: FTSE Group, data as at 31 January 2012

FTSE CHINA A50 INDEX HISTORICAL INFORMATION RATIO (CNY TOTAL RETURN)

Index Name	YTD*	1Y*	3Y**	5Y***	2008*	2009*	2010*	2011*
FTSE China A50 Index	0.2375	1.2639	-1.1877	-2.3768	-0.2474	-1.6356	-1.6282	1.2301

* Based on annualised daily total log returns. ** Based on annualised weekly total log returns. *** Based on annualised monthly total log returns.

Note: FTSE China A All-Share Index is used as the benchmark for the calculation of the information ratio

Source: FTSE Group, data as at 31 January 2012

FTSE CHINA A50 INDEX TOP 10 CONSTITUENTS

Rank	Local Code	Constituent Name	ICB Subsector	Net Market Cap (CNYm)	Index Weight (%)	1M Perf (%)
1	601318	Ping An Insurance (A)	Life Insurance	183,511	7.73	11.32
2	600036	China Merchants Bank (A)	Banks	167,811	7.07	6.57
3	600000	Shanghai Pudong Development Bank (A)	Banks	128,989	5.43	8.60
4	601328	Bank of Communications (A)	Banks	119,069	5.01	8.04
5	601166	Industrial Bank (A)	Banks	112,266	4.73	10.70
6	600016	China Minsheng Banking (A)	Banks	108,758	4.58	9.00
7	600030	Citic Securities (A)	Investment Services	78,881	3.32	10.09
8	600519	Kweichow Moutai (A)	Distillers & Vintners	77,411	3.26	-3.56
9	000002	China Vanke (A)	Real Estate Holding & Development	74,054	3.12	2.41
10	601398	Industrial and Commercial Bank of China (A)	Banks	67,662	2.85	1.42
Totals				1,118,411	47.09	-

Source: FTSE Group - total return data in CNY, as at 31 January 2012

FTSE CHINA A50 INDEX TOP 5 AND BOTTOM 5 PERFORMERS

	Local Code	Constituent Name	ICB Subsector	Net Market Cap (CNYm)	Index Weight (%)	1M Perf (%)
TOP	000157	Zoomlion Heavy Industry Sci & Tech (A)	Commercial Vehicles & Trucks	42,880	1.81	18.47
	000776	GF Securities (A)	Investment Services	21,931	0.92	17.62
	601899	Zijin Mining Group (A)	Gold Mining	35,084	1.48	16.23
	600362	Jiangxi Copper (A)	Nonferrous Metals	21,118	0.89	16.01
	600031	Sany Heavy Industry (A)	Commercial Vehicles & Trucks	53,953	2.27	13.32
BOTTOM	002304	Jiangsu Yanghe Brewery Joint-Stock (A)	Distillers & Vintners	17,249	0.73	-0.93
	000858	Wuliangye Yibin (A)	Distillers & Vintners	60,716	2.56	-2.47
	600519	Kweichow Moutai (A)	Distillers & Vintners	77,411	3.26	-3.56
	600050	China United Network Communications (A)	Mobile Telecommunications	41,376	1.74	-6.87
	000063	ZTE (A)	Telecommunications Equipment	31,196	1.31	-12.43

Source: FTSE Group - total return data in CNY, as at 31 January 2012

FTSE CHINA A50 INDEX PORTFOLIO CHARACTERISTICS

	FTSE China A50 Index	FTSE China A All-Share Index
Number of Constituents	50	1,438
Full Market Cap (CNYm)	3,048,440	10,009,313
% FTSE China A All-Share Index	30.46	100.00
Net Market Cap (CNYm)	1,334,454	5,208,382
Constituent Sizes (Net Market Cap CNYm)		
Average	26,689	3,622
Largest	183,511	183,511
Smallest	4,867	342
Median	12,416	875

Source: FTSE Group, data as at 31 January 2012

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FTSE CHINA A50 INDEX CONSTITUENTS

