

FTSE ST Index Series

v5.5



**FTSE
RUSSELL**
An LSEG Business



SGX 
Securities

Contents

Section 1 Introduction	3
Section 2 Management responsibilities	6
Section 3 FTSE Russell Index policies	8
Section 4 Security inclusion criteria	10
Section 5 Investability weighting	12
Section 6 Liquidity	13
Section 7 Review of constituent companies	14
Section 8 Additions outside of a review	17
Section 9 Corporate actions and events	20
Section 10 Industry classification benchmark(ICB)	22
Section 11 Announcing changes	23
Section 12 Indices algorithm and calculation method	24
Appendix A Index opening and closing hours	25
Appendix B Status of indices	26
Appendix C Further information	27

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 ST Index Series.

1.1.2 The FTSE ST Index Series is a set of indices created by FTSE Russell, Singapore Exchange (SGX) and Singapore Media Trust (SPH), providing investors with a comprehensive and complementary set of indices, which measures the performance of the major capital and industry segments of Singapore listed companies. For the purposes of the FTSE ST Index Series, where a security is listed on the SGX Mainboard and SGX Catalyst, that security will be eligible for the FTSE ST Index Series, subject to conforming to all other eligibility criteria.

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

1.3 FTSE ST Index Series

1.3.1 FTSE ST Large & Mid Cap Index

This index comprises the Large and Mid Cap companies listed on the SGX Mainboard that meet the stated eligibility requirements.

1.3.2 FTSE ST Mid Cap Index

This index comprises the Mid Cap companies listed on the SGX Mainboard that meet the stated eligibility requirements.

1.3.3 FTSE ST Small Cap Index

This index comprises the Small Cap companies listed on the SGX Mainboard that meet the stated eligibility requirements.

1.3.4 FTSE ST All-Share Index

This index comprises the Large, Mid and Small Cap companies listed on the SGX Mainboard that meet the stated eligibility requirements.

1.3.5 FTSE ST Fledgling Index

This index comprises the companies listed on the SGX Mainboard that are too small to be included in the FTSE ST All-Share Index.

1.3.6 FTSE ST China Index

This index comprises all the constituents from the FTSE ST All-Share Index that have the majority of their sales revenue derived from or operating assets located in Mainland China, that meet the stated eligibility requirements as quoted in Rule 4.2.

1.3.7 FTSE ST Industry Indices

There will be 11 Industries, 20 Supersectors and 45 Sectors. Indices comprising the constituents in the FTSE ST All-Share Index. These industries and sectors are defined in the industry classification benchmark (ICB).

1.3.8 FTSE ST Catalyst Index

This index comprises the sponsored companies listed on the SGX Catalyst that meet the stated eligibility rules as quoted in Rule 4.4.

1.3.9 FTSE ST Consumer Goods & Services Index

This index comprises the constituents in either the consumer discretionary (ICB 40) and consumer staples (ICB 45) under the FTSE ST All-Share Index.

1.3.10 FTSE ST Consumer Goods & Services Liquid 20 Index

This index comprises the constituents in either consumer discretionary (ICB 40) and consumer staples (ICB 45) under the FTSE ST All-Share Index that pass the liquidity screening rules as stated in Rule 4.6.

1.3.11 FTSE ST Singapore Shariah Index

This index comprises the constituents of the FTSE ST All-Share Index that are Shariah compliant according to the Yasaar screening methodology.

1.3.12 Price and total return indices are published at the end of each working day. The total return indices include income based on ex-dividend adjustments. All dividends are applied as declared.

1.4 The following variants are, or if requested may be, calculated for certain indices within the index series:

- Capital and total return indices;
- Net total return indices based on specified withholding tax rates;
- Indices calculated in currencies other than the base currency (SGD);
- Capped indices; for full details see the FTSE Russell Capping methodology guide;
- Constituent size bands – large, mid and small capitalisation indices;
- Sector indices.

Additional customised variants can be calculated on request including indices with industry and sector exclusions. Selected indices are calculated and disseminated on a real time basis.

