ASIA INDEX Pvt. Ltd.
A BSE and S&P DJI Venture

S&P BSE 500 SHARIAH
Methodology

S&P Dow Jones Indices
A Division of S&P Global

BSE
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August 2018

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Introduction

Partnership

On February 19, 2013, S&P Dow Jones Indices and the BSE Ltd. (formerly Bombay Stock Exchange ("BSE") announced their strategic partnership to calculate, disseminate, and license the widely followed BSE suite of indices.

Index Objective

The S&P BSE 500 SHARIAH includes all Shariah-compliant companies that are included in the broad-based S&P BSE 500.

For more information on the S&P BSE 500, please refer to the S&P BSE Indices Methodology document available at www.spdji.com and www.asiaindex.co.in.

Highlights

The index conforms to Islamic canonical law, Shariah, which observant Muslims adhere to in their daily lives. Shariah has certain strictures regarding finance and commercial activities permitted for Muslims.

Key attributes of the S&P BSE 500 SHARIAH:

- The index is screened for Shariah compliance
- The index is liquid and investable
- Shariah compliance is as per the strictest standards observed by Middle Eastern countries
- The index is maintained for compliance on a periodic basis

Shariah Screening

S&P Dow Jones Indices has contracted with Ratings Intelligence Partners (RI) to provide the Shariah screens and filter the stocks based on these screens. Ratings Intelligence Partners is a London/Kuwait-based consulting company specializing in solutions for the global Islamic investment market. Its team consists of qualified Islamic researchers who work directly with a Shariah Supervisory Board, which is a board of Islamic scholars serving to interpret business issues and recommend actions related to business decisions for the indices. The members are:

- Dr. Muhammad Ali Elgari – PhD in Economics from the University of California, U.S.A.
- Dr. Nazih Hammad – PhD in Islamic Law from the University of Cairo, Egypt
- Dr. Mohammad Amin Ali-Qattan – PhD in Islamic Banking, University of Birmingham, United Kingdom.
- Dr. Mohd Daud Bakar – PhD from the University of St. Andrews, United Kingdom.

For more information on the Shariah screens applied to this index, please refer to the S&P Shariah Indices Methodology document available at www.spdji.com.

Index Family

The S&P BSE 500 SHARIAH is part of the S&P BSE group of indices and the family of S&P Shariah indices.

For information on the other S&P BSE indices, please refer to the S&P BSE Indices Methodology available at www.spdji.com and www.asiaindex.co.in.

For information on the other indices that comprise the S&P Shariah Indices family, please refer to the S&P Shariah Indices Methodology available at www.spdji.com.

Supporting Documents

This methodology is meant to be read in conjunction with supporting documents providing greater detail with respect to the policies, procedures and calculations described herein. References throughout the methodology direct the reader to the relevant supporting document for further information on a specific topic. The list of the main supplemental documents for this methodology and the hyperlinks to those documents is as follows:

Supporting Document	URL
S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology	Equity Indices Policies & Practices
S&P Dow Jones Indices' Index Mathematics Methodology	Index Mathematics Methodology
S&P Dow Jones Indices' Float Adjustment Methodology	Float Adjustment Methodology

This methodology was created by Asia Index Private Limited to achieve the aforementioned objective of measuring the underlying interest of each index governed by this methodology document. Any changes to or deviations from this methodology are made in the sole judgment and discretion of Asia Index Private Limited so that the index continues to achieve its objective.

Eligibility Criteria and Index Construction

Index Eligibility

The selection universe for the S&P BSE 500 SHARIAH is defined as all constituents of the S&P BSE 500. Only common stocks are eligible for index inclusion. The selection universe is screened for Shariah compliance and all non-Shariah compliant stocks are removed. The remaining Shariah-compliant stocks form the index.

Constituent Selection

On a monthly basis, all common stocks in the S&P BSE 500 are screened for Shariah compliance. Only those constituents of the S&P BSE 500 passing the Shariah screens form the S&P BSE 500 SHARIAH. Due to the exclusion of non-Shariah compliant stocks, the S&P BSE 500 SHARIAH regularly consists of fewer than 500 constituents.

Constituent Weightings

Index constituents are weighted based on their float-adjusted market capitalization, subject to a 9% constituent weight cap. Weight caps are applied at each monthly rebalancing. The index employs a non-market capitalization weighting scheme with respect to Corporate Actions.