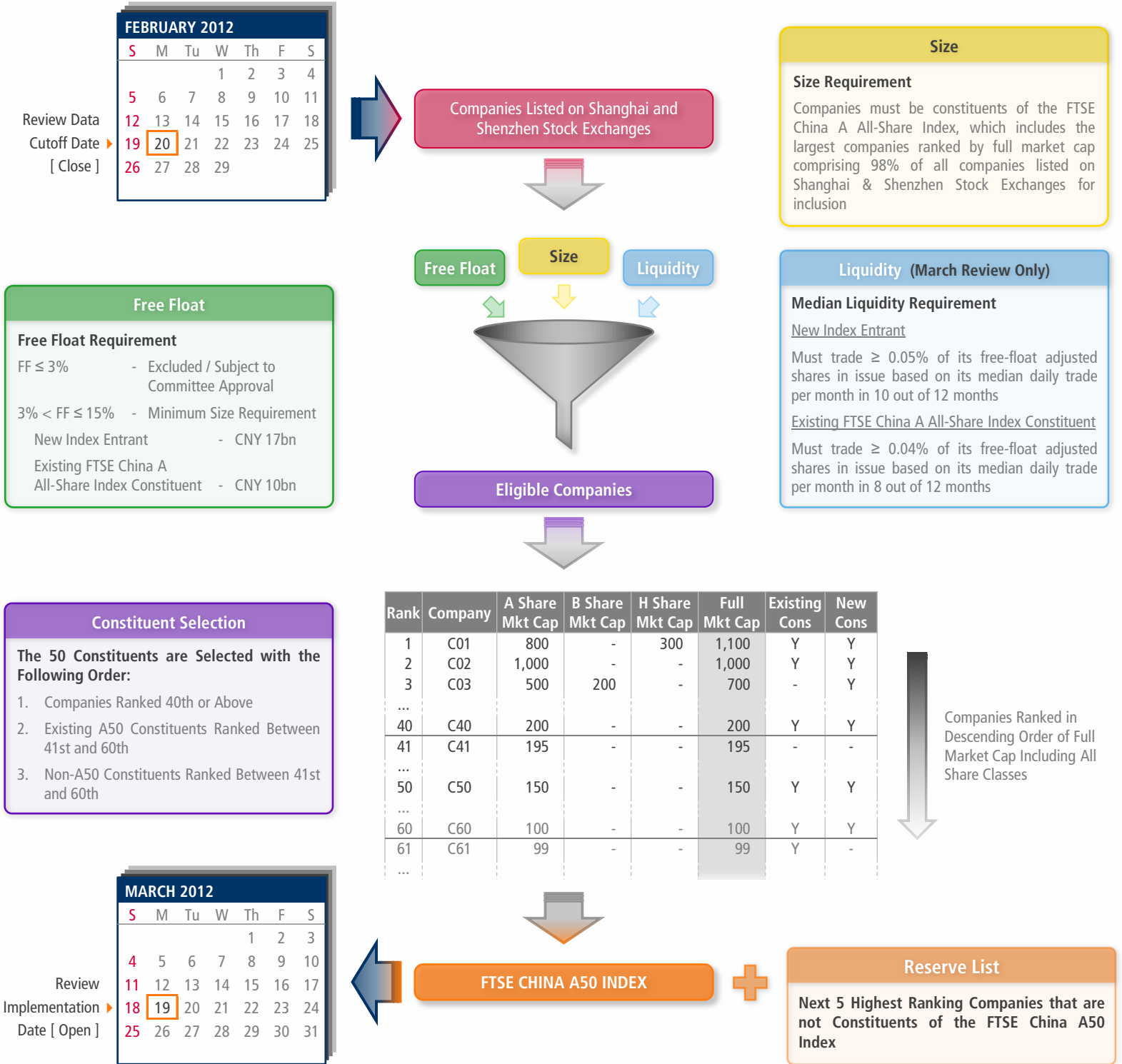
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1	601318	Ping An Insurance (A)	Life Insurance	183,511	7.73	11.32
2	600036	China Merchants Bank (A)	Banks	167,811	7.07	6.57
3	600000	Shanghai Pudong Development Bank (A)	Banks	128,989	5.43	8.60
4	601328	Bank of Communications (A)	Banks	119,069	5.01	8.04
5	601166	Industrial Bank (A)	Banks	112,266	4.73	10.70
6	600016	China Minsheng Banking (A)	Banks	108,758	4.58	9.00
7	600030	Citic Securities (A)	Investment Services	78,881	3.32	10.09
8	600519	Kweichow Moutai (A)	Distillers & Vintners	77,411	3.26	-3.56
9	000002	China Vanke (A)	Real Estate Holding & Development	74,054	3.12	2.41
10	601398	Industrial and Commercial Bank of China (A)	Banks	67,662	2.85	1.42
11	000858	Wuliangye Yibin (A)	Distillers & Vintners	60,716	2.56	-2.47
12	601288	Agricultural Bank of China (A)	Banks	55,576	2.34	3.05
13	600031	Sany Heavy Industry (A)	Commercial Vehicles & Trucks	53,953	2.27	13.32
14	601601	China Pacific Insurance Group (A)	Life Insurance	52,932	2.23	9.37
15	600837	Haitong Securities (A)	Investment Services	51,588	2.17	12.82
16	600104	SAIC Motor (A)	Automobiles	49,913	2.10	6.72
17	601088	China Shenhua Energy (A)	Coal	48,706	2.05	6.00
18	601939	China Construction Bank (A)	Banks	45,935	1.93	5.07
19	002024	Suning Appliance (A)	Specialty Retailers	45,650	1.92	3.08
20	601006	Daqin Railway (A)	Railroads	45,564	1.92	3.22
21	000157	Zoomlion Heavy Industry Sci & Tech (A)	Commercial Vehicles & Trucks	42,880	1.81	18.47
22	000001	Shenzhen Development Bank (A)	Banks	42,626	1.79	6.74
23	600050	China United Network Communications (A)	Mobile Telecommunications	41,376	1.74	-6.87
24	601857	PetroChina (A)	Integrated Oil & Gas	41,331	1.74	4.83
25	601668	China State Construction Engineering (A)	Heavy Construction	36,840	1.55	5.50
26	601899	Zijin Mining Group (A)	Gold Mining	35,084	1.48	16.23