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

1.6 IOSCO

1.6.1 FTSE considers that the FTSE ST Index Series meets the IOSCO Principles for Financial Benchmarks as published in July 2013.

1.7 FTSE Russell hereby notifies users of the index series that it is possible that circumstances, including external events 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.

- 1.8 Index users who choose to follow this index series 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 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 or any constituent data in the index.

1.9 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.

Section 2

Management responsibilities

2. Management responsibilities

2.1 FTSE International Limited (FTSE)

2.1.1 FTSE is the benchmark administrator of the index series¹.

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

- maintain records of the index weightings of all constituents and reserve list companies;
- make changes to the constituents and their weightings in accordance with the Ground Rules;
- carry out the periodic index reviews of the index 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 indices.

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

2.1.4 FTSE is also responsible for monitoring the performance of the FTSE ST Index Series 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 ST Index Series and set out the methodology underlying the FTSE ST Index Series.

2.3 STI and FTSE ST index advisory committee (the “Committee”)

2.3.1 The purpose of the Committee is to provide a forum for FTSE Russell to interact with index users and other stakeholders with a view to enhancing the underlying methodologies of this index series. In particular the Committee will:

- discuss proposed changes to the Ground Rules;
- comment on the index reviews presented by FTSE Russell.

The terms of reference of the STI and FTSE ST Index Advisory Committee are set out on the FTSE Russell website.

[STI and FTSE ST Index Advisory Committee.pdf](#)

¹ 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 Indices, 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 Indices (the statement of principles)

3.2.1 Indices 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

3.3.1 A constituent or prospective constituent company (or professional advisor acting on behalf of the company), a national organisation or a group of no fewer than ten users of the index series 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

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 ST 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.

[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 Benchmarks², the European benchmark regulation³ and the UK benchmark regulation⁴. 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 For indices which are calculated in real time, please refer to the following guide for details of real time status definitions:

[Real Time Status Definitions.pdf](#)

² IOSCO Principles for Financial Benchmarks Final Report, FR07/13 July 2013.

³ 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.

⁴ The Benchmarks (Amendment and Transitional Provision) (EU Exit) Regulations 2019.

Section 4

Security inclusion criteria

4. Security inclusion criteria

4.1 Eligible securities

- 4.1.1 All classes of ordinary shares in issue and Depository Receipts are eligible for inclusion in the FTSE ST Index Series, subject to conforming to all other rules of eligibility, free float and liquidity.
- 4.1.2 Companies listed on the SGX Mainboard and SGX Catalist are eligible for inclusion in the FTSE ST Index Series. Companies listed on other boards (markets) will not be included in the FTSE ST Index Series.
- 4.1.3 The following are regarded as ineligible:
 - 4.1.4 Companies whose business is that of holding equity and other investments (e.g. Investment Trusts) which are classified by the ICB⁵ as subsector closed end investment (ICB 30204000) and open end and miscellaneous investment vehicles (ICB 30205000) will not be eligible for inclusion.
 - 4.1.5 Convertible preference shares and loan stocks are excluded until converted.
 - 4.1.6 Securities which are subject to surveillance by the stock exchange and have been assigned to the watch-list segment will not be eligible for index inclusion. Where an existing constituent is assigned to the watch-list segment it will 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.
 - 4.1.7 Securities that are assigned to the watch-list segment 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 FTSE ST China Index qualification criteria

- 4.2.1 The FTSE ST China Index represent the performance of Singapore listed companies that have the majority of their sales revenue derived from or operating assets located in Mainland China.
- 4.2.2 To be eligible for inclusion in the FTSE ST China Index constituents must be in the FTSE ST All-Share Index, and pass the sales revenue or operating assets screen in Rule 4.2.3.
- 4.2.3 The sales revenue and operating assets screen requires constituents to have at least 50 per cent of their sales revenues derived from or operating assets located in Mainland China.
- 4.2.4 An existing constituent that is eligible for the FTSE ST China Index will lose its Chinese status if its sales revenue derived from or operating assets located in Mainland China falls below 45 per cent (according to the latest available annual report) at the time of the March or September review.

