



# S&P SHARIAH INDICES

## INDEX METHODOLOGY

May 2010

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# Introduction

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In 2006, Standard & Poor's introduced the S&P Shariah Indices. Shariah is Islamic canonical law, which observant Muslims adhere to in their daily lives. Shariah has certain strictures regarding finance and commercial activities permitted for Muslims. Over the last few years, the demand for Shariah compliant financial products has increased.

Recognizing the urgent need for indices, which are a real gauge of the global equity markets and well-established standards, Standard & Poor's initially applied Shariah screens to three headline indices – the S&P 500, the S&P Europe 350 and the S&P Japan 500. The results are the S&P 500 Shariah, the S&P Europe 350 Shariah and the S&P Japan 500 Shariah indices. In 2007, Standard & Poor's followed with the S&P GCC Shariah and the S&P Pan Asia Shariah Indices, to cater to the demand for a benchmark Shariah product for those regions. Currently, Standard & Poor's boasts the most comprehensive series of Shariah indices in the industry. This was accomplished in 2008 with the completion of the review of the S&P Global BMI Equity Indices, which consists of over 11,000 companies worldwide, for Shariah compliance. The result is the S&P Global BMI Shariah index, comprised of nearly 6,000 constituents, along with 10 sector and 47 country and regional sub-indices. These are gauges of major markets, sectors, and regions; and by screening out stocks that are not Shariah compliant, they become ideal investment vehicles for observant Muslims.

## **Shariah Screening**

Standard & Poor's has contracted with Ratings Intelligence Partners (RI) to provide the Shariah screens and filter the stocks based on these screens. Ratings Intelligence Partners is a London/Kuwait-based consulting company specializing in solutions for the global Islamic investment market. Its team consists of qualified Islamic researchers who work directly with a Shariah Supervisory Board. It is continually working with regional banks to create Shariah-compliant equity products and expand investment offerings.

RI works with a Shariah Supervisory Board, which is a board of Islamic scholars serving to interpret business issues and recommend actions related to business decisions for the indices. The members are:

- Dr. Muhammad Ali Elgari – PhD in Economics from the University of California, U.S.A.
- Dr. Abdul Sattar Abu Ghuddah – PhD in Islamic Law from Al Azhar University, Cairo, Egypt.
- Dr. Nazih Hammad – PhD in Islamic Law from the University of Cairo, Egypt.

- Dr. Mohammad Amin Ali-Qattan – PhD in Islamic Banking, University of Birmingham, United Kingdom.

### Highlights

- Leading equity indices screened for Shariah compliance
- All indices are liquid and investable
- Shariah compliance is as per the strictest standards observed by Middle Eastern countries
- Indices are maintained for compliance on a periodic basis

### Index Family

Major S&P indices are selected for Shariah screening. The first launch was based on the S&P 500, the S&P Europe 350 and the S&P Japan 500, covering the three major regions of equity investing. Subsequently several other regions have been targeted, including the GCC, the Pan Asia large cap sector, global property markets, the Middle East & North Africa (MENA), the Emerging markets, and most recently the Broad Market Index (BMI) global series using the relevant Standard & Poor's underlying benchmark indices.

**S&P 500 Shariah.** Widely regarded as the best single gauge of the U.S. equities market, this world-renowned index includes 500 leading companies in leading industries of the U.S. economy. The S&P 500 is a core component of the U.S. indices that are used as building blocks for portfolio construction.

**S&P Europe 350 Shariah.** The S&P Europe 350 combines the benefits of representation with replication for the Europe region, spanning 17 exchanges. These distinguishing features make it a unique index designed for investors seeking broad market exposure through an index that is efficient to replicate. The S&P Europe 350 is the foundation of the S&P European index series.

**S&P Japan 500 Shariah.** Introduced in 2002, the S&P Japan 500 is designed to represent the Japanese investable market. Index constituents are drawn from eligible companies listed on the Tokyo, Osaka or JASDAQ exchanges. Constituents represent the large, mid and small cap components of the Japanese equity markets.

**S&P/TOPIX 150 Shariah.** The S&P/TOPIX 150 is the large cap bellwether of the Japanese equity market. The largest 150 stocks in terms of size and liquidity, with appropriate sector representation, from the Japanese equity market are selected to become the constituents of this index. The Shariah version screens the index constituents for compliance. The resultant stocks combine to form the S&P/TOPIX 150 Shariah. This index is a subset of the S&P Japan 500 Shariah.

