

# FTSE TWSE Taiwan Shariah Index

Data as at: 31 October 2024

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:

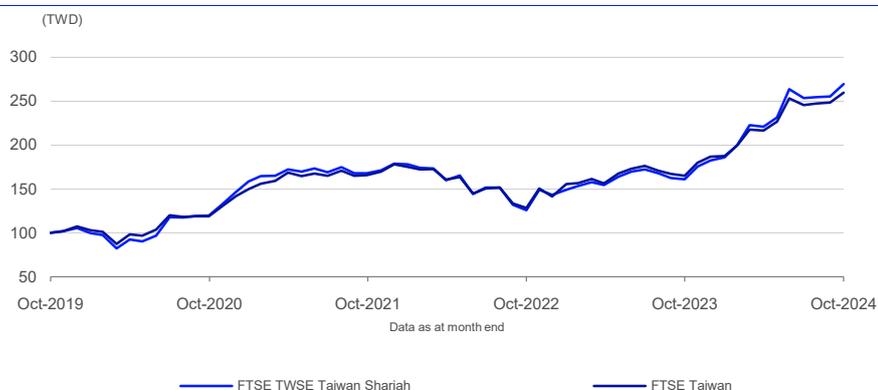
- Conventional finance (non-Islamic banking, finance and insurance, etc.);
- Alcohol;
- Pork related products and non-halal food production, packaging and processing or any other activity related to pork and non-halal food;
- Entertainment (casinos, gambling and pornography);
- Tobacco; weapons, arms 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 33.333% of total assets;
- Cash and interest bearing items are less than 33.333% 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



## FEATURES

### Coverage

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

### Objective

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

### Investability

Stocks are selected and weighted to ensure that the index is investable.

### Liquidity

Stocks are screened to ensure that the index is tradable.

### Transparency

The index uses a transparent, rules-based construction process. Index Rules are freely available on the FTSE website.

### 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.

### Industry Classification Benchmark

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

### Shariah Methodology

See [www.yasaar.org](http://www.yasaar.org) for further information on Yasaar Research Inc.

## Performance and Volatility - Total Return

| Index (TWD)              | Return % |      |      |      |      |       | Return pa %* |      | Volatility %** |      |      |
|--------------------------|----------|------|------|------|------|-------|--------------|------|----------------|------|------|
|                          | 3M       | 6M   | YTD  | 12M  | 3YR  | 5YR   | 3YR          | 5YR  | 1YR            | 3YR  | 5YR  |
| FTSE TWSE Taiwan Shariah | 6.3      | 21.9 | 47.8 | 67.5 | 60.5 | 169.6 | 17.1         | 21.9 | 26.8           | 20.8 | 22.7 |
| FTSE Taiwan              | 5.8      | 20.0 | 39.2 | 57.5 | 56.9 | 159.9 | 16.2         | 21.0 | 22.6           | 19.2 | 20.5 |

\* Compound annual returns measured over 3 and 5 years respectively

\*\* Volatility – 1YR based on 12 months daily data. 3YR based on weekly data (Wednesday to Wednesday). 5YR based on monthly data

## Year-on-Year Performance - Total Return

| Index % (TWD)            | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022  | 2023 |
|--------------------------|------|------|------|------|------|------|------|------|-------|------|
| FTSE TWSE Taiwan Shariah | 19.5 | -8.4 | 11.9 | 18.2 | -4.9 | 24.8 | 38.6 | 22.0 | -19.9 | 27.4 |
| FTSE Taiwan              | 16.9 | -7.4 | 17.6 | 18.9 | -4.1 | 33.0 | 32.1 | 25.5 | -20.5 | 31.8 |

## Return/Risk Ratio and Drawdown - Total Return

| Index (TWD)              | Return/Risk Ratio |     |     |      |       | Drawdown (%) |       |       |  |
|--------------------------|-------------------|-----|-----|------|-------|--------------|-------|-------|--|
|                          | 1YR               | 3YR | 5YR | 10YR | 1YR   | 3YR          | 5YR   | 10YR  |  |
| FTSE TWSE Taiwan Shariah | 2.6               | 0.8 | 1.0 | 0.8  | -22.6 | -35.7        | -35.7 | -35.7 |  |
| FTSE Taiwan              | 2.4               | 0.8 | 1.0 | 0.9  | -20.3 | -32.3        | -32.3 | -32.3 |  |

Return/Risk Ratio – based on compound annual returns and volatility in Performance and Volatility table