⁵ FTSE indices migrated to the new ICB classification system in March 2021.

- 4.2.5 A non-constituent of the FTSE ST China Index will be required to have its sales revenue derived from or operating assets located in Mainland China greater than 55 per cent at the March or September review to be eligible for inclusion.
- 4.2.6 New issues not large enough to qualify as fast entrants listed after the March or September data cut-off date will be reviewed in the upcoming June and December review provided they are included in the FTSE ST All-Share Index. The Chinese company status of an existing FTSE ST China Index constituent will remain unchanged in the June and December review.
- 4.3 FTSE ST Catalyst Index qualification criteria**
- 4.3.1 The FTSE ST Catalyst Index represents the performance of sponsored companies in the SGX Catalyst. To be included, constituents must have sponsor status and be listed on the SGX Catalyst.
- 4.4 FTSE ST Consumer Goods & Services Index qualification criteria**
- 4.4.1 The FTSE ST Consumer Goods & Services Index represents the performance of constituents in the Consumer Goods and Consumer Services Industries that are members of the FTSE ST All-Share Index. To be eligible for inclusion a constituent's ICB Code must be either Consumer Discretionary (ICB 40) and Consumer Staples (ICB 45).
- 4.5 FTSE ST Consumer Goods & Services Liquid 20 Index qualification criteria**
- 4.5.1 The underlying index for FTSE ST Consumer Goods & Services Liquid 20 Index is FTSE ST All-Share Index. The constituents are selected from Consumer Discretionary (ICB 40) and Consumer Staples (ICB 45).
- 4.5.2 The index is constructed from the most liquid stocks of the underlying index. Liquidity information from the previous 252 trading days is used for the stock selection criteria.
- Liquidity is measured in SGD by:
- $$\text{Traded Value} = \text{Closing Price} \times \text{Daily Volume} \times \text{Exchange Rate}$$
- 4.5.3 The March and September review will have the following procedures:
- 4.5.3.1 A stock must have traded for at least 60 or more days in the last 252 trading days prior to the data cut-off date stated in Rule 7.1.1 to be considered for inclusion.
- 4.5.3.2 Median traded value – for each stock in the underlying index, calculate the traded value for the last 252 trading days including days on which a stock is suspended and take the median value.
- 4.5.3.3 Sort the Median traded values in descending order.
- 4.5.3.4 The top 20 liquid stocks are selected.
- 4.5.4 New issues listed after the March or September data cut-off date will be reviewed in the upcoming September and March review.
- 4.6 Shariah screening methodology by Yasaar**
- 4.6.1 The FTSE ST Singapore Shariah Index is designed to reflect the Shariah compliant companies as screened by Yasaar from the FTSE ST All-Share Index. For further details on the Shariah screening methodology and Yasaar, please refer to the FTSE Shariah Global Equity Index Series Ground Rules which are available on www.lseg.com/en/ftse-russell/.

Section 5

Investability weighting

5. Investability weighting

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

[Free Float Restrictions.pdf](#)

Foreign ownership restrictions will not be applied to the constituents of the FTSE ST Index Series.

5.2 Initial weighting

5.2.1 Free float will be calculated using available published information rounded to 12 decimal places. Companies with a free float of 15% or below are excluded from the index

5.3 Minimum voting rights

5.3.1 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.

5.3.2 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:

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

Section 6

Liquidity

6. Liquidity

6.1 Each security will be tested for liquidity semi-annually in March and September by calculation of its monthly median daily trading volume.

Liquidity will be tested for the March review from the first business day of March of the previous year to the review cut-off date in February and for the September review from the first business day of September of the previous year to the review cut-off date in August. When calculating the median of daily trading volume of any security for a particular month, a minimum of 5 trading days in that 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 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.

For newly eligible securities where the testing period is less than 12 months, the liquidity test will be applied on a pro-rata basis.

