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FTSE TWSE Taiwan Dividend Plus Index – Ground Rule Update

01 February 2024

FTSE Russell would like to inform clients of the following update to the FTSE TWSE Taiwan Dividend Plus Index Ground Rules which is effective immediately.

Section 4: Index Review and Implementation

New Rule

- 4.2.7 To prevent a large number of constituent changes, a maximum limit of five additions and a maximum of five deletions are normally applied at each semi-annual review. The exception to this is when following rules 4.2.1 and 4.2.6 would result in the total number of constituents not equalling 50. In those circumstances the following logic will apply:

Where following the process outlined in 4.2.1 and 4.2.6 would result in the total number of constituents being above 55, additional deletes will occur to reduce the total constituent count to 50.

Where following the process for deletions outlined in 4.2.1 and 4.2.6 would result in the total number of constituents being below 45, no further deletions will occur. In this circumstance more than five additions would be made so that the total number of constituents will equal 50.

For illustration purposes, if eight existing constituents have been identified for deletion under rules 4.2.1 and/or 4.2.6 (i.e. being removed from the underlying universe or having declared a zero dividend for the previous financial year), then these eight constituents will be deleted at the index review and no other further deletions will be applied. An equal number of additions would be implemented to bring the constituent count back to exactly 50.

Old Rule

- 4.2.7 To prevent a large number of constituent changes, a maximum limit of five additions and five deletions are used at each semi-annual review except the following scenarios:

- where the total number of proposed constituents is less than 50, the maximum limit of five additions will be disregarded in order to maintain the required number of stocks;
- where the total number of deletions due to failing to meet stock eligibility criteria as outlined in rules 4.2.1 and 4.2.6 is equal to or greater than five, at such point there will be no further deletions at the index review; and

for illustration purposes, if eight existing constituents have been identified for deletion under rules 4.2.1 and/or 4.2.6 (i.e. being removed from the underlying universe or having declared a zero dividend for the previous financial year), then these eight constituents will be deleted at the index review and no other further deletions will be applied.

An updated copy of the FTSE TWSE Taiwan Dividend Plus Index Ground Rules (v3.4) is now available using the following link: [FTSE_TWSE_Taiwan_Dividend_Plus_Index_new.pdf](#)

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

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