

S&P Kuwait Shariah Liquid 35/20 Capped Index (USD) (Custom)

Index Objective. The index measures the performance of the most liquid constituents of the underlying index listed on the Kuwait Exchange and that have had no more than 10 non-trading days over the previous quarter. Constituents are float-adjusted market capitalization weighted, subject to the constraints defined below.

Underlying Indices. S&P Kuwait Shariah. For information on the underlying index, please refer to the S&P Shariah Methodology available at www.spdji.com.

Index Eligibility. Constituents of the underlying index that meet the following criteria are eligible for index inclusion:

- Be locally listed on the Kuwait Exchange
- Have no more than ten non-trading days over the previous quarter
- Have a six-month average daily value traded (6M ADVT) of at least US\$500,000

Index Construction. At each rebalancing, the index seeks to select a target stock count of 15 stocks, as ranked by 6M ADVT, subject to a selection buffer. The selection process is as follows:

1. All companies ranked within the top 12 are automatically selected.
2. Current constituents ranked within the top 18 are selected until the target stock count of 15 is reached.
3. If, after this step, the target stock count is not met, the largest non-constituent by 6M ADVT is selected. This process proceeds iteratively until the target count is reached.
4. If fewer than 15 stocks are eligible the index will have less than 15 stocks and all eligible stocks form the index.

Index Additions. Except for eligible spin-offs, and the replacement rule in *Index Deletions*, no additions are made between rebalancings.

Index Deletions. Constituents removed from the underlying index are removed from the index simultaneously, except for those removed by the underlying index's monthly Shariah compliance screen, as constituents removed under that rule are removed at the subsequent rebalancing.

Constituent Weighting. The index is weighted by float-adjusted market capitalization, subject to a 33/19 weight capping scheme.⁴⁶ At each rebalancing:

- If the largest stock's weight exceeds 33%, it will be capped at 33%.
- If the weight of any other stock is greater than 19%, it will be capped at 19%.

Index Maintenance. All index adjustments and corporate action treatments follow the underlying index.

Rebalancing. The index rebalances quarterly, effective prior to the open of the Monday following the third Friday of March, June, September, and December. The rebalancing reference date is the close of the last business day of the previous month. The reference date for prices used for the weighting process is the close of the Wednesday prior to the second Friday of the rebalancing month.

Currency of Calculation. The index calculates in U.S. dollars, Kuwaiti dinar, and Emirati dirhams.

Exchange Rate. Refinitiv FOREX spot rates, RIC ticker "AED=" & "KWD=", are taken daily at 9:00 AM London Time and used in the calculation of the index.

⁴⁶ Prior to March 21, 2022, the index was weighted by float-adjusted market capitalization, subject to a 35/20 weight capping scheme. The weighting scheme employed buffers of 2% and 1%, respectively, to reduce the likelihood weight cap breaches. At each rebalancing, if the largest stock's weight exceeded 35%, it was capped at 33% and if the weight of any other stock was greater than 20%, it was capped at 19%.