

# FTSE ASEAN Index Series

v3.2



**FTSE  
RUSSELL**  
An LSEG Business



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## Section 1

# Introduction

## 1. Introduction

### 1.1 General

1.1.1 This document sets out the Ground Rules for the construction and management of the FTSE ASEAN Index Series. Copies of the Ground Rules are available from FTSE Russell on the website [www.lseg.com/en/ftse-russell/](http://www.lseg.com/en/ftse-russell/).

1.2 The ASEAN Index Series does not take account of ESG factors in its index design.

### 1.3 FTSE ASEAN Index Series

#### 1.3.1 FTSE ASEAN All-Share Index

The FTSE ASEAN All-Share Index is designed to represent the performance of large, mid and small cap ASEAN companies. The index consists of the constituents of the FTSE ASEAN Indonesia All-Share Index, the FTSE ASEAN Philippines All-Share Index, the FTSE ASEAN Vietnam All-Share Index, the FTSE Bursa Malaysia EMAS Index, the FTSE SET All-Share Index and the FTSE ST All-Share Index.

#### 1.3.2 FTSE ASEAN All-Share Shariah Index

The FTSE ASEAN All-Share Shariah Index is designed to reflect the Shariah compliant companies as screened by Yasaar from the FTSE ASEAN All-Share Index. For further details on the Shariah screening methodology and Yasaar please refer to the FTSE Global Equity Shariah Index Series Ground Rules which are available on [www.lseg.com/en/ftse-russell/](http://www.lseg.com/en/ftse-russell/).

#### 1.3.3 FTSE ASEAN Sector Indexes

The FTSE ASEAN All-Share Index will also be calculated at Industry, Supersector and Sector levels using the Industry Classification Benchmark.

#### 1.3.4 FTSE/ASEAN 40 Index

The FTSE/ASEAN 40 Index is designed to represent the performance of the largest companies in the ASEAN region's markets. For further information on the FTSE/ASEAN 40 Index please read the Ground Rules for the management of the FTSE/ASEAN 40 Index.

#### 1.3.5 FTSE ASEAN Stars Index

The FTSE ASEAN Stars Index comprises of 30 companies from each ASEAN exchange with the exception of Vietnam where 15 companies are selected from the Ho Chi Minh and Hanoi Stock Exchanges respectively. For Malaysia, Singapore, and Thailand, constituents of the FTSE Bursa Malaysia KLCI, FTSE SET Large Cap Index, and the STI will represent their respective markets in the FTSE ASEAN Stars Index. The index will contain 180 companies in total. The FTSE ASEAN Stars Index is intended as a barometer and not to be used as the basis for investment products.

### **1.3.6 FTSE ASEAN All-Share ex Developed Index**

The FTSE ASEAN All-Share ex Developed Index is designed to represent the performance of all the ex Developed countries in the FTSE ASEAN All-Share Index. The index consists of the constituents of the FTSE Bursa Malaysia EMAS Index, FTSE ASEAN Indonesia All-Share Index, the FTSE ASEAN Philippines All-Share Index, the FTSE SET All-Share Index and the FTSE ASEAN Vietnam All-Share Index.

1.3.7 These Ground Rules should be read in conjunction with the Ground Rules of the FTSE Bursa Malaysia Index Series, the FTSE SET Index Series and the FTSE ST Index Series. Where applications of these rules differ from the FTSE ASEAN All-Share Index rules the former rules will take precedence.

1.3.8 The FTSE ASEAN Stars Index is intended as a barometer and not to be used as the basis for investment products.

1.4 The base currency of the benchmark is USD. Index values may also be published in other currencies.

### **1.5 FTSE Russell**

FTSE Russell is a trading name of FTSE International Limited, Frank Russell Company, FTSE Global Debt Capital Markets Limited (and its subsidiaries FTSE Global Debt Capital Markets Inc. and FTSE Fixed Income Europe Limited), FTSE Fixed Income LLC, FTSE (Beijing) Consulting Limited, Refinitiv Benchmark Services (UK) Limited, Refinitiv Limited and Beyond Ratings.

1.6 FTSE Russell hereby notifies users of the index series that it is possible that factors, including external factors beyond the control of FTSE Russell, may necessitate changes to, or the cessation of, the index series and therefore, any financial contracts or other financial instruments that reference the index series or investment funds which use the index series to measure their performance should be able to withstand, or otherwise address the possibility of changes to, or cessation of, the index series.

