

# FTSE Developed Minimum Variance Shariah Index

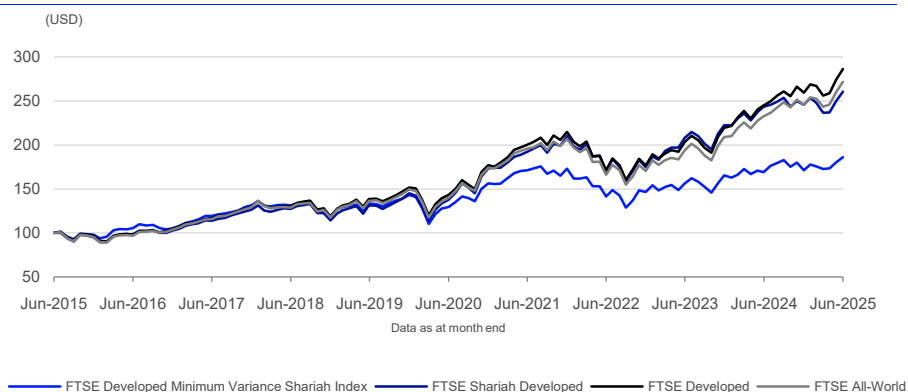
Data as at: 30 June 2025

The FTSE Global Minimum Variance Index Series aims to deliver reduced index volatility based on historical return information, thereby offering potential improvements to the risk reward trade-off, whilst maintaining full allocation to the relevant equity market.

Reduced volatility is achieved by applying a transparent rules-based approach which minimizes historical variance subject to additional constraints on the weight of individual stocks within an index, and, at aggregate level on the weight of countries and industries represented in the index.

Constituents of the FTSE Developed Minimum Variance Shariah Index are selected from the corresponding underlying universe of the FTSE Global Equity Shariah Index Series at the time of the bi-annual review and aspects such as index reviews and company classification are governed by the FTSE Global Equity Shariah Index Series Ground Rules. Please see below for details of the screening of the underlying universe by Shariah consultants, Yasaar Limited.

## 10-Year Performance - Total Return



## Performance and Volatility - Total Return

Index (USD)	Return %						Return pa %*		Volatility %**		
	3M	6M	YTD	12M	3YR	5YR	3YR	5YR	1YR	3YR	5YR
FTSE Developed Minimum Variance Shariah Index	7.8	8.7	8.7	10.0	31.7	43.8	9.6	7.5	12.1	12.8	14.4
FTSE Shariah Developed	10.2	6.1	6.1	7.1	53.5	89.0	15.4	13.6	15.8	14.4	16.0
FTSE Developed	11.9	10.4	10.4	16.9	67.3	100.1	18.7	14.9	15.4	14.1	15.7
FTSE All-World	11.7	10.5	10.5	16.9	63.7	93.9	17.8	14.2	14.5	13.8	15.2

\* Compound annual returns measured over 3 and 5 years respectively

\*\* Volatility – 1YR based on 12 months daily data, 3YR based on weekly data (Wednesday to Wednesday), 5YR based on monthly data

## Year-on-Year Performance - Total Return

Index % (USD)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
FTSE Developed Minimum Variance Shariah Index	1.9	7.3	25.1	-9.5	20.3	9.3	10.5	-15.1	12.9	3.4
FTSE Shariah Developed	-3.2	8.1	23.1	-9.7	27.0	19.8	21.0	-16.7	27.2	10.4
FTSE Developed	-0.3	8.2	23.9	-8.6	28.0	16.7	21.4	-17.8	24.2	18.2
FTSE All-World	-1.7	8.6	24.6	-9.1	27.2	16.6	18.9	-17.7	22.6	17.7

## FEATURES

### Methodology

The approach applies a rules-based strategy to minimise volatility. Some constraints are applied, for example, to avoid over concentration in any particular stock, sector or country.

### Objective

The indexes are designed for the creation of index tracking funds, derivatives and as a performance benchmark.

