

# FTSE Greater China Shariah Index

Data as at: 28 June 2019

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](http://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	-2.4	9.8	9.8	-0.6	45.4	31.4	13.3	5.6	15.8	15.2	16.2
FTSE Greater China	-1.8	12.9	12.9	-1.4	42.4	38.3	12.5	6.7	17.4	16.0	17.6

\* 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)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
FTSE Greater China Shariah Index	71.8	15.9	-16.7	22.2	0.8	5.9	-10.9	6.5	43.5	-11.8
FTSE Greater China	69.6	15.8	-18.2	23.3	7.5	7.5	-6.8	7.1	38.9	-14.7

**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	0.1	0.9	0.3	0.5	-15.7	-23.0	-36.4	-36.4
FTSE Greater China	0.0	0.8	0.4	0.5	-17.8	-26.3	-34.8	-34.8

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 & Equipment	184,667	17.58
China Mobile (Red Chip)	Mobile Telecommunications	48,148	4.58
Hon Hai Precision Industry	Electronic & Electrical Equipment	29,720	2.83
CNOOC (Red Chip)	Oil & Gas Producers	27,158	2.59
CK Hutchison Holdings	General Industrials	26,371	2.51
JD.com ADS (N Shares)	General Retailers	24,121	2.30
Hong Kong & China Gas	Gas Water & Multiutilities	21,845	2.08
CLP Holdings	Electricity	18,101	1.72
Formosa Plastics Corp	Chemicals	17,941	1.71
China Petroleum & Chemical (H)	Oil & Gas Producers	17,341	1.65
<b>Totals</b>		<b>415,412</b>	<b>39.55</b>

**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

ICB Code	ICB Supersector	FTSE Greater China Shariah Index			FTSE Greater China		
		No. of Cons	Net MCap (USDm)	Wgt %	No. of Cons	Net MCap (USDm)	Wgt %
0500	Oil & Gas	21	81,507	7.76	26	86,228	3.03
1300	Chemicals	44	51,946	4.95	51	53,013	1.86
1700	Basic Resources	58	32,203	3.07	78	43,928	1.54
2300	Construction & Materials	35	37,862	3.60	45	47,433	1.67
2700	Industrial Goods & Services	152	134,220	12.78	213	199,741	7.02
3300	Automobiles & Parts	43	36,987	3.52	51	40,016	1.41
3500	Food & Beverage	15	21,052	2.00	48	66,256	2.33
3700	Personal & Household Goods	52	46,039	4.38	68	80,931	2.85
4500	Health Care	69	36,508	3.48	83	54,025	1.90
5300	Retail	20	38,600	3.68	42	316,584	11.13
5500	Media	3	78	0.01	17	7,671	0.27
5700	Travel & Leisure	7	11,408	1.09	41	80,003	2.81
6500	Telecommunications	7	79,825	7.60	10	88,793	3.12
7500	Utilities	17	53,016	5.05	45	90,790	3.19
8300	Banks	-	-	-	51	337,225	11.86
8500	Insurance	-	-	-	18	275,509	9.69
8600	Real Estate	45	112,710	10.73	82	238,422	8.38
8700	Financial Services	-	-	-	61	95,043	3.34
9500	Technology	72	276,365	26.31	110	641,836	22.57
<b>Totals</b>		<b>660</b>	<b>1,050,325</b>	<b>100.00</b>	<b>1140</b>	<b>2,843,445</b>	<b>100.00</b>

## Index Characteristics

Attributes	FTSE Greater China Shariah Index	FTSE Greater China
Number of constituents	660	1140
Net MCap (USDm)	1,050,325	2,843,445
Dividend Yield %	3.62	2.75
Constituent Sizes (Net MCap USDm)		
Average	1,591	2,494
Largest	184,667	257,340
Smallest	5	5
Median	56	94
Weight of Largest Constituent (%)	17.58	9.05
Top 10 Holdings (% Index MCap)	39.55	38.84



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Data definitions available from  
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