

# The NYSE Arca China Index (CZH)

## Index Description

The NYSE Arca China Index ("Index") is a modified equal weighted index comprised of selected publicly traded stocks and American Depositary Receipts ("ADRs") of companies with significant exposure to the Chinese economy. The Index divisor was initially determined to yield a benchmark value of 100.00 at the close of trading on December 19, 2003. The Index is calculated and maintained by the NYSE Arca ("NYSE Arca"). Similar to other stock indices calculated by the NYSE Arca, the value of the Index will be disseminated every 15 seconds over the Consolidated Tape Association's Network B between the hours of approximately 9:30am and 4:15pm.

## Eligibility Criteria for Index Components

The Index includes companies whose business is focused in the People's Republic of China and are listed for trading on the New York Stock Exchange, NYSE Amex, or quoted on the NASDAQ National Market. To be included in the Index companies must have a market capitalization greater than \$75 million and have at least 1,000,000 traded volume over each of the last six months.

## Index Calculation

The Index is calculated using a modified equal weight methodology. Each security is placed in to one of three tiers, top five and bottom five by market capitalization and those securities that are between the top and bottom. The top five securities are weighted such that the two with the largest market capitalization are set to fifteen percent (15%) and the next three are set to nine percent (9%), representing a combined fifty-seven

percent (57%) of the Index. The bottom five securities are equally weighted to represent ten percent (10%) of the Index or two percent each (2%). The securities not in the top five or bottom five are equally weighted to represent thirty-three percent (33%) of the Index.

## Index Level

The official closing level of the index is calculated each day using the official closing price from the primary listing exchange of each index constituent. If no official closing price is available due to the following reasons, the respective course of action will be taken:

1. Trading of index component is suspended before market close and remains suspended through market close
  - The index will use the last traded price of the current day from the primary listing exchange in calculating the current day's official closing level.
2. Trading of index component is not opened for current day – The index will use the previous day's official closing price or last traded price; until a particular stock opens, its adjusted closing price from the previous day is used in the index computation.
3. Exchange or market-wide event resulting in normal closing auction not going off or official closing prices not being available
  - The index will take guidance from the respective exchange(s) and address on an event-by-event basis. Exchange or market-wide events include, but are not limited to:
    - Volatility Halts
      - LULD
      - Circuit breaker
    - Technological problems/failures
    - Natural disaster or other BCP related event

## Quarterly Updates to the Index Maintenance of the Index

Changes to the Index compositions and/or the component share weights in the Index typically take effect after the close of trading on third Friday of each calendar quarter month in connection with the quarterly index rebalance. At the time of the Index quarterly rebalance, the weights for the components stocks (taking into account expected component changes and share adjustments), are modified in accordance with the following procedures. The Index is reviewed quarterly to ensure that at least 90% of the Index weight is accounted for by components that continue to represent the universe of funds that meet the initial Index requirements. The NYSE Arca may at any time and from time to time change the number of stocks comprising the group by adding or deleting one or more stocks, or replace one or more stocks contained in the group with one or more substitute stocks of its choice, if in the Exchange's discretion such addition, deletion or substitution is necessary or appropriate to maintain the quality and/or character of the index to which the group relates. In conjunction with the quarterly review, the share weights used in the calculation of the Index are determined based upon current shares outstanding modified, if necessary, to provide greater Index diversification, as described in the Index Calculation section above. The Index components and their share weights are determined on the Wednesday prior to the third Friday of March, June, September, and December. The share weight of each component stock in the Index portfolio remains fixed between quarterly reviews except in the event of certain types of corporate actions such as stock splits, reverse stock splits, stock dividends, or similar events. The share weights used in the Index calculation are not typically adjusted for shares issued or repurchased between quarterly reviews.

In the event of a merger between two components, the share weight of the surviving entity may be adjusted to account for any stock issued in the acquisition. The NYSE Arca may substitute stocks or change the number of stocks included in the index, based on changing conditions in the industry or in the event of certain types of corporate actions, including mergers, acquisitions, spin-offs, and reorganizations. In the event of component or share weight changes to the Index portfolio, the payment of dividends other than ordinary cash dividends, spin-offs, rights offerings, re-capitalization, or other corporate actions affecting a component stock of the Index; the Index divisor may be adjusted to ensure that there are no changes to the Index level as a result of non-market forces.

## Further info

To find out more, please email:  
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### Disclaimer

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