

Chimera Capital LLC launches the first exchange-traded fund tracking S&P Shariah-compliant index in the UAE

Chimera S&P UAE Shariah ETF will have both distributing and accumulating share classes listed on the Abu Dhabi Securities Exchange and the Dubai Financial Market

Chimera Umbrella Fund - Chimera S&P UAE Shariah ETF – Share Class A – Accumulating
Chimera Umbrella Fund - Chimera S&P UAE Shariah ETF – Share Class B – Distributing

Abu Dhabi, 21 July 2020

Chimera Capital LLC, an Abu-Dhabi-based asset management firm and subsidiary of Chimera Investments LLC, announces today the launch of its Chimera S&P UAE Shariah Exchange Traded Fund (Bloomberg: CHAESH; CHAESHIN), a physical, in-kind, liquid and fully fungible exchange-traded fund (ETF).

Under the UAE’s Securities and Commodities Authority’s (SCA) Fund Regime, Chimera Umbrella Fund (the first SCA umbrella fund to be launched in the UAE) will launch its first sub-fund tracking a Shariah compliant index in conjunction with S&P Dow Jones Indices.

The ETF has been designed to replicate the S&P UAE Domestic Shariah Liquid 35/20 Capped Index (Bloomberg: SPSHDAAP). The index is provided by S&P Dow Jones Indices and tracks the performance of UAE-based Shariah compliant liquid equities, opening up a new and increasingly demanded asset class to investors seeking exposure to the UAE’s economy.

The Chairman of Chimera Capital LLC commented: “We are very pleased to bring to market the first ETF tracking a Shariah-compliant index in the UAE.” Chimera S&P UAE Shariah ETF currently has two share classes, including an accumulating Class A, which will be listed on the Abu Dhabi Securities Exchange (ADX), and which reinvests income back into the fund at no additional expense, and a distributing Class B, which will be listed on the Dubai Financial Market (DFM), and distributes to investors any collected dividends.

The Chimera S&P UAE Shariah ETF will be managed by Chimera’s onshore company, Chimera Capital LLC, which is licensed by SCA as an investment management company with approval to establish and manage investment funds. Meanwhile, HSBC Middle East Ltd will act as local custodian, while BNY Mellon’s London branch will act as the ETF’s global custodian. Authorized Participants for the fund include EFG Hermes UAE Limited, Shuaa Securities, and BH Mubasher.

H.E. Khalifa Al Mansouri, Chief Executive of the ADX, said: “ADX congratulates Chimera Capital LLC for developing this product, the first in the UAE to offer a tailored Shariah-compliant index for investors. With a primary listing on ADX, it is a new opportunity for them to add variety to their portfolios and manage risk more effectively. Influential investment firms such as Chimera Capital LLC continue to be attracted by the well-regulated status of ADX and the number of companies applying to be listed is



undoubtedly on the rise. They will benefit from improved access to capital to fund their strategic ambitions and growth plans under our well-established market and regulatory infrastructure, facilitating the ease of listing of a variety of asset classes.”

Commenting on this, Hassan Al Serkal, Chief Operating Officer (COO) and Head of Operations Division of DFM said: “In line with our strategy to provide investors with diversified investment products, the Dubai Financial Market (DFM) is delighted to welcome this significant step from Chimera Capital LLC. The diversification of our product offering, including the rapidly growing global ETF sector, is one of the key pillars of DFM’s strategy, which enabled us to list the first ETF in 2016. We look forward to seeing this drive gain further momentum supported by DFM’s world-class infrastructure as well as its favorable and attractive regulations for the listing and trading of ETFs and other asset classes in cooperation with the regulatory authority and investment institutions. The listing of the distributing Class B of Chimera S&P UAE Shariah ETF will provide the DFM’s large and diversified base of local and international investors with a new product to invest in companies represented in the S&P UAE Domestic Shariah Liquid 35/20 Capped Index. Undoubtedly, this step will further strengthen the leading position of the DFM as the first Shariah-compliant exchange globally, a position it has held since 2007.”

The Chairman of Chimera Capital LLC also noted: “The ETF will open up a new wholesale investment opportunity to a unique investor profile. The Chimera S&P UAE Shariah ETF allows investors to capitalize on the prospects of the UAE’s economy while staying true to the principles of Shariah, and with the added flexibility of choosing between regular portfolio returns or maximizing future investment returns thanks to the ETF’s dual share class option.”

The Chairman of Chimera Capital LLC added: “We are delighted for Chimera Capital LLC to be the first asset manager to launch an ETF under the SCA’s fund regime, and for the Chimera Umbrella Fund to be the first umbrella fund to launch under the SCA’s fund regime in the UAE. Our strategy will see us fully capitalize on this unique opportunity while simultaneously contributing to the development of the UAE’s asset management space through continued collaboration with the various regulators. We appointed BNY Mellon as our ETF’s global custodian due to the quality of their ETF-specific technology, scale and expertise, as well as their commitment to the ETF market in the Middle East and other markets around the world.”