1.7 Index users who choose to follow this index or to buy products that claim to follow this index should assess the merits of the index's rules-based methodology and take independent investment advice before investing their own or client funds. No liability whether as a result of negligence or otherwise is accepted by FTSE Russell or the ASEAN Exchanges (or any person concerned with the preparation or publication of these Ground Rules) for any losses, damages, claims and expenses suffered by any person as a result of:

- any reliance on these Ground Rules, and/or
- any inaccuracies in these Ground Rules, and/or
- any non-application or misapplication of the policies or procedures described in these Ground Rules, and/or
- any inaccuracies in the compilation of the Index or any constituent data.

## Section 2

# Management responsibilities

## 2. Management responsibilities

### 2.1 FTSE International Limited (FTSE)

2.1.1 FTSE is the benchmark administrator of the index series.<sup>1</sup>

2.1.2 FTSE is responsible for the daily calculation, production and operation of the Index Series and will:

- maintain records of the index weightings of all constituents;
- make changes to the constituents and their weightings in accordance with the Ground Rules;
- carry out the periodic index reviews of the Index Series and apply the changes resulting from the reviews as required by the Ground Rules;
- publish changes to the constituent weightings resulting from their ongoing maintenance and the periodic reviews;
- disseminate the indexes.

2.1.3 The weightings of constituents in the real time indexes shall be used in the calculation of the end of day indexes.

2.1.4 FTSE is also responsible for monitoring the performance of the FTSE ASEAN Indexes throughout the day and will determine whether the status of each Index should be Firm, Indicative or Held (see Appendix B).

### 2.2 Status of these Ground Rules

2.2.1 These Ground Rules provide information about the publication of the FTSE ASEAN Index Series and set out the methodology underlying the FTSE ASEAN Index Series.

### 2.3 FTSE Russell External Advisory Committees

2.3.1 Each of the Singaporean, Malaysian and Thai markets has its own Advisory Committee used in the construction and ongoing management of the Indexes. For details regarding the responsibilities and structure of the committees, please refer to the relevant Terms of Reference for the Advisory Committees which can be found using the following link:

[Terms Of Reference](#)

<sup>1</sup> The term administrator is used in this document in the same sense as it is defined in [Regulation \(EU\) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds](#) (the European Benchmark Regulation) and [The Benchmarks \(Amendment and Transitional Provision\) \(EU Exit\) Regulations 2019](#) (the UK Benchmark Regulation).

## **2.4 Amendments to these Ground Rules**

- 2.4.1 These Ground Rules shall be subject to regular review (at least once a year) by FTSE Russell to ensure that they continue to best reflect the aims of the index series. Any proposals for significant amendments to these Ground Rules will be subject to consultation with FTSE Russell advisory committees and other stakeholders if appropriate. The feedback from these consultations will be considered by the FTSE Russell Index Governance Board before approval is granted.
- 2.4.2 As provided for in the Statement of Principles for FTSE Russell Equity Indexes, where FTSE Russell determines that the Ground Rules are silent or do not specifically and unambiguously apply to the subject matter of any decision, any decision shall be based as far as practical on the Statement of Principles. After making any such determination, FTSE Russell shall advise the market of its decision at the earliest opportunity. Any such treatment will not be considered as an exception or change to the Ground Rules, or to set a precedent for future action, but FTSE Russell will consider whether the Ground Rules should subsequently be updated to provide greater clarity.

## Section 3

# FTSE Russell Index policies

## 3. FTSE Russell Index policies

These Ground Rules should be read in conjunction with the following policy documents which can be accessed using the links below:

### 3.1 Corporate Actions and Events Guide

3.1.1 Full details of changes to constituent companies due to corporate actions and events can be accessed in the Corporate Actions and Events Guide using the following link:

[Corporate Actions and Events Guide.pdf](#)

### 3.2 Statement of Principles for FTSE Russell Equity Indexes (the Statement of Principles)

3.2.1 Indexes need to keep abreast of changing markets and the Ground Rules cannot anticipate every eventuality. Where the Rules do not fully cover a specific event or development, FTSE Russell will determine the appropriate treatment by reference to the Statement of Principles which summarises the ethos underlying FTSE Russell's approach to index construction. The Statement of Principles is reviewed annually and any changes proposed by FTSE Russell are presented to the FTSE Russell Policy Advisory Board for discussion before approval by the FTSE Russell Index Governance Board.

The Statement of Principles can be accessed using the following link:

[Statement of Principles.pdf](#)

### 3.3 Queries, Complaints and Appeals

A constituent or prospective constituent company (or professional adviser acting on behalf of the company), a national organisation or a group of no fewer than 10 users of the indices from different organisations acting in their professional capacity may appeal against decisions taken by FTSE Russell.

