

FTSE Developed Minimum Variance Shariah Index

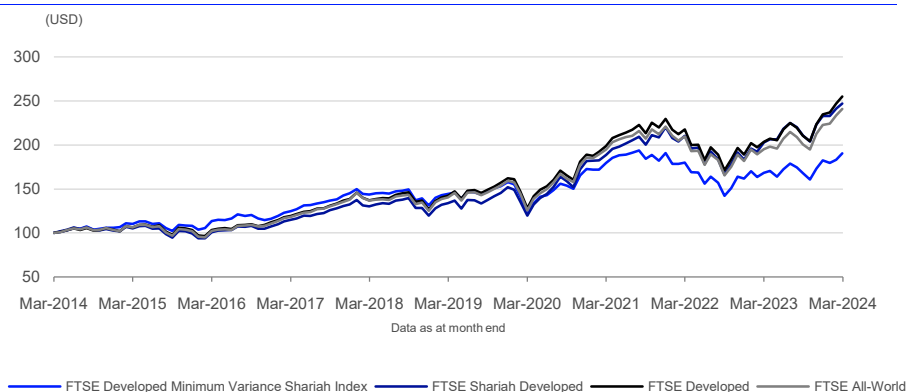
Data as at: 29 March 2024

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	4.3	13.4	4.3	13.3	6.2	32.0	2.0	5.7	8.7	13.3	17.0
FTSE Shariah Developed	6.0	17.1	6.0	21.9	30.8	84.3	9.4	13.0	10.3	15.7	18.4
FTSE Developed	8.8	21.3	8.8	25.4	28.4	79.3	8.7	12.4	9.9	15.7	18.1
FTSE All-World	8.1	20.1	8.1	23.6	23.8	71.6	7.4	11.4	9.6	15.2	17.7

* 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)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
FTSE Developed Minimum Variance Shariah Index	9.7	1.9	7.3	25.1	-9.5	20.3	9.3	10.5	-15.1	12.9
FTSE Shariah Developed	4.7	-3.2	8.1	23.1	-9.7	27.0	19.8	21.0	-16.7	27.2
FTSE Developed	5.1	-0.3	8.2	23.9	-8.6	28.0	16.7	21.4	-17.8	24.2
FTSE All-World	4.8	-1.7	8.6	24.6	-9.1	27.2	16.6	18.9	-17.7	22.6

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.

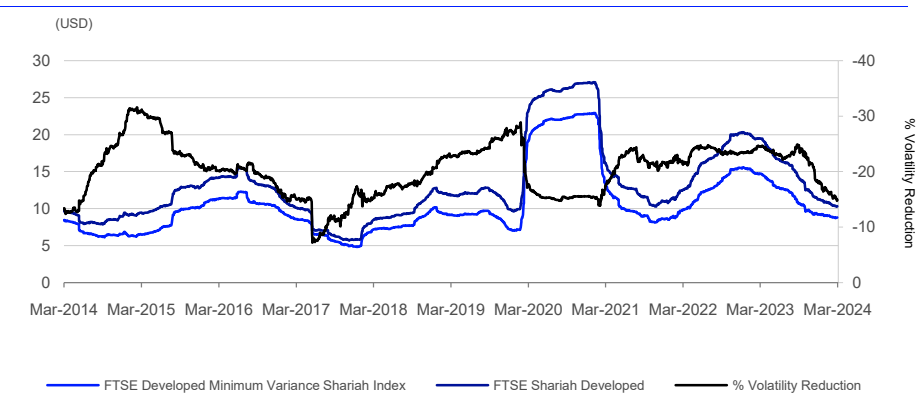
Industry Classification Benchmark (ICB)

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	1.7	0.1	0.3	0.5	-10.7	-27.6	-34.1	-34.1
FTSE Shariah Developed	2.3	0.6	0.7	0.6	-10.2	-24.9	-33.8	-33.8
FTSE Developed	2.7	0.6	0.7	0.7	-10.4	-26.1	-34.0	-34.0
FTSE All-World	2.6	0.5	0.6	0.6	-10.4	-26.0	-33.7	-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	ICB Sector	FTSE Developed Minimum Variance Shariah Index (Wgt %)	FTSE Shariah Developed (Wgt %)	Diff %
J M Smucker	USA	Food Producers	0.54	0.04	0.50
Merck & Co	USA	Pharmaceuticals and Biotechnology	0.53	1.06	-0.53
Church & Dwight	USA	Personal Care Drug and Grocery Stores	0.52	0.08	0.44
McKesson	USA	Personal Care Drug and Grocery Stores	0.52	0.23	0.30
Bristol Myers Squibb	USA	Pharmaceuticals and Biotechnology	0.52	0.35	0.17
Johnson & Johnson	USA	Pharmaceuticals and Biotechnology	0.50	1.20	-0.71
Lilly (Eli) & Co	USA	Pharmaceuticals and Biotechnology	0.49	2.08	-1.58
Cencora Inc	USA	Personal Care Drug and Grocery Stores	0.48	0.13	0.35
Keurig Dr Pepper	USA	Beverages	0.47	0.09	0.38
Quest Diagnostics	USA	Medical Equipment and Services	0.46	0.05	0.41
Totals			5.03	5.31	

