

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

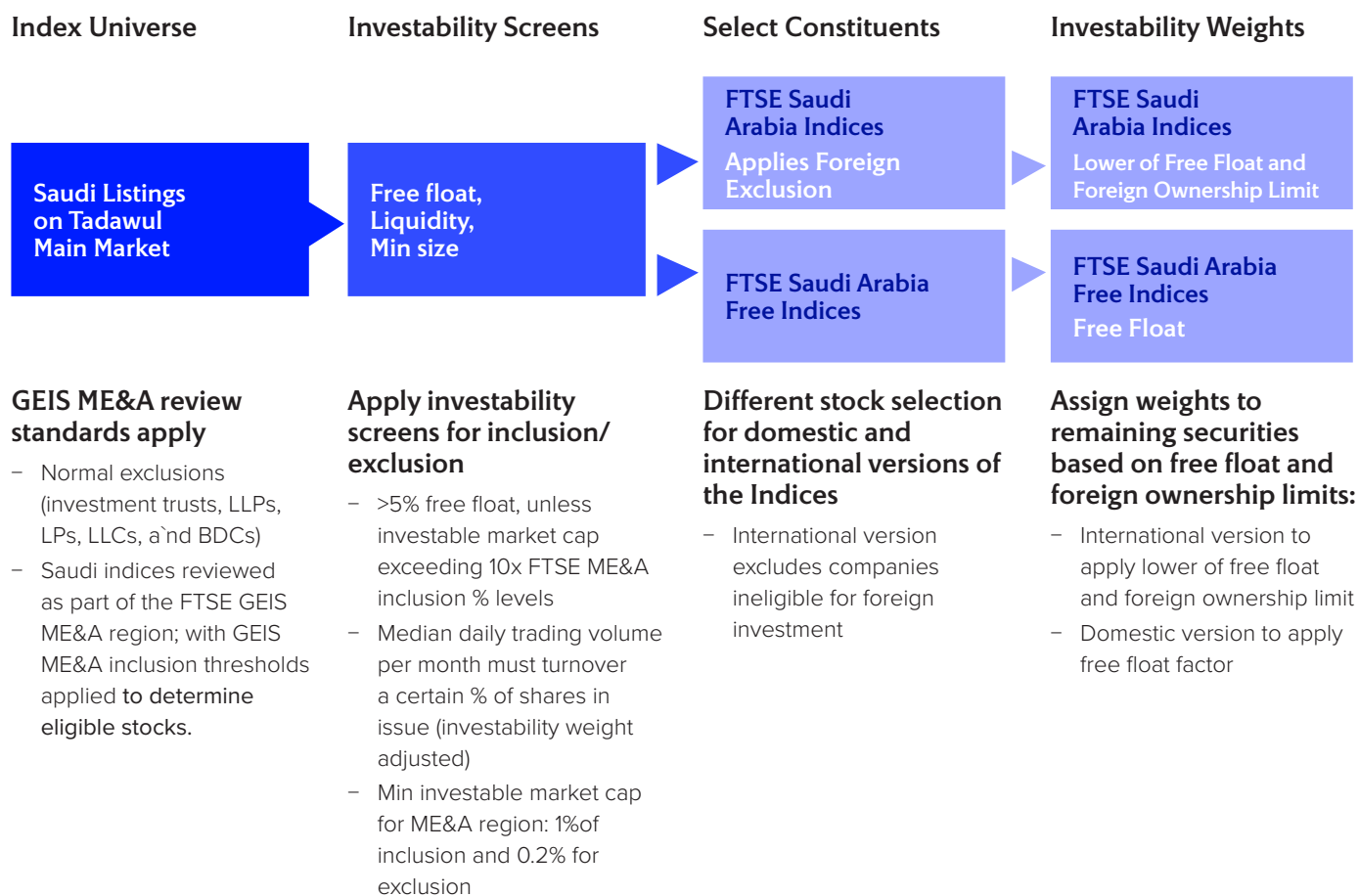
- Methodology consistent with FTSE's standard global indices (FTSE GEIS).
- FTSE Saudi Arabia Indices are incorporated into the FTSE global and regional indices.

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

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