**S&P/TSX 60 Shariah.** The S&P/TSX 60 is the leading tradable Canadian index designed to represent leading companies in leading industries. The S&P/TSX 60 covers approximately 73% of Canada's equity market capitalization. Its 60 stocks make it ideal for large cap coverage and a cost-efficient way to achieve Canadian equity exposure. The

Shariah version screens the index constituents for compliance while adhering to the guidelines of the S&P/TSX 60 Index.

**S&P Global Healthcare Shariah.** Companies from the S&P 500 Shariah, the S&P Europe 350 Shariah and the S&P Japan 500 Shariah, which also belong to the GICS Healthcare Sector, combine to form the S&P Healthcare Shariah index. This index represents the largest, most liquid and most representative healthcare companies in the developed markets.

**S&P GCC Shariah.** The Gulf Cooperation Council (GCC) is an organization of six Arab states that share many social and economic objectives. These states are Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates (UAE). Standard & Poor's Emerging Markets Data Base (EMDB) indices were the first to focus on this region. The S&P Saudi Arabia BMI Index was launched in 1997 and the S&P Oman BMI and S&P Bahrain BMI Indices in 1998. Since 2006, Standard & Poor's has calculated indices for every country in the GCC. A regional version and an international version of these indices have been created. The regional version, also known as the “composite series”, offers GCC investors an index that reflects the available float defined by the foreign investment limits applicable to GCC residents. The international version, referred to in this document as the “investable series”, is design to reflect an index with the available float for non-GCC residents, which typically carries a higher restriction threshold. This index does not include Saudi Arabia due to its limited foreign investability

**S&P/IFCI Large-MidCap Shariah.** The S&P/IFCI Large-MidCap Shariah index includes stocks from Argentina, Brazil, Chile, China, the Czech Republic, Egypt, Hungary, India, Indonesia, Israel, Malaysia, Mexico, Morocco, Peru, the Philippines, Poland, Russia, South Africa, South Korea, Taiwan, Thailand and Turkey. The universe is drawn from the S&P/IFCI Large-MidCap index, itself a subset of the S&P/IFCI Composite Index. The underlying index includes 90% of the market capitalization of the S&P/IFCI Composite Index. The stock selection is done each year on November 30<sup>th</sup> and, then, the resulting universe is screened for compliance.

**S&P Pan Arab Shariah.** The S&P Pan Arab Shariah Index includes stocks from listed companies in the countries of Bahrain, Egypt, Jordan, Kuwait, Lebanon, Morocco, Oman, Qatar, Saudi Arabia, Tunisia and the United Arab Emirates (UAE). The underlying country indices are part of the S&P Frontier BMI index. The component stocks of the underlying country indices are screened for Shariah compliance. The resulting compliant stocks are included in the Pan Arab Shariah Index. In addition, each of the underlying countries of the Pan Arab Shariah index is calculated as a stand-alone Shariah country index.

**S&P Global BMI Shariah.** The S&P Global BMI Index, consisting of over 11,000 companies, was reviewed for Shariah compliance. The compliant companies form the S&P Global BMI Shariah index, which includes constituents from developed and emerging markets with float-adjusted market capitalization of at least US\$ 100 million and annual value traded of at least US\$ 50 million. The S&P Global BMI is reconstituted once a year on the third Friday in September. To follow are the various sub-indices derived from the S&P Global BMI Shariah index.

**S&P Country BMI & Regional Shariah indices.** There are currently 47 Shariah compliant country indices which include both developed and emerging markets. These are: Argentina, Australia, Austria, Belgium, Brazil, Canada, Chile, China, the Czech Republic, Denmark, Egypt, Finland, France, Germany, Greece, Hong Kong, Hungary, Iceland, India, Indonesia, Ireland, Israel, Italy, Japan, Luxembourg, Malaysia, Mexico, Morocco, the Netherlands, New Zealand, Norway, Peru, the Philippines, Poland, Portugal, South Korea, Russia, Singapore, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, the United Kingdom, and the United States. In addition, there are regional indices such as the S&P Europe BMI Shariah, S&P North America BMI Shariah, S&P Asia Pacific BMI Shariah, S&P Pan Asia BMI Shariah, S&P Asia Pacific Ex-Japan BMI Shariah, S&P Pan Asia Ex-Japan BMI Shariah, and S&P Pan Asia Ex-Japan, Australia and New Zealand BMI Shariah.

