

# **S&P/OIC COMCEC 50 Shariah *Methodology***

April 2024

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# Introduction

## Index Objective

The S&P/OIC COMCEC 50 Shariah is an index designed in partnership with the Organization of Islamic Cooperation (OIC) and measures the performance of the 50 largest companies from OIC member states by float-adjusted market capitalization (FMC), subject to certain eligibility criteria and country limits. Constituents are FMC weighted, subject to constraints on eligible country representation as well as maximum stock and country caps as defined in *Constituent Selection* and *Constituent Weightings*.

For more information on the OIC, please refer to [oic-oci.org](http://oic-oci.org).

## Supporting Documents

This methodology is meant to be read in conjunction with supporting documents providing greater detail with respect to the policies, procedures and calculations described herein. References throughout the methodology direct the reader to the relevant supporting document for further information on a specific topic. The list of the main supplemental documents for this methodology and the hyperlinks to those documents is as follows:

Supporting Document	URL
S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology	<a href="#">Equity Indices Policies &amp; Practices</a>
S&P Dow Jones Indices' Index Mathematics Methodology	<a href="#">Index Mathematics Methodology</a>
S&P Dow Jones Indices' Float Adjustment Methodology	<a href="#">Float Adjustment Methodology</a>

This methodology was created by S&P Dow Jones Indices to achieve the aforementioned objective of measuring the underlying interest of each index governed by this methodology document. Any changes to or deviations from this methodology are made in the sole judgment and discretion of S&P Dow Jones Indices so that the index continues to achieve its objective.

# Eligibility Criteria

## Index Eligibility

Index constituents are drawn from the following underlying indices:

- S&P Global BMI Shariah
- S&P Frontier BMI Shariah
- S&P Nigeria BMI Shariah

*For information on these underlying indices, please refer to the S&P Shariah Indices Methodology available at [www.spglobal.com/spdji/](http://www.spglobal.com/spdji/).*

## Eligibility Factors

**Listing and Country.** To be eligible for index inclusion, companies must be listed on a stock exchange of the following OIC member states:

- |                 |              |                        |
|-----------------|--------------|------------------------|
| • Bahrain       | • Kazakhstan | • Pakistan             |
| • Bangladesh    | • Kuwait     | • Qatar                |
| • Cote d'Ivoire | • Malaysia   | • Saudi Arabia         |
| • Egypt         | • Morocco    | • Tunisia              |
| • Indonesia     | • Nigeria    | • Turkey               |
| • Jordan        | • Oman       | • United Arab Emirates |

**Liquidity.** Stocks must have a three-month average daily value traded (ADVT) of at least US\$ 1 million over the three months immediately preceding the Rebalancing Reference Date.

Stocks meeting the above criteria form the Selection Universe.

**Multiple Share Classes.** Each company is represented once by the Designated Listing. For more information regarding the treatment of multiple share classes, please refer to Approach B within the Multiple Share Classes section of the S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.

# Index Construction

## Approaches

There are two steps in the creation of the index. The first is the selection of the index constituents; the second is the weighting of the constituents within the index.

## Constituent Selection

The index is composed of the 50 largest stocks in the Selection Universe as measured by FMC as of the quarterly Rebalancing Reference Date, subject to the following constraints:

- **Minimum Country Representation.** The index must include at least one eligible stock from each country. If there are no stocks from a given country that meet the liquidity threshold (see *Eligibility Factors*), then the most actively traded stock over the prior three-month period (based on average value traded) is selected for index inclusion. If there are no eligible stocks for a given country, then that country is not represented in the index.
- **Maximum Country Representation.** The index can include no more than eight stocks per eligible country.

## Constituent Weightings

The index employs a capped market capitalization weighting scheme. At each quarterly rebalancing, modifications are made to the FMC weights to meet the following criteria:

- No stock can have an index weight of more than 5%
- The aggregate index weight of stocks from any given country cannot exceed 20%

## Index Calculations

The index is calculated by means of the divisor methodology used in all S&P Dow Jones Indices' equity indices.

*For more information on the index calculation methodology, please refer to the Capped Market Capitalization Indices section of S&P Dow Jones Indices' Index Mathematics Methodology.*

# Index Maintenance

## Rebalancing

The index is rebalanced quarterly, effective at the open of the Monday following the third Friday of January, April, July, and October. The rebalancing reference date is the last business day of December, March, June, and September, respectively. Index shares are calculated on the Wednesday prior to the second Friday of the rebalancing month, using closing prices as the reference prices.

