

Main Characteristics of Nikkei Asia300 Investable Index

From December 2017, Nikkei Inc. will start the calculation and provision of the “Nikkei Asia300 Investable Index”. The concept and the outline of the index are shown below.

Basic Concept	The Nikkei Asia300 Investable Index is composed of 300 Asian listed companies and is designed to be used as the underlying index for the financial products such as investment funds. The constituents are chosen using the quantitative data which are selected to reflect the concept of the Nikkei Asia300 companies picked by Nikkei as companies to watch in Asia. This new index is aimed at meeting the needs to invest in the growing major Asian companies as a basket.
Index Name	Nikkei Asia300 Investable Index
Number of Constituents	The number of constituents is 300 in principle. No constituent will be added to cover extraordinary removal and the number will be back to 300 at the periodic review.
Constituent Management	<p>< Universe ></p> <ul style="list-style-type: none"> ● Country/Region : China (except A-share), Hong Kong, South Korea, Taiwan, Indonesia, Malaysia, Philippines, Singapore, Thailand and India (10 countries and regions) ● Selection pool : Top 150 stocks on market-cap of each country/region in 3 consecutive years ● Following stocks shall be removed from the selection pool. <ul style="list-style-type: none"> - Annual average trading values are very low - Free-float ratios are very low - Liabilities in excess of assets in previous fiscal period - Non-common stocks, e.g. REIT, Investment Fund <p>< Selection Process ></p> <p>(1) Rank the stocks in selection pool above by 3-year average market cap. Rank orders of stocks whose 5-year average sales growth rate are significantly high will be moved up to some extent (Additional point for the growth rates).</p> <p>(2) Select top 20 stocks in the rank for each country/region (resulting in selecting 200 stocks in total for 10 countries/regions).</p>

	<p>(3) From the remaining stocks, selects top 100 stocks regardless of countries and regions (resulting in 300 stocks in total, together with (2) above). For regional diversification, set an upper or a lower limit for the number of stocks for each country/region.</p> <ul style="list-style-type: none"> ● Exceptional treatment as follows <ul style="list-style-type: none"> - To avoid concentration to the financial sector, set an upper limit to the number of financial stocks for each country/region. - Parent company will be selected when both parent and subsidiary companies are in the selection pool. - Stocks which have some difficulties of trading shall not be added, e.g. stocks under foreign trading regulation.
Periodic Review	Periodic review is conducted once a year at the beginning of June. To curb turnovers, set a buffer rule in the review process.
Calculation Method	Calculated on Free-float adjusted market value
Constituent List and Methodology	Constituent list and index methodology will be disclosed until start of the index publication.
Base Date	December 1, 2015 (=1,000)
Calculation and Publication	<ul style="list-style-type: none"> - The index is denominated in both US dollar and Japanese yen. Total Return and Net Total Return indexes are also calculated. - The index is calculated every 15 seconds from 9:00am to 7:30pm (JST) on Monday to Friday except on January 1 in principle. The index is not calculated on the day when all of the relevant exchanges are closed. - The daily closing value will be published via The Nikkei, Nikkei's flagship Japanese newspaper and real-time quote will be provided by Nikkei's digital media services e.g. Nikkei online edition (Japanese), Nikkei Asian Review (English) and QUICK, a Nikkei Group financial information service. - The index is calculated by S&P Dow Jones Indices under the commission by Nikkei.

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