FTSE Russell's complaints procedure can be accessed using the following link:

[Benchmark Determination Complaints Handling Policy.pdf](#)

FTSE Russell's appeal process can be accessed using the following link:

[Appeals Against Decisions.pdf](#)

### 3.4 Index Policy for Trading Halts and Market Closures

3.4.1 Guidance for the treatment of index changes in the event of trading halts or market closures can be found using the following link:

[Index Policy for Trading Halts and Market Closures.pdf](#)

### 3.5 Index Policy in the Event Clients are Unable to Trade a Market or a Security

3.5.1 Details of FTSE Russell's treatment can be accessed using the following link:

[Index Policy in the Event Clients are Unable to Trade a Market or a Security.pdf](#)

### **3.6 Recalculation Policy and Guidelines**

- 3.6.1 Where an inaccuracy is identified, FTSE Russell will follow the steps set out in the FTSE Russell Index Recalculation Guidelines when determining whether an index or index series should be recalculated and/or associated data products reissued. Users of the FTSE ASEAN Index Series will be notified through appropriate media.

For further information refer to the FTSE Russell Recalculation Policy and Guidelines document which is available from the FTSE Russell website using the link below or by contacting [info@ftserussell.com](mailto:info@ftserussell.com)

[Recalculation Policy and Guidelines Equity Indices.pdf](#)

### **3.7 Policy for Benchmark Methodology Changes**

- 3.7.1 Details of FTSE Russell's policy for making benchmark methodology changes can be accessed using the following link:

[Policy for Benchmark Methodology Changes.pdf](#)

### **3.8 FTSE Russell Governance Framework**

- 3.8.1 To oversee its indices, FTSE Russell employs a governance framework that encompasses product, service and technology governance. The framework incorporates the London Stock Exchange Group's three lines of defence risk management framework and is designed to meet the requirements of the IOSCO Principles for Financial Benchmarks<sup>2</sup>, the European benchmark regulation<sup>3</sup> and the UK benchmark regulation<sup>4</sup>. The FTSE Russell Governance Framework can be accessed using the following link:

[FTSE Russell Governance Framework.pdf](#)

### **3.9 Real Time Status Definitions**

- 3.9.1 Please refer to the following guide for details of real time status definitions for indices which are calculated in real time.

[Real Time Status Definitions.pdf](#)

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<sup>2</sup> IOSCO Principles for Financial Benchmarks Final Report, FR07/13 July 2013

<sup>3</sup> Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds

<sup>4</sup> The Benchmarks (Amendment and Transitional Provision) (EU Exit) Regulations 2019



## Section 4

# Index construction

## 4. Index construction

### 4.1 Eligible securities

4.1.1 All classes of ordinary shares in issue are eligible for inclusion in the FTSE ASEAN Index Series, as are Depositary Receipts listed on SGX Main Board. All security types must still conform to all other rules of eligibility, free float and liquidity.

4.1.2 Companies that have a full listing on one of the markets listed in the table below are eligible for inclusion in the FTSE ASEAN Index Series.

Country	Eligible Markets
Indonesia	Main Board and Development Board
Malaysia	Main Market of Bursa Malaysia
Philippines	Primary Board, Secondary Board and SME Board
Singapore	SGX Mainboard
Thailand	SET Universe
Vietnam	Listed Market in Ho Chi Minh Stock Exchange and Hanoi Stock Exchange*

\*excluding UPCoM (Unlisted Public Companies Market).

4.1.3 Preference shares are eligible for inclusion in the FTSE ASEAN Index Series. Convertible preference shares and loan stocks are excluded until converted.

4.1.4 Companies whose business is that of holding equity and other investments (e.g. Investment Trusts) classified by the Industry Classification Benchmark as Subsector Equity Investment Instruments (8985) (New ICB Closed End Investments (30204000)) and Non-equity investment instruments classified by the Industry Classification Benchmark<sup>5</sup> as Subsector Non-equity investment instruments (8995) (New ICB Open End and Miscellaneous Investment Vehicles (30205000)) will not be eligible for inclusion. For further details on the Industry Classification Benchmark (ICB), please visit the FTSE Russell website.

<sup>5</sup> FTSE indexes migrated to the new ICB classification system in March 2021.