Liquidity thresholds:

- A. An existing constituent which, based on its median daily trading volume per month does not turn over at least 0.04% of its shares in issue (after the application of any free float weightings*) for at least eight of the twelve months prior to the March or September review will be removed from the Index Series.
- B. A non-constituent which, based on its median daily trading volume per month, does not turn over at least 0.05% of its shares in issue (after the application of any free float weightings*) for at least ten of the twelve months prior to the March or September review will continue to be excluded from the Index Series.
- C. New issues and newly eligible securities that do not have a 12-month trading record must have a minimum trading record of at least 20 trading days prior to the review cut-off date and will be tested from the date of eligibility. Trading records prior to this date will generally not be taken into account. They must turn over at least 0.05% of their shares in issue (after the application of any free float weightings*) based on their median daily trading volume per month since listing.

* When testing liquidity the free float weight as at the last date in the testing period will be used for the calculation for the whole of that period.

- D. Rule 6.0 will not apply to new issues added under the Fast Entry Rule (see 8.0).

6.2 There is no liquidity requirement for constituents of the FTSE ST Fledgling Index and the FTSE ST Catalyst Index.

Section 7

Periodic review of constituents

7. Periodic review of constituents

7.1 Review dates

7.1.1 The FTSE ST Index Series is reviewed on a semi-annual basis in March and September. A quarterly review of selected indices will be conducted in June and December (see 7.1.3).

The review will be based on data from 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 (i.e. effective Monday) of the review month.

7.1.2 Yasaar will determine the Shariah compliant companies quarterly on the Monday four weeks prior to the review effective date. Any changes to the FTSE ST Singapore Shariah Index will be implemented after the close of business on the third Friday (i.e. effective Monday) of March, June, September and December.

7.1.3 In June and December, a review is also applied to selected indices to account for new issues since the previous March or September review not large enough to qualify as fast entrants and a review of existing constituents of the selected indices based on their full market capitalization to ensure their size allocation remains relevant on a more regular basis. No constituent deletion will occur to the FTSE ST Small Cap Index due to falling below the exclusion threshold in the June and December quarterly review. The following is the list of indices that are reviewed in June and December:

- FTSE ST Large & Mid Cap Index;
- FTSE ST Mid Cap Index;
- FTSE ST Small Cap Index;
- FTSE ST All-Share Index;
- FTSE ST China Index;
- FTSE ST Industry Indices (as quoted in Rule 1.3.7);
- FTSE ST Consumer Goods & Services Index;
- FTSE ST Singapore Shariah Index.

7.2 Review process

7.2.1 Select all eligible listed companies from the SGX mainboard that satisfy Rule 4.1. to define a country universe.

7.2.2 Value companies by full market capitalisation (shares in issue * price), group secondary lines, and rank companies (not securities) by full market value. Throughout the review process all of a company's eligible securities will remain grouped, and companies as a whole, rather than individual securities, are assigned to Large, Mid or Small Cap (see Rule 7.4).

7.2.3 Calculate the total market capitalisation of the universe by totalling the full capitalisation of all eligible companies.

7.2.4 Define the index universe - Ranked by full market capitalisation in descending order, calculate the cumulative market capitalisations of all stocks in the country universe and their relevant weights. The top 98% of the country universe will be selected and forms the index universe.

7.3 Screens applied to eligible securities

Eligible securities are subject to the following screens:

7.3.1 Investability weightings as detailed in Section 5.

7.3.2 Liquidity as detailed in Section 6.

7.4 Reviewing constituents for the indices

7.4.1 The rules for inserting and deleting securities at the periodic review are designed to provide stability in the selection of constituents of the FTSE ST Index Series while ensuring that the indices continue to be representative of the market by including or excluding those securities that have risen or fallen significantly.

7.5 Yasaar's list of Shariah compliant companies will be used to analyse the status of each FTSE ST All-Share Index constituent using the methodology described in Rule 4.8. Any change will be implemented in the FTSE ST Singapore Shariah Index at the periodic review.

