

Dow Jones Islamic Market U.S. Style Indices Consultation on Constituent Weightings

NEW YORK, APRIL 16, 2021: S&P Dow Jones Indices (“S&P DJI”) is conducting a consultation with market participants on a potential change to the Dow Jones Islamic Market U.S. Style Indices.

In an effort to reduce constituent concentration and improve index replication, S&P DJI is proposing to modify the constituent weightings scheme of the size sub-indices to restrict the size of large stocks to 10% of the index weight. The table below summarize the proposed change.

Methodology	Constituent Weightings
Current	Constituents are weighted by float-adjusted market capitalization (“FMC”).
Proposed	The weight of each company within each of the size sub-indices is capped at 10%. In the event a company has more than one share class represented in the index, that company’s weight is capped at 10% based on total FMC. The rebalanced weight is then distributed proportionally to each share class’s FMC. If capping is not required, both share classes are weighted according to their natural FMC. The Dow Jones Islamic Market U.S. Growth and Dow Jones Islamic Market U.S. Value indices are constructed by combining the constituent’s additional weight factors (AWFs) of their respective size sub-indices.

The following indices would be impacted should the previously described proposed change be adopted:

- Dow Jones Islamic Market U.S. Growth Index
- Dow Jones Islamic Market U.S. Large-Cap Growth Index
- Dow Jones Islamic Market U.S. Mid-Cap Growth Index
- Dow Jones Islamic Market U.S. Small-Cap Growth Index
- Dow Jones Islamic Market U.S. Value Index
- Dow Jones Islamic Market U.S. Large-Cap Value Index
- Dow Jones Islamic Market U.S. Mid-Cap Value Index
- Dow Jones Islamic Market U.S. Small-Cap Value Index

IMPACT ANALYSIS

Using data of the previous six rebalancings, the table below shows the number of companies that would have been capped had a 10% weight capping rule been applied to the size sub-indices.

Size Sub-Index	Rebalancing Effective Date					
	3/22/2021	12/21/2020	9/21/2020	6/22/2020	12/23/2019	9/23/2019
Dow Jones Islamic Market U.S. Large-Cap Growth Index	3	2	2	2	2	2
Dow Jones Islamic Market U.S. Large-Cap Value Index	0	0	0	1	1	1
Dow Jones Islamic Market U.S. Mid-Cap Growth Index	0	0	0	0	0	0
Dow Jones Islamic Market U.S. Mid-Cap Value Index	0	0	0	0	0	0
Dow Jones Islamic Market U.S. Small-Cap Growth Index	0	0	0	0	0	0
Dow Jones Islamic Market U.S. Small-Cap Value Index	0	0	0	0	0	0

The table below shows largest company weight based on float-adjusted market capitalization as of the rebalancing effective dates.

Size Sub-Index	Rebalancing Effective Date					
	3/22/2021	12/21/2020	9/21/2020	6/22/2020	12/23/2019	9/23/2019
Dow Jones Islamic Market U.S. Large-Cap Growth Index	16.96%	18.43%	17.61%	19.57%	17.53%	15.42%
Dow Jones Islamic Market U.S. Large-Cap Value Index	9.27%	9.24%	9.41%	24.58%	18.67%	17.09%
Dow Jones Islamic Market U.S. Mid-Cap Growth Index	2.61%	2.45%	2.77%	3.11%	2.77%	3.25%
Dow Jones Islamic Market U.S. Mid-Cap Value Index	6.07%	5.87%	5.93%	8.51%	6.24%	4.65%
Dow Jones Islamic Market U.S. Small-Cap Growth Index	1.99%	1.84%	1.72%	2.59%	1.83%	1.74%
Dow Jones Islamic Market U.S. Small-Cap Value Index	6.08%	6.85%	9.33%	8.32%	4.68%	4.59%

IMPLEMENTATION TIMING

S&P DJI is proposing to implement the previously described methodology change, if adopted, in conjunction with the upcoming rebalancing, which takes effect prior to the market open on Monday, June 21, 2021. If adopted, the change will first be visible to clients in pro-forma files beginning on Friday, June 11, 2021.

QUESTIONS

Please answer the following questions and provide S&P DJI with the reasoning behind your answers:

1. Do you agree with the proposal to change the constituent weightings scheme in the size sub-indices?
2. Should the proposed methodology change be adopted, do you agree with the proposed implementation date?
3. Do you have any other comments or feedback regarding the proposed change outlined above?

Your participation in this consultation is important as we gather information from various market participants in order to properly evaluate your views and preferences. Please respond to this survey by **May 7, 2021**. After this date, S&P DJI will no longer accept survey responses. Prior to the Index Committee's final review, S&P DJI may request clarifications from respondents as part of that review.

To participate in this consultation, please visit the online survey available [here](#).

For further information about this consultation, please contact S&P Dow Jones Indices at SPDJI_Index_Governance@spglobal.com.

Please be advised that all comments from this consultation will be reviewed and considered before a final decision is made; however, S&P DJI makes no guarantees or is under any obligation to comply with any of the responses. The survey may result in no changes or outcome of any kind. If S&P DJI decides to change the index methodology, an announcement will be posted on our website.

Thank you for taking the time to complete this survey.

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

CONSULTATION

ABOUT S&P DOW JONES INDICES

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FOR MORE INFORMATION:

S&P Dow Jones Indices
index_services@spglobal.com