

# METHODOLOGY OVERVIEW

## FTSE Saudi Arabia Index Series



### Overview

The FTSE Saudi Arabia Index Series is designed to represent the performance of Saudi Arabia companies that are available to domestic investors and Qualified Foreign Investors (QFIs). The FTSE Saudi Arabia Index Series include 3 sets of indices:

- Country level indices. There are two versions – FTSE Saudi Arabia Indices for QFIs, and FTSE Saudi Arabia Free Indices for Saudi domestic investors. Sector indices are available. Capped versions are also available for selected indices.
- Various FTSE global indices which include Saudi Arabia at FTSE Global All Cap, FTSE All-World® and FTSE Emerging levels.
- Regional Middle East and Africa (MEA), Middle East and North Africa (MENA) and GCC indices which include Saudi Arabian companies.

### FTSE Saudi Arabia Indices and FTSE Saudi Arabia Free Indices

- Eligible securities include Saudi listings on Tadawul's Main Market.
- FTSE GEIS Middle East and Africa region review criteria are applied to Saudi stocks, on free float, liquidity and size screenings.
- Two versions of the country level indices are created to reflect differences in restrictions facing QFIs and domestic investors:
  - The FTSE Saudi Arabia Free Indices are designed for Saudi domestic investors. Constituents are weighted by free float.
  - The FTSE Saudi Arabia Indices are designed for QFIs. Constituents exclude companies that are forbidden for foreign investment. As QFIs also face foreign ownership limits (FOL), the constituents of the Saudi Arabia Indices are weighted by the lower of free float and FOL.
- Reviews take place semi-annually in March and September. Saudi Arabia is reviewed as part of the FTSE GEIS Middle East and Africa region.

### Index Characteristics

#### Comprehensive and Representative

- The FTSE Saudi Arabia Indices and the FTSE Saudi Arabia Free indices are broad benchmarks covering all eligible Saudi stocks listed on Tadawul's Main Market.
- Large, mid and small cap stocks are all represented. Industry and sector indices based on the Industry Classification Benchmark (ICB®) are also available.

#### Tailored versions for QFIs and domestic investors

- Two versions of the Saudi Arabia country level indices are available, reflecting different ownership constraints for international investors and domestic investors.

#### Investability and liquidity screened, Investability-weighted

- Stocks are screened by free float, liquidity and minimum size, to ensure that the index is can be easily replicated and implemented by investors.
- FTSE Saudi Arabia Indices (designed for QFIs) further apply foreign exclusions, and FOLs in addition to free float, in determining constituent weights.

#### Globally integrated

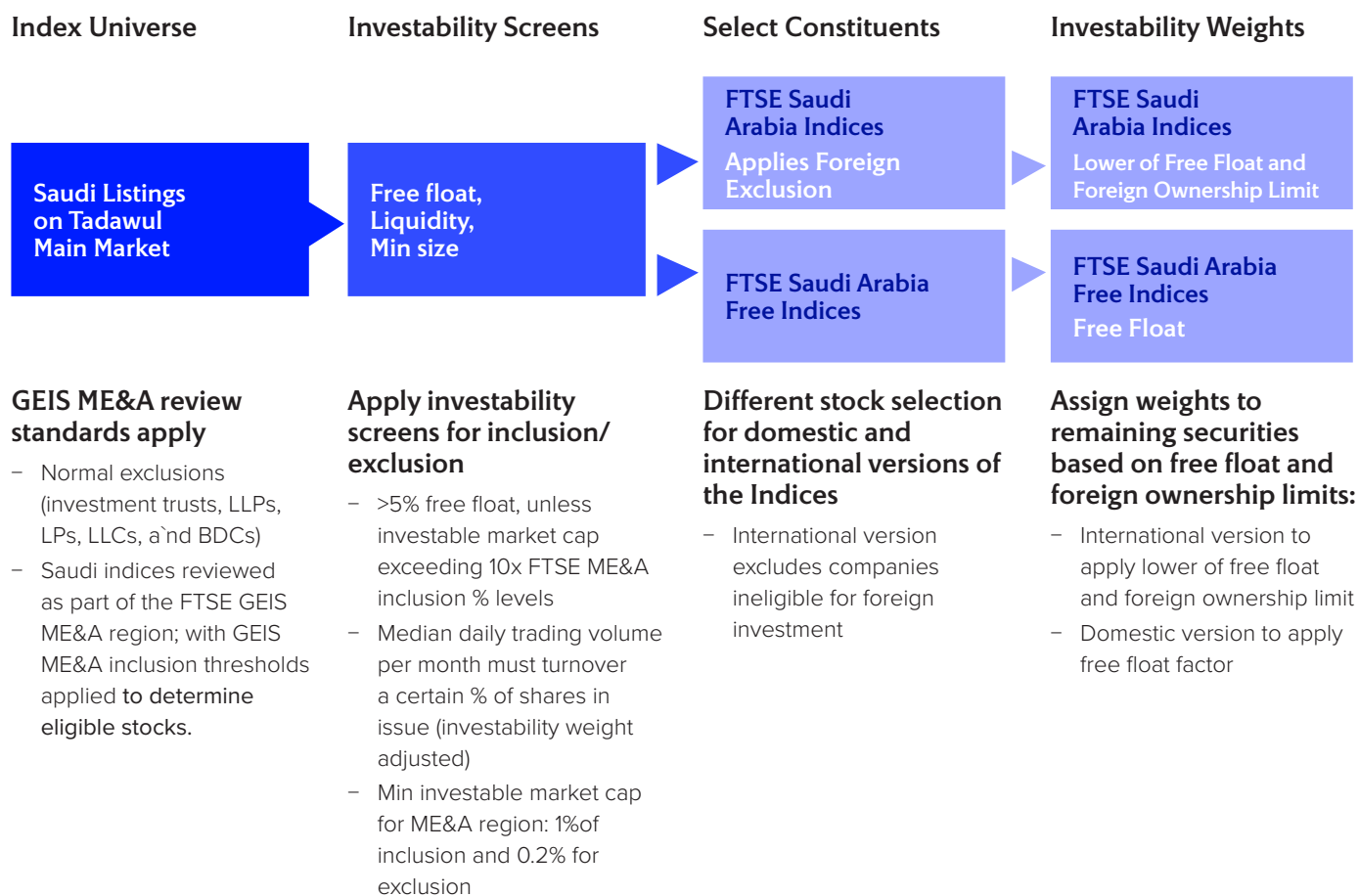
- Methodology consistent with FTSE's standard global indices (FTSE GEIS).
- FTSE Saudi Arabia Indices are incorporated into the FTSE global and regional indices.

