

# FTSE SGX Asia Shariah 100 Index

Data as at: 31 December 2020

The FTSE SGX Shariah Index Series, launched by FTSE Group and the Singapore Exchange (SGX), reflects the stock performance of companies in the Asia Pacific region whose business activities comply with Islamic Shariah Law. Independent screening is carried out by Yasaar Ltd, an organisation with a global network of expert Shariah scholars. Their approach is described below.

The FTSE SGX Asia Shariah 100 Index consists of a combination of 50 of the largest Japanese companies and the 50 largest companies from Singapore, Taiwan, Korea and Hong Kong (SAR).

## Business Activity Screening

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

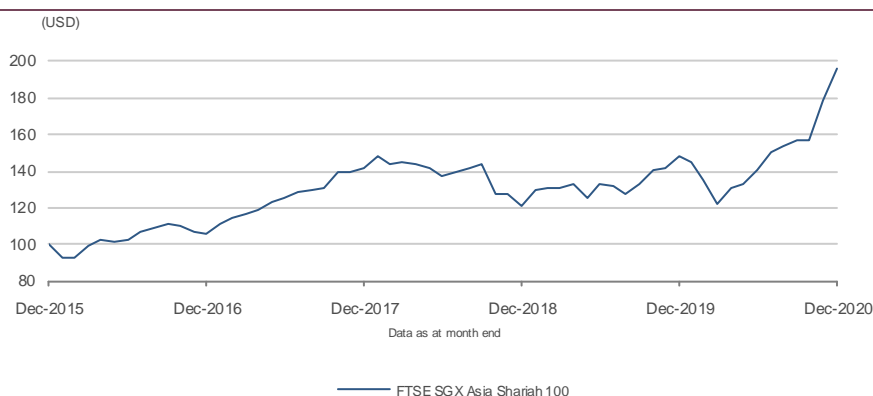
- Conventional finance (non-Islamic banking, finance and insurance, etc.);
- Alcohol;
- Pork related products and non-halal food production, packaging and processing or any other activity related to pork and non-halal food;
- Entertainment (casinos, gambling and pornography);
- Tobacco; weapons, arms 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 companies from Japan, Singapore, Taiwan, Korea and Hong Kong.

### Objective

The index is designed for 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

**Performance and Volatility - Total Return**

Index (USD)	Return %						Return pa %*		Volatility %**		
	3M	6M	YTD	12M	3YR	5YR	3YR	5YR	1YR	3YR	5YR
FTSE SGX Asia Shariah 100	24.9	38.9	31.8	31.8	37.7	95.8	11.3	14.4	20.9	17.6	15.4

\* 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 % (USD)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
FTSE SGX Asia Shariah 100	-12.4	15.4	12.6	2.1	2.0	6.2	33.8	-14.6	22.3	31.8

**Return/Risk Ratio and Drawdown - Total Return**

Index (USD)	Return/Risk Ratio				Drawdown (%)			
	1YR	3YR	5YR	10YR	1YR	3YR	5YR	10YR
FTSE SGX Asia Shariah 100	1.5	0.6	0.9	0.6	-29.8	-29.8	-29.8	-29.8

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	ICB Sector	Net MCap (USDm)	Wgt %
Taiwan Semiconductor Manufacturing	Taiwan	Technology Hardware & Equipment	453,110	16.02
Samsung Electronics	Korea	Technology Hardware & Equipment	350,076	12.38
SoftBank Group	Japan	Mobile Telecommunications	113,519	4.01
Daikin Industries	Japan	Construction & Materials	58,845	2.08
Nidec Corp	Japan	Electronic & Electrical Equipment	58,261	2.06
Recruit Holdings	Japan	Support Services	56,417	1.99
SK Hynix	Korea	Technology Hardware & Equipment	56,236	1.99
Samsung Electronics Pfd.	Korea	Technology Hardware & Equipment	55,744	1.97
Tokyo Electron	Japan	Technology Hardware & Equipment	54,932	1.94
Murata Manufacturing	Japan	Electronic & Electrical Equipment	51,435	1.82
<b>Totals</b>			<b>1,308,575</b>	<b>46.27</b>

**Country Breakdown**

Country	No. of Cons	Net MCap (USDm)	Wgt %
Hong Kong	16	122,569	4.33
Japan	50	1,346,428	47.61
Korea	24	712,350	25.19
Singapore	2	17,113	0.61
Taiwan	14	629,752	22.27
<b>Totals</b>	<b>106</b>	<b>2,828,211</b>	<b>100.00</b>

**INFORMATION****Index Universe**

FTSE Global Equity Index Series (Japan, Singapore, Taiwan, Korea and Hong Kong (SAR))

**Index Launch**

20 February 2006

**Base Date**

30 December 2005

**Base Value**

5000

**Investability Screen**

Free-float adjusted and liquidity screened

**Index Calculation**

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

**End-of-Day Distribution**

Via FTP and email

**Currency**

USD

**Review Dates**

Quarterly in March, June, September, December

**History**

From 30 December 2000

**ICB Supersector Breakdown**

ICB Code	ICB Supersector	No. of Cons	Net MCap (USDm)	Wgt %
0500	Oil & Gas	3	25,030	0.88
1300	Chemicals	7	108,189	3.83
1700	Basic Resources	1	17,008	0.60
2300	Construction & Materials	4	82,844	2.93
2700	Industrial Goods & Services	23	563,938	19.94
3300	Automobiles & Parts	7	121,485	4.30
3500	Food & Beverage	1	4,432	0.16
3700	Personal & Household Goods	14	183,587	6.49
4500	Health Care	12	244,380	8.64
5300	Retail	2	17,773	0.63
5700	Travel & Leisure	2	12,129	0.43
6500	Telecommunications	6	258,007	9.12
7500	Utilities	2	30,633	1.08
8600	Real Estate	4	23,000	0.81
9500	Technology	18	1,135,777	40.16
<b>Totals</b>		<b>106</b>	<b>2,828,211</b>	<b>100.00</b>

**Index Characteristics**

Attributes	FTSE SGX Asia Shariah 100
Number of constituents	106
Net MCap (USDm)	2,828,211
Dividend Yield %	1.95
Constituent Sizes (Net MCap USDm)	
Average	26,681
Largest	453,110
Smallest	602
Median	15,645
Weight of Largest Constituent (%)	16.02
Top 10 Holdings (% Index MCap)	46.27



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