### Investability

Stocks in the underlying universe are free-float weighted to ensure that only the investable opportunity set is included.

### Liquidity

Stocks in the underlying universe are screened to ensure that the indexes are tradable.

### Transparency

The index uses a transparent, rules-based construction process. Index methodologies are freely available on the FTSE Russell website.

### Availability

The indexes are calculated based on price and total return methodologies.

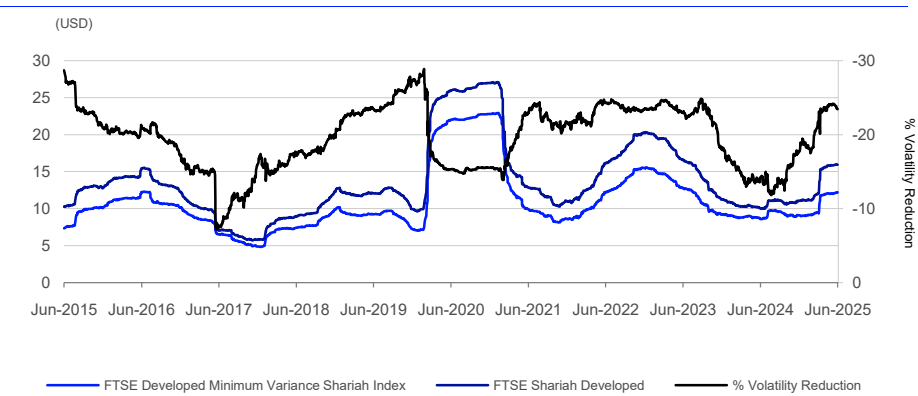
### Industry Classification Benchmark (ICB)

Index constituents are categorized in accordance with the Industry Classification Benchmark (ICB), the global standard for industry sector analysis.

### About Yasaar Ltd

Yasaar Ltd is an impartial consultancy and leading authority on Shariah. It represents all of the major Shariah schools of thought, creating a best-practices approach that has credibility across the Islamic world.

Annualised Rolling 252 Day Volatility - Total Return



Return/Risk Ratio and Drawdown - Total Return

Index (USD)	Return/Risk Ratio				Drawdown (%)			
	1YR	3YR	5YR	10YR	1YR	3YR	5YR	10YR
FTSE Developed Minimum Variance Shariah Index	0.8	0.7	0.5	0.5	-15.1	-15.7	-27.6	-34.1
FTSE Shariah Developed	0.4	1.0	0.8	0.7	-17.9	-17.9	-24.9	-33.8
FTSE Developed	1.1	1.3	0.9	0.7	-16.1	-16.5	-26.1	-34.0
FTSE All-World	1.1	1.2	0.9	0.7	-15.6	-16.2	-26.0	-33.7

Return/Risk Ratio – based on compound annual returns and volatility in Performance and Volatility table  
Drawdown - based on daily data

Top 10 Constituents - FTSE Developed Minimum Variance Shariah Index

Constituent	Country/Market	ICB Sector	FTSE Developed Minimum Variance Shariah Index (Wgt %)	FTSE Shariah Developed (Wgt %)	Diff %
McKesson	USA	Personal Care Drug and Grocery Stores	0.59	0.27	0.32
Cardinal Health	USA	Pharmaceuticals and Biotechnology	0.58	0.12	0.47
Cencora Inc	USA	Personal Care Drug and Grocery Stores	0.58	0.16	0.41
AT&T	USA	Telecommunications Service Providers	0.48	0.60	-0.12
Juniper Networks	USA	Telecommunications Equipment	0.47	0.04	0.43
Microsoft Corp	USA	Software and Computer Services	0.46	10.84	-10.38
Keurig Dr Pepper	USA	Beverages	0.46	0.13	0.33
Axon Enterprise	USA	Aerospace and Defense	0.44	0.18	0.26
Monster Beverage	USA	Beverages	0.44	0.13	0.31
Bunge Global SA	USA	Food Producers	0.44	0.03	0.41
Totals			4.94	12.50	

