

FTSE SET Shariah Index

Data as at: 31 December 2020

The FTSE SET 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 Stock Exchange of Thailand (SET). 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 the FTSE SET All-Share Index as a base universe, constituents are screened against a clear set of Shariah principles to create a robust Shariah-compliant index for the Thailand market.

Business Activity Screening

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

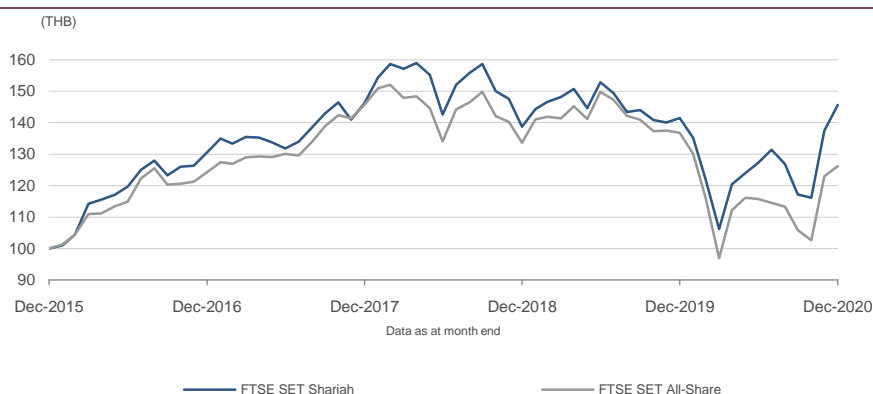
- Conventional finance (non-Islamic banking, finance and insurance, etc.);
- Alcohol;
- Pork related products and non-halal food production, packaging and processing or any other activity related to pork and non-halal food;
- Entertainment (casinos, gambling and pornography);
- Tobacco; weapons, arms 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 stocks within the FTSE SET All-Share Index.

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 indices use 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 (THB)	Return %						Return pa %*		Volatility %**		
	3M	6M	YTD	12M	3YR	5YR	3YR	5YR	1YR	3YR	5YR
FTSE SET Shariah	24.3	14.5	3.0	3.0	-0.4	45.7	-0.1	7.8	33.1	20.4	17.1
FTSE SET All-Share	19.2	9.0	-7.8	-7.8	-13.4	26.2	-4.7	4.8	32.1	20.7	17.8

* 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 % (THB)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
FTSE SET Shariah	3.3	22.1	-3.5	9.3	-14.1	30.6	12.0	-5.1	2.0	3.0
FTSE SET All-Share	2.7	40.0	-6.2	19.7	-12.6	24.3	17.3	-8.3	2.4	-7.8

Return/Risk Ratio and Drawdown - Total Return

Index (THB)	Return/Risk Ratio				Drawdown (%)			
	1YR	3YR	5YR	10YR	1YR	3YR	5YR	10YR
FTSE SET Shariah	0.0	0.0	0.5	0.3	-35.6	-42.9	-42.9	-42.9
FTSE SET All-Share	-0.3	-0.2	0.3	0.3	-36.9	-42.6	-42.6	-42.6

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

Drawdown - based on daily data

Top 10 Constituents

Constituent	ICB Sector	Net MCap (THBm)	Wgt %
PTT	Oil & Gas Producers	606,964	22.85
Siam Cement	Construction & Materials	317,520	11.95
Delta Electronics (Thailand)	Electronic & Electrical Equipment	219,570	8.26
ADVANCED INFO SERVICE	Mobile Telecommunications	196,439	7.39
Bangkok Dusit Medical Services PCL	Health Care Equipment & Services	185,110	6.97
PTT Exploration & Production	Oil & Gas Producers	135,387	5.10
Central Pattana	Real Estate Investment & Services	132,867	5.00
PTT Global Chemical	Chemicals	118,108	4.45
Digital Telecommunications Infrastructure Fund	Technology Hardware & Equipment	86,403	3.25
Home Product Center PCL	General Retailers	76,933	2.90
Totals		2,075,302	78.11

INFORMATION**Index Universe**

FTSE SET All-Share Index

Index Launch

23 April 2009

Base Date

29 February 2008

Base Value

1000

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

USD, EUR, GBP, JPY, THB (real time in THB only)

Review Dates

Semi-annually in June and December

ICB Supersector Breakdown

ICB Code	ICB Supersector	FTSE SET Shariah			FTSE SET All-Share		
		No. of Cons	Net MCap (THBm)	Wgt %	No. of Cons	Net MCap (THBm)	Wgt %
0500	Oil & Gas	5	763,544	28.74	13	904,798	13.50
1300	Chemicals	6	166,128	6.25	9	271,252	4.05
1700	Basic Resources	4	10,725	0.40	6	58,965	0.88
2300	Construction & Materials	10	353,106	13.29	17	446,500	6.66
2700	Industrial Goods & Services	19	303,662	11.43	32	822,565	12.27
3300	Automobiles & Parts	2	4,008	0.15	3	9,079	0.14
3500	Food & Beverage	7	88,050	3.31	18	266,415	3.98
3700	Personal & Household Goods	4	8,874	0.33	7	14,564	0.22
4500	Health Care	6	212,742	8.01	9	289,766	4.32
5300	Retail	6	118,740	4.47	11	529,067	7.90
5500	Media	1	2,078	0.08	9	61,717	0.92
5700	Travel & Leisure	3	14,264	0.54	13	260,321	3.88
6500	Telecommunications	3	219,371	8.26	4	255,857	3.82
7500	Utilities	4	67,487	2.54	19	523,940	7.82
8300	Banks	-	-	-	9	956,492	14.27
8500	Insurance	-	-	-	4	35,094	0.52
8600	Real Estate	6	175,332	6.60	29	461,750	6.89
8700	Financial Services	-	-	-	14	246,970	3.69
9500	Technology	5	148,679	5.60	12	286,124	4.27
Totals		91	2,656,791	100.00	238	6,701,239	100.00

Index Characteristics

Attributes	FTSE SET Shariah	FTSE SET All-Share
Number of constituents	91	238
Net MCap (THBm)	2,656,791	6,701,239
Constituent Sizes (Net MCap THBm)		
Average	29,196	28,156
Largest	606,964	606,964
Smallest	259	259
Median	3,776	6,037
Weight of Largest Constituent (%)	22.85	9.06
Top 10 Holdings (% Index MCap)	78.11	41.90



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