

FTSE Greater China Shariah Index

Data as at: 29 February 2024

The FTSE Global Equity Shariah Index Series has been designed to be used as the basis of Shariah compliant investment products that meet the requirements of Islamic investors globally.

Using the Large and Mid Cap stocks from the FTSE Global Equity Index Series as a base universe, constituents are then screened against a clear set of Shariah principles. Shariah screening is undertaken by Yasaar Limited, to create a Shariah compliant index series. The FTSE Greater China Shariah Index index contains China stocks that meet these criteria. Their approach is described 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.

5-Year Performance - Total Return



FEATURES

Coverage

The FTSE Global Equity Shariah Index Series covers all regions across both developed and emerging markets, to create a comprehensive Shariah indexing solution.

Impartial

By partnering with Yasaar Ltd, an impartial consultancy and leading authority on Shariah, FTSE remains neutral and fully up to date with latest practices. See www.yasaar.org for more information.

Fatwa-certified

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.

Asset-based debt screening

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.

School-neutral

Yasaar Limited scholars represent all of the major Shariah schools of thought, creating a best practices approach that has credibility across the Islamic world.

Industry Classification Benchmark (ICB)

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

Performance and Volatility - Total Return

Index (USD)	Return %						Return pa %*		Volatility %**		
	3M	6M	YTD	12M	3YR	5YR	3YR	5YR	1YR	3YR	5YR
FTSE Greater China Shariah Index	5.1	6.6	1.6	3.2	-21.3	22.2	-7.7	4.1	15.7	19.6	22.0
FTSE Greater China	0.0	-1.3	-0.9	-4.3	-34.5	-0.1	-13.2	0.0	17.5	21.5	22.5

* 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 Greater China Shariah Index	5.9	-10.9	6.5	43.5	-11.8	19.5	32.2	8.1	-26.4	4.6
FTSE Greater China	7.5	-6.8	7.1	38.9	-14.7	23.7	29.2	-8.2	-22.0	-0.7

Return/Risk Ratio and Drawdown - Total Return

Index (USD)	Return/Risk Ratio				Drawdown (%)			
	1YR	3YR	5YR	10YR	1YR	3YR	5YR	10YR
FTSE Greater China Shariah Index	0.2	-0.4	0.2	0.3	-14.1	-42.6	-43.4	-43.4
FTSE Greater China	-0.2	-0.7	0.0	0.2	-16.3	-50.1	-53.1	-53.1

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

Top 10 Constituents

Constituent	ICB Sector	Net MCap (USDm)	Wgt %
Taiwan Semiconductor Manufacturing	Technology Hardware and Equipment	523,904	34.75
MediaTek	Technology Hardware and Equipment	53,647	3.56
Hon Hai Precision Industry	Technology Hardware and Equipment	38,862	2.58
Xiaomi (P Chip)	Telecommunications Equipment	24,736	1.64
BYD (H)	Automobiles and Parts	24,117	1.60
Delta Electronics	Electronic and Electrical Equipment	20,116	1.33
Quanta Computer	Technology Hardware and Equipment	19,516	1.29
United Microelectronics	Technology Hardware and Equipment	18,115	1.20
Petrochina (H)	Oil Gas and Coal	16,399	1.09
ASE Technology Holding	Technology Hardware and Equipment	15,014	1.00
Totals		754,427	50.04

INFORMATION

Index Universe

FTSE Global Equity Shariah Index Series

Index Launch

29 October 2007

Base Date

22 September 2003

Base Value

1000

Investability Screen

Actual free float applied and liquidity screened

Index Calculation

End-of-day

End-of-Day-Distribution

Via FTP and email

Review Dates

Index is reviewed semi-annually in March and September. Shariah screening reviewed quarterly in March, June, September and December

Currency

EUR, GBP, USD, JPY.

ICB Supersector Breakdown

		FTSE Greater China Shariah Index			FTSE Greater China		
ICB Code	ICB Supersector	No. of Cons	Net MCap (USDm)	Wgt %	No. of Cons	Net MCap (USDm)	Wgt %
1010	Technology	132	842,806	55.90	205	1,336,763	38.43
1510	Telecommunications	20	60,756	4.03	33	83,840	2.41
2010	Health Care	84	52,567	3.49	137	99,045	2.85
3010	Banks	-	-	-	63	333,345	9.58
3020	Financial Services	-	-	-	75	100,247	2.88
3030	Insurance	-	-	-	19	198,663	5.71
3510	Real Estate	41	47,550	3.15	74	115,988	3.33
4010	Automobiles and Parts	44	59,440	3.94	54	94,957	2.73
4020	Consumer Products and Services	36	47,500	3.15	65	134,351	3.86
4030	Media	4	1,456	0.10	25	14,024	0.40
4040	Retailers	8	11,655	0.77	24	211,030	6.07
4050	Travel and Leisure	3	4,747	0.31	33	91,732	2.64
4510	Food Beverage and Tobacco	16	21,805	1.45	67	116,000	3.33
4520	Personal Care Drug and Grocery Stores	13	3,884	0.26	29	24,785	0.71
5010	Construction and Materials	29	28,004	1.86	43	32,610	0.94
5020	Industrial Goods and Services	131	126,774	8.41	205	216,705	6.23
5510	Basic Resources	62	38,241	2.54	82	55,239	1.59
5520	Chemicals	51	31,572	2.09	70	39,332	1.13
6010	Energy	51	88,162	5.85	60	92,434	2.66
6510	Utilities	26	40,834	2.71	69	87,718	2.52
Totals		751	1,507,753	100.00	1432	3,478,808	100.00

Index Characteristics

Attributes	FTSE Greater China Shariah Index	FTSE Greater China
Number of constituents	751	1432
Net MCap (USDm)	1,507,753	3,478,808
Dividend Yield %	3.17	3.09
Constituent Sizes (Net MCap USDm)		
Average	2,008	2,429
Largest	523,904	523,904
Smallest	29	20
Median	276	310
Weight of Largest Constituent (%)	34.75	15.06
Top 10 Holdings (% Index MCap)	50.04	37.92



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