**Additions.** With the exception of spin-offs, no companies are added between quarterly rebalancings.

**Spin-Offs.** A spin-off is added to all indices in which the parent security is a constituent; spin-offs are added at a zero price, at the close of market, on the day before the ex-date (with no divisor adjustment). The spin-off remains in the parent's indices if it meets the eligibility criteria. If a spin-off security is deemed ineligible to remain in the index, it will be removed after at least one day of regular way trading (with a divisor adjustment).

*For more information on spin-off treatment, please refer to the Treatment of Spin-Offs in the Market Capitalization Indices section of S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.*

**Deletions.** A company can be deleted from the index any time during the year due to corporate events such as mergers, acquisitions, takeovers or delistings. In addition, constituents removed from an underlying index are removed from the S&P/OIC COMCEC 50 Shariah Index simultaneously. Hence, the number of stocks in an index may fall below the targeted constituent count of 50 due to any deletions made between rebalancings. Other deletions may occur as part of the quarterly rebalancing.

## Corporate Actions

Corporate actions (such as stock splits, stock dividends, spin-offs, and rights offerings) are applied after the close of trading on the day prior to the ex-date.

*For more information on corporate actions, please refer to the Market Capitalization Indices section in the Summary of Corporate Action Treatment by Index Weighting Type chapter of S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.*

## Currency of Calculation and Additional Index Return Series

The index calculates in U.S. dollars.

WMR foreign exchange rates are taken daily at 4:00 PM London Time and used in the calculation of the indices. These mid-market fixings are calculated by WMR based on LSEG data and appear on LSEG pages.

In addition to the indices detailed in this methodology, additional return series versions of the indices may be available, including, but not limited to: currency, currency hedged, decrement, fair value, inverse, leveraged, and risk control versions. For a list of available indices, please refer to the [S&P DJI Methodology & Regulatory Status Database](#).

*For information on the calculation of different types of indices, please refer to S&P Dow Jones Indices' Index Mathematics Methodology.*

*For the inputs necessary to calculate certain types of indices, including decrement, dynamic hedged, fair value, and risk control indices, please refer to the Parameters documents available at [www.spglobal.com/spdji/](http://www.spglobal.com/spdji/).*

### Base Date and History Availability

Index history availability, base date, and base value are shown in the table below.

Index	Launch Date	First Value Date	Base Date	Base Value
S&P/OIC COMCEC 50 Shariah	06/15/2012	01/16/2009	01/16/2009	100



# Index Data

## Calculation Return Types

S&P Dow Jones Indices calculates multiple return types which vary based on the treatment of regular cash dividends. The classification of regular cash dividends is determined by S&P Dow Jones Indices.

- Price Return (PR) versions are calculated without adjustments for regular cash dividends.
- Gross Total Return (TR) versions reinvest regular cash dividends at the close on the ex-date without consideration for withholding taxes.
- Net Total Return (NTR) versions, if available, reinvest regular cash dividends at the close on the ex-date after the deduction of applicable withholding taxes.

In the event there are no regular cash dividends on the ex-date, the daily performance of all three indices will be identical.

For a complete list of indices available, please refer to the daily index levels file (".SDL").

*For more information on the classification of regular versus special cash dividends as well as the tax rates used in the calculation of net return, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.*

*For more information on the calculation of return types, please refer to S&P Dow Jones Indices' Index Mathematics Methodology.*

# Index Governance

## Index Committee

The index is governed by a transparent and objective rules-based methodology. However, the index rules are maintained by an Index Committee, and the Committee may revise index policy covering rules for selecting companies, treatment of dividends, share counts or other matters, if necessary, based on market conditions, after performing a consultation with the OIC Exchanges and other market participants. Additionally, any changes to the index rules are communicated to market participants at least four weeks prior to implementation if possible.

The Index Committee meets regularly. At each meeting, the Index Committee reviews pending corporate actions that may affect index constituents and any significant market events.

S&P Dow Jones Indices considers information about changes to its indices and related matters to be potentially market moving and material. Therefore, all Index Committee discussions are confidential.

S&P Dow Jones Indices' Index Committees reserve the right to make exceptions when applying the methodology if the need arises. In any scenario where the treatment differs from the general rules stated in this document or supplemental documents, clients will receive sufficient notice, whenever possible.

In addition to the daily governance of indices and maintenance of index methodologies, at least once within any 12-month period, the Index Committee reviews the methodology to ensure the indices continue to achieve the stated objectives, and that the data and methodology remain effective. In certain instances, S&P Dow Jones Indices may publish a consultation inviting comments from external parties.

*For information on Quality Assurance and Internal Reviews of Methodology, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.*

# Index Policy

## Announcements

All index constituents are evaluated daily for data needed to calculate index levels and returns. All events affecting the daily index calculation are typically announced in advance via the Index Corporate Events report (.SDE), delivered daily to all clients. Any unusual treatment of a corporate action or short notice of an event may be communicated via email to clients.