#### Transparency and governance

- Transparent and rules-based construction process in accordance with FTSE Russell's global best practice standards of index governance.



## FTSE Saudi Arabia Indices and FTSE Saudi Arabia Free Indices Construction Process



## FTSE Saudi Arabia Indices and FTSE Saudi Arabia Free Indices

Index	Qualified Foreign Investors	Domestic Investors	Sectors Available	Capped Version	Net of Tax Version
FTSE Saudi Arabia Index	Y		Y		Y
FTSE Saudi Arabia Capped Index	Y		Y	Y	Y
FTSE Saudi Arabia All Cap Index	Y		Y		Y
FTSE Saudi Arabia All Cap Capped Index	Y		Y	Y	Y
FTSE Saudi Arabia Large Cap Index	Y		Y		Y
FTSE Saudi Arabia Mid Cap Index	Y		Y		Y
FTSE Saudi Arabia Small Cap Index	Y		Y		Y
FTSE Saudi Arabia Free Index		Y	Y		
FTSE Saudi Arabia Free Capped Index		Y	Y	Y	
FTSE Saudi Arabia Free All Cap Index		Y	Y		
FTSE Saudi Arabia Free All Cap Capped Index		Y	Y	Y	
FTSE Saudi Arabia Free Large Cap Index		Y	Y		
FTSE Saudi Arabia Free Mid Cap Index		Y	Y		
FTSE Saudi Arabia Free Small Cap Index		Y	Y		

## FTSE Saudi Arabia and Middle East Indices

FTSE Russell offers a suite of Saudi Arabia country-level and regional indices.

### Country-level Indices

#### Qualified Foreign Investors

##### Core

FTSE Saudi Arabia Index

FTSE Saudi Arabia All Cap Index

FTSE Saudi Arabia Large Cap Index

FTSE Saudi Arabia Mid Cap Index

FTSE Saudi Arabia Small Cap Index

##### Capped

FTSE Saudi Arabia Capped Index

FTSE Saudi Arabia All Cap Capped Index

#### Domestic Investors

##### Free

FTSE Saudi Arabia Free Index

FTSE Saudi Arabia Free All Cap Index

FTSE Saudi Arabia Free Large Cap Index

FTSE Saudi Arabia Free Mid Cap Index

FTSE Saudi Arabia Free Small Cap Index

##### Free Capped

FTSE Saudi Arabia Free Capped Index

FTSE Saudi Arabia Free All Cap Capped Index

### FTSE Middle East and Africa Extended Index Series:

FTSE GCC Extended Index

FTSE Middle East and Africa Extended Index

FTSE Middle East and Africa Extended ex Israel Index

FTSE Middle East and North Africa Extended Index

FTSE Middle East and North Africa Extended ex Israel Index

---

## Disclaimer

© 2023 London Stock Exchange Group plc and its applicable group undertakings (the "LSE Group"). The LSE Group includes (1) FTSE International Limited ("FTSE"), (2) Frank Russell Company ("Russell"), (3) FTSE Global Debt Capital Markets Inc. and FTSE Global Debt Capital Markets Limited (together, "FTSE Canada"), (4) FTSE Fixed Income Europe Limited ("FTSE FI Europe"), (5) FTSE Fixed Income LLC ("FTSE FI"), (6) The Yield Book Inc ("YB") and (7) Beyond Ratings S.A.S. ("BR"). All rights reserved.

