

# Consultation Conclusion

## Proposal to amend Index Methodology for Capital Repayment



The Stock Exchange of Thailand (SET) would like to thank those who shared your thoughts and views regarding the proposal to adjust of the Index methodology for capital repayment.

This document contains the summary of responses to the consultation recently received from 10 respondents, consisting of 5 asset management companies, and 5 securities companies with details of valuable opinions and recommendations.

## Consultation issues

SET, has studied corporate actions which affects index calculation. Specifically, when listed securities declare capital return to shareholders through capital repayment, index base could be adjusted to properly reflect the price movements and investment returns of the Index constituents, and in accordance with international standards. Therefore, SET proposed to revise the calculation guidelines of the Index base as follow:

- Price Index: To adjust the price index base, for the event of Capital return (XN).
- Total Return Index: Excludes capital repayment from the dividend to be reinvested in the constituents of the Total Return Index since such capital return is not a return on investment plus the Price index base has already adjusted; thus reflected in the Total Return Index.

## Feedback summary

All the respondents agreed with the principles proposed by SET. The respondents provided additional suggestions, as follows:

- Increase the dissemination of the capital repayment's information for easy and convenient access for investors, for example on the website set.or.th.
- Clear communication should be provided before implementing new criteria to ensure effectiveness.

## Summary of the consultation and SET's implementation

### Consultation conclusion

Based on the result of the consultation, it is concluded that the majority agreed with SET's proposal to adjust the price index base, for the event of Capital return (XN).

### SET's implementation

SET will revise the Index's methodology by adjusting the price index base and the total return index for the event of Capital return (XN). The proposed improvements will be implemented in conjunction with the launch of a new trading system, which is expected to begin in the second quarter of 2023 onwards.

For valuable additional suggestions, SET will study and assess the suitability for index selection criteria improvement. SET will then also consult with relevant parties before any further adjustments.