**S&P Global BMI Sector Shariah indices.** The S&P Global BMI Sector indices are composed of 10 sectors, as defined by the Global Industry Classification Standard (GICS<sup>®</sup>): Consumer Discretionary, Consumer Staples, Energy, Financials, Health Care, Industrials, Information Technology, Materials, Telecommunication Services and Utilities. Stocks in these sector indices are screened for compliance, resulting in the 10 S&P Global BMI Sector Shariah Indices.

**S&P Emerging Markets Shariah.** The S&P Emerging Markets BMI index includes constituents from emerging markets. Index constituents include stocks from Argentina, Brazil, Chile, China, the Czech Republic, Egypt, Hungary, India, Indonesia, Israel, Malaysia, Mexico, Morocco, Peru, the Philippines, Poland, Russia, South Africa, Taiwan, Thailand and Turkey. Stocks in this index are screened for compliance, resulting in the S&P Emerging Markets Shariah.

**S&P Global Property Shariah and S&P Developed Property Shariah.** The S&P Global Property Index represents and measures the investable universe of publicly traded property companies from developed and emerging markets. The constituents are companies engaged in a wide range of real estate related activities, such as property management, development, rental and investment. The component REIT stocks, in particular, include property trusts that invest in physical real estate assets and other pass through vehicles. The S&P Developed Property Index is a subset of the Global Property Index and includes companies from the developed markets only.

**S&P Pan Asia Shariah.** The stocks for this index are drawn from the Asian country indices in the S&P Global BMI index, excluding Australia, Japan and New Zealand. The index universe is reconstituted annually on November 1<sup>st</sup> to coincide with the reconstitution of the S&P Global BMI index. The S&P Pan Asia Shariah universe consists of stocks that have at least US\$ 1 billion in float-adjusted market capitalization. The number of stocks per country is limited to the top 15 by market capitalization.

All constituents within the universe that are Shariah compliant make up the index. The universe of stocks determined at the previous reconstitution is

screened for Shariah compliance monthly. The countries eligible for inclusion in this index are China, Hong Kong, India, Indonesia, Malaysia, the Philippines, Singapore, South Korea, Taiwan and Thailand.

**S&P Developed LargeMidCap Shariah.** The S&P Developed BMI index includes constituents from developed markets. Markets included are Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Iceland, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Singapore, South Korea, Spain, Sweden, Switzerland, the United Kingdom, and the United States. Those constituents in the top 85% of market capitalization of each country index then form the S&P LargeMidCap index, a subset of the BMI. The S&P Developed LargeMidCap Shariah is based on this underlying index. All stocks in the S&P Developed LargeMidCap index are screened for compliance to form the S&P Developed LargeMidCap Shariah.

**S&P Developed SmallCap Shariah.** The S&P Developed BMI index includes constituents from developed markets. Markets included are Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Iceland, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Singapore, South Korea, Spain, Sweden, Switzerland, the United Kingdom, and the United States. Those constituents in the bottom 15% of market capitalization of each country index, then, form the S&P Developed SmallCap index, a subset of the Developed BMI. The S&P Developed SmallCap Shariah is derived from this underlying index. All stocks in the S&P Developed SmallCap index are screened for compliance to form the S&P Developed SmallCap Shariah.

## **Representation**

All underlying indices are representative of their respective countries and regions, while remaining highly liquid and investable. Each Shariah compliant index typically covers over 60% of the market capitalization of the parent index, though this can vary depending on the number of companies found to be compliant. Historical performance analysis, however, indicates that there is a high level of correlation between the underlying indices and the Shariah compliant indices.

# Eligibility Criteria

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## **Sector-Based Screens**

Business activities related to the following are excluded:

1. Advertising and Media, with the following exceptions:
  - Media and advertising companies generating revenues in excess of 65% of total income from the GCC countries
  - News Channels
  - Newspapers
  - Sports Channels
2. Alcohol
3. Cloning.
4. Financials, except:
  - Islamic Banks
  - Islamic Financial Institutions
  - Islamic Insurance Companies
5. Gambling
6. Pork
7. Pornography
8. Tobacco
9. Trading of gold and silver as cash on deferred basis

During the selection process, each company's latest financial statement is reviewed to ensure that the company is not involved in any non-Shariah compliant activities, regardless of whether the latest statement is a quarterly, semi-annual or annual statement. If the latest statement is available in all three of these frequencies an annual statement will likely be used, as these are more likely to be audited. Those that are found to be non-compliant are screened out. The above industries are not considered Islamic and would not be appropriate for investment for observant Muslims.

