



FTSE ST Index Series – Ground Rule Update

31 August 2023

FTSE Russell would like to inform clients of the following updates to the FTSE Straits Times Index Ground Rules which are effective immediately:

Section 4: Security Inclusion Criteria

Rule 4.4.7 has been updated as shown below.

New issues and newly eligible securities that do not have a 12-month trading record must have a minimum trading record of at least 20 trading days prior to the review cut-off date and will be tested from the date of eligibility. Trading records prior to this date will generally not be taken into account. They must turnover at least 0.10% of their shares in issue (after the application of any free float weighting*) based on their median daily trade per month since listing. For example, a new issue that did not qualify as an early entrant but has traded 21 days prior to the date of the review will need to have a turnover of a minimum of 0.10% of its shares in issue (after the application of any free float weighting*) based on its median daily trade for one month only.

** When testing liquidity the free float weight as at the last date in the testing period will be used for the calculation for the whole of that period.

Addition of the following rule

4.4.8 Rule 4.4 will not apply to new issues added under the Fast Entry rule (see 6.0)

Section 5: Periodic Review of Constituents

The rules have been updated to note that a quarterly review will be conducted in June and December STI to account for new issues not large enough to qualify as fast entrants since the previous March or September review and a ranking of the constituents of the FTSE ST All-Share Index to ensure the constituents of the STI remains relevant to on a more regular basis.

FTSE Russell would like to inform clients of the following updates to the FTSE ST Index Series Ground Rules which are effective immediately:

Section 6: Liquidity

New Rule

Liquidity Thresholds:

- A. An existing constituent which, based on its median daily trading volume per month does not turn over at least 0.04% of its shares in issue (after the application of any free float weightings*) for at least eight of the twelve months prior to the March or September review

will be removed from the Index Series.

- B. A non-constituent which, based on its median daily trading volume per month, does not turn over at least 0.05% of its shares in issue (after the application of any free float weightings*) for at least ten of the twelve months prior to the March or September review will continue to be excluded from the Index Series.
- C. New issues and newly eligible securities that do not have a 12-month trading record must have a minimum trading record of at least 20 trading days prior to the review cut-off date and will be tested from the date of eligibility. Trading records prior to this date will generally not be taken into account. They must turn over at least 0.05% of their shares in issue (after the application of any free float weightings*) based on their median daily trading volume per month since listing.

* When testing liquidity the free float weight as at the last date in the testing period will be used for the calculation for the whole of that period.

- D. Rule 6.0 will not apply to new issues added under the Fast Entry Rule (see Section 8.0).

Old Rule

Liquidity Thresholds:

- A. An existing constituent which, based on its median daily trading volume per month does not turn over at least 0.04% of its shares in issue (after the application of any free float weightings*) for at least eight of the twelve months prior to the March or September review will be removed from the Index Series.
- B. A non-constituent which, based on its median daily trading volume per month, does not turn over at least 0.05% of its shares in issue (after the application of any free float weightings*) for at least ten of the twelve months prior to the March or September review will continue to be excluded from the Index Series.
- C. New issues that do not have a 12-month trading record must have a minimum trading record of at least 20 trading days prior to the review cut-off date. They must turn over at least 0.05% of their shares in issue (after the application of any free float weightings*) based on their median daily trading volume per month since listing. This rule will not apply to new issues added under the Fast Entry Rule.

* When testing liquidity the free float weight as at the last date in the testing period will be used for the calculation for the whole of that period.

Newly eligible securities will be treated as new issues and liquidity will be tested from the date of eligibility. Trading records prior to this date will generally not be taken into account.

- D. The above percentage figures may be adjusted by up to 0.01% at a market review so that, in FTSE Russell's opinion, the index better reflects the liquid investable market of Singapore. This discretion may only be exercised across the whole market and may not be applied to individual securities.

Section 7: Review of Constituent Companies

Review Dates

The rules have been updated to clarify that a quarterly review of selected indices will be conducted in June and December.

An updated copy of the FTSE ST Index Series Ground Rules (v5.5) is now available using the following

link: [FTSE_ST_Index_Series_Ground_Rules.pdf](#)

Or on the FTSE Russell website: www.ftserussell.com

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