

# FTSE/JSE Shariah Top 40 Index

Data as at: 28 June 2019

The FTSE/JSE Africa Index Series is designed to represent the performance of South African companies, providing investors with a comprehensive and complementary set of indices, which measure the performance of the major capital and industry segments of the South African market.

The FTSE/JSE Shariah Top 40 Index has been designed to be used as the basis of Shariah-compliant investment products that meet the requirements of Islamic investors in South Africa and internationally. Independent screening is carried out by Yasaar Limited, an organisation with a global network of expert Shariah scholars. Their approach is described below.

In addition to the FTSE/JSE Shariah Top 40 Index, there is also a capped version - the FTSE/JSE Capped Shariah Top 40 Index - in which constituents are capped at 10% of the total index to avoid concentration in any individual stock.

## 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.

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.

## FEATURES

### Coverage

Shariah-compliant stocks in the FTSE/JSE Top 40 Index.

### Objective

The index is designed for use in the creation of Shariah-compliant investment products and as a benchmark.

### Investability

Stocks are selected and weighted to ensure that the index is investable.

### Liquidity

Stocks are screened to ensure that the index is tradable.

### Transparency

The index uses a transparent, rules-based construction process. Index Rules are freely available on the FTSE website.

### 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.

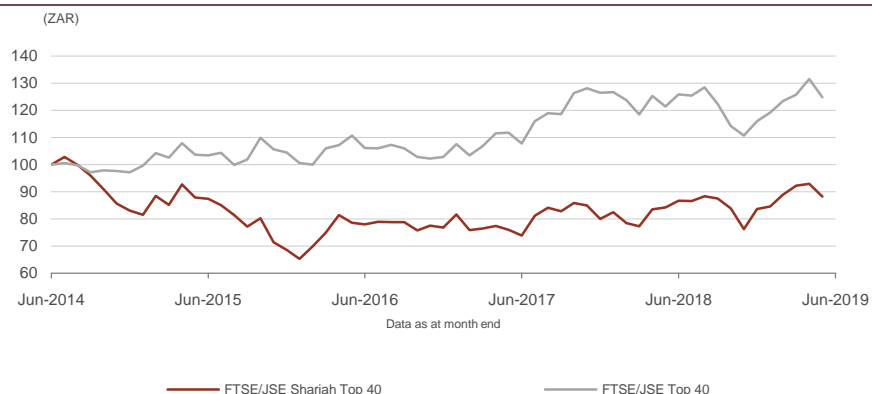
### Industry Classification Benchmark

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

### Shariah Methodology

See [www.yasaar.org](http://www.yasaar.org) for further information on Yasaar Research Inc.

## 5-Year Performance - Total Return



## Performance and Volatility - Total Return

Index (ZAR)	Return %						Return pa %*		Volatility %**		
	3M	6M	YTD	12M	3YR	5YR	3YR	5YR	1YR	3YR	5YR
FTSE/JSE Shariah Top 40	3.5	14.2	14.2	10.1	22.4	-4.5	7.0	-0.9	17.1	16.6	17.0
FTSE/JSE Top 40	4.6	13.5	13.5	4.6	24.0	31.6	7.4	5.6	17.3	15.6	12.2

\* 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 % (ZAR)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
FTSE/JSE Shariah Top 40	30.0	14.2	-2.9	16.5	17.3	-7.1	-17.4	12.0	4.1	4.5
FTSE/JSE Top 40	31.7	17.2	2.2	26.1	22.8	9.2	7.5	-1.6	23.1	-8.3

## Return/Risk Ratio and Drawdown - Total Return

Index (ZAR)	Return/Risk Ratio				Drawdown (%)			
	1YR	3YR	5YR	10YR	1YR	3YR	5YR	10YR
FTSE/JSE Shariah Top 40	0.8	0.4	-0.1	0.4	-15.2	-15.5	-43.6	-43.6
FTSE/JSE Top 40	0.5	0.5	0.5	1.0	-16.7	-16.8	-16.8	-16.8

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

Drawdown - based on daily data

## Top 5 Constituents

Constituent	ICB Sector	Net MCap (ZARm)	Wgt %
BHP Group Plc	Mining	753,158	33.42
Anglo American	Mining	400,564	17.77
Sasol	Chemicals	195,155	8.66
MTN Group	Mobile Telecommunications	191,873	8.51
Mondi Plc	Forestry & Paper	117,058	5.19
<b>Totals</b>		<b>1,657,808</b>	<b>73.55</b>

## ICB Industry Breakdown

ICB Code	ICB Industry	No. of Cons	Net MCap (ZARm)	Wgt %
1000	Basic Materials	10	1,794,863	79.63
2000	Industrials	1	63,861	2.83
3000	Consumer Goods	1	36,994	1.64
5000	Consumer Services	1	49,593	2.20
6000	Telecommunications	2	263,150	11.68
8000	Financials	1	45,458	2.02
<b>Totals</b>		<b>16</b>	<b>2,253,919</b>	<b>100.00</b>

## INFORMATION

## Index Universe

FTSE/JSE Top 40 Index

## Index Launch

21 July 2008

Capped Version - 4 July 2011

## Base Date

22 September 2003

## Base Value

1000

## Investability Screen

Actual free float applied and liquidity screened

## Index Calculation

Real time (calculated every 15 seconds) and end-of-day indices available.

