S&P Dow Jones Indices

A Division of S&P Global

**INDEX ANNOUNCEMENT**

# Dow Jones Islamic Market Indices Compliance Criteria Methodology Update

**NEW YORK, AUGUST 20, 2026:** S&P Dow Jones Indices ("S&P DJI") announces changes to the Dow Jones Islamic Market Indices.

S&P DJI is modifying the Dow Jones Islamic Market Indices Methodology as outlined below. The methodology changes align with the opinion of the S&P Shariah Supervisory Board.

| Change | Methodology<br>Previous | <br>Updated |
|---|---|---|
| Accounting-Based Screens | After removing companies with unacceptable primary business activities, the remaining stocks are evaluated according to the Leverage Compliance financial ratio filter. The Leverage Compliance filter is based on criteria set up by the Shariah Supervisory Board to remove companies with unacceptable levels of debt such that total interest-bearing debt divided by trailing 24-month average market capitalization must be less than 33%.<br><br>Stocks deemed compliant at the prior evaluation period that exceed the maximum at the current evaluation period remain compliant if the ratio is within two percentage points of the maximum allowed. However, if the maximum is breached for three consecutive evaluation periods the stock will be deemed non-compliant. If the ratio is above the two-percentage point buffer limit, the stock is deemed noncompliant immediately.<br><br>Stocks deemed non-compliant at the prior evaluation period that pass the accounting-based screen at the current evaluation period remain non-compliant if the ratio is within two percentage points of the maximum allowed. However, if the stock satisfies the ratios for three consecutive evaluation periods, the stock will be deemed compliant. | After removing companies with unacceptable primary business activities, the remaining stocks are evaluated according to several financial ratio filters. The filters are based on criteria set up by the Shariah Supervisory Board to remove companies with unacceptable levels of debt or impure interest income. All the following must be less than **30**%:<br><br>• **Leverage Compliance.** Total interest-bearing debt divided by trailing 24-month average market capitalization<br><br>• **Cash Compliance.** The sum of a company's cash and interest-bearing securities divided by trailing 24- month average market capitalization<br><br>Stocks deemed compliant at the prior evaluation period that exceed the maximum ratio for any accounting-based screen at the current evaluation period remain compliant if the ratio is within two percentage points of the maximum allowed. However, if the maximum is breached for three consecutive evaluation periods the stock is considered non-compliant. If any of the ratios are above the two-percentage point buffer limit, the stock is considered non-compliant immediately.<br><br>Stocks deemed non-compliant at the prior evaluation period that pass all accounting -based screens at the current evaluation period remain non-compliant if any ratio is within two percentage points of the maximum allowed. However, if the stock satisfies all three ratios for three consecutive evaluation periods the stock is considered compliant. If all three ratios are below the two -percentage point buffer limit, the stock is considered compliant immediately. |

## IMPACTED INDICES

| Index Name | Index Code |
|---|---|
| Dow Jones Islamic Market World Index | DJIM |
| Dow Jones Islamic Market World Extended Index | DJISWEUP |
| Dow Jones Islamic Market China A Index | DJIMCAUP |

Please see the table below for an impact summary of the methodology changes on the combined eligible universe for the impacted Dow Jones Islamic Market Indices as of June 2026.

| | Previous Criteria | Updated Criteria |
|---|---|---|
| Compliant stocks | 7,323 | 6,360 |
| Not compliant stocks | 6,291 | 7,524 |
| Total screened universe | 13,614 | 13,614 |
| Compliance rate (%) | 53.8 | 46.7 |

**IMPLEMENTATION TIMING**

S&P DJI is implementing the previously described changes in conjunction with the upcoming September 2026 rebalance, which takes effect prior to the market open on **Monday, September 21, 2026**. The changes will first be visible to clients in pro-forma files beginning on **Friday, September 4, 2026**.

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

## ABOUT S&P DOW JONES INDICES

S&P Dow Jones Indices is the largest global resource for essential index-based concepts, data and research, and home to iconic financial market indicators, such as the S&P 500® and the Dow Jones Industrial Average®. More assets are invested in products based on our indices than products based on indices from any other provider in the world. Since Charles Dow invented the first index in 1884, S&P DJI has been innovating and developing indices across the spectrum of asset classes helping to define the way investors measure and trade the markets.

S&P Dow Jones Indices is a division of S&P Global (NYSE: SPGI), which provides essential intelligence for individuals, companies and governments to make decisions with confidence. For more information, visit *www.spglobal.com/spdji*.

**FOR MORE INFORMATION:**

**S&P Dow Jones Indices**
index_services@spglobal.com