Anthony Habis, Head of Middle East and Africa at BNY Mellon, said: “We are honored that Chimera Capital LLC has appointed BNY Mellon as global custodian for this innovative new fund, which is not only the first SCA umbrella fund but the first SCA ETF.”

Marius Baumann, Global Head of Custom Indices at S&P Dow Jones Indices, commented: “We are pleased that Chimera Capital LLC has chosen a S&P Shariah-compliant index to launch its exchange-traded fund. S&P Dow Jones Indices is committed to offering global market participants indices, data and analytics to better align investors’ investments with their values.”

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Contact Details

Chimera Capital LLC

Sherif Salem
Chief Investment Officer
Tel: +971 (2) 885 6686
Mobile: +971 (50) 668 3091
sherif.salem@chimerainvestment.com

Abu Dhabi Securities Exchange (ADX)

Abdularhman Alkhateeb
Manager of Corporate Communications & Digital Marketing Section
MCC Department
Telephone: +971 (2) 612 8774
Mobile: +971 (50) 668 9733
Email: ALKhateebA@adx.ae

Dubai Financial Market (DFM)

Atef Fathy
Vice President – Head of Media & Public Relations
Dubai Financial Market
Tel: 04-3055334
Email: afathy@dfm.ae

BNY Mellon

Bruce Wraight
Media Relations
BNY Mellon
Tel: +44 (0) 7834 289638
Email: bruce.wraight@bnymellon.com

S&P Dow Jones Indices

Asti Michou
Communications Manager – EMEA
London, UK
+44 (0) 07970 887863
asti.michou@spglobal.com

About Chimera Capital LLC

Chimera Capital LLC, an Abu Dhabi-based investment firm, offers its clients unique access to a vast roster of innovative investment instruments with a primary focus on the alternative asset management space. Chimera Capital LLC leverages its parent company's extensive experience in private investments, an unrivalled regional access to best-in-class service providers and financial intermediaries, and a vast network of high-net-worth individuals, family offices and private investment companies to consistently deliver above-market returns. Chimera Capital LLC, owned by Chimera Investments LLC, is duly licensed and regulated by the UAE's Securities & Commodities Authority (SCA), and fully adheres to international standards of corporate governance.

About Abu Dhabi Securities Exchange (ADX)

Abu Dhabi Securities Exchange (ADX) was established on November 15 of the year 2000 by Local Law No. (3) Of 2000, the provisions of which vest the market with a legal entity of autonomous status, independent finance and management. The Law also provides ADX with the necessary supervisory and executive powers to exercise its functions. On 17th March 2020, ADX was converted from a "Public Entity" to a "Public Joint Stock Company PJSC" pursuant to law No. (8) of 2020. ADX is part of ADQ, one



of the region's largest holding companies with a diverse portfolio of major enterprises spanning key sectors of Abu Dhabi's non-oil economy.

ADX is a market for trading securities; including shares issued by public joint stock companies, bonds issued by governments or corporations, exchange traded funds, and any other financial instruments approved by the UAE Securities and Commodities Authority (SCA).

ADX is the second largest market in the Arab region and its strategy of providing stable financial performance with diversified sources of incomes is aligned with the guiding principles of the UAE "Towards the next 50" agenda. The national plan charts out the UAE's strategic development scheme which aims to build a sustainable, diversified and high-value added economy that positively contributes to transition to a new global sustainable development paradigm.

About Dubai Financial Market (DFM)

Dubai Financial Market (DFM) was established as a public institution with its own independent corporate body. DFM operates as a secondary market for the trading of securities issued by public shareholding companies, bonds issued by the Federal Government or any of the local Governments and public institutions in the country, units of investment funds and any other financial instruments, local or foreign, which are accepted by the market. The DFM commenced operations on March 26, 2000 and became the first Islamic Shari'a-compliant exchange globally since 2007. Following its initial public offering in November 2006, when DFM offered 1.6 billion shares, representing 20 per cent of its paid-up capital of AED 8 billion, DFM became a public joint stock company and its shares were listed on 7 March 2007 with the trading symbol (DFM). Following the IPO, the Government of Dubai retained the remaining 80 per cent of DFM Company through Borse Dubai Limited. www.dfm.ae

About BNY Mellon

BNY Mellon is a global investments company dedicated to helping its clients manage and service their financial assets throughout the investment lifecycle. Whether providing financial services for institutions, corporations or individual investors, BNY Mellon delivers informed investment and wealth management and investment services in 35 countries. As of June 30, 2020, BNY Mellon had \$37.3 trillion in assets under custody and/or administration, and \$2.0 trillion in assets under management. BNY Mellon can act as a single point of contact for clients looking to create, trade, hold, manage, service, distribute or restructure investments. BNY Mellon is the corporate brand of The Bank of New York Mellon Corporation (NYSE: BK). Additional information is available on www.bnymellon.com. Follow us on Twitter @BNYMellon or visit our newsroom at www.bnymellon.com/newsroom for the latest company news.

S&P Dow Jones Indices

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