

---

## **FTSE Bursa Malaysia Index Series – Frequently Asked Questions**

---

- 1. Background**
  - 2. Who is Bursa Malaysia?**
  - 3. Who is FTSE Group?**
  - 4. What indices are calculated?**
  - 5. When did the index series launch, what is the base date and currency?**
  - 6. Which indices are calculated in real-time?**
  - 7. Which are tradable indices?**
  - 8. Which are benchmark indices?**
  - 9. Which stocks are eligible?**
  - 10. How are companies in the index classified?**
  - 11. How is the underlying constituent data obtained?**
  - 12. How are corporate actions/operational adjustments managed?**
  - 13. When are the indices reviewed?**
  - 14. What data is disseminated, and where can this data be found?**
  - 15. Does the FTSE Bursa Malaysia Index Series have an advisory committee?**
  - 16. What are the responsibilities of SAC and Yasaar Ltd for shariah screening?**
  - 17. Does FTSE supply a back history for the index series?**
  - 18. What are Second Board and MESDAQ listings?**
- 

### **1. Background**

On 12<sup>th</sup> January 2006, FTSE Group and Bursa Malaysia announced that they had signed a co-operation agreement to create a new series of equity indices for Malaysia.

Market research has identified both international and domestic investor appetite for new indices in Malaysia, which incorporate international standard design features. FTSE Group was selected by Bursa Malaysia as its preferred index partner to create a new series.

The new FTSE Bursa Malaysia Index Series was officially launched on the 26<sup>th</sup> of June 2006. To date it consists of four tradable indices and six benchmark indices, all of which are offered in real time.

The indices will be suitable for a range of index-linked investment vehicles, including Exchange Traded Funds (ETFs), derivatives and OTC products.

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

## 2. Who is Bursa Malaysia?

Bursa Malaysia Berhad, formerly known as the Kuala Lumpur Stock Exchange, is a public company limited by shares under the Companies Act 1965. Bursa Malaysia is an approved exchange holding company under Section 11D of the Securities Industry Act 1983. Other companies in the Bursa Malaysia Bhd Group of companies include a stock exchange, a derivatives exchange, an off-shore international financial exchange, equity and derivatives clearing houses, a central depository, an information services provider and an information technology services provider. Bursa Malaysia Securities Berhad, a wholly-owned subsidiary of Bursa Malaysia Berhad, is an approved stock exchange under Section 8 of the Securities Industry Act 1983. For more information see <http://www.bursamalaysia.com>

## 3. Who is FTSE Group?

FTSE Group is an independent company whose sole business is the creation and management of indices and associated data services. FTSE has no capital markets involvement. The company originated as a joint venture between the Financial Times and the London Stock Exchange. FTSE serves thousands of clients in 77 countries worldwide, working directly with pension plan sponsors, investment banks, brokers, consultants, fund managers, stock exchanges and data providers. It is estimated that two and a half trillion USD of assets are under management using FTSE indices. For more information see [www.ftse.com](http://www.ftse.com)

## 4. What indices are calculated?

The index series comprises four tradable indices, (the FTSE Bursa Malaysia Large 30 Index, The FTSE Bursa Malaysia Mid 70 Index, the FTSE Bursa Malaysia 100 Index and the FTSE Bursa Malaysia Hijrah Shariah Index), four benchmark indices (FTSE Bursa Malaysia Small Cap Index, the FTSE Bursa Malaysia EMAS Index, the FTSE Bursa Malaysia Fledgling Index and FTSE Bursa Malaysia EMAS Shariah Index) and two extended market indices (FTSE Bursa Malaysia MESDAQ Index and FTSE Bursa Malaysia Second Board Index).

The indices are subjected to FTSE's minimum size rules, liquidity criteria & free float rules.

All the indices have a price & total return end of day index calculation. The total return methodology is based on FTSE's existing methodology.