7.5.1 No company can be a member of more than one of the following indices simultaneously:

- FTSE ST Large & Mid Cap Index;
- FTSE ST Small Cap Index;
- FTSE ST Fledgling Index.

7.5.2 To reduce turnover, existing and potential constituents are subject to a series of 'buffer zones' to determine the cut-off points between Large, Mid and Small Cap - the buffers are detailed in the table below.

Capitalisation bands (Based on the index universe)		
	Eligible for inclusion	Eligible for exclusion
Large Cap	68%	72%
Mid Cap	86%	92%
Small Cap	98%	101%*

* 101% of the index universe is approximately 99% of the country universe.

7.5.3 Companies currently not in the FTSE ST All-Share Index:

- Companies at or above 86% of the index universe by full market capitalisation, will be included in the Large & Mid Cap Index;
- Companies ranked below 68%, but within the top 86% of the index universe by full market capitalisation, will be included in the Mid Cap Index'
- Companies ranked below 86%, but within the top 98% of the index universe by full market capitalisation, will be included in the Small Cap Index'
- Companies ranked below the top 98% of the index universe by full market capitalisation, will be included in the Fledgling Index.

Existing constituents of the FTSE ST All-Share Index:

- **Large and Mid Cap** constituents will remain in the Large & Mid Cap Index if they fall within the top 92% of the ranking described in Rule 7.5.2. If they are ranked below 92% of the index universe but within the top 101% of the index universe, they will move to the Small Cap Index. If they are ranked below 101% of the index universe by full market capitalisation, they will move to the Fledgling Index;

- **Mid Cap** constituents will be deleted from the Mid Cap Index if they fall within the top 68% of the ranking described in Rule 7.5.2. If they are ranked between 68% and 92% of the index universe they will remain in the Mid Cap Index. If they are ranked below 92% of the index universe but within the top 101% of the index universe, they will move to the Small Cap Index. If they are ranked below 101% of the index universe by full market capitalisation, they will move to the Fledgling Index;
- **Small Cap** constituents will move to the Large & Mid Cap Index if they fall within the top 86% of the ranking described in Rule 7.5.2. If they are ranked between 68% and 86% of the index universe by full market capitalisation they will also be added to the Mid Cap Index. If they are ranked below 86% of the index universe, but within the top 101% of the index universe, they will remain in the Small Cap Index. If they are ranked below 101% of the index universe by full market capitalisation, they will move to the Fledgling Index.
- **Fledgling** constituents ranked below 98% of the Index Universe will remain in the Fledgling Index.

7.5.4 A company will be inserted into the FTSE ST Consumer Goods & Services Liquid 20 Index at the semi-annual review if it rises to 15th position or above when the eligible companies are ranked by median traded value. A company in the FTSE ST Consumer Goods & Services Liquid 20 Index will be deleted at the semi-annual review if it falls to 26th position or below when the eligible companies are ranked by median traded value.

7.5.5 The number of constituents for the semi-annual review will be set to 20 for FTSE ST Consumer Goods & Services Liquid 20 Index. Where a greater number of companies qualify to be inserted in the index than those qualifying to be deleted, the lowest ranking constituents presently included in the index will be deleted to ensure the resulting number of companies to be 20. Likewise, where a greater number of companies qualify to be deleted than those qualifying to be inserted, the securities of the highest-ranking companies which are presently not included in the index will be inserted to ensure the resulting number of companies to be 20.

7.6 Capping of index constituents

7.6.1 Companies within the FTSE ST Consumer Goods & Services Liquid 20 Index are capped at 10% quarterly.

7.6.2 The calculation of the constituent capping factors (c) will be based on prices at close on the second Friday of the review month using shares in issue and investability weights as designated to take effect after close on the third Friday of the review month (i.e. taking effect on the review effective date).

7.6.3 The calculation will take into account any corporate actions/events that take effect after close on the second Friday of the review month up to and including the review effective date if they have been announced and confirmed by the second Friday of the review month.

7.6.4 Corporate actions/events announced after the second Friday of the review month that become effective up and including the review effective date will not result in any further adjustment.

