Methodology of FTSE CSI CNI China A Share Green Revenue Index

FTSE CSI CNI China A Share Green Revenue Index selects 100 securities of listed companies with relatively high green revenues percentage and large market capitalization from the A-share market as index constituents. It reflects the overall performance of listed companies which have specific involvement in environmental activities and are engaged in the transition to a green economy.

1. Index Name and Index Code

- Index Name: FTSE CSI CNI China A Share Green Revenue Index
- Shortened Name: A Share Green Revenue
- Index Code: 932604

2. Base Date and Base Value

The base date is December 31, 2019. The base value is 1000.

3. Index Eligibility

3.1 Index Universe

The Index Universe is all the SSE, SZSE or BSE listed securities, which meets the following conditions:

(1) The listing time is more than one year, unless the security is in the top 30 in terms of average daily market capitalization since its listing.
(2) Eligible for Shanghai or Shenzhen Stock Connect.
(3) Non-ST and *ST securities.

3.2 Eligible Securities

Securities ranked in the top 90% in the index universe in terms of average daily trading value over the past year in descending order are eligible for inclusion.

3.3 Constituents Selection

(1) From the eligible securities, select securities of listed companies whose business scope have significant involvement in environmental business activities, as jointly recognized by China Securities Index Co., Ltd. (CSI), Shenzhen Securities Information Co., Ltd. (SSI), and FTSE Russell, and whose green revenues percentage is not less than 10% as the candidates.

(2) Rank the candidates by the average daily capitalization over the past year in descending order and select the top 100 securities as the constituents.

4. Index Calculations

The index is calculated according to the following formula:

Current Index = Current Total Adjusted Market-Cap / Divisor × Base Value

Where Current Total Adjusted Market-Cap = Σ(Security Price × Number of Free Float Adjusted Shares × Weight Factor)

For the calculation of number of free float adjusted shares, please refer to CSI Index Calculation and Maintenance Methodology for further details. The value of Weight Factor is between 0 and 1, which is calculated at each rebalancing date, so that the weight of each constituent is capped at 10% and the total weight of top 5 constituents is capped at 40%.

5. Constituents and Index Weights

5.1 Constituent's Periodical Review

The index is adjusted and rebalanced semi-annually and the adjustment will be effective as of the next trading day after the 2nd Friday in June and December.

Weight Factor is assigned to each constituent at each rebalancing date. The effective date is the same as that of the constituent adjustment. The Weight Factor stays the same until next rebalancing date.

5.2 Ongoing Review

When special events occur, CSI will review the index accordingly. Delisted securities will be deleted from the constituents. Please refer to Index Calculation and Maintenance Methodology for further details. If the eligible securities under Shanghai or Shenzhen Stock Connect change, the constituents will be adjusted accordingly.