## End-of-Day-Distribution

Via FTP and email

## Review Dates

March, June, September and December

## Currency

ZAR

## Index Characteristics

Attributes	FTSE/JSE Shariah Top 40	FTSE/JSE Top 40
Number of constituents	16	42
Net MCap (ZARm)	2,253,919	6,373,115
Dividend Yield %	4.01	3.06
Constituent Sizes (Net MCap ZARm)		
Average	140,870	151,741
Largest	753,158	1,455,269
Smallest	30,493	27,625
Median	63,078	66,440
Weight of Largest Constituent (%)	33.42	22.83
Top 10 Holdings (% Index MCap)	89.22	68.30



© 2018 London Stock Exchange Group plc and its applicable group undertakings (the "LSE Group"). The LSE Group includes (1) FTSE International Limited ("FTSE"), (2) Frank Russell Company ("Russell"), (3) FTSE TMX Global Debt Capital Markets Inc. and FTSE TMX Global Debt Capital Markets Limited (together, "FTSE TMX") and (4) MTSNext Limited ("MTSNext"). All rights reserved.

FTSE Russell® is a trading name of FTSE, Russell, FTSE TMX and MTS Next Limited. "FTSE®", "Russell®", "FTSE Russell®", "MTSNext®", "FTSE TMX®", "FTSE4Good®" and "ICB®" and all other trademarks and service marks used herein (whether registered or unregistered) are trade marks and/or service marks owned or licensed by the applicable member of the LSE Group or their respective licensors and are owned, or used under licence, by FTSE, Russell, MTSNext, or FTSE TMX.

JSE is a trade mark of JSE Limited ("Partner"). All rights in and to the FTSE/JSE Shariah Top 40 ("Index") vest in FTSE and/or its relevant Partner(s). All information is provided for information purposes only. Every effort is made to ensure that all information given in this publication is accurate, but no responsibility or liability can be accepted by any member of the LSE Group nor their respective directors, officers, employees, partners or licensors for any errors or for any loss from use of this publication or any of the information or data contained herein.

No member of the LSE Group nor their respective directors, officers, employees, partners or licensors make any claim, prediction, warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the FTSE/JSE Shariah Top 40 or the fitness or suitability of the FTSE/JSE Shariah Top 40 for any particular purpose to which they might be put.

No member of the LSE Group nor their respective directors, officers, employees, partners or licensors provide investment advice and nothing in this document should be taken as constituting financial or investment advice. No member of the LSE Group nor their respective directors, officers, employees, partners or licensors make any representation regarding the advisability of investing in any asset. A decision to invest in any such asset should not be made in reliance on any information herein. Indexes cannot be invested in directly. Inclusion of an asset in an index is not a recommendation to buy, sell or hold that asset. The general information contained in this publication should not be acted upon without obtaining specific legal, tax, and investment advice from a licensed professional.

No part of this information may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without prior written permission of the applicable member of the LSE Group. Use and distribution of the LSE Group index data and the use of their data to create financial products require a licence from FTSE, Russell, FTSE TMX, MTSNext and/or their respective licensors.

Past performance is no guarantee of future results. Charts and graphs are provided for illustrative purposes only. Index returns shown may not represent the results of the actual trading of investable assets. Certain returns shown may reflect back-tested performance. All performance presented prior to the index inception date is back-tested performance. Back-tested performance is not actual performance, but is hypothetical. The back-test calculations are based on the same methodology that was in effect when the index was officially launched. However, back-tested data may reflect the application of the index methodology with the benefit of hindsight, and the historic calculations of an index may change from month to month based on revisions to the underlying economic data used in the calculation of the index.

Data definitions available from  
[info@ftserussell.com](mailto:info@ftserussell.com)

To learn more, visit [www.ftserussell.com](http://www.ftserussell.com);  
 email [info@ftserussell.com](mailto:info@ftserussell.com); or  
 call your regional Client Services Team office:

**EMEA**

+44 (0) 20 7866 1810

**North America**

+1 877 503 6437

**Asia-Pacific**

Hong Kong +852 2164 3333

Tokyo +81 3 4563 6346

Sydney +61 (0) 2 8823 3521