*For more information, please refer to the Announcements section of S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.*

## Pro-forma Files

In addition to the corporate events file (.SDE), S&P Dow Jones Indices provides constituent pro-forma files each time the index rebalances. The pro-forma file is typically provided daily in advance of the rebalancing date and contains all constituents and their corresponding weights and index shares effective for the upcoming rebalancing. Since index shares are assigned based on prices prior to the rebalancing, the actual weight of each stock at the rebalancing differs from these weights due to market movements.

*Please visit [www.spglobal.com/spdji/](http://www.spglobal.com/spdji/) for a complete schedule of rebalancing timelines and pro-forma delivery times.*

## Holiday Schedule

The index is calculated daily, throughout the calendar year. The only days an index is not calculated are on days when all exchanges where an index's constituents are listed are officially closed

*A complete holiday schedule for the year is available at [www.spglobal.com/spdji/](http://www.spglobal.com/spdji/).*

## Rebalancing

The Index Committee may change the date of a given rebalancing for reasons including market holidays occurring on or around the scheduled rebalancing date. Any such change will be announced with proper advance notice where possible.

## Unexpected Exchange Closures

For information on Unexpected Exchange Closures, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.

## Recalculation Policy

For information on the recalculation policy, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.

*For information on Calculations and Pricing Disruptions, Expert Judgment and Data Hierarchy, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.*

## Contact Information

For any questions regarding an index, please contact: [index\\_services@spglobal.com](mailto:index_services@spglobal.com).

# Index Dissemination

Index levels are available through S&P Dow Jones Indices' Web site at [www.spglobal.com/spdji/](http://www.spglobal.com/spdji/), major quote vendors (see codes below), numerous investment-oriented Web sites, and various print and electronic media.

## Tickers

The table below lists headline indices covered by this document. All versions of the below indices that may exist are also covered by this document. Please refer to the [S&P DJI Methodology & Regulatory Status Database](#) for a complete list of indices covered by this document.

Index (USD)	Return Type	BBG	RIC
S&P/OIC COMCEC 50 Shariah	Price Return	SPOIC50P	.SPOIC50P
	Total Return	SPOIC50T	--
	Net Total Return	SPOIC50N	--

## Index Data

Daily constituent and index level data are available via subscription.

For product information, please contact S&P Dow Jones Indices, [www.spglobal.com/spdji/en/contact-us](http://www.spglobal.com/spdji/en/contact-us).

## Web site

For further information, please refer to S&P Dow Jones Indices' Web site at [www.spglobal.com/spdji/](http://www.spglobal.com/spdji/).

# Appendix

## Methodology Changes

Methodology changes since January 1, 2015, are as follows:

Change	Effective Date (After Close)	Previous	Methodology Updated
Index Eligibility	03/18/2024	Index constituents are drawn from the following underlying indices: <ul style="list-style-type: none"> <li>• S&amp;P Global BMI Shariah</li> <li>• S&amp;P Frontier BMI Shariah</li> </ul>	Index constituents are drawn from the following underlying indices: <ul style="list-style-type: none"> <li>• S&amp;P Global BMI Shariah</li> <li>• S&amp;P Frontier BMI Shariah</li> <li>• S&amp;P Nigeria BMI Shariah</li> </ul>
Listing and Country	06/18/2021	To be eligible for index inclusion, companies must be listed on a stock exchange of the following OIC member states: Bahrain, Bangladesh, Cote d'Ivoire, Egypt, Indonesia, Jordan, Kazakhstan, Kuwait, Lebanon, Malaysia, Morocco, Nigeria, Oman, Pakistan, Qatar, Saudi Arabia, Tunisia, Turkey, and the United Arab Emirates.	To be eligible for index inclusion, companies must be listed on a stock exchange of the following OIC member states: Bahrain, Bangladesh, Cote d'Ivoire, Egypt, Indonesia, Jordan, Kazakhstan, Kuwait, Malaysia, Morocco, Nigeria, Oman, Pakistan, Qatar, Saudi Arabia, Tunisia, Turkey, and the United Arab Emirates.
Index Eligibility	01/17/2021	Index constituents are drawn from the following underlying indices: <ul style="list-style-type: none"> <li>• S&amp;P Global BMI Shariah</li> <li>• S&amp;P Frontier BMI Shariah</li> <li>• S&amp;P Saudi Arabia Shariah</li> </ul>	Index constituents are drawn from the following underlying indices: <ul style="list-style-type: none"> <li>• S&amp;P Global BMI Shariah</li> <li>• S&amp;P Frontier BMI Shariah</li> </ul>