## Accounting-Based Screens

After removing companies with non-compliant business activities, the rest of the companies are examined for compliance in financial ratios, as certain ratios may violate compliance measurements. Three areas of focus are leverage, cash, and the share of revenues derived from non-compliant activities. All of these are subject to evaluation on an ongoing basis.

**Leverage Compliance.** This compliance is measured as:

Debt / Market Value of Equity (36 month average) < 33 %;

**Cash Compliance.** There are compliances with reference to cash holdings. These are:

Accounts Receivables / Market value of Equity (36 month average) < 49 %;

(Cash + Interest Bearing Securities) / Market value of Equity (36 month average) < 33%;

**Revenue Share from Non-Compliant Activities.** In certain cases, revenues from non-compliant activities can be tolerated, if they comply with the following threshold:

(Non-Permissible Income other than Interest Income) / Revenue < 5%

**Dividend Purification Ratio.** This ratio is provided to investors for purification purposes, it is calculated as:

Dividends \* (Non Permissible Revenue / Total Revenue)

## Index Eligibility

The stocks are, first, constituents of the underlying indices. They are, then, screened for Shariah compliance. Only those stocks that are compliant remain in the Shariah compliant indices.

*For details on the eligibility requirements for underlying indices please refer to their respective methodology documents.*

## Eligibility Factors

Each of the underlying indices has its own eligibility criteria.

*For a complete list of eligibility criteria for the underlying indices please refer to the index methodology documents for the S&P 500, S&P Europe 350, S&P Japan 500, the S&P/IFCI GCC and the S&P Global Equity Indices.*

## Timing of Changes

The following S&P Shariah indices will see additions and deletions on an ongoing basis due to corporate activity linked to changes in the underlying index. There is a two to five business days notice period for each change, which is communicated through the daily corporate action (.SPA) files. Updates due to changes in compliance will continue to be applied once a month on the third Friday of the month.

- S&P 500 Shariah
- S&P Europe 350 Shariah
- S&P Japan 500 Shariah
- S&P/Topix 150 Shariah
- S&P Global Healthcare Shariah

Additions are made to the Shariah indices once a month, typically the third Friday of the month after the addition to the underlying index, if found compliant by the Shariah board.

Deletions will be done at the same time as the underlying index.

**Additions.** Once an announcement is made of an impending addition to an underlying index, RI will screen it for compliance. If the stock is found to be compliant, after approval by the Shariah board, it will be added to the respective Shariah index. RI will also regularly monitor the existing non-compliant stocks of the underlying index. If any of these stocks become compliant because of changes in financial ratios or a change in business activity due to mergers or restructuring, it will be added to the Shariah index with notice to clients.

**Deletions.** All deletions from the parent index will be deleted from the Shariah compliant index on the same day. RI will also conduct an ongoing review of existing Shariah index constituents for continued inclusion in the relevant index.

Additions and deletions to the index which will occur due to ongoing reviews and changes in compliance are done on the third Friday of each month with advance notice to clients.

# Index Construction

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## **Approaches**

The S&P Shariah Indices are calculated using a base-weighted aggregate methodology. This means the level of an index reflects the total float-adjusted market value of all of the component stocks relative to a particular base period. The total market value of a company is determined by multiplying the price of its stock by the number of shares available after float adjustment. An indexed number is used to represent the result of this calculation in order to make the value easier to work with and track over time. The indices are calculated in real time.

On any given day, the index value is the quotient of the total available market capitalization of its constituents and its divisor. Continuity in index values is maintained by adjusting the divisor for all changes in the constituents' share capital after the base date. This includes additions and deletions to the index, rights issues, share buybacks and issuances, and spin-offs. The divisor's time series is, in effect, a chronological summary of all changes affecting the base capital of the index. The divisor is adjusted such that the index value at an instant just prior to a change in base capital equals the value at an instant immediately following that change.

*Please refer to the Index Mathematics document for details on index level calculations.*

# Index Maintenance

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Constituents of the S&P Shariah Indices are also constituents of the underlying S&P global indices. As such, specific changes to index constituents – such as share changes, IWF changes, dividend distributions, price adjustments, etc. – will follow the policy of the respective regional index.