27	600015	Hua Xia Bank (A)	Banks	32,632	1.37	6.06
28	600028	China Petroleum & Chemical (A)	Integrated Oil & Gas	32,556	1.37	8.08
29	600900	China Yangtze Power (A)	Alternative Electricity	32,126	1.35	2.04
30	000063	ZTE (A)	Telecommunications Equipment	31,196	1.31	-12.43
31	600585	Anhui Conch Cement (A)	Building Materials & Fixtures	27,790	1.17	10.99
32	601628	China Life Insurance (A)	Life Insurance	27,375	1.15	6.46
33	601600	Aluminum Corp of China (A)	Aluminum	27,324	1.15	11.06
34	600019	Baoshan Iron & Steel (A)	Iron & Steel	26,741	1.13	4.95
35	000983	Shanxi Xishan Coal and Electricity Power (A)	Coal	25,162	1.06	9.38
36	601989	China Shipbuilding Industry (A)	Commercial Vehicles & Trucks	24,378	1.03	8.41
37	601818	China Everbright Bank (A)	Banks	24,261	1.02	4.17
38	601988	Bank of China (A)	Banks	23,472	0.99	2.74
39	000776	GF Securities (A)	Investment Services	21,931	0.92	17.62
40	600362	Jiangxi Copper (A)	Nonferrous Metals	21,118	0.89	16.01
41	601998	China Citic Bank (A)	Banks	20,900	0.88	7.92
42	002304	Jiangsu Yanghe Brewery Joint-Stock (A)	Distillers & Vintners	17,249	0.73	-0.93
43	601898	China Coal Energy (A)	Coal	17,206	0.72	4.33
44	000792	Qinghai Salt Lake Industry (A)	Specialty Chemicals	15,531	0.65	1.81
45	601390	China Railway Group (A)	Heavy Construction	13,332	0.56	3.17
46	601919	China COSCO Holdings (A)	Marine Transportation	11,637	0.49	8.55
47	601111	Air China (A)	Airlines	11,541	0.49	6.75
48	600188	Yanzhou Coal Mining (A)	Coal	9,301	0.39	7.95
49	600018	Shanghai International Port (A)	Transportation Services	6,440	0.27	9.27
50	601727	Shanghai Electric Group (A)	Industrial Machinery	4,867	0.20	7.65

Source: FTSE Group - total return data in CNY, as at 31 January 2012

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FTSE CHINA A50 INDEX QUARTERLY REVIEW PROCESS (BASED ON THE UPCOMING MARCH REVIEW)



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