

## S&P China Hong Kong-Listed Shariah Liquid 35/20 Capped Index

**Index Objective.** The index measures the performance of a target of 30 Shariah-compliant constituents of the underlying indices listed in Hong Kong that have no more than 10 non-trading days over the previous quarter and a six-month average daily value traded (6M ADVT) of at least US\$ 1 million. The index is FMC weighted, subject to the 33/19 capping scheme defined below.

**Underlying Index.** S&P China BMI Shariah and S&P China-Hong Kong Greater Bay Area Index. For information on the underlying indices, please refer to the S&P Shariah Methodology and S&P China Methodology, respectively, available at [www.spglobal.com/spdji/](http://www.spglobal.com/spdji/).

**Index Eligibility.** At each rebalancing, constituents of the underlying index that meet the following criteria are eligible for index inclusion:

- Be Shariah compliant.
- Be listed on the Hong Kong Stock Exchange.
- Have no more than 10 non-trading days over the previous quarter.
- Have a 6M ADVT of at least US\$ 1 million.

**Index Construction.** At each rebalancing, rank the eligible stocks in the underlying indices by 6M ADVT and select the largest 30 stocks for index inclusion, subject to the following selection buffer:

1. Automatically select all stocks ranked in the top 24.
2. Select current constituents ranked in the top 36 until the target constituent count is reached.
3. If after Step 2 the target constituent count is still not met, select the largest non-constituent. This process continues iteratively until the target constituent count of 30 is met.
4. If fewer than 30 stocks are eligible, all eligible stocks are selected, and the target constituent count is not met.

**Constituent Weightings.** At each rebalancing, the index is FMC weighted, subject to the following constraints:

- The weight of the largest constituent cannot exceed 33%
- No other single constituent's weight can exceed 19%

If either constraint is breached, cap the constituent(s) and proportionally redistribute any excess weight to uncapped constituents. The process continues iteratively until both constraints are satisfied.

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

**Spin-offs.** Spin-offs are added at a zero price at the market close of the day before the ex-date (with no divisor adjustment) and are removed after at least one day of regular way trading (with a divisor adjustment). When possible, all deletions from the underlying indices are deleted from the index on the same day.

**Index Deletions.** Except for constituents removed from the underlying indices by the Monthly Shariah Review (see the underlying index methodology), constituents removed from the Underlying Index are removed from the index simultaneously. If a constituent is deleted between rebalancings, the next most liquid stock, by 6M ADVT as of the prior quarterly rebalancing, is added as a replacement in order to maintain a target constituent count of 30. Constituents added under the replacement rule are added at the stock's FMC weight.

**Monthly Shariah Review Removal.** Constituents removed from the underlying indices as part of the monthly Shariah review are retained in the index until the subsequent rebalancing.

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

**Rebalancing.** The index rebalances quarterly, effective prior to the open of the Monday following the third Friday of March, June, September, and December using a rebalancing reference date of 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, Hong Kong dollars, and Emirati dirhams.

**Exchange Rate.** Refinitiv FOREX spot rates, RIC ticker “AED=” & “HKD=”, are taken daily at 9:00 AM GMT Time and used in the calculation of the index.