

FTSE Russell to add Shanghai STAR Market Stocks to FTSE China A Index Series and FTSE GEIS

- 50 STAR stocks to be included in the FTSE Global All Cap China A Inclusion Index
- Seven STAR stocks to be included in FTSE Emerging Index
- Inclusion of Shanghai STAR Market stocks scheduled for 22 March 2021
- Strong client support for the addition of STAR stocks expressed in recent market consultation
- Move set to result in \$100m of passive inflows to STAR stocks

FTSE Russell, the global index, data and analytics provider, confirms that it will include eligible China A-Shares listed from the Shanghai Stock Exchange's (SSE) Sci-Tech Innovation Board (STAR Market) in its FTSE China A Share indexes and FTSE Global Equity Index Series (GEIS). The changes will be effective as of 22 March 2021. As a result, 50 STAR stocks will enter the FTSE Global All Cap China A Inclusion index, with several other China A Share indexes also seeing constituent additions.

FTSE Russell will add the STAR Market to its list of eligible exchanges and market segments in conjunction with its semi-annual equity index review, following the admittance of STAR stocks for trading via the Northbound China Stock Connect programme from 1 February 2021. The decision also follows strong client support expressed in a 2020 market consultation.

STAR Market companies that are part of the FTSE China A All Cap Index and are also eligible under the Northbound China Stock Connect will be considered for inclusion in the FTSE Global Equity Index Series (GEIS) and derived indexes including the FTSE Emerging index. A total of 11 STAR stocks meet the criteria for entry into FTSE GEIS at the March 2021 index review.

STAR Market additions will be based on the current Phase 1 inclusion factor of 25%. FTSE Russell promoted China A Shares to Secondary Emerging Market Status in 2018, with Phase 1 completed in June 2020.

Jessie Pak, Managing Director, FTSE Russell and Head of Investment Solutions, APAC, LSEG said:

"Today's inclusion to our global equity benchmarks is a key development of China's capital markets, enriching the investment opportunity set for foreign investors. Over twenty years ago, FTSE Russell became the first international index provider of mainland China benchmarks and we look forward to continuing to work with customers to provide benchmark and analytic solutions as a multi-asset index provider in the future. We received positive client feedback during the consultation process with market participants confirming they were in favour of STAR Market inclusion in our global benchmarks."

Chris Woods, Head of Index Policy, FTSE Russell said:

"With the recent addition of STAR Market stocks to the Northbound China Stock Connect Programme enhancing access for international investors, and following recent client demand, Shanghai Stock Exchange's STAR Market is now an eligible market segment and the inclusion of STAR Market stocks will commence from this March. This



Press Release



FTSE
Russell

will mean investors are able to gain access to innovative Chinese science and technology stocks through a range of FTSE China A Share indexes and global benchmarks such as the FTSE Emerging Index.”

– Ends –

For further information:

Media contacts

Oliver Mann/ Lucie Holloway
(EMEA)

+44 (0)20 7797 1222
newsroom@lseg.com

Sophie Mou
(APAC)

+852 9301 1723
Sophie.mou@lseg.com

Notes to editors:

About FTSE Russell:

FTSE Russell is a global index leader that provides innovative benchmarking, analytics and data solutions for investors worldwide. FTSE Russell calculates thousands of indexes that measure and benchmark markets and asset classes in more than 70 countries, covering 98% of the investable market globally.

FTSE Russell index expertise and products are used extensively by institutional and retail investors globally. Approximately \$16 trillion is currently benchmarked to FTSE Russell indexes. For over 30 years, leading asset owners, asset managers, ETF providers and investment banks have chosen FTSE Russell indexes to benchmark their investment performance and create ETFs, structured products and index-based derivatives.

A core set of universal principles guides FTSE Russell index design and management: a transparent rules-based methodology is informed by independent committees of leading market participants. FTSE Russell is focused on applying the highest industry standards in index design and governance and embraces the IOSCO Principles. FTSE Russell is also focused on index innovation and customer partnerships as it seeks to enhance the breadth, depth and reach of its offering.

FTSE Russell is wholly owned by London Stock Exchange Group.

