

# FTSE Global Equity Shariah Index Series

Data as at: 31 December 2020

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 FTSE Global All-Cap index 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. 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:

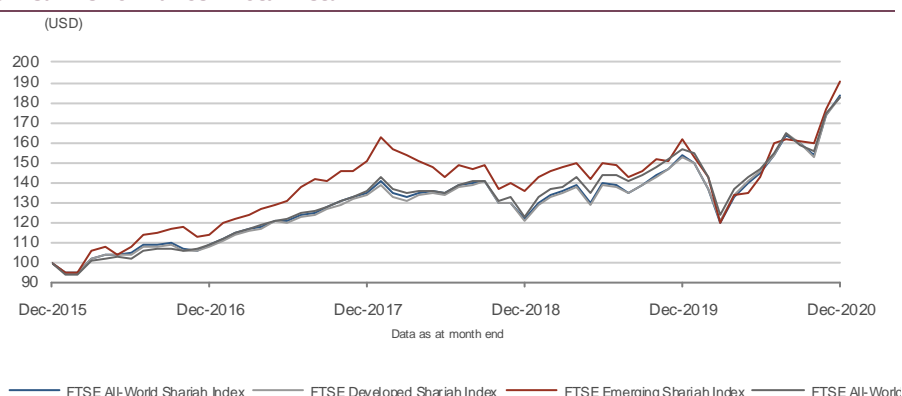
- Conventional finance (non-Islamic banking, finance and insurance, etc.);
- Alcohol;
- Pork related products and non-halal food production, packaging and processing or any other activity related to pork and non-halal food;
- Entertainment (casinos, gambling and pornography);
- Tobacco; weapons, arms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

### 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 All-World Shariah Index	15.0	26.7	19.6	19.6	36.1	83.3	10.8	12.9	25.8	19.4	15.4
FTSE Developed Shariah Index	14.5	25.9	19.8	19.8	37.4	83.0	11.2	12.8	26.8	19.5	15.5
FTSE Emerging Shariah Index	19.0	33.7	18.5	18.5	26.4	90.9	8.1	13.8	22.7	20.0	17.4
FTSE All-World	14.8	24.2	16.6	16.6	34.8	82.5	10.5	12.8	27.2	19.2	15.1

\* 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

**Return/Risk Ratio and Drawdown - Total Return**

Index (USD)	Return/Risk Ratio				Drawdown (%)			
	1YR	3YR	5YR	10YR	1YR	3YR	5YR	10YR
FTSE All-World Shariah Index	0.7	0.5	0.8	0.6	-33.9	-33.9	-33.9	-33.9
FTSE Developed Shariah Index	0.7	0.5	0.8	0.7	-33.8	-33.8	-33.8	-33.8
FTSE Emerging Shariah Index	0.8	0.4	0.8	0.2	-34.9	-34.9	-34.9	-42.7
FTSE All-World	0.6	0.5	0.8	0.7	-33.7	-33.7	-33.7	-33.7

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

Drawdown - based on daily data

**Year-on-Year Performance - Total Return**

Index % (USD)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
FTSE All-World Shariah Index	-6.0	13.4	20.4	3.9	-4.2	8.5	24.1	-9.8	26.2	19.6
FTSE Developed Shariah Index	-4.1	13.3	23.7	4.7	-3.2	8.1	23.1	-9.7	27.0	19.8
FTSE Emerging Shariah Index	-18.6	14.2	-6.4	-3.9	-16.2	13.2	33.4	-10.0	18.6	18.5
FTSE All-World	-7.3	17.1	23.3	4.8	-1.7	8.6	24.6	-9.1	27.2	16.6

**Top 10 Constituents - FTSE Shariah All-World**

Constituent	Country	ICB Sector	Net MCap (USDm)	Wgt %
Apple Inc.	USA	Technology Hardware & Equipment	2,138,262	8.53
Tesla	USA	Automobiles & Parts	532,822	2.13
Taiwan Semiconductor Manufacturing	Taiwan	Technology Hardware & Equipment	452,674	1.81
Johnson & Johnson	USA	Pharmaceuticals & Biotechnology	414,391	1.65
Samsung Electronics	Korea	Technology Hardware & Equipment	350,131	1.40
Procter & Gamble	USA	Household Goods & Home Construction	338,579	1.35
Nestle	Switzerland	Food Producers	328,491	1.31
Home Depot	USA	General Retailers	284,915	1.14
Roche Hldgs (GENUS)	Switzerland	Pharmaceuticals & Biotechnology	243,214	0.97
Adobe	USA	Software & Computer Services	240,228	0.96
<b>Totals</b>			<b>5,323,707</b>	<b>21.24</b>

**INFORMATION****Index Universe**

FTSE Global All-Cap Index

**Index Launch**

29 October 2007

**Base Date**

22 September 2003

**Base Value**

1000

**Investability Screen**

Actual free float applied and liquidity screened

**Index Calculation**

Real-time and end-of-day index available

**End-of-Day Distribution**

Via FTP and email

**Review Dates**

Quarterly in March, June, September, December

**Currency**

EUR, GBP, USD, Yen and Local (where specified)

