

S&P/OIC COMCEC 50 Shariah Overview

Equity Indices
Product Management

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S&P Dow Jones
Indices

A Division of **S&P Global**

An Overview – The S&P/OIC COMCEC 50 Shariah

- Shariah-compliant benchmark measuring the performance of 50 leading companies from OIC-member states
- Designed to be representative of the market yet efficient to replicate
- Encapsulates in one index the performance of Shariah compliant stocks from Islamic countries
- Useful as a benchmark for market performance and for serving as the basis for index-linked investment products
- Created jointly by S&P Indices and the OIC

Source: S&P Dow Jones Indices. For more information, please see the methodology document available at www.spdji.com

Methodology Overview

Criteria	Requirement Description
Eligible Universe	<ul style="list-style-type: none">- Domiciled in OIC-member state and covered by S&P Indices- Must be Shariah-compliant
Liquidity	<ul style="list-style-type: none">- Minimum US\$ 1 million 3-month average daily value traded
Constituent Selection	The largest 50 stocks by float-adjusted market cap subject to: <ul style="list-style-type: none">- 1 stock from each country must be included- Maximum of 8 stocks from each country
Weighting	Capped market capitalization weighting scheme applies <ul style="list-style-type: none">- Single stock cap: 5%- Country cap: 20%
Index Maintenance	<ul style="list-style-type: none">- Quarterly rebalancing for adds/drops, share changes and capping- Shariah-compliance changes are implemented monthly

Source: S&P Dow Jones Indices. For more information, please see the methodology document available at www.spdji.com

S&P Shariah Screening – Methodology Overview

Common Sector Exclusions	
Alcohol Gambling Movies Music Non-Islamic Finance (Banking, Insurance, Real Estate) Pork related products Pornography Television Tobacco	X
Various Additional Sector Exclusions	
Cloning	X
Hedging of Gold and Silver	X
Non-permissible Income Threshold	
Total income from non-permissible sources not to exceed	5%
Accounting Ratio Inclusion Threshold ²	
Total Debt	33%
Total Cash + Investments	33%
Total Receivables ³	49%
Denominator	3 yr Avg Mcap
Dividend Purification	
Formula used for constituent level purification purposes	$\frac{\text{(Non-permissible revenue including interest)}}{\text{Total Revenue}}$
Screening Basis	
Frequency Compliance Screening Applied	Monthly

Historical Performance Overview-S&P/OIC COMCEC 50 Shariah Total Return



Annualized Total Returns (%)	
YTD	11.22
1 y	17.82
3 y	5.54
5 y	6.81
10 y	4.92
Std. Deviation (%)	
3 y	8.0
5 y	11.3
10 y	12.1
Risk-adj. Return	
3 y	0.41
5 y	0.61
10 y	0.39

Source: S&P Dow Jones Indices. Total Return Data as of August 30, 2021. Charts are provided for illustrative purposes. Past performance is no guarantee of future results.

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Country Composition

Country	Weight
Saudi Arabia	20.467%
Malaysia	17.153%
Qatar	16.966%
United Arab Emirates	14.209%
Indonesia	11.960%
Kuwait	11.269%
Turkey	3.262%
Morocco	1.945%
Bangladesh	0.914%
Nigeria	0.518%
Bahrain	0.326%
Cote de Ivoire	0.274%
Oman	0.224%
Egypt	0.157%
Jordan	0.148%
Kazakhstan	0.089%
Pakistan	0.070%
Tunisia	0.049%

Source: S&P Dow Jones Indices. Data as of August 30, 2021. Charts are provided for illustrative purposes.

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Sector Weight

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Sector	Weight
Financials	22.806%
Communication Services	18.277%
Materials	16.929%
Industrials	8.752%
Health Care	8.363%
Energy	7.440%
Real Estate	6.197%
Consumer Staples	5.441%
Utilities	3.634%
Consumer Discretionary	2.160%
Total	100.0%

Source: S&P Dow Jones Indices. Data as of August 30, 2021. Charts are provided for illustrative purposes.

Top 10 Constituents

S&P/OIC COMCEC 50 Shariah

Company	Country	Sector	Weight
PT Telkom Indonesia Tbk	Indonesia	Communication Services (50)	5.774%
Al Rajhi Banking & Investment Corp.	Saudi Arabia	Financials (40)	5.260%
Emirates Telecommunications Group	United Arab Emirates	Communication Services (50)	5.185%
Kuwait Finance House	Kuwait	Financials (40)	5.138%
Industries Qatar	Qatar	Industrials (20)	4.793%
SAUDI BASIC INDUSTRIES CORP	Saudi Arabia	Materials (15)	4.640%
Agility	Kuwait	Industrials (20)	3.909%
Qatar Islamic Bank	Qatar	Financials (40)	3.258%
Saudi Telecom	Saudi Arabia	Communication Services (50)	3.020%
Saudi Arabian Oil Company (Saudi Aramco)	Saudi Arabia	Energy (10)	2.955%
Total			43.93%

Source: S&P Dow Jones Indices. Data as of August 30, 2021. Charts are provided for illustrative purposes.

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How are indices used?

- How are indices used in the marketplace, who uses them and for what purposes?
 - **Benchmark:**
 - **Active Management:** The use of human judgment to manage a portfolio relying on analytical research, forecasts, personal judgment and experience in making investment decisions, aiming to outperform an index.
 - **Constituents of Portfolio:**
 - **Passive Management:** Using the constituents & weights of an index to replicate its returns either through full replication or sampling, optimization



Performance Disclosure

The S&P/OIC COMCEC 50 Shariah was launched June 15, 2012. All information presented prior to an index's Launch Date is hypothetical (back-tested), not actual performance. The back-test calculations are based on the same methodology that was in effect on the index Launch Date. However, when creating back-tested history for periods of market anomalies or other periods that do not reflect the general current market environment, index methodology rules may be relaxed to capture a large enough universe of securities to simulate the target market the index is designed to measure or strategy the index is designed to capture. For example, market capitalization and liquidity thresholds may be reduced. Complete index methodology details are available at www.spdji.com. Past performance of the Index is not an indication of future results. Prospective application of the methodology used to construct the Index may not result in performance commensurate with the back-test returns shown.

S&P Dow Jones Indices defines various dates to assist our clients in providing transparency. The First Value Date is the first day for which there is a calculated value (either live or back-tested) for a given index. The Base Date is the date at which the Index is set at a fixed value for calculation purposes. The Launch Date designates the date upon which the values of an index are first considered live: index values provided for any date or time period prior to the index's Launch Date are considered back-tested. S&P Dow Jones Indices defines the Launch Date as the date by which the values of an index are known to have been released to the public, for example via the company's public website or its datafeed to external parties. For Dow Jones-branded indices introduced prior to May 31, 2013, the Launch Date (which prior to May 31, 2013, was termed "Date of introduction") is set at a date upon which no further changes were permitted to be made to the index methodology, but that may have been prior to the Index's public release date.

The back-test period does not necessarily correspond to the entire available history of the Index. Please refer to the methodology paper for the Index, available at www.spdji.com for more details about the index, including the manner in which it is rebalanced, the timing of such rebalancing, criteria for additions and deletions, as well as all index calculations.

Another limitation of using back-tested information is that the back-tested calculation is generally prepared with the benefit of hindsight. Back-tested information reflects the application of the index methodology and selection of index constituents in hindsight. No hypothetical record can completely account for the impact of financial risk in actual trading. For example, there are numerous factors related to the equities, fixed income, or commodities markets in general which cannot be, and have not been accounted for in the preparation of the index information set forth, all of which can affect actual performance.

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