4.1.5 In accordance with Rule 4.1, all eligible listed companies will be included in the FTSE ASEAN Index Series. FTSE Russell will review the companies on a country by country basis and each country has its own review schedule. The review schedule is shown in the table below:

Country	March	June	September	December
Indonesia	✓		✓	
Malaysia*		✓		✓
Philippines	✓		✓	
Singapore*	✓	✓	✓	✓
Thailand*		✓		✓
Vietnam	✓		✓	

\* For further information on the Singapore, Malaysia and Thailand markets please refer to the Ground Rules of the FTSE ST Index Series, the FTSE Bursa Malaysia Index Series and the FTSE SET Index Series.

4.1.6 For each market eligible companies of each country are ranked by full market capitalisation, i.e. before the application of any investability weightings. The FTSE ASEAN All-Share Index aims to comprise of 98% of all eligible companies within each market. The index review implementation will take place after the close of business on the third Friday in the corresponding review month.

4.1.7 Companies that are selected by the ASEAN Exchanges to be part of the FTSE ASEAN Stars Index may be included outside of the eligibility criteria highlighted above. For example, a company might be added to the FTSE ASEAN Stars Index that failed the median liquidity rule at the most recent periodic review. The FTSE ASEAN Stars Index may therefore contain companies not currently included in the FTSE ASEAN All-Share Index.

4.1.8 Securities which are subject to surveillance by the stock exchanges and have been assigned to any of the following segments will not be eligible for index inclusion. Where an existing constituent is assigned to an ineligible segment it will normally be deleted from the index quarterly, after the close of business on the third Friday of March, June, September and December. The company will only be reconsidered for index inclusion after a period of 12 months from its deletion subject to it no longer being under surveillance. For the purposes of the index eligibility it will be treated as a new issue.

Country	Exchange	Segment
Malaysia	Bursa Malaysia	PN17
Singapore	Singapore Exchange	Watch-list
Thailand	Stock Exchange of Thailand	Companies facing possible delisting according to No. 9(6) of SET's Regulations on Delisting of Securities
Vietnam	Ho Chi Minh Stock Exchange	Designated Security, Controlled Security and Under special monitoring

4.1.9 Securities that are assigned to the above segments after the review announcement date but before the index review effective date are assessed on a case-by-case basis which may generally result in scheduled index review additions, investability weight and shares in issue changes no longer being implemented at the forthcoming review.

## 4.2 Investability weightings

4.2.1 Constituents of the FTSE ASEAN Index Series are adjusted for free float. Further details on free float restrictions can be accessed using the following link:

[Free Float Restrictions.pdf](#)

4.2.2 Foreign ownership restrictions will not be applied to the constituents of the FTSE ASEAN All-Share Index.

4.2.3 Initial Weighting

Free float is calculated using available published information rounded to 12 decimal places.

Companies listed in the Vietnam market with free float greater than 5% are eligible for inclusion to the FTSE ASEAN Index Series. For other markets, companies with a free float greater than 15% are eligible for inclusion to the FTSE ASEAN Index Series. The table below outlines the treatment of companies.

Country	Free float eligible when
Indonesia	Greater than 15%
Malaysia	Greater than 15%
Philippines	Greater than 15%
Singapore	Greater than 15%
Thailand	Greater than 15%
Vietnam	Greater than 5%

### 4.3 Minimum voting rights

4.3.1 Companies assigned a developed market nationality are required to have greater than 5% of the company's voting rights (aggregated across all of its equity securities, including, where identifiable, those that are not listed or trading) in the hands of unrestricted shareholders or they will be deemed ineligible for index inclusion. Emerging market securities are not subject to this requirement.

4.3.2 Existing constituents with a developed market nationality who do not currently meet the above requirement have a 5-year grandfathering period to comply. If subsequently they continue to fail the minimum voting rights requirement they will be removed from FTSE Russell indexes at the September 2022 review.

4.3.3 The percentage of a company's voting rights in public hands is calculated as:

$$\frac{\text{The number of votes in the hands of shareholders that are unrestricted as determined by the application of FTSE Russell free float definitions}}{\text{The total number of votes conferred by the shares outstanding of all the company's voting securities including those that have not been admitted to trading on a regulated venue}}$$

**For example**, Company A has 100m listed Class A shares each conferring one vote, free float is 65%. It also has 300m unlisted Class B shares each conferring 10 votes.

The test to assess whether the listed Class A line has the required greater than 5% of the company's voting rights is as follows:

$$\frac{65\text{m (i. e. 100m Class A voting rights * 65\% float)}}{3.1\text{bn (i. e. 100m Class A + 3bn Class B)}} = 2.097\% \text{ of the company's voting rights in public hands}$$

### 4.4 Liquidity

4.4.1 Each security will be tested for liquidity by calculation of its monthly median of daily trading volume.

When calculating the median of daily trades per month of any security, a minimum of 5 trading days in each month must exist, otherwise the month will be excluded from the test.

