

FTSE Greater China Shariah Index

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 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	20.7	38.8	32.2	32.2	39.3	112.9	11.7	16.3	22.0	20.2	17.5
FTSE Greater China	14.7	28.3	29.2	29.2	36.3	102.7	10.9	15.2	22.0	20.8	17.1

* 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

Year-on-Year Performance - Total Return

Index % (USD)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
FTSE Greater China Shariah Index	-16.7	22.2	0.8	5.9	-10.9	6.5	43.5	-11.8	19.5	32.2
FTSE Greater China	-18.2	23.3	7.5	7.5	-6.8	7.1	38.9	-14.7	23.7	29.2

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	1.4	0.5	0.9	0.4	-27.2	-28.3	-28.3	-36.4
FTSE Greater China	1.3	0.5	0.9	0.5	-24.6	-26.3	-26.3	-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	452,674	26.16
JD.com ADS (N Shares)	General Retailers	77,239	4.46
Xiaomi (P Chip)	Technology Hardware & Equipment	56,582	3.27
Hon Hai Precision Industry	Electronic & Electrical Equipment	39,050	2.26
WuXi Biologics (P Chip)	Pharmaceuticals & Biotechnology	38,152	2.20
China Mobile (Red Chip)	Mobile Telecommunications	30,137	1.74
Delta Electronics	Electronic & Electrical Equipment	20,209	1.17
United Microelectronics	Technology Hardware & Equipment	19,541	1.13
CK Hutchison Holdings	General Industrials	18,668	1.08
BYD (H)	Automobiles & Parts	18,082	1.05
Totals		770,333	44.52

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	19	67,458	3.90	23	71,382	1.54
1300	Chemicals	43	61,546	3.56	53	68,186	1.47
1700	Basic Resources	57	38,764	2.24	76	66,063	1.42
2300	Construction & Materials	27	33,506	1.94	40	52,090	1.12
2700	Industrial Goods & Services	152	230,895	13.34	213	301,060	6.49
3300	Automobiles & Parts	35	80,963	4.68	48	147,201	3.17
3500	Food & Beverage	12	10,429	0.60	58	163,802	3.53
3700	Personal & Household Goods	40	51,734	2.99	66	177,781	3.83
4500	Health Care	69	101,219	5.85	103	169,197	3.65
5300	Retail	24	107,776	6.23	50	792,213	17.08
5500	Media	3	2,222	0.13	17	22,919	0.49
5700	Travel & Leisure	15	18,106	1.05	41	99,464	2.14
6500	Telecommunications	6	53,591	3.10	11	65,782	1.42
7500	Utilities	27	64,263	3.71	46	94,685	2.04
8300	Banks	-	-	-	56	354,383	7.64
8500	Insurance	-	-	-	18	310,847	6.70
8600	Real Estate	50	122,194	7.06	89	230,119	4.96
8700	Financial Services	1	2,485	0.14	68	154,296	3.33
9500	Technology	78	683,137	39.48	125	1,297,340	27.97
Totals		658	1,730,288	100.00	1201	4,638,809	100.00

Index Characteristics

Attributes	FTSE Greater China Shariah Index	FTSE Greater China
Number of constituents	658	1201
Net MCap (USDm)	1,730,288	4,638,809
Dividend Yield %	2.35	1.94
Constituent Sizes (Net MCap USDm)		
Average	2,630	3,862
Largest	452,674	452,674
Smallest	36	36
Median	444	540
Weight of Largest Constituent (%)	26.16	9.76
Top 10 Holdings (% Index MCap)	44.52	41.19



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