INFORMATION

Index Universe

FTSE Developed Shariah Index

Index Launch

May 2013

Base Date

15 June 2012

Base Value

100

Investability Screen

Actual free float applied and liquidity screened

Index Calculation

End of day

End-of-Day Distribution

Via FTP and email

Currency

USD

Review Dates

Semi-annually in March and September

History

Available from September 2003

## Country/Market Breakdown

	FTSE Developed Minimum Variance Shariah Index			FTSE Shariah Developed			FTSE Developed		
Country/Market	No. of Cons	Net MCap (USDm)	Wgt %	No. of Cons	Net MCap (USDm)	Wgt %	No. of Cons	Net MCap (USDm)	Wgt %
Australia	51	784,995	4.00	52	642,665	1.89	103	1,447,238	1.89
Austria	4	64,670	0.33	4	18,433	0.05	6	46,101	0.06
Belgium	3	58,030	0.30	4	37,051	0.11	13	198,230	0.26
Canada	11	175,232	0.89	14	551,077	1.62	47	2,105,455	2.74
Denmark	7	134,597	0.69	10	297,586	0.88	18	422,100	0.55
Finland	6	101,069	0.52	9	101,119	0.30	14	199,944	0.26
France	20	458,114	2.34	29	1,138,029	3.35	61	2,050,409	2.67
Germany	29	553,945	2.83	42	1,251,122	3.68	65	1,926,832	2.51
Hong Kong	26	576,234	2.94	27	100,504	0.30	67	426,557	0.56
Ireland	1	31,930	0.16	2	15,562	0.05	5	64,390	0.08
Israel	-	-	-	-	-	-	31	182,963	0.24
Italy	13	200,627	1.02	17	191,124	0.56	37	645,117	0.84
Japan	196	2,434,549	12.42	272	2,366,071	6.97	486	4,839,650	6.31
Korea	59	906,489	4.62	73	632,972	1.86	144	978,500	1.28
Netherlands	6	116,584	0.59	11	429,711	1.27	29	855,087	1.11
New Zealand	10	256,044	1.31	10	39,590	0.12	12	49,835	0.06
Norway	7	120,657	0.62	8	60,271	0.18	15	119,600	0.16
Poland	2	13,988	0.07	4	29,731	0.09	10	81,668	0.11
Portugal	1	22,619	0.12	2	10,904	0.03	5	37,805	0.05
Singapore	9	205,719	1.05	9	37,285	0.11	35	277,862	0.36
Spain	9	238,014	1.21	11	308,335	0.91	23	639,336	0.83
Sweden	9	106,242	0.54	33	375,766	1.11	53	607,287	0.79
Switzerland	24	559,674	2.85	33	1,016,215	2.99	53	1,802,789	2.35
UK	36	654,488	3.34	53	1,345,760	3.96	97	2,897,703	3.78
USA	198	10,833,338	55.25	212	22,957,350	67.61	539	53,826,072	70.15
<b>Totals</b>	<b>737</b>	<b>19,607,850</b>	<b>100.00</b>	<b>941</b>	<b>33,954,230</b>	<b>100.00</b>	<b>1968</b>	<b>76,728,529</b>	<b>100.00</b>