For each month, the daily trading volume for each security is calculated as a percentage of the shares in issue for that day adjusted by the free float as at the Review cut-off date. These daily values are then ranked in descending order and the median is taken by selecting the value for the middle ranking day if there is an odd number of days and the mean of the middle two if there is an even number of days.

Daily totals with zero trades are also included in the ranking; therefore a security that fails to trade for more than half of the days in a month will have a zero median trading volume for that month.

Any period of suspension will not be included in the test.

The liquidity test will be applied on a pro-rata basis where the testing period is less than 12 months.

4.4.2 To reflect the differences in trading volume for each of the ASEAN markets, different turnover thresholds will be applied to test the liquidity of a security. The turnover thresholds for each market are depicted in the table below:

Country	Existing Constituent	Non Constituent
Indonesia	0.02%	0.025%
Malaysia	0.04%	0.05%
Philippines	0.02%	0.025%
Singapore	0.04%	0.05%
Thailand	0.04%	0.05%
Vietnam	0.02%	0.025%

4.4.3 To be eligible for inclusion, securities that are not constituents of the FTSE ASEAN All-Share Index must have a turnover greater than the non-constituent turnover threshold indicated under Rule 4.4.2 of their free float adjusted shares in issue based on their median daily trading volume per month in ten of the twelve months prior to the review.

4.4.4 For existing constituents, securities must have a turnover greater than the existing constituent turnover threshold indicated in the table under Rule 4.4.2 of their free float adjusted shares in issue based on their median daily trading volume per month in eight of the twelve months prior to the review.

4.4.5 Any period when a share is suspended will be excluded from the above calculations.

4.4.6 A security that is excluded because it fails the liquidity requirement will be excluded from all other indexes for the period until the next review.

4.4.7 In exceptional market conditions, if trading volumes are very low, FTSE Russell may reduce the percentage figure (see Rule 4.4.2) in order to avoid a large number of constituents being removed from the FTSE ASEAN Index Series. This discretion may not be applied to individual securities. If FTSE Russell intends to exercise this discretion, it must make a public statement to that effect at least two weeks prior to the periodic review.

4.4.8 New issues, which do not qualify as early entrants will become eligible for inclusion at the next review of constituents providing they have, since the commencement of Official non-conditional trading, a minimum trading record of at least 20 trading days prior to the date of the review and a turnover greater than the non-constituent turnover threshold indicated under Rule 4.4.2 of their free float adjusted shares in issue based on their median daily trading volume per month in each month. 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 greater than the aforementioned threshold of their shares in issue based on its median daily trading volume, after the application of any free float and cross-holdings for one month only. The inclusion of early entries (new issues) will not require a minimum trading record.

4.4.9 If a security is delisted and relisted on another eligible stock exchange within the same country, the trading history from both markets will be used to determine the median daily trading volume. The number of days which the security is not listed in either market during the transition will be excluded in the calculation of the median daily trading volume.

## Section 5

# Review of constituent companies

## 5. Review of constituent companies

### 5.1 Review dates

- 5.1.1 The FTSE ASEAN Index Series is reviewed on a periodic basis. Each country has its own review schedule which is outlined in the table in Rule 4.1.5.
- 5.1.2 The periodic reviews will be based on data after the close of business on the Monday 4 weeks prior to the review effective date. The reviews will be implemented after the close of business on the third Friday of the review month (i.e. effective Monday).
- 5.1.3 As part of the review process eligible companies within each country are ranked in descending order by full market capitalisation (price \* shares in issue).
- 5.1.4 Buffers will be applied to provide stability in the selection of constituents of the FTSE ASEAN All-Share Index. Non-constituents that are ranked within the top 97% of the individual country universe will be included in the FTSE ASEAN All-Share Index providing they meet the eligibility requirements as outlined in Section 4. Existing constituents of the FTSE ASEAN All-Share Index that fail to meet the eligibility requirements as outlined in Section 4 or are ranked below 99% of the individual country universe will be excluded from the FTSE ASEAN All-Share Index.
- 5.1.5 Where applicable, the FTSE ASEAN Stars Index constituents are selected by each ASEAN exchange on a quarterly basis and implemented following the third Friday of March, June, September, and December. Where applicable, the FTSE ASEAN Stars Index constituents are selected by each ASEAN exchange on a quarterly basis and implemented following the third Friday of March, June, September, and December. Where the quarterly constituents are not provided by the relevant ASEAN exchanges the index constituents for the respective country will remain unchanged.
- 5.1.6 The Shariah screening from Yasaar will be reassessed quarterly in March, June, September and December. The Shariah screening process uses data as at the close of business on the Monday four weeks prior to the review effective date taking into account new companies being added to the FTSE ASEAN All-Share Index and implemented after the third Friday of the review month (i.e., effective Monday).