Section 8

Additions outside of a review

8. Additions outside of a review

8.1 Definition of fast entry thresholds

- Large Cap Inclusion Level - Full market capitalisation of the smallest company that falls wholly within the top 68% of the index universe by full market capitalisation when ranked according to Rule 7.4.

8.1.1 A security must meet both a full market capitalisation threshold at company level and an investable market capitalisation threshold at security level in order to be eligible for fast entry.

- The full market capitalisation threshold is defined as the Large Cap inclusion level (see rule 8.1)
- The investable market capitalisation threshold is defined as 15% of the Large Cap inclusion level.

For example, if the full market capitalisation fast entry threshold is 10bn USD, the investable market capitalisation fast entry threshold will be $15\% \times 10\text{bn USD} = 1.5\text{bn USD}$.

Where a security passes both the full market capitalisation and investable market capitalisation test, it will be assigned to the Large and Mid Cap index.

Notes:

A. Only shares offered at the time of the IPO will be included within the investable market capitalisation calculation for the purposes of evaluating fast entry eligibility, and if eligible, the offering shares only will be included within the index calculation.

For illustration purposes: Company A offers 18% of its shares for sale at the time of the IPO (of these 3% are taken up by cornerstone investors which are locked in for 180 days). Company A will be added with an initial investability weighting of 15%*.

Company B offers 20% of its shares for sale at the time of the IPO of which none are identified as being taken up by restricted holders. Company B will be added with an initial investability weighting of 20%*.

*subject to satisfying all eligibility criteria including minimum float requirement as detailed in Rule 5.

B. Shares being offered as greenshoe (over allotments option) and locked-up shares will be excluded from the investable market capitalisation calculation and excluded from index calculation at the time of fast entry.

8.1.2 The Fast Entry level will be set at the time of the semi-annual review in March and September and will be published by FTSE Russell. In June and December, the Fast Entry levels will be adjusted up to the respective review cut-off date, as appropriate, to reflect the performance of the FTSE ST All-Share Index, and will be published by FTSE Russell.

8.1.3 Where a company, whether it is already listed on another exchange or not, undertakes an Initial Public Offering of a new equity security on SGX, that security will be eligible for fast entry inclusion to the FTSE ST Index Series if it meets the following conditions:

A. A new equity security (IPO), which satisfies the eligibility criteria and the screens other than the liquidity screen, is eligible for fast entry when its full market capitalisation and its investable market capitalisation using the closing price on the first day of official trading is greater than the Fast Entry Thresholds (see Rule 8.1). The addition of a new security to the index will be implemented after the close of business on the fifth day of trading. 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).

B. A new equity security (IPO) that does not qualify as an immediate fast entrant to the index will be re-considered for inclusion into the FTSE ST Index Series at the next review. However, for inclusion at a quarterly review outside the March and September semi-annual reviews, its full market capitalisation at close on the respective review cut-off date, as appropriate, must be:

- equal to or greater than the entry levels under Rule 7.5.2 (index adjusted to reflect the change in performance of the FTSE ST All-Share Index since its previous semi-annual review);
- and it must qualify under Rules 5.1 and 6.1 (including the minimum requirement of a 20-day trading record under Rule 6.1 **Error! Reference source not found.**).

C. SPAC IPOs

If an unlisted special purpose acquisition company (“SPAC”) acquires a target company, becomes an eligible company structure, and files an IPO registration statement and lists, then the company will be considered an IPO for the purposes of index inclusion. In the case of a demutualisation where upon listing the entire free float of a new eligible security is immediately transferred to private shareholders the addition of the security will be deferred for one month after trading has commenced - provided that adequate liquidity over the intervening period is demonstrated.

D. Newly eligible securities, for example a non-constituent moving to an eligible market, will be reviewed for inclusion at the next semi-annual review.

8.1.4 New equity securities listed on the SGX Catalist and non-sponsored companies transitioning to sponsor status on the SGX Catalist will be eligible for inclusion into the FTSE ST Catalist Index at the next March or September review.

