

# FTSE Global Equity Shariah Index Series

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. 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:

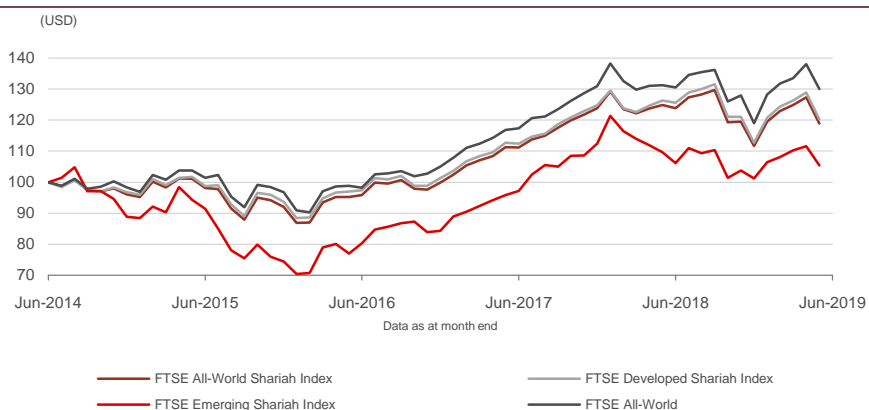
- Conventional finance (non-Islamic banking, finance and insurance, etc.);
- Alcohol;
- Pork related products and non-halal food production, packaging and processing or any other activity related to pork and non-halal food;
- Entertainment (casinos, gambling and pornography);
- Tobacco; weapons, arms 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	2.5	14.6	14.6	3.4	33.6	28.0	10.1	5.1	11.7	10.8	11.8
FTSE Developed Shariah Index	2.7	15.1	15.1	3.3	33.2	29.7	10.0	5.3	12.0	10.7	11.8
FTSE Emerging Shariah Index	0.9	9.9	9.9	4.8	38.5	11.2	11.5	2.1	12.5	13.6	14.8
FTSE All-World	3.7	16.4	16.4	6.1	41.0	38.5	12.1	6.7	11.6	10.5	11.7

\* 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

**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	0.4	1.0	0.4	0.7	-17.6	-18.6	-19.8	-22.7
FTSE Developed Shariah Index	0.3	1.0	0.5	0.8	-18.3	-18.4	-18.6	-21.9
FTSE Emerging Shariah Index	0.6	0.9	0.1	0.3	-10.7	-19.5	-39.5	-42.7
FTSE All-World	0.6	1.2	0.6	0.8	-17.0	-19.0	-19.0	-23.0

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)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
FTSE All-World Shariah Index	36.2	13.1	-6.0	13.4	20.4	3.9	-4.2	8.5	24.1	-9.8
FTSE Developed Shariah Index	31.0	12.6	-4.1	13.3	23.7	4.7	-3.2	8.1	23.1	-9.7
FTSE Emerging Shariah Index	79.6	17.0	-18.6	14.2	-6.4	-3.9	-16.2	13.2	33.4	-10.0
FTSE All-World	36.2	13.2	-7.3	17.1	23.3	4.8	-1.7	8.6	24.6	-9.1

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

Constituent	Country	ICB Sector	Net MCap (USDm)	Wgt %
Apple Inc.	USA	Technology Hardware & Equipment	910,186	4.97
Johnson & Johnson	USA	Pharmaceuticals & Biotechnology	369,622	2.02
Exxon Mobil Corporation	USA	Oil & Gas Producers	324,060	1.77
Nestle	Switzerland	Food Producers	308,309	1.68
Procter & Gamble	USA	Household Goods & Home Construction	270,762	1.48
Pfizer	USA	Pharmaceuticals & Biotechnology	240,765	1.31
Chevron	USA	Oil & Gas Producers	236,993	1.29
Merck & Co	USA	Pharmaceuticals & Biotechnology	215,763	1.18
Intel Corp	USA	Technology Hardware & Equipment	214,266	1.17
Novartis (REGD)	Switzerland	Pharmaceuticals & Biotechnology	199,418	1.09
<b>Totals</b>			<b>3,290,144</b>	<b>17.96</b>

**INFORMATION****Index Universe**

FTSE Global Equity Index Series (Large and Mid Cap stocks)