For more information on weighting schemes, please see S&P Dow Jones Indices' Index Mathematics Methodology document.

For more information on the treatment of corporate actions using a non-market capitalization scheme, please see S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology document.

Index Calculations

The S&P BSE 500 SHARIAH is calculated using the divisor methodology used in S&P Dow Jones Indices' equity indices.

For more information on the index calculation methodology, please refer to S&P Dow Jones Indices' Index Mathematics Methodology.

Index Maintenance

Rebalancing

The index is rebalanced monthly, at the open of the Monday following the third Friday of each month. The rebalancing reference date is after the close of the last trading day of the prior month. As part of the rebalancing process, the weight of each individual constituent is capped at 9% of the index. The reference date for the prices used in the weighting process is after the close on the Wednesday prior to the second Friday of the month.

Ongoing Maintenance

The index is also reviewed on an ongoing basis to account for events such as mergers, takeovers, delistings, group changes, suspensions, surveillance objections, graded surveillance measure objections, spin-offs/demergers or bankruptcies. Changes to index composition and related weight adjustments are made as soon as they are effective. These changes are typically announced one to five business days prior to the implementation date.

Additions. No stocks are added to the index between rebalancings.

Deletions. Between rebalancings, a company can be deleted from an index due to events such as mergers, takeovers, delistings, group changes, suspensions, surveillance objections, graded surveillance measure objections, spin-offs/demergers or bankruptcies.

Index constituents removed from an index's underlying universe are also deleted from the index on the same effective date.

- Whenever possible, changes in the index's components are announced at least one to five business days prior to their implementation date.
- Whenever practicable, Asia Index Private Limited uses the closing price for all deletions.

Graded Surveillance Measure (GSM)

On a monthly basis, companies added to the GSM list are dropped. The effective date of the drop is at the open of the Tuesday following the first Monday of each month. The reference date for the GSM list data is the third Friday of the previous month.

Any company dropped due to inclusion on the GSM list must remain off the list for six consecutive months prior to the rebalancing reference date to be reconsidered for index inclusion.

Corporate Actions

Corporate Action	Adjustment Made to Index	Divisor Adjustment?
Spin-off	In general, the parent company is dropped from the index. However, if information regarding price adjustment is available, the parent company may remain in the index with an adjusted price, at the discretion of the Index Committee.	Yes
Rights Offering	The price is adjusted to the Price of the Parent Company minus the Price of the Rights Offering/Rights Ratio. Index shares change so that the company's weight remains the same as its weight before the rights offering.	No
Stock Dividend (Bonus), Stock Split, Reverse Stock Split	Index shares are multiplied by and price is divided by the split factor.	No
Change in shares (new issue, repurchase, warrant conversion etc.)	None.	No
Special Dividend	Price of stock making special dividend is reduced by the per share special dividend amount after the close of trading on the day before the dividend ex-date.	Yes
Constituent Change	No intraday rebalancing.	No
	Deletions due to delisting, acquisition or any other corporate event resulting in the deletion of the stock from the index will cause the weights of the rest of the stocks in the index to change.	Yes
	Rebalancing changes including additions, deletions and weight changes.	Yes
	Stocks that are reclassified into Z group between rebalancings are removed from the index as soon as practicable	Yes

For more information, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices document.

Currency, Currency Hedged, and Risk Control Indices

The index is calculated in Indian rupees and US dollars.

Spot foreign exchange rates provided by Thomson Reuters are taken daily at 3:00 PM India Time and used in the end-of-day calculation to calculate the indices in U.S. dollars.

Currency, currency hedged, and risk control versions of the indices may be available. For a list of available currency, currency hedged, and risk control indices, please contact Client Services at index_services@spglobal.com.

For more information on currency, currency hedged, and risk control indices, please refer to S&P Dow Jones Indices' Index Mathematics Methodology.

Base Date and History Availability

Index history availability, base date and base value are shown in the table below.

Index	Launch Date	First Value Date	Base Date	Base Value
S&P BSE 500 SHARIAH	02-May-13	03-Nov-08	03-Nov-08	1000

Index Data

Calculation Return Types – Equity Indices

S&P Dow Jones Indices calculates multiple return types which vary based on the treatment of regular cash dividends. The classification of regular cash dividends is determined by S&P Dow Jones Indices.