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 Breakdown

	FTSE Developed Minimum Variance Shariah Index			FTSE Shariah Developed			FTSE Developed		
Country	No. of Cons	Net MCap (USDm)	Wgt %	No. of Cons	Net MCap (USDm)	Wgt %	No. of Cons	Net MCap (USDm)	Wgt %
Australia	53	893,159	4.33	57	685,102	2.16	108	1,365,936	2.07
Austria	4	37,045	0.18	5	19,740	0.06	7	35,994	0.05
Belgium	3	104,350	0.51	7	40,863	0.13	15	169,838	0.26
Canada	10	124,724	0.61	14	470,336	1.48	48	1,749,134	2.65
Denmark	7	89,511	0.43	10	494,665	1.56	17	588,544	0.89
Finland	6	76,935	0.37	9	91,968	0.29	14	167,477	0.25
France	18	310,187	1.51	31	1,069,096	3.37	69	2,003,616	3.03
Germany	21	352,390	1.71	42	933,010	2.94	70	1,492,507	2.26
Hong Kong	28	735,847	3.57	29	101,242	0.32	72	357,326	0.54
Ireland	1	45,143	0.22	2	17,283	0.05	5	49,030	0.07
Israel	-	-	-	-	-	-	30	114,897	0.17
Italy	7	68,707	0.33	17	224,392	0.71	35	514,404	0.78
Japan	203	2,540,180	12.33	277	2,160,536	6.82	506	4,643,013	7.02
Korea	80	1,413,362	6.86	82	702,328	2.22	159	958,725	1.45
Netherlands	5	110,174	0.53	14	545,914	1.72	31	862,193	1.30
New Zealand	11	297,854	1.45	11	41,352	0.13	15	52,532	0.08
Norway	7	119,548	0.58	11	71,672	0.23	18	112,814	0.17
Poland	1	2,558	0.01	4	21,669	0.07	10	58,410	0.09
Portugal	3	56,895	0.28	3	22,898	0.07	4	28,355	0.04
Singapore	13	330,051	1.60	13	40,080	0.13	36	221,195	0.33
Spain	12	257,848	1.25	12	195,680	0.62	25	475,631	0.72
Sweden	5	70,073	0.34	31	355,646	1.12	52	559,175	0.85
Switzerland	19	414,379	2.01	31	763,213	2.41	52	1,579,309	2.39
UK	31	584,407	2.84	54	1,397,563	4.41	103	2,599,313	3.93
USA	209	11,571,580	56.15	213	21,216,242	66.97	578	45,339,634	68.59
Totals	757	20,606,906	100.00	979	31,682,488	100.00	2079	66,099,000	100.00

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	84	2,314,641	11.23	113	12,787,263	40.36	191	17,419,749	26.35
1510	Telecommunications	24	674,540	3.27	25	866,651	2.74	56	1,796,669	2.72
2010	Health Care	96	3,613,917	17.54	115	5,268,672	16.63	171	7,639,815	11.56
3010	Banks	-	-	-	-	-	-	107	3,889,754	5.88
3020	Financial Services	1	23,911	0.12	1	11,188	0.04	97	3,057,879	4.63
3030	Insurance	-	-	-	-	-	-	85	2,082,106	3.15
3510	Real Estate	19	503,756	2.44	23	275,665	0.87	141	1,545,374	2.34
4010	Automobiles and Parts	31	562,577	2.73	43	938,465	2.96	64	1,619,601	2.45
4020	Consumer Products and Services	48	1,122,179	5.45	67	983,955	3.11	105	1,876,603	2.84
4030	Media	14	402,912	1.96	16	166,268	0.52	39	900,346	1.36
4040	Retailers	18	543,193	2.64	24	379,040	1.20	61	3,648,231	5.52
4050	Travel and Leisure	10	238,315	1.16	12	44,645	0.14	78	1,228,163	1.86
4510	Food Beverage and Tobacco	39	1,417,387	6.88	40	647,326	2.04	102	2,190,022	3.31
4520	Personal Care Drug and Grocery Stores	24	846,003	4.11	24	784,337	2.48	58	1,349,031	2.04
5010	Construction and Materials	46	898,367	4.36	58	735,103	2.32	70	846,643	1.28
5020	Industrial Goods and Services	136	3,217,672	15.61	211	3,120,009	9.85	347	8,248,374	12.48
5510	Basic Resources	35	701,707	3.41	54	907,626	2.86	64	1,015,716	1.54
5520	Chemicals	48	1,009,018	4.90	63	905,187	2.86	77	1,056,099	1.60
6010	Energy	47	1,556,997	7.56	52	2,425,514	7.66	72	2,932,711	4.44
6510	Utilities	37	959,816	4.66	38	435,571	1.37	94	1,756,112	2.66
Totals		757	20,606,906	100.00	979	31,682,488	100.00	2079	66,099,000	100.00

Index Characteristics

Attributes	FTSE Developed Minimum Variance Shariah Index	FTSE Shariah Developed	FTSE Developed	FTSE All-World
Number of constituents	757	979	2079	4292
Dividend Yield %	2.21	1.60	1.81	1.92
Constituent (Wgt %)				
Average	0.13	0.10	0.05	0.02
Largest	0.54	9.87	4.73	4.29
Median	0.09	0.02	0.01	0.00
Top 10 Holdings (Wgt %)	5.03	33.91	21.06	19.11

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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