# Disclaimer

## Performance Disclosure/Back-Tested Data

Where applicable, S&P Dow Jones Indices and its index-related affiliates (“S&P DJI”) defines various dates to assist our clients by providing transparency. The First Value Date is the first day for which there is a calculated value (either live or back-tested) for a given index. The Base Date is the date at which the index is set to a fixed value for calculation purposes. The Launch Date designates the date when the values of an index are first considered live: index values provided for any date or time period prior to the index’s Launch Date are considered back-tested. S&P DJI defines the Launch Date as the date by which the values of an index are known to have been released to the public, for example via the company’s public website or its data feed to external parties. For Dow Jones-branded indices introduced prior to May 31, 2013, the Launch Date (which prior to May 31, 2013, was termed “Date of introduction”) is set at a date upon which no further changes were permitted to be made to the index methodology, but that may have been prior to the Index’s public release date.

Please refer to the methodology for the Index for more details about the index, including the manner in which it is rebalanced, the timing of such rebalancing, criteria for additions and deletions, as well as all index calculations.

Information presented prior to an index’s launch date is hypothetical back-tested performance, not actual performance, and is based on the index methodology in effect on the launch date. However, when creating back-tested history for periods of market anomalies or other periods that do not reflect the general current market environment, index methodology rules may be relaxed to capture a large enough universe of securities to simulate the target market the index is designed to measure or strategy the index is designed to capture. For example, market capitalization and liquidity thresholds may be reduced. In addition, forks have not been factored into the back-test data with respect to the S&P Cryptocurrency Indices. For the S&P Cryptocurrency Top 5 & 10 Equal Weight Indices, the custody element of the methodology was not considered; the back-test history is based on the index constituents that meet the custody element as of the Launch Date. Also, the treatment of corporate actions in back-tested performance may differ from treatment for live indices due to limitations in replicating index management decisions. Back-tested performance reflects application of an index methodology and selection of index constituents with the benefit of hindsight and knowledge of factors that may have positively affected its performance, cannot account for all financial risk that may affect results and may be considered to reflect survivor/look ahead bias. Actual returns may differ significantly from, and be lower than, back-tested returns. Past performance is not an indication or guarantee of future results.

Typically, when S&P DJI creates back-tested index data, S&P DJI uses actual historical constituent-level data (e.g., historical price, market capitalization, and corporate action data) in its calculations. As ESG investing is still in early stages of development, certain datapoints used to calculate certain ESG indices may not be available for the entire desired period of back-tested history. The same data availability issue could be true for other indices as well. In cases when actual data is not available for all relevant historical periods, S&P DJI may employ a process of using “Backward Data Assumption” (or pulling back) of ESG data for the calculation of back-tested historical performance. “Backward Data Assumption” is a process that applies the earliest actual live data point available for an index constituent company to all prior historical instances in the index performance. For example, Backward Data Assumption inherently assumes that companies currently not involved in a specific business activity (also known as “product involvement”) were never involved historically and similarly also assumes that companies currently involved in a specific business activity were involved historically too. The Backward Data Assumption allows the hypothetical back-test to be extended over more historical years than would be feasible using only actual data. For more information on “Backward Data Assumption” please refer to the FAQ. The methodology and factsheets of any index that employs backward assumption in the back-tested history

will explicitly state so. The methodology will include an Appendix with a table setting forth the specific data points and relevant time period for which backward projected data was used. Index returns shown do not represent the results of actual trading of investable assets/securities. S&P DJI maintains the index and calculates the index levels and performance shown or discussed but does not manage any assets.

Index returns do not reflect payment of any sales charges or fees an investor may pay to purchase the securities underlying the Index or investment funds that are intended to track the performance of the Index. The imposition of these fees and charges would cause actual and back-tested performance of the securities/fund to be lower than the Index performance shown. As a simple example, if an index returned 10% on a US \$100,000 investment for a 12-month period (or US \$10,000) and an actual asset-based fee of 1.5% was imposed at the end of the period on the investment plus accrued interest (or US \$1,650), the net return would be 8.35% (or US \$8,350) for the year. Over a three-year period, an annual 1.5% fee taken at year end with an assumed 10% return per year would result in a cumulative gross return of 33.10%, a total fee of US \$5,375, and a cumulative net return of 27.2% (or US \$27,200).

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In addition, S&P Dow Jones Indices provides a wide range of services to, or relating to, many organizations, including issuers of securities, investment advisers, broker-dealers, investment banks, other financial institutions, and financial intermediaries, and accordingly may receive fees or other economic benefits from those organizations, including organizations whose securities or services they may recommend, rate, include in model portfolios, evaluate, or otherwise address.

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