Index Name	Index Code
FTSE Bursa Malaysia Large 30 Index	FBM30
FTSE Bursa Malaysia Mid 70 Index	FBM70
FTSE Bursa Malaysia 100 Index	FBM100

FTSE Bursa Malaysia Small Cap Index	FBMSCAP
FTSE Bursa Malaysia EMAS Index	FBMEMAS
FTSE Bursa Malaysia Fledgling Index	FBMFLG
FTSE Bursa Malaysia EMAS Shariah Index	FBMS
FTSE Bursa Malaysia Hijrah Shariah Index	FBMHS
FTSE Bursa Malaysia MESDAQ Index	FBMMES
FTSE Bursa Malaysia Second Board Index	FBM2B

### 5. When did the index series launch, what is the base date and currency?

The series was launched on 26<sup>th</sup> June 2006, and the FTSE Bursa Malaysia EMAS Shariah index was added to the series on 22<sup>nd</sup> January 2007, and the tradable FTSE Bursa Malaysia Hijrah Shariah Index was added on 21<sup>st</sup> May 2007. The FTSE Bursa Malaysia MESDAQ Index and FTSE Bursa Malaysia Second Board Index were both added to the series on 10<sup>th</sup> September 2007. The base date is 31<sup>st</sup> March 2006 for all indices and the base value is 6000. In real-time the indices are calculated in Ringgit Malaysia.

### 6. Which indices are calculated in real-time?

All the indices in the FTSE Bursa Malaysia Index Series are calculated in real time. The tradable indices will be calculated and disseminated on a real time basis every 15 seconds, whilst the benchmarks will be disseminated every 60 seconds. The table below highlights that all indices in the series will also be disseminated real time.

Index Identifier	Index Description	Index Base Currency	Frequency of Dissemination
FBM30	FTSE Bursa Malaysia Large 30 Index	MYR	Every 15 Seconds
FBM70	FTSE Bursa Malaysia Mid 70 Index	MYR	Every 15 Seconds
FBM100	FTSE Bursa Malaysia 100 Index	MYR	Every 15 Seconds
FBMSCAP	FTSE Bursa Malaysia Small Cap Index	MYR	Every 60 Seconds
FBMEMAS	FTSE Bursa Malaysia EMAS Index	MYR	Every 60 Seconds
FBMFLG	FTSE Bursa Malaysia Fledgling Index	MYR	Every 60 Seconds
FBMS	FTSE Bursa Malaysia EMAS Shariah Index	MYR	Every 60 Seconds
FBMHS	FTSE Bursa Malaysia Hijrah Shariah Index	MYR	Every 15 Seconds
FBMMES	FTSE Bursa Malaysia MESDAQ Index	MYR	Every 60 Seconds
FBM2B	FTSE Bursa Malaysia Second Board Index	MYR	Every 60 Seconds

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

## **7. Which are tradable indices?**

FTSE Bursa Malaysia Large 30 Index  
FTSE Bursa Malaysia Mid 70 Index  
FTSE Bursa Malaysia 100 Index  
FTSE Bursa Malaysia Hijrah Shariah Index

## **8. Which are benchmark indices?**

FTSE Bursa Malaysia Small Cap Index  
FTSE Bursa Malaysia EMAS Index  
FTSE Bursa Malaysia Fledgling Index  
FTSE Bursa Malaysia EMAS Shariah Index  
FTSE Bursa Malaysia MESDAQ Index  
FTSE Bursa Malaysia Second Board Index

## **9. Which stocks are eligible?**

All classes of ordinary shares in issue are eligible for inclusion in the FTSE Bursa Malaysia Index Series, subject to conforming to all other rules of eligibility, free float and liquidity.

Companies that have a full listing on the Main Board, Second Board and MESDAQ Market of Bursa Malaysia are eligible for inclusion in the FTSE Bursa Malaysia Index Series. Companies listed on the Second Board and MESDAQ Markets are included in the index specific to that Bursa Malaysia board or market.