## ICB Supersector Breakdown

ICB Code	ICB Supersector	FTSE All-World Shariah Index			FTSE All-World		
		No. of Cons	Net MCap (USDm)	Wgt %	No. of Cons	Net MCap (USDm)	Wgt %
0500	Oil & Gas	94	1,562,395	6.23	128	1,900,326	3.21
1300	Chemicals	130	1,010,109	4.03	163	1,249,898	2.11
1700	Basic Resources	147	1,088,814	4.34	190	1,196,455	2.02
2300	Construction & Materials	110	630,590	2.52	142	831,897	1.41
2700	Industrial Goods & Services	389	3,077,665	12.28	595	6,656,607	11.25
3300	Automobiles & Parts	93	1,071,882	4.28	130	1,674,299	2.83
3500	Food & Beverage	77	736,852	2.94	199	2,071,146	3.50
3700	Personal & Household Goods	125	1,599,423	6.38	204	3,044,656	5.15
4500	Health Care	208	4,531,448	18.08	309	6,619,704	11.19
5300	Retail	94	1,465,010	5.85	217	4,788,860	8.10
5500	Media	22	180,128	0.72	84	1,395,595	2.36
5700	Travel & Leisure	34	79,962	0.32	139	1,222,810	2.07
6500	Telecommunications	44	532,940	2.13	95	1,338,732	2.26
7500	Utilities	93	685,634	2.74	190	1,706,601	2.89
8300	Banks	11	58,952	0.24	271	3,890,343	6.58
8500	Insurance	2	3,164	0.01	127	2,253,182	3.81
8600	Real Estate	86	399,215	1.59	259	1,665,410	2.82
8700	Financial Services	7	35,002	0.14	209	2,743,749	4.64
9500	Technology	173	6,313,000	25.19	310	12,895,051	21.80
<b>Totals</b>		<b>1939</b>	<b>25,062,186</b>	<b>100.00</b>	<b>3961</b>	<b>59,145,322</b>	<b>100.00</b>

## Country Breakdown

Country	FTSE All-World Shariah Index			FTSE All-World		
	No. of Cons	Net MCap (USDm)	Wgt %	No. of Cons	Net MCap (USDm)	Wgt %
Australia	59	608,844	2.43	110	1,251,845	2.12
Austria	5	19,740	0.08	8	32,052	0.05
Belgium	3	30,497	0.12	14	162,304	0.27
Brazil	35	185,148	0.74	92	428,154	0.72
Canada	17	367,404	1.47	53	1,401,724	2.37
Chile	7	12,691	0.05	21	43,467	0.07
China	562	828,703	3.31	1005	3,024,567	5.11
Colombia	1	3,106	0.01	11	22,879	0.04
Czech Rep.	1	3,790	0.02	4	8,259	0.01
Denmark	12	309,996	1.24	20	393,360	0.67
Egypt	2	704	0.00	6	7,745	0.01
Finland	11	146,578	0.58	17	219,533	0.37
France	40	949,854	3.79	81	1,689,910	2.86
Germany	50	944,430	3.77	82	1,522,966	2.57
Greece	4	6,486	0.03	9	15,936	0.03
Hong Kong	41	164,056	0.65	91	584,852	0.99
Hungary	2	6,174	0.02	4	17,047	0.03
India	74	336,413	1.34	164	752,794	1.27
Indonesia	17	37,053	0.15	32	106,307	0.18
Ireland	2	13,068	0.05	4	36,969	0.06
Israel	-	-	-	27	80,952	0.14
Italy	17	213,607	0.85	35	388,952	0.66
Japan	281	2,157,357	8.61	513	4,384,260	7.41
Korea	67	795,530	3.17	137	1,055,528	1.78
Kuwait	6	18,968	0.08	11	43,365	0.07
Malaysia	23	75,521	0.30	44	140,293	0.24
Mexico	10	38,418	0.15	36	145,043	0.25
Netherlands	13	344,768	1.38	29	646,477	1.09
New Zealand	9	44,254	0.18	12	58,573	0.10
Norway	10	64,016	0.26	16	106,933	0.18
Pakistan	1	447	0.00	4	1,810	0.00
Philippines	5	4,849	0.02	26	66,386	0.11
Poland	6	18,315	0.07	14	51,316	0.09
Portugal	2	9,740	0.04	4	31,590	0.05
Qatar	10	27,646	0.11	18	60,095	0.10
Romania	-	-	-	1	2,587	0.00
Russia	21	124,300	0.50	32	201,047	0.34
Saudi Arabia	41	159,767	0.64	48	206,873	0.35
Singapore	14	39,347	0.16	40	197,169	0.33
South Africa	21	84,906	0.34	60	295,453	0.50
Spain	11	226,977	0.91	25	398,954	0.67
Sweden	29	334,711	1.34	52	554,190	0.94
Switzerland	34	1,195,563	4.77	49	1,536,853	2.60
Taiwan	55	737,530	2.94	105	1,029,391	1.74
Thailand	14	72,569	0.29	51	166,420	0.28
Turkey	9	12,804	0.05	26	33,866	0.06
UAE	10	22,072	0.09	15	50,563	0.09
UK	60	1,162,510	4.64	119	2,400,647	4.06
USA	215	12,100,958	48.28	584	33,087,069	55.94
<b>Totals</b>	<b>1939</b>	<b>25,062,186</b>	<b>100.00</b>	<b>3961</b>	<b>59,145,322</b>	<b>100.00</b>

## Index Characteristics

Attributes	FTSE All-World Shariah Index	FTSE All-World
Number of constituents	1939	3961
Net MCap (USDm)	25,062,186	59,145,322
Dividend Yield %	1.94	1.90
Constituent Sizes (Net MCap USDm)		
Average	12,925	14,932
Largest	2,138,262	2,138,262
Smallest	0	0
Median	2,756	3,101
Weight of Largest Constituent (%)	8.53	3.62
Top 10 Holdings (% Index MCap)	21.24	14.68



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