FTSE Russell® is a trading name of FTSE, Russell, FTSE Canada, FTSE FI, FTSE FI Europe, YB and BR. "FTSE", "Russell", "FTSE Russell", "FTSE4Good", "ICB", "The Yield Book", "Beyond Ratings" and all other trademarks and service marks used herein (whether registered or unregistered) are trademarks and/or service marks owned or licensed by the applicable member of the LSE Group or their respective licensors and are owned, or used under licence, by FTSE, Russell, FTSE Canada, FTSE FI, FTSE FI Europe, YB or BR. FTSE International Limited is authorised and regulated by the Financial Conduct Authority as a benchmark administrator.

All information is provided for information purposes only. All information and data contained in this publication is obtained by the LSE Group, from sources believed by it to be accurate and reliable. Because of the possibility of human and mechanical error as well as other factors, however, such information and data is provided "as is" without warranty of any kind. No member of the LSE Group nor their respective directors, officers, employees, partners or licensors make any claim, prediction, warranty or representation whatsoever, expressly or impliedly, either as to the accuracy, timeliness, completeness, merchantability of any information or of results to be obtained from the use of FTSE Russell products, including but not limited to indices, data and analytics, or the fitness or suitability of the FTSE Russell products for any particular purpose to which they might be put. Any representation of historical data accessible through FTSE Russell products is provided for information purposes only and is not a reliable indicator of future performance.

No responsibility or liability can be accepted by any member of the LSE Group nor their respective directors, officers, employees, partners or licensors for (a) any loss or damage in whole or in part caused by, resulting from, or relating to any error (negligent or otherwise) or other circumstance involved in procuring, collecting, compiling, interpreting, analysing, editing, transcribing, transmitting, communicating or delivering any such information or data or from use of this document or links to this document or (b) any direct, indirect, special, consequential or incidental damages whatsoever, even if any member of the LSE Group is advised in advance of the possibility of such damages, resulting from the use of, or inability to use, such information.

No member of the LSE Group nor their respective directors, officers, employees, partners or licensors provide investment advice and nothing in this document should be taken as constituting financial or investment advice. No member of the LSE Group nor their respective directors, officers, employees, partners or licensors make any representation regarding the advisability of investing in any asset or whether such investment creates any legal or compliance risks for the investor. A decision to invest in any such asset should not be made in reliance on any information herein. Indices cannot be invested in directly. Inclusion of an asset in an index is not a recommendation to buy, sell or hold that asset nor confirmation that any particular investor may lawfully buy, sell or hold the asset or an index containing the asset. The general information contained in this publication should not be acted upon without obtaining specific legal, tax, and investment advice from a licensed professional.

The information contained in this report should not be considered "research" as defined in recital 28 of the Commission Delegated Directive (EU) 2017/593 of 7 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council ("MiFID II") and is provided for no fee.

Past performance is no guarantee of future results. Charts and graphs are provided for illustrative purposes only. Index returns shown may not represent the results of the actual trading of investable assets. Certain returns shown may reflect back-tested performance. All performance presented prior to the index inception date is back-tested performance. Back-tested performance is not actual performance, but is hypothetical. The back-test calculations are based on the same methodology that was in effect when the index was officially launched. However, back-tested data may reflect the application of the index methodology with the benefit of hindsight, and the historic calculations of an index may change from month to month based on revisions to the underlying economic data used in the calculation of the index.

This document may contain forward-looking assessments. These are based upon a number of assumptions concerning future conditions that ultimately may prove to be inaccurate. Such forward-looking assessments are subject to risks and uncertainties and may be affected by various factors that may cause actual results to differ materially. No member of the LSE Group nor their licensors assume any duty to and do not undertake to update forward-looking assessments.

No part of this information may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without prior written permission of the applicable member of the LSE Group. Use and distribution of the LSE Group data requires a licence from FTSE, Russell, FTSE Canada, FTSE FI, FTSE FI Europe, YB, BR and/or their respective licensors.

## About FTSE Russell

FTSE Russell is a leading global provider of index and benchmark solutions, spanning diverse asset classes and investment objectives. As a trusted investment partner we help investors make better-informed investment decisions, manage risk, and seize opportunities.

Market participants look to us for our expertise in developing and managing global index solutions across asset classes. Asset owners, asset managers, ETF providers and investment banks choose FTSE Russell solutions to benchmark their investment performance and create investment funds, ETFs, structured products, and index-based derivatives. Our clients use our solutions for asset allocation, investment strategy analysis and risk management, and value us for our robust governance process and operational integrity.

For over 35 years we have been at the forefront of driving change for the investor, always innovating to shape the next generation of benchmarks and investment solutions that open up new opportunities for the global investment community.

To learn more, visit [lseg.com/ftse-russell](https://www.ftse.com/ftse-russell); email [info@ftserussell.com](mailto:info@ftserussell.com); or call your regional Client Service team office:

**EMEA** +44 (0) 20 7866 1810

**North America** +1 877 503 6437

**Asia-Pacific**

**Hong Kong** +852 2164 3333

**Tokyo** +81 (3) 6441 1430

**Sydney** +61 (0)2 7228 5659



**FTSE  
RUSSELL**  
An LSEG Business