

MSCI Global Islamic Indices

Family of benchmark indices reflecting Sharia investment principles, including dividend purification.

The MSCI GCC Countries Islamic Indices are derived from the enhanced MSCI GCC Countries Indices, Then according to the MSCI Islamic Index Series Methodology, MSCI country indices are screened against a series of business activities and financial ratios, and a dividend adjustment factor is applied to adjust for any non-Sharia Compliant income.

Key Benefits

Reflects Sharia Investment Principles — In March 2007, the Sharia Supervisory Board of Dar Al Istithmar granted a Fatwa on the MSCI Islamic Index Series Methodology, confirming that it is in compliance with generally accepted Sharia guidelines. The Sharia scholars who signed the Fatwa are some of the most widely respected and distinguished scholars from the world of Islamic Finance.

- Dr Hussain Hamid Hassan
- Dr Mohamed Elgari
- Dr Ali AlQaradaghi
- Dr Abdul Sattar Abu Ghuddah
- Dr Mohamed Daud Bakar

Periodic Monitoring — the Sharia Advisory Board, under the guidance of Dr Hamid Hassan, reviews the ongoing compliance of the indices with the Fatwa.

Incorporates Dividend Purification — The MSCI Global Islamic Indices are more relevant benchmarks because they reflect the total return of an Islamic portfolio where re-invested dividends have been “purified”.

Stringent Screens for Business Activities and Financial Ratios — The MSCI Islamic Index Series Methodology includes stringent screens of business activities and financial ratios based on total assets. Using total assets rather than market capitalization for the three financial ratio screens results in lower index volatility and lower index turnover, as market capitalization can be more volatile than total assets.

Broad Country Coverage — The MSCI Global Islamic Indices are constructed from the underlying MSCI country indices and cover 69 of the MSCI developed, emerging and frontier markets countries including to the Gulf Cooperation Council (GCC) countries and Arabian markets. For a complete list of eligible countries for the MSCI Global Islamic Indices, visit www.msclub.com.

Index Licensing — The MSCI Global Islamic Indices may be licensed for use by institutional investors around the world for portfolio management and benchmarking purposes, as well as to serve as the basis of structured products and other index-linked investment vehicles such as ETFs.

MSCI GCC Countries Islamic Indices – Index Screens

The following screens are applied to the GCC Country Indices

Business Activity Screening	Financial Ratio Screening	Dividend Purification
Screen out companies that are directly active in, derive 5% or more of their revenue (cumulatively), from the following activities	Screen out companies that derive significant income from interest or companies that have excessive leverage, using the following three financial ratios	Apply “dividend adjustment factor” to all reinvested dividends
<ul style="list-style-type: none"> ■ Alcohol ■ Tobacco ■ Pork related products ■ Financial Services ■ Defence / Weapons ■ Gambling / Casino ■ Music ■ Hotels ■ Cinema ■ Adult Entertainment 	<ul style="list-style-type: none"> ■ Total debt over total assets ■ Sum of cash and interest-bearing securities over total assets ■ Sum of accounts receivables and cash over total assets <p>The financial ratios may not exceed 33.33%</p>	<ul style="list-style-type: none"> ■ Total earnings – [(income from prohibited activities + interest income)] / total earnings <p>Total earnings are defined as gross income, and interest income is defined as operating and non-operating interests</p>

For more details on the ratio calculations, please see the MSCI Islamic Index Series Methodology.

Note: Islamic Financial Institutions (refer to Appendix for definition) are not subject to Financial Ratio Screening. Revenue from hotel premises operating in Saudi Arabia is not considered prohibited activity.

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MSCI Islamic Indices – Product Information

Four product modules are available: the MSCI Islamic Core Plus DM Module, the MSCI Islamic Core Plus EM Module, the MSCI Islamic Small Cap Plus EM Module and the MSCI Islamic Core Plus AP Module. Historical data modules are also available – please contact MSCI Barra Global Client Service for further details

Summary of Additional Data Provided in the Modules

- Security level data and dividend data are available in the Islamic Core Plus Modules
- Index level data is available in existing MSCI Core and MSCI Core VG Plus Modules
- The MSCI Islamic Index ACE file provides advance notice of corporate events affecting the MSCI Global Islamic Index constituents

Index Level Data	Security Level Data	Dividend Data
<ul style="list-style-type: none"> ▪ Index with Purified Gross Dividends (USD/Local) ▪ Index with Purified Net Dividends (USD/Local) ▪ Purified Index Yield 	<ul style="list-style-type: none"> ▪ Islamic Inclusion Flag Today ▪ Islamic Inclusion Flag Next Day ▪ Pro Forma Islamic Inclusion Flag ▪ Purified Gross DTR Local ▪ Purified Gross DTR USD ▪ Purified Net DTR Local ▪ Purified Net DTR USD ▪ Dividend ISO Currency Symbol ▪ Dividend Sub-unit ▪ Purified Dividend Per Share ▪ Dividend Per Share Date ▪ Purified Yield 	<ul style="list-style-type: none"> ▪ MSCI Gross Dividend Amount ▪ MSCI Net Dividend Amount ▪ MSCI Purified Gross Dividend Amount ▪ MSCI Purified Net Dividend Amount

Reporting and Delivery

- Modules are available in daily and monthly frequency
- Data is available for index and security levels
- Delivery occurs monthly or daily by 00:30 am CET (next day) for the MSCI Islamic Core Plus DM Module, 03:00 am CET (next day) for the MSCI Islamic Core Plus EM Module and MSCI Islamic Small Cap Plus EM Module, and 06:30 pm CET (same day) for the MSCI Islamic Core Plus AP Module. Saturday and Sunday files are delivered at 5:30 pm CET on Saturday and Sunday respectively.
- Direct delivery via internet FTP or XML
- Vendors
- Real Time published via Bloomberg, Reuters and Thomson for select indices (price only)

About MSCI Barra

MSCI Barra is a leading provider of investment decision support tools to investment institutions worldwide. MSCI Barra products include indices and portfolio risk and performance analytics for use in managing equity, fixed income and multi-asset class portfolios. The company's flagship products are the MSCI International Equity Indices, which are estimated to have over USD 3 trillion benchmarked to them, and the Barra risk models and portfolio analytics, which cover 56 equity and 46 fixed income markets. MSCI Barra is headquartered in New York, with research and commercial offices around the world. Morgan Stanley, a global financial services firm, is the majority controlling shareholder of MSCI Barra.

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