### 5.2 Monitoring of eligible companies

- 5.2.1 The market capitalisation of companies eligible for inclusion in the FTSE ASEAN Index Series is monitored by FTSE Russell. All listed ordinary securities on the eligible markets (see Rule 4.1.2) will be included in the periodic reviews.
- 5.2.2 Where a company has a secondary listing within an ASEAN country universe that consistently fails the eligibility criteria outlined in Section 4, but its market capitalisation is large enough to distort the review process by its inclusion in the country review universe the company's market capitalisation will be set to zero.

- 5.2.3 If a member of the FTSE ASEAN All-Share Index or FTSE ASEAN Stars Index is listed on more than one of the ASEAN exchanges and subsequently included in more than one index, an adjustment factor equal to  $1/n$ , where  $n$  is the number of constituent listings, is applied in the calculation of the weighting in the FTSE ASEAN All-Share Index and the FTSE ASEAN Stars Index to avoid double counting of a company's index weight. Please note that the adjustment factor will not be applied in the calculation of the FTSE ASEAN country indexes. Only where the country indexes are combined and constituents are duplicated will the adjustment factor be used.

## Section 6

# Changes to constituent companies

## 6. Changes to constituent companies

The changes to constituent companies section should be read in conjunction with the Ground Rules of the FTSE Bursa Malaysia Index Series, the FTSE SET Index Series and the FTSE ST Index Series. Where applications of these rules differ from the FTSE ASEAN All-Share Index rules the former rules will take precedence.

### 6.1 New issues

6.1.1 Where a company, whether an existing constituent or not, undertakes an Initial Public Offering of a new equity security, that security may be eligible for fast entry inclusion to the underlying country FTSE ASEAN All-Share Index that it qualifies for after the close of business on the fifth day of trading. Eligibility will be determined using the closing price on the first day of trading. The fast entry size requirement for each ASEAN country is outlined in the table below based on each country index's full market capitalisation:

Country	Fast Entry Size Requirement
Indonesia	2% of the FTSE ASEAN Indonesia All-Share Index
Malaysia	2% of the FTSE Bursa Malaysia EMAS Index
Philippines	2% of the FTSE ASEAN Philippines All-Share Index
Singapore	2% of the FTSE ST All-Share Index
Thailand	2% of the FTSE SET All-Share Index
Vietnam	1% of the FTSE ASEAN Vietnam All-Share Index

In the event of the fifth day of trading occurring during the week of the index review, an eligible fast entrant will be added to the index concurrent with the review effective date.

Please note: Only those shares being offered for sale in the IPO will be included within the index weighting at the time of fast entry inclusion (subject to not being categorised as restricted shares as defined within the Free Float Restrictions document).

- 6.1.2 If FTSE Russell or the relevant FTSE Russell Advisory Committee decides to include a new issue as a constituent security other than as part of the normal periodic review procedure, this decision must be publicly announced at the earliest practicable time.
- 6.1.3 For the purpose of this Rule 6.1, a company which is relisted following suspension or is reorganised or renamed or which arises from a demerger or complex reorganisation of another company which is not an existing constituent, shall not be considered to be a new issue.
- 6.1.4 A new equity security will also be eligible for inclusion in the FTSE ASEAN Stars Index providing it meets the fast entry requirement in Rule 6.1 for each ASEAN country. Where the FTSE ASEAN Stars Index already comprises of 15 and 30 companies from each ASEAN exchange (see Rule 1.3.5), the relevant smallest exchange company when ranked by full market capitalisation will be removed and replaced by the new issue.