Changes in the index level reflect changes in the total market capitalization of the index that are caused by stock price movements in the market. They do not reflect changes in the market capitalization of the index, or of the individual stocks, that are caused by corporate actions such as dividend payments, stock splits, distributions to shareholders, mergers, or acquisitions. When a corporate action affects the price of a security – such as when the price drops on a special distribution ex-date – the price of the security is adjusted on the ex-date and the index divisor is adjusted to offset any change in the total market value of the index.

When a stock is replaced by another stock, the index divisor is adjusted so the change in index market value that results from the addition or deletion does not change the index level.

## **5% Rule**

All share changes of 5% or more are done at the effective date, or as soon as reliable information is available. As a general rule, changes of less than 5% are applied on the third Friday of March, June, September and December for the S&P 500 Shariah, the S&P Europe 350 Shariah, and S&P Japan 500 Shariah.

Similarly, changes reflecting float adjustment are applied if they cause a capitalization change of 5% or more. Changes of less than this are applied at the annual review in September. There may be some differences in these rules in the regional indices to accommodate differences in regional trading practices.

*Please refer to individual S&P Global 1200 regional index methodologies for further treatment of shares changes by geographic area. The S&P Pan Arab Index methodology provides more information on the S&P GCC Shariah indices, and the S&P Global Equity Indices methodology on the S&P Pan Asia Shariah Index.*

## **Corporate Actions**

*Please refer to the S&P Indices Corporate Actions Policies & Practices Methodology in the Index Library section under the S&P Indices Web site:  
<http://www.standardandpoors.com/indices/index-library/en/us>.*

## **Compliance Audit**

As soon as any new information regarding a constituent company is collected, compliance is reviewed. RI provides the compliance data to Standard & Poor's via a monthly compliance report. A daily screening report is checked by RI and provided to the Shariah supervisory board and a member of the Shariah board signs off on a monthly basis. Standard & Poor's reviews the monthly report and, accordingly, removes any existing constituents for non-compliance.

## **Currency of Calculation**

The indices are all calculated in U.S. dollars as well as in the currency of calculation of their underlying indices. For example, the S&P Europe 350 Shariah and the S&P Japan 500 Shariah are calculated in the Euro and the Japanese Yen, respectively, in addition to the U.S. dollar. The GCC indices are calculated in U.S. dollars as well as the local currencies of the constituent countries.

## **Exchange Rate**

WM/Reuters foreign exchange rates are taken daily at 4:00 PM Greenwich Mean Time (GMT) and used in the calculation of the indices. These mid-market fixings are calculated by The WM Company based on Reuters data and appear on Reuters pages WMRA.

## Base Dates

The table below indicates the base dates for the various S&P Shariah Indices:

S&P Shariah Indices	Base Dates
S&P 500 Shariah	12/29/2000
S&P Europe 350 Shariah	12/29/2000
S&P Japan 500 Shariah	12/29/2000
S&P/Topix 150 Shariah	1/2/2007
S&P GCC Investable Shariah	3/30/2007
S&P/IFCI Large-MidCap Shariah	12/29/2006
S&P Pan Arab (MENA) Shariah	3/30/2007
S&P Global BMI Shariah	11/30/2007
S&P BMI Shariah Countries and Sectors	11/30/2007
S&P Global & Developed BMI Property Shariah	3/30/2007
S&P Pan Asia Shariah	5/31/2007
S&P Developed LargeCap Shariah	12/28/2006
S&P BRIC Shariah	3/30/2007
S&P Global Infrastructure Shariah	12/29/2006

## Investable Weight Factor (IWF)

All issues in the S&P Shariah indices are assigned a float factor, called an Investable Weight Factor (IWF). The IWF ranges between 0 and 1 and is an adjustment factor that accounts for the publicly available shares of a company. The company's adjusted market capitalization determines an equity issue's relative weight in the index. The IWF is exactly the same as it is for the constituents in the underlying indices.

*Please refer to the Float Adjustment methodology document for general information on float adjustment and Investable Weight Factors.*

*Please refer to the individual regional index methodologies for further treatment of Investable Weight Factors by geographic area.*

# Index Data

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## **Total Return and Net Return Indices**

Both a price return and a total return index series are calculated. Cash dividends are applied on the ex-date of the dividend.

