

S&P Middle East Dividend Indices Consultation

AMSTERDAM, AUGUST 8, 2019: S&P Dow Jones Indices (“S&P DJI”) is conducting a consultation with members of the investment community on potential changes to the following S&P Middle East Dividend Indices:

- S&P GCC Composite LargeMidCap Dividend Focused Index (Custom)
- S&P GCC Dividend-Focused LargeMidCap Index (Custom)
- S&P GCC Composite Shariah Dividend 15% Index
- S&P MENA Shariah Dividend Growth Index
- S&P Saudi Arabia Shariah Dividend Capped Rebased Index

In order to reduce unnecessary turnover and align the methodology with S&P DJI’s standard review frequency for dividend indices, S&P DJI is considering amending the indices’ rebalancing schedule, establishing a monthly dividend review, and for Shariah-compliant indices, applying constituent level Shariah compliance changes on a monthly basis. The table below summarizes the proposed changes.

Proposed Change	Methodology	
	Current	Proposed
Rebalancing Schedule	The index is rebalanced 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 in the re-weighting process is the close of the Wednesday prior to the second Friday of the rebalancing month.	The index is rebalanced annually, effective prior to the open of the Monday following the third Friday of December. The rebalancing reference date is the close of the third Friday of November. Index constituents are re-weighted and capped ¹ on a quarterly basis, effective prior to the open of the Monday following the third Friday in March, June, September, and December. The reference date for prices used in the re-weighting process is the close of the Wednesday prior to the second Friday of the rebalancing month.
Monthly Dividend Review	--	If S&P DJI determines an index constituent has eliminated or suspended its dividend payments for the year it may, at the discretion of the Index Committee, be removed from the index effective prior to the open of the first business day of the following month.
Shariah Review ²	Updates due to changes in Shariah compliance are applied at the quarterly rebalancing.	Deletions due to changes in Shariah compliance are applied monthly, effective prior to the open of the Monday following the third Friday of each month.

For information on the indices, please refer to the *S&P Custom Slice & Dice Methodology* available [here](#).

¹ Capping is performed only on the S&P GCC Composite Shariah Dividend 15% Index and S&P Saudi Arabia Shariah Dividend Capped Rebased Index.

² The Shariah review is only applicable to the S&P MENA Shariah Dividend Growth Index, S&P GCC Composite Shariah Dividend 15% Index, and S&P Saudi Arabia Shariah Dividend Capped Rebased Index.

IMPLEMENTATION TIMING

S&P DJI is proposing to implement the previously described methodology changes, if adopted, prior to the market open on Monday, September 23, 2019.

QUESTIONS

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

1. **Do you agree with the proposed rebalancing schedule change?**
2. **If you answered Yes in Question 1, which indices should the proposed rebalancing schedule change be applied to (select all that apply)?**
 - **S&P GCC Composite LargeMidCap Dividend Focused Index (Custom)**
 - **S&P GCC Dividend-Focused LargeMidCap Index (Custom)**
 - **S&P GCC Composite Shariah Dividend 15% Index**
 - **S&P MENA Shariah Dividend Growth Index**
 - **S&P Saudi Arabia Shariah Dividend Capped Rebased Index**
3. **Do you agree with the proposed establishment of a monthly dividend review?**
4. **If you answered Yes in Question 3, which indices should the proposed monthly dividend review be applied to (select all that apply)?**
 - **S&P GCC Composite LargeMidCap Dividend Focused Index (Custom)**
 - **S&P GCC Dividend-Focused LargeMidCap Index (Custom)**
 - **S&P GCC Composite Shariah Dividend 15% Index**
 - **S&P MENA Shariah Dividend Growth Index**
 - **S&P Saudi Arabia Shariah Dividend Capped Rebased Index**
5. **Do you agree with the proposed Shariah review change?**
6. **If you answered Yes in Question 5, which indices should the proposed Shariah review change be applied to (select all that apply)?**
 - **S&P GCC Composite Shariah Dividend 15% Index**
 - **S&P MENA Shariah Dividend Growth Index**
 - **S&P Saudi Arabia Shariah Dividend Capped Rebased Index**
7. **If the proposed changes are adopted, do you agree with the proposed implementation date?**
8. **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. S&P DJI will make responses to consultations freely available upon request.³ If you do not want your response to be made available, you must clearly state that in your response. Please respond to this survey by **September 6, 2019**. After this date, S&P DJI will no longer accept survey responses. Prior to the Index Committee's final review, S&P DJI will consider the issues and may request clarifications from respondents as part of that

³ Individual and company names as well as contact details will be redacted.

CONSULTATION

review. Alternative options to the proposed questions after the deadline require that the consultation be re-opened to the public.

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 index_services@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.

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.spdji.com.

FOR MORE INFORMATION:

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