8.1.5 New issues entering the FTSE ST All-Share Index that also qualify as a constituent of the FTSE ST Consumer Goods & Services Index under Rule 4.6, will be eligible for inclusion in the index.

8.1.6 New equity securities entering the FTSE ST All-Share Index will be eligible for inclusion in the FTSE ST Consumer Goods & Services Liquid 20 Index under Rule 4.7 at the next periodic review.

8.1.7 For the purpose of this Rule 8.1, a company that is reorganised or renamed or which arises from a demerger or complex reorganisation of another company that is not an existing constituent, shall not be considered to be a new issue.

8.1.8 If a constituent is added to the FTSE ST All-Share Index it will be eligible for inclusion in the FTSE ST Singapore Shariah Index at the next periodic review, subject to the constituent passing Yasaar’s screening methodology as described in Rule 4.8.

8.1.9 Variable, best effort, and direct listing IPOs* will not be considered for fast entry inclusion since FTSE Russell is:

- 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.

- 8.1.10 Variable, best effort, and direct listing IPOs will be considered for index inclusion at the next semi-annual 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 semi-annual review.

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

Section 9

Corporate actions and events

9. Corporate actions and events

9.1 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](#)

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. 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 Russell will provide notice advising of the timing of the change.

9.2 Shares in issue

Changes to the number of shares in issue for constituent securities are covered in the corporate actions and events guide.

9.3 Investability weightings

Changes to free float for constituent securities are covered in the corporate actions and events guide.

9.4 Takeovers and mergers

9.4.1 The treatment of takeovers and mergers can be found within the corporate actions and events guide.

9.4.2 If a constituent company in the FTSE ST Large & Mid Cap Index, the FTSE ST Mid Cap Index or the FTSE ST Small Cap Index is taken over by a non-constituent company, then the resulting company, subject to Section 4, will be eligible to become the replacement company if it falls within the top 101% of the index universe, based on full market capitalisation. If below 101% it will be added to the FTSE ST Fledgling Index. The 101% level will be set at the time of each quarterly review and published by FTSE Russell.

9.4.3 An acquired company from the FTSE ST China Index, FTSE ST Industry Indices, the FTSE ST Consumer Goods & Services Index or the FTSE ST Consumer Goods & Services Liquid 20 Index will be removed and not replaced.

9.4.4 If a constituent company in the FTSE ST Catalist Index is acquired by a non-constituent company, the original constituent will be removed. Any eligible company resulting from the takeover, subject to Rule 4.4, will be eligible to become the replacement company.

- 9.4.5 If the effect of a merger or takeover is that one constituent in the FTSE ST Consumer Goods & Services Liquid 20 Index is absorbed by another constituent, the resulting company will remain a constituent of the index, and a vacancy will be created. This vacancy will not be filled until the next semi-annual review.
- 9.4.6 If a constituent of the FTSE ST Singapore Shariah Index is acquired by a non-Shariah compliant company, the original constituent will be removed. The resulting company will not be eligible for the FTSE ST Singapore Shariah Index.
- 9.4.7 If a constituent of the FTSE ST Singapore Shariah Index merges with or acquires a non-Shariah compliant company resulting in the original constituent remaining as the surviving entity, then the enlarged company will remain a constituent of the FTSE ST Singapore Shariah Index.

9.5 Spin-offs

- 9.5.1 If a constituent company in the FTSE ST Large & Mid Cap Index, the FTSE ST Mid Cap Index or the FTSE ST Small Cap Index is split and forms two or more companies by issuing new equity to existing shareholders, then the resulting companies will be eligible to continue as constituents in the same index as their predecessor company if they fall within the top 101% of the index universe, based on full market capitalisation, at close on the first day of trading. If below 101% they will be added to the FTSE ST Fledgling Index. The 101% level will be set at the time of each quarterly review and published by FTSE Russell.
- 9.5.2 If a constituent company in the FTSE ST China Index, the FTSE ST Industry indices, the FTSE ST Consumer Goods & Services Index or the FTSE ST Consumer Goods & Services Liquid 20 Index split and forms two or more companies by issuing new equity to existing shareholders, both split companies will remain in the same index if they remain a constituent of the FTSE ST All-Share Index and pass the criteria required to be in the index.
- 9.5.3 If a constituent company in the FTSE ST Catalyst Index is split to form two or more companies, then the resulting companies will be eligible for inclusion subject to Rule 4.4.