For the purposes of the FTSE Bursa Malaysia Index Series, where a security is listed on Bursa Malaysia and is traded on the Bursa Malaysia trading system, that security is considered as Malaysian for the purposes of nationality and therefore eligible for the FTSE Bursa Malaysia Index Series, subject to conforming to all other eligibility criteria.

## **10. How are the companies in the index series classified?**

The constituent members of the FTSE Bursa Malaysia Index Series are classified according to the Industry Classification Benchmark. For further information regarding the rules for the management of the Industry Classification Benchmark, go to [www.icbenchmark.com](http://www.icbenchmark.com)

## **11. How is the underlying constituent data obtained?**

### **a. Outstanding Shares**

- The outstanding shares figure is consistent with the figures used by FTSE in all its other index calculations, and is sourced by FTSE from its existing data sources, and existing FTSE rules in relation to rounding will be adopted.
- Companies are adjusted for any free float restrictions in accordance with FTSE's standard free float methodology, to be documented in the Ground Rules.
- Changes to outstanding shares & free float are applied in accordance with FTSE standard practice, documented in the Ground Rules.

### **b. Prices**

- Real time and closing prices will be sourced by FTSE from the local stock markets via Reuters.

## **12. How are corporate actions/operational adjustments managed?**

All corporate actions will be applied in accordance with FTSE's standard practice on the day that the action is effective.

## **13. When are the indices reviewed?**

The FTSE Bursa Malaysia Index series constituents are reviewed semi-annually in June and December. Full market capitalisation data as at the last trading day of May and November is used to review the constituents. Any constituent changes will be implemented after close of business on the 3<sup>rd</sup> Friday in June and December. See the FTSE Bursa Malaysia Ground Rules for more details.

Details of the outcome of the review and the dates, on which any changes are to be implemented, will be published as soon as possible after the FTSE Bursa Malaysia Advisory Committee meeting has concluded.

## **14. What data is disseminated, and where can this data be found?**

Real time price index values are distributed by FTSE through its Global Distribution System to all key vendors. Bursa Malaysia disseminate the indices to their local market participants.

End of day index values, constituent data & changes data are available within FTSE's end of day product suite, and available to clients directly from FTSE Group.

**15. Does the FTSE Bursa Malaysia Index Series have an advisory committee?**

Yes, a FTSE Bursa Malaysia Index Advisory Committee has been established to provide expertise in the management & development of the Index Series ground rules. Shariah screening is provided by Yasaar Ltd and the Malaysian Securities Commission's Shariah Advisory Council (SAC).

**16. What are the responsibilities of SAC and Yasaar Ltd for shariah screening?**

The Malaysian Securities Commission's Shariah Advisory Council (SAC) provides Shariah screening on the full FTSE Bursa Malaysia EMAS Index to establish eligible stocks for membership within the FTSE Bursa Malaysia EMAS Shariah Index. Yasaar Ltd provides international Shariah screening while the SAC provides their Shariah screening on the full FTSE Bursa Malaysia EMAS Index in the creation of the FTSE Bursa Malaysia Hijrah Shariah Index. The FTSE Bursa Malaysia Hijrah Shariah Index is designed, to meet additional international Shariah requirements.

**17. Does FTSE supply a backhistory for the index series?**

Yes, a 10 year back history has been calculated for all indices in the series.

**18. What are Second Board and MESDAQ listings?**

The Second Board was established in 1988 to enable small to medium sized companies with growth potential, but which are unable to qualify for listing on the Main Board, to seek a listing on Bursa Malaysia's Securities Exchange, based on lower quantitative requirements. A company listed on the Second Board may eventually seek to transfer its listing to the Main Board when it meets the requirements for listing on the Main Board.

The predecessor of the MESDAQ Market, Malaysian Exchange of Securities Dealing and Automated Quotation Bhd was established in 1997 to provide an avenue for technology and high growth companies to raise capital from the capital markets. Bursa Malaysia acquired the operations of this exchange on 18 March 2002 and rebranded it as the MESDAQ Market of the Securities Exchange. A separate set of listing requirements apply to companies seeking to list or which are listed on the MESDAQ Market.