**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	110	2,301,708	12.57	153	2,784,350	5.92
1300	Chemicals	138	950,042	5.19	163	1,100,190	2.34
1700	Basic Resources	148	842,773	4.60	192	918,440	1.95
2300	Construction & Materials	120	504,810	2.76	148	649,714	1.38
2700	Industrial Goods & Services	385	2,328,077	12.71	606	5,474,895	11.64
3300	Automobiles & Parts	107	472,408	2.58	136	954,351	2.03
3500	Food & Beverage	80	677,044	3.70	194	1,872,148	3.98
3700	Personal & Household Goods	140	1,180,126	6.44	219	2,394,658	5.09
4500	Health Care	197	3,305,270	18.05	277	5,070,706	10.78
5300	Retail	90	642,990	3.51	215	3,232,061	6.87
5500	Media	27	166,732	0.91	90	958,003	2.04
5700	Travel & Leisure	29	176,818	0.97	148	1,190,974	2.53
6500	Telecommunications	37	362,253	1.98	92	1,330,747	2.83
7500	Utilities	92	632,312	3.45	190	1,542,740	3.28
8300	Banks	9	30,110	0.16	277	4,286,188	9.11
8500	Insurance	2	1,369	0.01	132	2,235,546	4.75
8600	Real Estate	71	213,273	1.16	228	1,507,121	3.20
8700	Financial Services	5	18,720	0.10	203	2,096,368	4.46
9500	Technology	158	3,509,058	19.16	265	7,439,541	15.82
<b>Totals</b>		<b>1945</b>	<b>18,315,891</b>	<b>100.00</b>	<b>3928</b>	<b>47,038,741</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	51	458,002	2.50	98	1,076,673	2.29
Austria	4	16,585	0.09	8	32,264	0.07
Belgium	3	23,766	0.13	12	142,498	0.30
Brazil	27	102,181	0.56	76	442,190	0.94
Canada	20	389,514	2.13	57	1,299,706	2.76
Chile	8	23,317	0.13	21	54,281	0.12
China	570	476,101	2.60	958	1,643,208	3.49
Colombia	1	4,308	0.02	9	22,597	0.05
Czech Rep.	1	3,813	0.02	5	9,285	0.02
Denmark	14	187,078	1.02	22	246,563	0.52
Egypt	3	1,569	0.01	8	9,901	0.02
Finland	10	111,473	0.61	15	175,001	0.37
France	43	851,867	4.65	86	1,552,973	3.30
Germany	51	780,439	4.26	82	1,265,750	2.69
Greece	5	7,607	0.04	10	18,778	0.04
Hong Kong	39	179,987	0.98	91	606,749	1.29
Hungary	2	7,312	0.04	4	17,009	0.04
India	62	158,284	0.86	148	555,160	1.18
Indonesia	16	38,449	0.21	31	111,533	0.24
Ireland	2	11,368	0.06	5	36,808	0.08
Israel	-	-	-	26	70,881	0.15
Italy	17	179,288	0.98	37	358,122	0.76
Japan	291	1,720,455	9.39	512	3,611,296	7.68
Korea	70	485,010	2.65	137	679,131	1.44
Kuwait	5	9,746	0.05	9	43,325	0.09
Malaysia	24	70,135	0.38	47	143,385	0.30
Mexico	11	29,208	0.16	39	150,884	0.32
Netherlands	11	193,170	1.05	27	496,401	1.06
New Zealand	8	24,203	0.13	12	44,241	0.09
Norway	11	63,979	0.35	17	104,897	0.22
Pakistan	2	873	0.00	5	1,992	0.00
Peru	1	3,531	0.02	1	3,531	0.01
Philippines	6	10,602	0.06	25	67,452	0.14
Poland	6	19,564	0.11	14	52,423	0.11
Portugal	2	9,477	0.05	4	22,022	0.05
Qatar	11	24,622	0.13	21	62,644	0.13
Russia	19	150,002	0.82	32	228,131	0.48
Saudi Arabia	39	64,907	0.35	43	84,863	0.18
Singapore	12	51,818	0.28	37	201,954	0.43
South Africa	28	91,360	0.50	76	353,325	0.75
Spain	12	186,925	1.02	30	432,019	0.92
Sweden	24	215,781	1.18	45	384,050	0.82
Switzerland	32	1,000,816	5.46	49	1,310,196	2.79
Taiwan	51	394,237	2.15	91	593,488	1.26
Thailand	14	71,361	0.39	44	183,965	0.39
Turkey	9	10,071	0.05	31	34,308	0.07
UAE	13	21,260	0.12	17	49,835	0.11
UK	62	1,165,933	6.37	133	2,469,837	5.25
USA	222	8,214,536	44.85	621	25,481,215	54.17
<b>Totals</b>	<b>1945</b>	<b>18,315,891</b>	<b>100.00</b>	<b>3928</b>	<b>47,038,741</b>	<b>100.00</b>

## Index Characteristics

Attributes	FTSE All-World Shariah Index	FTSE All-World
Number of constituents	1945	3928
Net MCap (USDm)	18,315,891	47,038,741
Dividend Yield %	2.60	2.48
Constituent Sizes (Net MCap USDm)		
Average	9,417	11,975
Largest	910,186	1,012,226
Smallest	5	5
Median	2,315	2,905
Weight of Largest Constituent (%)	4.97	2.15
Top 10 Holdings (% Index MCap)	17.96	11.01



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