Standard & Poor's calculates daily total return series using both gross and net cash dividends reinvested. Net reinvested return is reflective of the return to an investor where dividends are reinvested after the deduction of a withholding tax. The tax rate applied is the rate to non-resident institutions that do not benefit from double taxation treaties. The net reinvested return series approximates the returns available to an investor based in Luxembourg, reflecting the minimum possible dividend reinvestment since the highest rates are theoretically applied to Luxembourg-based investors. The rates applied are the current effective rates and are sourced from Ernst & Young's Worldwide Corporate Tax Guide and the Economic Intelligence Unit. These rates are maintained and updated to reflect any ongoing changes.

# Index Governance

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## **Index Committee**

Each of Standard & Poor's global indices is the responsibility of an Index Committee that monitors overall policy guidelines and methodologies, as well as additions to and deletions from these indices. The Index Committee is composed of Standard & Poor's staff specialized in the various regional equity markets. In some cases, regional Index Committees include non-S&P staff as minority members.

Decisions made by the Index Committee include all matters relating to index construction and maintenance. The Index Committee meets regularly to review market developments, and convenes as needed to address major corporate actions.

It is the sole responsibility of the Index Committee to decide on all matters relating to methodology, maintenance, constituent selection and index procedures. The Index Committee makes decisions based on all publicly available information and discussions are kept confidential to avoid any unnecessary impact on market trading. As the numbers of companies in the S&P global indices are often fixed, constituent changes are generally driven by mergers and acquisitions activities or the impairment of a stock's ability to reflect the market, due to a substantial change in size or liquidity.

## **Shariah Expertise**

Standard & Poor's has contracted with Ratings Intelligence Partners which is a London/Kuwait based Shariah consultancy. The company was established in 2000 to develop leading-edge solutions for the global Islamic investment market. Its current focus is on consulting leading hedge fund organizations in the implementation of Shariah compliant hedge funds. The emphasis is presently on equity long/short strategies; however, work is underway to expand the process to other strategies, subject to Shariah approval.

## **The Shariah Supervisory Board**

### **Dr. Muhammad Ali El-Gari.**

- PhD in Economics from the University of California, California, United States.
- Professor of Islamic Economics, King Abdul Aziz University, Jeddah, Saudi Arabia.
- Former Director, Centre for Research in Islamic Economics, King Abdulaziz University.
- Member, Academic Committee, Islamic Development Bank, Jeddah.
- Member of Islamic Fiqh<sup>1</sup> Academy, Jeddah.
- Editor, Review of Islamic Economics, London (Journal of the International Association of Islamic Economics).
- Shariah board member for National Commercial Bank (Saudi Arabia), Citi Islamic Investment Bank (Saudi Arabia), Saudi American Bank, Saudi British Bank and Dow Jones Islamic Index (United States).

### **Dr. Abdul Sattar Abu Ghuddah.**

- Holds Licenses in Islamic Law from Damascus University, Syria.
- PhD in Islamic Law from Al Azhar University, Cairo, Egypt.
- MSc in Islamic Law and Hadith.
- Shariah advisor of several Islamic financial, banking and governmental institutions.
- Advisor for Islamic Law Encyclopedia (Kuwait Awqaf Ministry).
- Shariah board member for Al-Baraka Islamic Investment Co (Saudi Arabia), Dow Jones Islamic Index (United States), Al-Tawfeek Co (Saudi Arabia) and SAMBA (Riyadh).

### **Dr. Nazih Hammad.**

- PhD in Islamic Law from the University of Cairo, Egypt.
- Former Professor at the college of Shariah, Um Alqura University, Makkah Al Mukkarmah for 17 years.
- Member of the Islamic Fiqh<sup>1</sup> Academy, Jeddah, Saudi Arabia (Organization of Islamic Countries).
- Graduate of the University of Damascus, Syria.
- Shariah board member for Citi Islamic Investment Bank (Bahrain), Permal Asset Management (United States).

**Dr. Mohammad Amin Ali Qattan.**

- PhD in Islamic Banking from Birmingham University, UK and BA in Islamic Economics from Saudi Arabia.
- Director of the Islamic Economics Unit, College of Business Administration, Kuwait University.
- Faculty member at the American University of Cairo in 2006, Lecturer at the College of Trading Studies in Kuwait.
- Author and presenter of many articles and books in Islamic Economics, accredited trainer in the Islamic business field by many institutions inside and outside Kuwait.
- Member of Shari'a Control Committees in many Islamic financial firms in Kuwait, USA, London, Geneva, Kenya and Bahrain.

# Index Policy

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## **Announcements**

All additions, deletions, share and Investable Weight Factor (IWF) changes are normally announced two-to-five days ahead of the effective date. These announcements are posted to clients' ftp site and sent by email.

