

## FTSE TWSE Taiwan Shariah Index

Data as at: 30 April 2012

The FTSE TWSE Shariah Index has been designed to be used as the basis of Shariah compliant investment products that focus on Shariah-compliant companies listed on the Taiwan Stock Exchange. Independent screening is carried out by Yasaar Ltd, an organisation with a global network of expert Shariah scholars. Their approach is described below.

Using the Large and Mid Cap stocks from the FTSE Global Equity Index Series as a base universe, constituents are screened against a clear set of Shariah principles to create a robust Shariah compliant index for the Taiwan market.

### Business Activity Screening

Initially, companies involved in any of the following activities will be filtered out as non Shariah-compliant:

- Conventional finance (non-Islamic banking, finance and insurance, etc.);
- Alcohol;
- Pork related products and non-halal food production, packaging and processing or any other activity related to pork and non-halal food;
- Entertainment (casinos, gambling and pornography);
- Tobacco; weapons, arms and defence manufacturing.

### Financial Ratios Screening

The remaining companies are then further screened on a financial basis. The following financial ratios must be met for companies to be considered Shariah-compliant:

- Debt is less than 33% of total assets;
- Cash and interest bearing items are less than 33% of total assets;
- Accounts receivable and cash are less than 50% of total assets;
- Total interest and non compliant activities income should not exceed 5% of total revenue.

### 5-Year Performance - Total Return (TWD)



### FEATURES

#### Coverage

Shariah-compliant Taiwanese stocks in the FTSE Shariah Global Equity Index Series.

#### Objective

The index is designed for the creation of Shariah-compliant investment products and as a benchmark.

#### Investability

Stocks are free-float weighted to ensure that only the investable opportunity set is included within the indices.

#### Liquidity

Stocks are screened to ensure that the index is tradable.

#### Transparency

Freely available index rules are overseen by an independent committee of leading market professionals.

#### Asset-based debt screening

Unlike other competitor methodologies, a more conservative approach to Shariah compliance is ensured by rating debt ratio limits that are measured as a percentage of total assets, rather than more volatile measures that use 12 month trailing market capitalisation. This ensures companies do not pass the screening criteria due to market price fluctuation, allowing the methodology to be less speculative and more in keeping with Shariah principles.

#### School-neutral

Yasaar Limited scholars represent all of the major Shariah schools of thought, creating a best practices approach that has credibility across the Islamic world.

#### Global Sector Classification

Index constituents are categorized in accordance with the Industry Classification Benchmark (ICB), the global standard for industry sector analysis.

**Performance and Volatility - Total Return (TWD)**

	Performance %						Return %*		Volatility %**		
	3M	6M	YTD	12M	3YR	5YR	3YR	5YR	1YR	3YR	5YR
FTSE TWSE Taiwan Shariah	0.4	5.1	7.6	-3.5	48.8	23.1	14.2	4.2	20.4	18.9	24.3
FTSE Taiwan	-0.8	-0.2	5.3	-12.9	36.1	8.8	10.8	1.7	21.8	20.6	25.5

\* Returns are annualised

\*\* Volatility - 1YR based on 12 months daily data. 3YR and 5YR based on monthly data

**Top 10 Constituents**

Constituent	Country	ICB Sector	Net MCap (TWDm)	Wgt %
Taiwan Semiconductor Manufacturing	Taiwan	Technology Hardware & Equipment	2,235,397	26.55
Hon Hai Precision Industry	Taiwan	Electronic & Electrical Equipment	981,969	11.67
Formosa Plastics Corp	Taiwan	Chemicals	508,030	6.04
Nan Ya Plastics	Taiwan	Chemicals	472,708	5.62
Formosa Chemicals & Fibre	Taiwan	Chemicals	361,487	4.29
Chunghwa Telecom	Taiwan	Fixed Line Telecommunications	347,425	4.13
China Steel	Taiwan	Industrial Metals & Mining	327,819	3.89
Asustek Computer Inc	Taiwan	Technology Hardware & Equipment	222,064	2.64
Uni-president Enterprises	Taiwan	Food Producers	206,542	2.45
United Microelectronics	Taiwan	Technology Hardware & Equipment	198,713	2.36
<b>Totals</b>			<b>5,862,154</b>	<b>69.64</b>

**ICB Supersector Breakdown**

ICB Code	ICB Supersector	FTSE TWSE Taiwan Shariah			FTSE Taiwan		
		No. of Cons	Net MCap (TWDm)	Wgt %	No. of Cons	Net MCap (TWDm)	Wgt %
0500	Oil & Gas	1	172,457	2.05	1	172,457	1.37
1300	Chemicals	6	1,431,856	17.01	6	1,431,856	11.35
1700	Basic Resources	2	356,544	4.24	4	396,286	3.14
2300	Construction & Materials	2	132,334	1.57	3	261,007	2.07
2700	Industrial Goods & Services	11	1,432,674	17.02	17	1,847,789	14.65
3300	Automobiles & Parts	2	71,480	0.85	3	206,292	1.64
3500	Food & Beverage	1	206,542	2.45	1	206,542	1.64
3700	Personal & Household Goods	5	309,036	3.67	6	355,717	2.82
5300	Retail	-	-	-	2	198,608	1.57
5700	Travel & Leisure	-	-	-	2	54,339	0.43
6500	Telecommunications	2	448,813	5.33	3	606,712	4.81
8300	Banks	-	-	-	11	1,007,371	7.98
8500	Insurance	-	-	-	3	495,616	3.93
8600	Real Estate	1	16,959	0.20	1	16,959	0.13
8700	Financial Services	-	-	-	6	325,666	2.58
9500	Technology	19	3,839,351	45.61	30	5,033,146	39.89
<b>Totals</b>		<b>52</b>	<b>8,418,046</b>	<b>100.00</b>	<b>99</b>	<b>12,616,360</b>	<b>100.00</b>

**INFORMATION****Index Universe**

Shariah-compliant stocks within the FTSE Taiwan Index (Large and Mid Cap)

**Index Launch**

13 November 2008

**Base Date**

22 September 2003

**Base Value**

5000

**Investability Screen**

Free-float adjusted and liquidity screened

**Index Calculation**

Real-time (calculated every 15 seconds) and end-of-day indices available

**End-of-Day-Distribution**

Via FTP and email

**Currency**

TWD and USD. Real-time in TWD only

**Review Dates**

Quarterly in March, June, September, December

**Index Rules and Vendor Codes**

Index rules available at [www.ftse.com/taiwan](http://www.ftse.com/taiwan)

## Index Characteristics

Attributes	FTSE TWSE Taiwan Shariah	FTSE Taiwan
Number of constituents	52	99
Net MCap (TWDm)	8,418,046	12,616,360
Constituent Sizes (Net MCap TWDm)		
Average	161,885	127,438
Largest	2,235,397	2,235,397
Smallest	13,410	9,181
Median	62,170	63,523
Weight of Largest Constituent (%)	26.55	17.72
Top 10 Holdings (% Index MCap)	69.64	48.74

Data definitions available from [info@ftse.com](mailto:info@ftse.com)

For further information visit [www.ftse.com](http://www.ftse.com), email [info@ftse.com](mailto:info@ftse.com) or call your local FTSE office:

<b>Beijing</b>	+86 (10) 8587 7722
<b>Dubai</b>	+971 4 319 9901
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