Drawdown - based on daily data

## Top 10 Constituents

| Constituent                        | Country/Market | ICB Sector                           | Net MCap (TWDm)   | Wgt %        |
|------------------------------------|----------------|--------------------------------------|-------------------|--------------|
| Taiwan Semiconductor Manufacturing | Taiwan         | Technology Hardware and Equipment    | 24,722,957        | 68.12        |
| MediaTek                           | Taiwan         | Technology Hardware and Equipment    | 1,909,177         | 5.26         |
| Delta Electronics                  | Taiwan         | Electronic and Electrical Equipment  | 872,268           | 2.40         |
| Quanta Computer                    | Taiwan         | Technology Hardware and Equipment    | 805,322           | 2.22         |
| United Microelectronics            | Taiwan         | Technology Hardware and Equipment    | 565,508           | 1.56         |
| ASE Technology Holding             | Taiwan         | Technology Hardware and Equipment    | 529,454           | 1.46         |
| Chunghwa Telecom                   | Taiwan         | Telecommunications Service Providers | 463,740           | 1.28         |
| Asustek Computer Inc               | Taiwan         | Technology Hardware and Equipment    | 405,306           | 1.12         |
| Wistron Corp                       | Taiwan         | Technology Hardware and Equipment    | 301,725           | 0.83         |
| Yageo                              | Taiwan         | Technology Hardware and Equipment    | 259,199           | 0.71         |
| <b>Totals</b>                      |                |                                      | <b>30,834,656</b> | <b>84.96</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 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

## 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 %         |
| 1010          | Technology                            | 35                       | 32,278,195        | 88.94         | 57          | 37,759,544        | 75.44         |
| 1510          | Telecommunications                    | 2                        | 620,985           | 1.71          | 5           | 1,113,761         | 2.23          |
| 2010          | Health Care                           | -                        | -                 | -             | 2           | 208,704           | 0.42          |
| 3010          | Banks                                 | -                        | -                 | -             | 12          | 3,183,315         | 6.36          |
| 3020          | Financial Services                    | -                        | -                 | -             | 3           | 666,849           | 1.33          |
| 3030          | Insurance                             | -                        | -                 | -             | 4           | 1,819,729         | 3.64          |
| 3510          | Real Estate                           | 1                        | 71,778            | 0.20          | 1           | 71,778            | 0.14          |
| 4010          | Automobiles and Parts                 | 2                        | 102,645           | 0.28          | 4           | 138,658           | 0.28          |
| 4020          | Consumer Products and Services        | 4                        | 318,472           | 0.88          | 6           | 586,897           | 1.17          |
| 4040          | Retailers                             | 1                        | 28,929            | 0.08          | 2           | 239,973           | 0.48          |
| 4050          | Travel and Leisure                    | 2                        | 165,770           | 0.46          | 2           | 165,770           | 0.33          |
| 4510          | Food Beverage and Tobacco             | -                        | -                 | -             | 1           | 429,759           | 0.86          |
| 4520          | Personal Care Drug and Grocery Stores | -                        | -                 | -             | 1           | 165,489           | 0.33          |
| 5010          | Construction and Materials            | 2                        | 326,252           | 0.90          | 2           | 326,252           | 0.65          |
| 5020          | Industrial Goods and Services         | 12                       | 1,874,492         | 5.16          | 19          | 2,413,374         | 4.82          |
| 5510          | Basic Resources                       | 1                        | 20,158            | 0.06          | 2           | 274,617           | 0.55          |
| 5520          | Chemicals                             | 4                        | 420,426           | 1.16          | 4           | 420,426           | 0.84          |
| 6010          | Energy                                | 1                        | 65,614            | 0.18          | 1           | 65,614            | 0.13          |
| <b>Totals</b> |                                       | <b>67</b>                | <b>36,293,715</b> | <b>100.00</b> | <b>128</b>  | <b>50,050,508</b> | <b>100.00</b> |

## Index Characteristics

| Attributes                        | FTSE TWSE Taiwan Shariah | FTSE Taiwan |
|-----------------------------------|--------------------------|-------------|
| Number of constituents            | 67                       | 128         |
| Net MCap (TWDm)                   | 36,293,715               | 50,050,508  |
| Dividend Yield %                  | 2.02                     | 2.26        |
| Constituent Sizes (Net MCap TWDm) |                          |             |
| Average                           | 541,697                  | 391,020     |
| Largest                           | 24,722,957               | 24,722,957  |
| Smallest                          | 7,389                    | 2,529       |
| Median                            | 107,839                  | 121,566     |
| Weight of Largest Constituent (%) | 68.12                    | 49.40       |
| Top 10 Holdings (% Index MCap)    | 84.96                    | 67.70       |



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[info@ftserussell.com](mailto:info@ftserussell.com)

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 email [info@ftserussell.com](mailto:info@ftserussell.com); or  
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#### EMEA

+44 (0) 20 7866 1810

#### North America

+1 877 503 6437

#### Asia-Pacific

Hong Kong +852 2164 3333

Tokyo +81 3 6441 1430

Sydney +61 (0) 2 7228 5659