For more information, visit www.ftserussell.com

© 2021 London Stock Exchange Group plc and its applicable group undertakings (the "LSE Group"). The LSE Group includes (1) FTSE International Limited ("FTSE"), (2) Frank Russell Company ("Russell"), (3) FTSE Global Debt Capital Markets Inc. and FTSE Global Debt Capital Markets Limited (together, "FTSE Canada"), (4) MTSNext Limited ("MTSNext"), (5) Mergent, Inc. ("Mergent"), (6) FTSE Fixed Income LLC ("FTSE FI"), (7) The Yield Book Inc ("YB") and (8) Beyond Ratings S.A.S. ("BR"). All rights reserved. FTSE Russell® is a trading name of FTSE, Russell, FTSE Canada, MTSNext, Mergent, FTSE FI, YB and BR. "FTSE®", "Russell®", "FTSE Russell®", "MTS®", "FTSE4Good®", "ICB®", "Mergent®", "The Yield Book®", "Beyond Ratings®" and all other trademarks and service marks used herein (whether registered or unregistered) are trademarks and/or service marks owned or licensed by the applicable member of the LSE Group or their respective licensors and are owned, or used under licence, by FTSE, Russell, MTSNext, FTSE Canada, Mergent, FTSE FI, YB or BR. FTSE International Limited is authorised and regulated by the Financial Conduct Authority as a benchmark administrator.

All information is provided for information purposes only. All information and data contained in this publication is obtained by the LSE Group, from sources believed by it to be accurate and reliable. Because of the possibility of human and mechanical error as well as other factors, however, such information and data is provided "as is" without warranty of any kind. No member of the LSE Group nor their respective directors, officers, employees, partners or licensors make any claim, prediction, warranty or representation whatsoever, expressly or impliedly, either as to the accuracy, timeliness, completeness, merchantability of any information or of results to be obtained from the use of FTSE Russell products, including but not limited to indexes, data and analytics, or the fitness or suitability of the FTSE Russell products for any particular purpose to which they might be put. Any representation of historical data accessible through FTSE Russell products is provided for information purposes only and is not a reliable indicator of future performance.



London
Stock Exchange Group

Press Release

FTSE
Russell

No responsibility or liability can be accepted by any member of the LSE Group nor their respective directors, officers, employees, partners or licensors for (a) any loss or damage in whole or in part caused by, resulting from, or relating to any error (negligent or otherwise) or other circumstance involved in procuring, collecting, compiling, interpreting, analysing, editing, transcribing, transmitting, communicating or delivering any such information or data or from use of this document or links to this document or (b) any direct, indirect, special, consequential or incidental damages whatsoever, even if any member of the LSE Group is advised in advance of the possibility of such damages, resulting from the use of, or inability to use, such information. No member of the LSE Group nor their respective directors, officers, employees, partners or licensors provide investment advice and nothing contained herein or accessible through FTSE Russell products, including statistical data and industry reports, should be taken as constituting financial or investment advice or a financial promotion.

Past performance is no guarantee of future results. Charts and graphs are provided for illustrative purposes only. Index returns shown may not represent the results of the actual trading of investable assets. Certain returns shown may reflect back-tested performance. All performance presented prior to the index inception date is back-tested performance. Back-tested performance is not actual performance, but is hypothetical. The back-test calculations are based on the same methodology that was in effect when the index was officially launched. However, back-tested data may reflect the application of the index methodology with the benefit of hindsight, and the historic calculations of an index may change from month to month based on revisions to the underlying economic data used in the calculation of the index. This document may contain forward-looking assessments. These are based upon a number of assumptions concerning future conditions that ultimately may prove to be inaccurate. Such forward-looking assessments are subject to risks and uncertainties and may be affected by various factors that may cause actual results to differ materially. No member of the LSE Group nor their licensors assume any duty to and do not undertake to update forward-looking assessments. No part of this information may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without prior written permission of the applicable member of the LSE Group. Use and distribution of the LSE Group data requires a licence from FTSE, Russell, FTSE Canada, MTSNext, Mergent, FTSE FI, YB, BR and/or their respective licensors.



London
Stock Exchange Group