ICB Supersector Breakdown

		FTSE Developed Minimum Variance Shariah Index			FTSE Shariah Developed			FTSE Developed		
ICB Code	ICB Supersector	No. of Cons	Net MCap (USDm)	Wgt %	No. of Cons	Net MCap (USDm)	Wgt %	No. of Cons	Net MCap (USDm)	Wgt %
1010	Technology	87	2,700,018	13.77	117	14,893,724	43.86	192	22,791,183	29.70
1510	Telecommunications	25	834,843	4.26	27	1,287,295	3.79	48	1,991,579	2.60
2010	Health Care	98	3,211,025	16.38	114	4,501,447	13.26	158	6,969,519	9.08
3010	Banks	-	-	-	-	-	-	112	5,221,005	6.80
3020	Financial Services	-	-	-	1	3,557	0.01	96	3,901,278	5.08
3030	Insurance	-	-	-	-	-	-	83	2,477,934	3.23
3510	Real Estate	20	531,465	2.71	22	402,115	1.18	137	1,659,161	2.16
4010	Automobiles and Parts	27	414,431	2.11	39	1,235,526	3.64	57	1,711,532	2.23
4020	Consumer Products and Services	51	1,115,845	5.69	65	974,936	2.87	97	1,993,125	2.60
4030	Media	13	397,349	2.03	13	126,586	0.37	31	1,173,026	1.53
4040	Retailers	21	677,395	3.45	26	508,469	1.50	57	4,444,919	5.79
4050	Travel and Leisure	10	214,294	1.09	10	50,017	0.15	67	1,332,093	1.74
4510	Food Beverage and Tobacco	40	1,403,719	7.16	42	532,939	1.57	98	2,264,943	2.95
4520	Personal Care Drug and Grocery Stores	22	773,128	3.94	23	862,795	2.54	55	1,457,212	1.90
5010	Construction and Materials	39	783,305	3.99	52	899,039	2.65	61	945,093	1.23
5020	Industrial Goods and Services	137	2,976,837	15.18	204	3,397,050	10.00	339	9,600,238	12.51
5510	Basic Resources	30	566,515	2.89	51	862,278	2.54	60	981,839	1.28
5520	Chemicals	40	732,361	3.74	53	818,382	2.41	61	903,870	1.18
6010	Energy	47	1,446,833	7.38	51	2,159,844	6.36	69	2,744,233	3.58
6510	Utilities	30	828,487	4.23	31	438,231	1.29	90	2,164,746	2.82
Totals		737	19,607,850	100.00	941	33,954,230	100.00	1968	76,728,529	100.00

Index Characteristics

Attributes	FTSE Developed Minimum Variance Shariah Index	FTSE Shariah Developed	FTSE Developed	FTSE All-World
Number of constituents	737	941	1968	4227
Dividend Yield %	2.27	1.62	1.73	1.83
Constituent (Wgt %)				
Average	0.14	0.11	0.05	0.02
Largest	0.59	10.84	4.81	4.33
Median	0.10	0.02	0.01	0.00
Top 10 Holdings (Wgt %)	4.94	37.05	24.67	22.29

About the FTSE Global Equity Shariah Index Series

The FTSE Global Equity Shariah Index Series has been fully certified as Shariah compliant through the issue of a Fatwa (Islamic legal opinion) by Yasaar's principals. Unlike other competitor methodologies, a more conservative approach to Shariah compliance is ensured by rating debt ratio limits that are measured as a percentage of total assets, rather than more volatile measures that use 12 month trailing market capitalisation. This ensures companies do not pass the screening criteria due to market price fluctuation, allowing the methodology to be less speculative and more in keeping with Shariah principles. Yasaar's screening methodology is set out below:

## Business Activity Screening

Initially, companies involved in any of the following activities will be filtered out as non Shariah-compliant:

- Conventional finance (non-Islamic banking, finance and insurance, etc.);
- Alcohol;
- Pork related products and non-halal food production, packaging and processing or any other activity related to pork and non-halal food;
- Entertainment (casinos, gambling and pornography);
- Tobacco; weapons, arms and defence manufacturing.

## Financial Ratios Screening

The remaining companies are then further screened on a financial basis. The following financial ratios must be met for companies to be considered Shariah-compliant:

- Debt is less than 33.333% of total assets;
- Cash and interest bearing items are less than 33.333% of total assets;
- Accounts receivable and cash are less than 50% of total assets;
- Total interest and non compliant activities income should not exceed 5% of total revenue.



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