## **Holiday Schedule**

Single country indices (e.g. S&P 500 Shariah, S&P Japan 500 Shariah) follow the national holiday schedule in each country. The S&P Europe 350 Shariah is calculated on all days of the year except when all the component markets are closed.

*A complete holiday schedule for the year is available on the Standard & Poor's Web site at [www.indices.standardandpoors.com](http://www.indices.standardandpoors.com).*

## **Recalculation Policy**

Standard & Poor's attempts to avoid incorrect data that affects the indices on a best-efforts basis. Incorrect share calculations, corporate actions, and exchange rates are corrected immediately. However, index values are typically not corrected retroactively.

## **Index Precision**

The level of precision for index calculation is as follows:

- Index values are published rounded to two decimal places.
- Share prices are rounded to six decimal places.
- Shares outstanding are expressed in units.
- Investable Weight Factors are rounded to four decimal places.
- Exchange rates are stated to 14 decimal places.
- Market capitalization is stated to four decimal places.
- Index values are calculated to 14 decimal places.

# Index Dissemination

Market-sensitive announcements, including the additions or deletions of stocks in indices, are normally made when markets are closed. In general, announcements for markets in the U.S. are made at 05:15 PM Eastern Time; announcements for other indices are made at 04:15 PM Eastern Time.

Daily index values, corporate actions, index weights and portfolios can be received via Standard & Poor's FTP site.

## Tickers

Daily index values can be viewed on Bloomberg and Reuters. For a complete list of tickers please visit our Web site at

<http://www2.standardandpoors.com/spf/pdf/index/Tickers ETF chart.pdf>.

Below are the tickers for the some of the most popular S&P Shariah indices:

Index	Bloomberg	Reuters
S&P 500 Shariah	SPSHX	.SPXSH
S&P Europe 350 Shariah	SPSHE	.SPESH
S&P Japan 500 Shariah	SPSHJ	.SPJSH

## S&P BMI Global Shariah

Index	Bloomberg	Reuters
S&P Global BMI Shariah (USD)	SPSHGLUP	.SPSHGLUP
S&P Global BMI Shariah (EUR)	SPSHGLEP	.SPSHGLEP
S&P Global BMI Shariah TR (USD)	SPSHGLUT	.SPSHGLUT
S&P Global BMI Shariah TR (EUR)	SPSHGLET	.SPSHGLET
S&P Global BMI Shariah Net TR (USD)	SPSHGLUN	.SPSHGLUN
S&P Global BMI Shariah Net TR (EUR)	SPSHGLEN	.SPSHGLEN

## GCC Shariah

Index	Bloomberg – Price	Bloomberg – Total Return
S&P GCC Shariah USD	SPSHG	SPSHGT
S&P GCC Shariah Investable Index USD	SPSHGI	SPSHGIT

### S&P/IFCI Large-MidCap Shariah

Index	Bloomberg	Reuters
S&P/IFCI Large-MidCap Shariah USD	SPSHEM	.SPSHEM
S&P/IFCI Large-MidCap Shariah Total Return USD	SPSHEMT	.SPSHEMT
S&P/IFCI Large-MidCap Shariah Net Return USD	SPSHEMN	.SPSHEMN
S&P/IFCI Large-MidCap Shariah Euro	SPSHEME	.SPSHEME
S&P/IFCI Large-MidCap Shariah Total Return Euro	SPSHEMET	.SPSHEMET
S&P/IFCI Large-MidCap Shariah Net Return Euro	SPSHEMEN	.SPSHEMEN

### TOPIX Shariah

Index	Bloomberg	Reuters
S&P/TOPIX 150 Shariah Index USD	SPSHTXU	.SPSHTXU
S&P/TOPIX 150 Shariah Index Total Return USD	SPSHTXUT	.SPSHTXUT
S&P/TOPIX 150 Shariah Index Net Return USD	SPSHTXUN	.SPSHTXUN
S&P/TOPIX 150 Shariah Index Yen	SPSHTX	.SPSHTX
S&P/TOPIX 150 Shariah Index Total Return Yen	SPSHTXT	.SPSHTXT
S&P/TOPIX 150 Shariah Index Net Return Yen	SPSHTXN	.SPSHTXN

