

# TSEC TAIWAN SHARIAH INDEX

The TSEC Taiwan 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.

Using the Large and Mid Cap Taiwanese companies from the FTSE Global Equity Index Series as a base universe, companies are screened against a clear set of Shariah principles as set out by the leading global Shariah consultancy, Yasaar Ltd., to create a robust Shariah-compliant index for the Taiwan market.

## FEATURES

- By partnering with Yasaar Ltd., an impartial consultancy and leading authority on Shariah, FTSE remains neutral and fully up to date with latest practices
- Yasaar Research Inc. scholars represent all of the major Shariah schools of thought, creating a best practice approach that has credibility across all regions of the Islamic world
- Capital and total return versions of the index are available
- Stocks are free-float weighted to ensure that only the investable opportunity set is included within the index
- Stocks are liquidity screened to ensure that the index is tradable
- The index is calculated in accordance with the Industry Classification Benchmark (ICB), a global standard developed in partnership between FTSE Group and Dow Jones Indexes
- Designed for trading of derivatives, index-tracking funds, exchange traded funds (ETFs) and performance benchmarks
- Further details on Yasaar Ltd can be found at [www.yasaar.org](http://www.yasaar.org)

## TSEC TAIWAN SHARIAH INDEX SCREENING METHODOLOGY

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

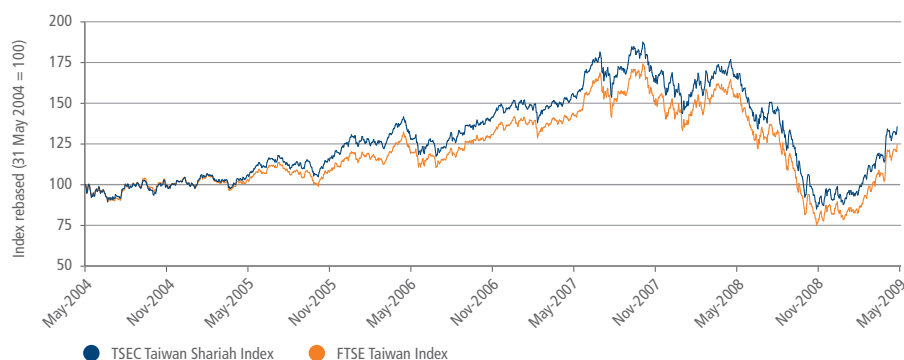
- Conventional Finance (non-Islamic Banking, Finance and Insurance, etc.)
- Alcohol
- Pork related products and non-halal food production, packaging and processing or any other activity related to pork and non-halal food
- Entertainment (Casinos, Gambling and Pornography)
- Tobacco
- Weapons, arms and defence manufacturing

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% of total assets
- Cash and Interest bearing items are less than 33% 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

This list is not exhaustive and it is produced as a basic guidance to the broad principles involved. Please visit [ftse.com/taiwan](http://ftse.com/taiwan) for the full index ground rules.

## TSEC TAIWAN SHARIAH INDEX FIVE YEAR PERFORMANCE (TWD, TOTAL RETURN)



Source: FTSE Group, data as at 27 May 2009

## TSEC TAIWAN SHARIAH INDEX TOP 10 CONSTITUENTS

Rank	Constituent Name	ICB Supersector	Net Market Cap (TWDm)	Index Weight (%)
1	Taiwan Semiconductor Manufacturing	Technology	1,547,768	21.52
2	Hon Hai Precision Industry	Industrial Goods & Services	911,999	12.68
3	Formosa Plastics Corp	Chemicals	360,386	5.01
4	MediaTek	Technology	321,946	4.48
5	Chunghwa Telecom	Telecommunications	294,589	4.10
6	AU Optronics	Technology	285,790	3.97
7	Nan Ya Plastics	Chemicals	265,873	3.70
8	China Steel	Basic Resources	260,883	3.63
9	Formosa Chemicals & Fibre	Chemicals	223,752	3.11
10	Asustek Computer Inc	Technology	194,981	2.71
			<b>4,667,967</b>	<b>64.91</b>

Source: FTSE Group, data as at 27 May 2009

## TSEC TAIWAN SHARIAH INDEX ICB SUPERSECTOR BREAKDOWN

ICB Supersector	No. of Constituents	Net Market Cap (TWDm)	Index Weight (%)
Technology	28	3,636,347	50.57
Industrial Goods & Services	13	1,297,479	18.04
Chemicals	6	955,561	13.29
Telecommunications	3	456,731	6.35
Personal & Household Goods	7	304,014	4.23
Basic Resources	2	290,951	4.05
Oil & Gas	1	151,041	2.10
Automobiles & Parts	2	47,265	0.66
Construction & Materials	1	32,833	0.46
Financial Services	1	18,822	0.26
<b>Totals</b>	<b>64</b>	<b>7,191,044</b>	<b>100.00</b>

Source: FTSE Group, data as at 27 May 2009

## TSEC TAIWAN SHARIAH INDEX PORTFOLIO CHARACTERISTICS

	TSEC Taiwan Shariah Index	FTSE Taiwan Index
Number of Constituents	64	111
Net Market Cap (TWDm)	7,191,044	10,414,973
<b>Company Size: (Net Market Cap TWDm)</b>		
Average	112,360	93,829
Largest	1,547,768	1,547,768
Smallest	4,074	4,074
Median	35,757	36,430
Weight Largest Constituent (%)	21.52	14.86
Top 10 Holdings (% Index Market Cap)	64.91	47.06

Source: FTSE Group, data as at 27 May 2009

## INFORMATION

### Index Universe

FTSE Global Equity Index series

### 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.  
Real-time index calculated every 15 seconds

### End-of-Day Distribution

Indices available at 17:30 hours local time  
(09:30 hours London time GMT or 10:30 hours  
BST) via FTP and email

### Currency

TWD & USD. Real-time calculated in TWD only

### Review Dates

Reviewed quarterly in March, June, September  
and December

### Index Rules

[www.ftse.com/taiwan](http://www.ftse.com/taiwan)

### Vendor Codes

[www.ftse.com/taiwan](http://www.ftse.com/taiwan)

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