- 6.1.5 The new equity security will also be subject to the free float and cross-holdings and other requirements detailed in Section 4.
- 6.1.6 Specifically for the Singapore market, new equity securities listed after the March and September review that are not large enough to qualify as fast entrants will be reviewed in the upcoming June and December review. For further information on the additional June and December review process, please refer to the FTSE ST Index Series Ground Rules.
- 6.1.7 If a security is added to the FTSE ASEAN Index Series, it will become eligible for inclusion in the FTSE ASEAN All-Share Shariah Index at the next periodic review. The inclusion to the FTSE ASEAN All-Share Shariah Index will not be concurrent with its inclusion in the FTSE ASEAN Index Series.
- 6.1.8 Variable, best effort, and direct listing IPOs\* will not be considered for fast entry inclusion since FTSE Russell would be:
- unable to confirm if the minimum free float requirement has been met; and
  - unable to assign an accurate free float for the purposes of the index calculation.
- 6.1.9 Variable, best effort, and direct listing IPOs will be considered for index inclusion at the next index review if, by the review cut-off date, a public disclosure\* (which has been published post IPO) is available confirming the updated shareholder structure. Index inclusion remains subject to meeting all other eligibility criteria. If the post IPO shareholder structure has not been disclosed by the review cut-off date, the evaluation of the company will be deferred to a subsequent index review.

\*A public disclosure is typically by way of a company filing, stock exchange notice or shareholding regulatory announcement.

## **6.2 Deletions and replacements**

- 6.2.1 If a constituent is delisted from the one of the eligible markets listed in Rule 4.1.2, ceases to have a firm quotation, is subject to a take-over or has, in the opinion of FTSE Russell ceased to be a viable constituent as defined by the Ground Rules, it will be removed from the list of constituents and not replaced until the next periodic review.
- 6.2.2 A company deleted following a takeover, with a remaining free float failing the criteria listed in Rule 4.2.3, will not be re-considered for index inclusion until completion of a one year trading record.
- 6.2.3 If a constituent ceases to be eligible it will be removed from the FTSE ASEAN Index Series, its removal from the FTSE ASEAN All-Share Shariah Index will be concurrent with its removal from the FTSE ASEAN Index Series.
- 6.2.4 If a constituent of the FTSE ASEAN All-Share Shariah Index ceases to meet the Shariah eligibility criteria as detailed in Rule 3.2 of the FTSE Global Equity Shariah Index Series Ground Rules, it will be removed from the FTSE ASEAN All-Share Index at the quarterly Shariah screening review.



## Section 7

# Corporate actions and events

## 7. Corporate actions and events

Full details of changes to constituent companies due to corporate actions and events can be accessed in the Corporate Actions and Events Guide using the following link:

[Corporate Actions and Events Guide.pdf](#)

A Corporate 'Action' is an action on shareholders with a prescribed ex date. The share price will be subject to an adjustment on the ex date. The index will be adjusted in line with the ex date.

These include the following:

- Capital Repayments
- Rights Issues/Entitlement Offers
- Stock Conversion
- Splits (sub-division)/Reverse splits (consolidation)
- Scrip issues (Capitalisation or Bonus Issue)

A Corporate 'Event' is a reaction to company news (event) that may impact the index depending on the index rules. For example, a company announces a strategic shareholder is offering to sell their shares (secondary share offer) – this could result in a free float weighting change in the index. Where an index adjustment is required FTSE will provide notice advising of the timing of the change.

### 7.1 Shares in issue

Changes to the number of shares in issue for constituent securities are covered in the Corporate Actions and Events Guide.

### 7.2 Investability weightings

7.2.1 Changes to free float for constituent securities are covered in the Corporate Actions and Events Guide.

### 7.3 Mergers, restructuring and complex takeovers

7.3.1 If the effect of a merger or takeover is that one constituent in the underlying country FTSE ASEAN All-Share Index or FTSE ASEAN Stars Index is absorbed by another constituent, the resulting company will remain a constituent of the respective country index, and not replaced until the next periodic review (but also see Rule 7.3.4).

7.3.2 If a non-constituent company acquires a constituent company it will be eligible to replace the constituent company providing it conforms to the rules outlined in Section 4. Non-constituent companies that do not have a listing on an eligible exchange will not be eligible for index inclusion. Where a constituent company is taken over by an ineligible non-constituent company its position will not be filled until the next periodic review (but also see Rule 7.3.4).

7.3.3 If a constituent company is split to form two or more companies, then the resulting companies will be eligible for inclusion as index constituents in the underlying country FTSE ASEAN All-Share Index providing they are larger than the smallest constituent, based on their respective full market capitalisations i.e. before the application of any investability weightings and if they qualify in all other respects. Eligible companies resulting from a split will remain in the FTSE ASEAN Stars Index until the next periodic review (but also see Rule 7.3.4).

7.3.4 Where a corporate event occurs that impacts the number of companies eligible, i.e. a deletion, merger or acquisition, restructuring, and suspension of dealing in the FTSE Bursa Malaysia KLCI, the FTSE SET Large Cap Index or the STI their underlying ground rules will take precedence.