9.6 Deletions and replacements

- 9.6.1 Rules for deletions can be found within the Corporate actions and events Guide.
- 9.6.2 Changes to the FTSE ST Large & Mid Cap Index, the FTSE ST Mid Cap Index and the FTSE ST Small Cap Index will be made automatically to the FTSE ST All-Share Index.
- 9.6.3 If the company removed is a constituent of the FTSE ST All-Share Index or is no longer classified in the eligible ICB Industries shown in Rule 4.5.1, it will be also removed from the FTSE ST Consumer Goods & Services Index. Please refer to Section 10 on ICB classification changes.
- 9.6.4 If the company removed is a constituent of the FTSE ST All-Share Index or is no longer classified in the eligible ICB Industries shown in Rule 4.6.1, it will be also removed from the FTSE ST Consumer Goods & Services Liquid 20 Index. Please refer to Section 10 on ICB classification changes.

9.7 Suspension of dealing

- 9.7.1 Suspension of dealing rules can be found within the Corporate actions and events Guide.

Section 10

Industry classification benchmark(ICB)

10. Industry classification benchmark(ICB)

10.1 Industry classification structure⁶

10.1.1 The FTSE ST Index Series constituents are classified into industries, supersectors, sectors and subsectors, as defined by the industry classification benchmark (ICB).

10.1.2 Details of the industry classification benchmark are available from FTSE and published on the FTSE Russell website (www.lseg.com/en/ftse-russell/) and can be accessed using the following link:

[Industry Classification Benchmark](#)

⁶ FTSE indices migrated to the new ICB classification system in March 2021.

Section 11

Announcing changes

11. Announcing changes

11.1 Index methodology changes

Users of the FTSE ST Index Series are notified of such policy changes through appropriate media before implementation.

Section 12

Indices algorithm and calculation method

12. Indices algorithm and calculation method

12.1 Prices

12.1.1 The FTSE ST Index Series will use actual last trade prices, where available, for securities in the real-time calculation.

12.1.2 Prices used in the official closing index value can be accessed using the following link:

[Closing Prices Used For Index Calculation.pdf](#)

12.1.3 Refinitiv real-time exchange rates are used in the real-time index calculations.

12.2 Calculation frequency

12.2.1 The indices will be calculated and published in real-time every 60 seconds.

12.3 Index calculation

12.3.1 The FTSE ST Index Series is calculated using the following formula:

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

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;
- c_i is the capping factor to be applied to a security to correctly weight that security in the index. This factor maps the investable market capitalisation of each stock to a notional market capitalisation for inclusion in the index;
- 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

Index	Open	Close
FTSE ST Index Series	09:00 (01:00)	17:10 (09:10)

Notes:

1. The indices will not be calculated on public holidays.
2. Timings are local hours (GMT hours in brackets).

Foreign exchange rates

The foreign exchange rates used in the calculation of the FTSE ST Index Series are Refinitiv real time spot rates.

The Singapore dollar is the base currency for all index calculations. Non-Singapore dollar-denominated constituents prices are converted into Singapore Dollars in order to calculate the indices.

The foreign exchange rates received from Refinitiv at 17:00 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 indices

The FTSE ST Index Series is calculated in Singapore 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 ST Index Series are set out in Appendix A. Variations to the official hours of the indices will be published by FTSE Russell.

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

Appendix C

Further information

A glossary of terms used in FTSE Russell's Ground Rules documents can be found using the following link:

[Glossary.pdf](#)

Further information on the FTSE ST Index Series is available from FTSE Russell.

For FTSE Russell contact details please visit www.lseg.com/en/ftse-russell/.

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