

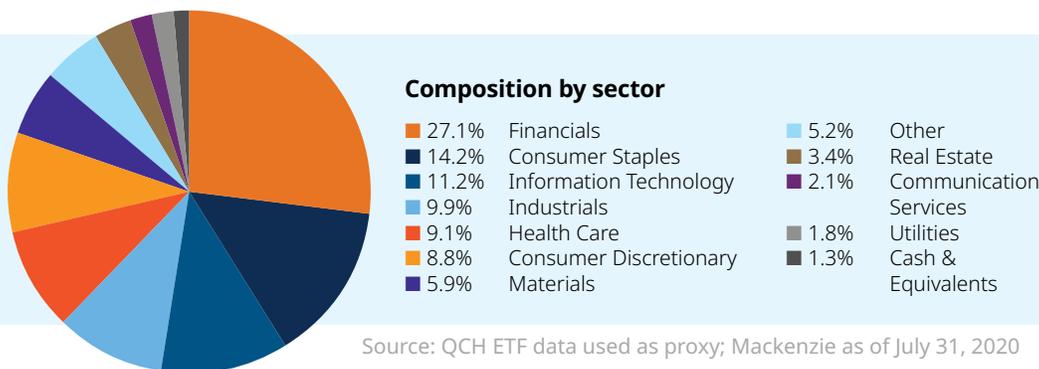
# CSI 300 Index

This Index is tracked by QCH - Mackenzie China A-Shares CSI 300 Index ETF

## Index overview

- Rules-based, free-float market capitalization weighted index providing exposure to 300 stocks with the largest market capitalization and liquidity from the entire universe of listed A share companies in China.
- Launched on April 8, 2005, the index aims to measure the overall performance of the A shares traded on Shanghai Stock Exchange and Shenzhen Stock Exchange.
- Based on the principle of stability and dynamic tracking, the constituents of CSI300 shall be reviewed every 6 months. CSI300 index shall be reviewed during the last ten-days of May and November each year.

## Index characteristics



**P/E Ratio: 15.68x**  
**P/B Ratio: 1.85x**  
**Distribution Yield: 0.71%**

Source: QCH ETF data used as proxy; Mackenzie as of July 31, 2020

## Rules for inclusion

Country eligibility	Rules for inclusion
	<ul style="list-style-type: none"> <li>• Includes 300 stocks with the largest market capitalization and liquidity from the entire universe of listed A share companies in China.</li> </ul>
Inclusion criteria	<ul style="list-style-type: none"> <li>• The index universe of CSI300 includes all the A shares listed at Shanghai Stock Exchange and Shenzhen Stock Exchange satisfying the following conditions:               <ul style="list-style-type: none"> <li>• Non-ChiNext stocks: The listing time of a stock is more than three months unless the daily average total market value of a stock since its initial listing is ranked top 30 in all the A shares (Non-ChiNext stocks);</li> <li>• ChiNext stocks: The listing time of a stock is more than 3 years</li> </ul> </li> <li>• The calculation of CSI300 uses category-weighted method in which CSI will grant certain inclusion factor to the total A shares of the share class according to the percentage of free float shares in total A shares of the constituent to ensure the stability of the index.</li> </ul>

## Rules for inclusion

### Free float market capitalization

For shares clearly announced as restricted by listed companies and shares that fall into the 4 types of shares:

- Long term holdings by founders, families, and senior executives, etc.
- State-owned shares
- Strategic holdings
- Employee share plans

If the holding is 5% or greater by a shareholder or shareholders acting in concert, such shares shall be deemed as non-free float shares.

Source: Solactive

## Rebalancing rules

### Buffer zone

CSI300 adopts buffer zone rules to reduce the index adjustment turnover. New candidate stocks ranked top 240 will be given priority to add into the index and old constituents ranked top 360 will be given priority to remain in the index.

### Average daily value & volume traded

The daily average trading value and daily average total market value during the most recent year for stocks in the index universe, or in case of a new issue, the data since the 4th trading day after listing is used for calculation is calculated.

- The stocks are ranked by daily average trading value of the most recent year in descending order and the bottom ranked 50% stocks are removed.
- The remaining stocks are ranked by daily average market value of the most recent year in descending order, those who rank top 300 are selected as index constituents.

Source: Solactive

## Pricing and related issues

### Corporate actions

- Ex-Dividend: For CSI300 index, no index shall be adjusted in the event of an ex-dividend (dividend payment), and its natural fall shall not be interfered. CSI300 total return index and CSI net total return index are adjusted based on the reference ex-dividend price before the ex-dividend date.
- Ex-Right: If the bonus issue, rights issues, stock split and stock consolidation occurs, the index shall be adjusted the day before the issuance. Calculation of Adjusted Market Cap is based on new shares and prices.
- In the event that the aggregated change in the total shares of constituents due to other corporate actions (e.g. secondary offering, debt-to-equity swap and exercise of warrants) reaches or exceeds 5%, the index is subject to temporary adjustment and shall be adjusted before the capital change in the index constituents.
- Merger, spin-off, acquisition and restructuring of non-constituents: If the total market cap of the stock of the resulting new company ranks top 10 in the overall market due to the above corporate events, fast entry rules shall be applied here. Otherwise, these corporate events shall be considered together in the index regular adjustment.

## Pricing and related issues

### Initial public offerings (IPO)

The tradability requirements of companies with an Initial Public Offering (IPO) date that lies within the 6-month period prior to the Selection Day are modified as follows:

- New index constituents require an Average Daily Value Traded of at least USD 1,000,000 over the preceding 1-month period.
- New index constituents require a volume traded of at least 100,000 shares over the preceding 1-month period.
- New index constituents require a free float percentage of at least 10%. In case the Free Float Market Capitalization of a security is at least USD 1,000,000,000 for new Index Components, the float percentage requirement is not considered.
- New index constituents must have no non-trading days, either since the IPO date or in the preceding 3-month period, depending on which period is shorter.
- New index constituents must have a trading history of at least 20 Business Days.

### Source & frequency

- The index is calculated and distributed once every Business Day.

### Timing

- The index is calculated every 5 seconds till the close of trading.
- If the last business day is a holiday, prices from the previous business day are used.

Source: Solactive

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