### BRIC Shariah

Index	Bloomberg	Reuters
S&P BRIC Shariah Index USD	SPSHBR	.SPSHBR
S&P BRIC Shariah Index Total Return USD	SPSHBRT	.SPSHBRT
S&P BRIC Shariah Index Net Return USD	SPSHBRN	.SPSHBRN
S&P BRIC Shariah Index Euro	SPSHBRE	.SPSHBRE
S&P BRIC Shariah Index Total Return Euro	SPSHBRET	.SPSHBRET
S&P BRIC Shariah Index Net Return Euro	SPSHBREN	.SPSHBREN

### Pan Asia Shariah

Index	Bloomberg	Reuters
S&P Pan Asia Shariah Index USD	SPSHAS	.SPSHAS
S&P Pan Asia Shariah Index Total Return USD	SPSHAST	.SPSHAST
S&P Pan Asia Shariah Index Net Return USD	SPSHASN	.SPSHASN
S&P Pan Asia Shariah Index Euro	SPSHASE	.SPSHASE
S&P Pan Asia Shariah Index Total Return Euro	SPSHASET	.SPSHASET
S&P Pan Asia Shariah Index Net Return Euro	SPSHASEN	.SPSHASEN

### Pan Arab Shariah

<b>Index</b>	<b>Bloomberg</b>	<b>Reuters</b>
S&P Pan Arab Shariah Index USD	SPSHPA	.SPSHPA
S&P Pan Arab Shariah Index Total Return USD	SPSHPAT	.SPSHPAT
S&P Pan Arab Shariah Index Net Return USD	SPSHPAN	.SPSHPAN
S&P Pan Arab Shariah Index Euro	SPSHPAE	.SPSHPAE
S&P Pan Arab Shariah Index Total Return Euro	SPSHPAET	.SPSHPAET
S&P Pan Arab Shariah Index Net Return Euro	SPSHPAEN	.SPSHPAEN

### Global Healthcare Shariah

<b>Index</b>	<b>Bloomberg</b>	<b>Reuters</b>
S&P Global Healthcare Shariah USD	SPSHGH	.SPSHGH
S&P Global Healthcare Shariah Total Return USD	SPSHGHT	.SPSHGHT
S&P Global Healthcare Shariah Net Return USD	SPSHGHN	.SPSHGHN
S&P Global Healthcare Shariah Euro	SPSHGHE	.SPSHGHE
S&P Global Healthcare Shariah Total Return Euro	SPSHGHET	.SPSHGHET
S&P Global Healthcare Shariah Net Return Euro	SPSHGHEN	.SPSHGHEN

### Global Property Shariah

<b>Index</b>	<b>Bloomberg</b>	<b>Reuters</b>
S&P Global Property Shariah Index USD	SPSHGU	.SPSHGU
S&P Global Property Shariah Index Total Return USD	SPSHGUT	.SPSHGUT
S&P Global Property Shariah Index Net Return USD	SPSHGUN	.SPSHGUN
S&P Global Property Shariah Index Euro	SPSHGUE	.SPSHGUE
S&P Global Property Shariah Index Total Return Euro	SPSHGUET	.SPSHGUET
S&P Global Property Shariah Index Net Return Euro	SPSHGUEN	.SPSHGUEN

### Developed Property Shariah

<b>Index</b>	<b>Bloomberg</b>	<b>Reuters</b>
S&P Developed Property Shariah Index USD	SPSHWU	.SPSHWU
S&P Developed Property Shariah Index Total Return USD	SPSHWUT	.SPSHWUT
S&P Developed Property Shariah Index Net Return USD	SPSHWUN	.SPSHWUN
S&P Developed Property Shariah Index Euro	SPSHWUE	.SPSHWUE
S&P Developed Property Shariah Index Total Return Euro	SPSHWUET	.SPSHWUET
S&P Developed Property Shariah Index Net Return Euro	SPSHWUEN	.SPSHWUEN

### **S&P Emerging Markets Shariah**

<b>Index</b>	<b>Bloomberg</b>	<b>Reuters</b>
S&P Emerging Markets Shariah USD	SPSHEKUP	.SPSHEKUP
S&P Emerging Markets Shariah Total Return USD	SPSHEKUT	.SPSHEKUT
S&P Emerging Markets Shariah Net Total Return USD	SPSHEKUN	.SPSHEKUN

### **FTP**

Daily stock level and index data are available via FTP on subscription.

*For further information, please refer to Standard & Poor's Web site at [www.indices.standardandpoors.com](http://www.indices.standardandpoors.com).*

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