#### **7.4 Suspension of dealing**

Suspension of dealing rules can be found within the Corporate Actions and Events Guide.

## Section 8

# Industry Classification Benchmark (ICB)

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## 8. Industry Classification Benchmark (ICB)<sup>6</sup>

### 8.1 Classification structure

8.1.1 The FTSE ASEAN Index Series constituents are classified into Industries, Supersectors, Sectors and Subsectors, as defined by the Industry Classification Benchmark (ICB).

8.1.2 Details of the Industry Classification Benchmark are available from FTSE and published on the FTSE Russell website ([www.lseg.com/en/ftse-russell/](http://www.lseg.com/en/ftse-russell/)) and can be accessed using the following link:

[Industry Classification Benchmark](#)

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<sup>6</sup> FTSE indexes migrated to the new ICB classification system in March 2021.

## Section 9

# Indexes algorithm and calculation method

## 9. Indexes algorithm and calculation method

### 9.1 Prices

9.1.1 The FTSE ASEAN Index Series will use actual last trade prices, where available, for securities.

9.1.2 Thomson Reuters real time exchange rates are used in the real-time index calculations.

### 9.2 Calculation frequency

9.2.1 The indexes will be calculated and published in real-time for the FTSE ASEAN All-Share Index, FTSE/ASEAN 40 Index and the FTSE ASEAN Stars Index. All other indexes in the FTSE ASEAN Index Series will be published end of day.

### 9.3 Index calculation

9.3.1 The FTSE ASEAN Index Series is calculated using the following formula:

$$\sum_{i=1}^N \frac{(p_i \times e_i \times s_i \times f_i)}{d}$$

Where,

- $i=1,2,\dots,N$
- N is the number of securities in the index.
- $p_i$  is the latest trade price of the component security (or the price at the close of the index on the previous day).
- $e_i$  is the exchange rate required to convert the security's currency into the index's base currency.
- $s_i$  is the number of shares in issue used by FTSE Russell for the security, as defined in these Ground Rules.
- $f_i$  is the Investability Weighting Factor to be applied to a security to allow amendments to its weighting, expressed as a number between 0 and 1, where 1 represents a 100% free float. This factor is published by FTSE Russell for each security in the underlying index. The Investability Weighting Factor also incorporates the adjustment factor that is used to avoid double counting of a company's market capitalisation (see Rule 5.2.3).
- d is the divisor, a figure that represents the total issued share capital of the index at the base date. The divisor can be adjusted to allow changes in the issued share capital of individual securities to be made without distorting the index.

## Appendix A

# Index opening and closing hours

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Index	Open	Close
FTSE ASEAN Index Series	09:00 (01:00)	17:45 (09:45)

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### Notes:

1. The indexes will be calculated when at least one market is open.
2. Timings are Hong Kong Hours (UK Hours in brackets).

### Foreign exchange rates

The foreign exchange rates used in the calculation of the FTSE ASEAN Index Series are Reuter's real time spot rates.

The US dollar is the base currency for all index calculations. Non US dollar denominated constituents prices are converted into US dollars in order to calculate the Indexes.

The foreign exchange rates received from Thomson Reuters at 10:00 (UTC time) are the bid rates and are used to calculate the final Index levels. These are termed the "closing foreign exchange rates".

## Appendix B

# Status of indexes

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## Calculation states

The FTSE ASEAN All-Share Index, FTSE ASEAN All-Share ex Developed Index, FTSE/ASEAN 40 Index, and the FTSE ASEAN Stars Index are calculated in US Dollars.

For further details of real time definitions please refer to the following guide:

[Real Time Status Definitions.pdf](#)

The official opening and closing hours of the FTSE ASEAN Index Series are set out in Appendix A. Variations to the official hours of the indexes will be published by FTSE Russell.

US Dollar, Euro, UK Sterling, Japanese Yen, and China Yuan Renminbi values will be calculated on an end-of-day basis.

## Appendix C

# Further information

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A Glossary of Terms used in FTSE Russell's Ground Rule documents can be found using the following link:

[Glossary.pdf](#)

Further information on the FTSE ASEAN Index Series Ground Rules is available from FTSE Russell. For contact details please visit the FTSE Russell website or contact FTSE Russell client services at [info@ftserussell.com](mailto:info@ftserussell.com).

**Website:** [www.lseg.com/en/ftse-russell/](http://www.lseg.com/en/ftse-russell/)

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