

Dow Jones Islamic Market Developed Markets Quality Index Consultation on Constituent Capping Changes – Results

NEW YORK, JUNE 5, 2024: S&P Dow Jones Indices (“S&P DJI”) has conducted a [consultation](#) with market participants on potential changes to the Dow Jones Islamic Market Developed Markets Quality Index.

To enhance constituent diversification, S&P DJI is updating the constituent weightings process to align with UCITS diversification rule 5/10/40. Additionally, certain buffers are being incorporated to ensure continued consistency with the weighting change.

Methodology	Constituent Weightings
Previous	At each rebalancing, the index is weighted by quality score times FMC within each GICS Sector, with the total weight within each GICS Sector equaling the weight of the GICS Sector in the underlying index. If any single constituent’s weight exceeds the maximum of 5% and the constituent’s underlying index weight, an optimization process is run to cap the weights to maintain GICS Sector weight neutrality with the underlying index. If any GICS Sector fails the optimization process, the 5% capping is incrementally relaxed for that GICS Sector until the optimization process succeeds.
Updated	<p>At each rebalancing, the index is weighted by quality score times FMC within each GICS Sector, with the total weight within each GICS Sector equaling the weight of the GICS Sector in the underlying index.</p> <p>An optimization process is run to satisfy the following capping constraints:</p> <ul style="list-style-type: none"> • If the constituent's weight in the underlying index is greater than 9%, then cap the constituent's weight at 9%. • If the constituent's weight in the underlying index is greater than 4.5% but less than 9%, then cap the constituent's weight at its weight in the underlying index. • If the constituent’s weight in the underlying index is less than 4.5%, then cap the constituent's final weight at 4.5%. <p>If any GICS Sector fails the optimization process, the 4.5% capping is incrementally relaxed for that GICS Sector until the optimization process succeeds.</p> <p>Cap the aggregate weight of all companies weighing at least 4.5% at 36% of the total index weight.</p>

For additional information about the indices, please refer to the [Dow Jones Islamic Market Quality Indices Methodology](#).

IMPLEMENTATION TIMING

S&P DJI is implementing the previously described changes on **Monday, June 24, 2024**. These changes will first be visible to clients in pro-forma files beginning on **Friday, June 14, 2024**.

For more information about S&P Dow Jones Indices, please visit www.spglobal.com/spdji.

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