- Price Return (PR) versions are calculated without adjustments for regular cash dividends.
- Gross Total Return (TR) versions reinvest regular cash dividends at the close on the ex-date without consideration for withholding taxes.
- Net Total Return (NTR) versions, if available, reinvest regular cash dividends at the close on the ex-date after the deduction of applicable withholding taxes.

In the event there are no regular cash dividends on the ex-date, the daily performance of all three indices will be identical.

For a complete list of indices available, please refer to the daily index levels file (".SDL").

For more information on the classification of regular versus special cash dividends as well as the tax rates used in the calculation of net return, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices document.

For more information on the calculation of return types, please refer to S&P Dow Jones Indices' Index Mathematics Methodology.

Index Governance

Index Committee

The S&P BSE Index Committee oversees the index. The Index Committee is composed of full time employees of S&P Dow Jones Indices and the BSE. The Index Committee meets quarterly. At each meeting, the Index Committee reviews pending corporate actions that may affect index constituents, statistics comparing the composition of the index to the market, companies that are being considered as candidates for addition to the index, and any significant market events. In addition, the Index Committee may revise index policy covering rules for selecting companies, treatment of dividends, share counts or other matters.

Asia Index Private Limited considers information about changes to its indices and related matters to be potentially market moving and material. Therefore, all Index Committee discussions are confidential.

S&P Dow Jones Indices' Index Committees reserve the right to make exceptions when applying the methodology if the need arises. In any scenario where the treatment differs from the general rules stated in this document or supplemental documents, clients will receive sufficient notice, whenever possible.

In addition to the daily governance of indices and maintenance of index methodologies, at least once within any 12-month period, the Index Committee reviews the methodology to ensure the indices continue to achieve the stated objectives, and that the data and methodology remain effective. In certain instances, S&P Dow Jones Indices may publish a consultation inviting comments from external parties.

For information on Quality Assurance and Internal Reviews of Methodology, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices document.

Index Policy

Announcements

All index constituents are evaluated daily for data needed to calculate index levels and returns. All events affecting the daily index calculation are typically announced in advance via the Index Corporate Events report (.SDE), delivered daily via ftp to all clients. Any unusual treatment of a corporate action or short notice of an event may be communicated via email to clients.

Pro-forma Files

In addition to the corporate events file (.SDE), S&P Dow Jones Indices provides constituent pro-forma files each time the index rebalances. The pro-forma file is typically provided daily in advance of the rebalancing date and contains all constituents and their corresponding weights and index shares effective for the upcoming rebalancing. Since index shares are assigned based on prices prior to the rebalancing, the actual weight of each stock at the rebalancing differs from these weights due to market movements.

Please visit www.spdji.com for a complete schedule of rebalancing timelines and pro-forma delivery times.

Holiday Schedule

The index is calculated on all business days when the BSE is open.

A complete holiday schedule for the year is available on the BSE Ltd. Web site at www.bseindia.com.

Special Trading Sessions. The index will be calculated on special trading sessions as declared by the Bombay Stock Exchange. Some examples include, but are not limited to, special trading sessions on Saturday and Mahurat trading. Asia Index Private Limited will issue a notice to inform market participants regarding such special trading sessions.

If the special trading session falls on the Saturday following the third Friday of any rebalancing month, the new portfolio will be effective at the discretion of the Index Committee. Asia Index Private Limited will issue a notice to inform market participants detailing when the new portfolio will become effective.

Rebalancing

The index committee may change the date of a given rebalancing for reasons including market holidays occurring on or around the scheduled rebalancing date. Any such change will be announced with proper advance notice where possible.

Unexpected Exchange Closures

For information on Unexpected Exchange Closures, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices document.

Recalculation Policy

For information on the recalculation policy, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices document.

For information on Calculations and Pricing Disruptions, Expert Judgment and Data Hierarchy, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices document.

Contact Information

For questions regarding an index, please contact: index_services@spglobal.com.

Index Dissemination

Index levels are available through S&P Dow Jones Indices' Web site at *www.spdji.com*, Asia Index Private Limited's Web site at *www.asiaindex.co.in*, major quote vendors (see codes below), numerous investment-oriented Web sites, and various print and electronic media.

Tickers

The table below lists headline indices covered by this document. All currency, currency hedged, risk control, and return type versions of the below indices that may exist are also covered by this document. Please contact index_services@spglobal.com for a complete list of indices covered by this document.

Index	Return Type	Bloomberg	Reuters
S&P BSE 500 SHARIAH	Price Return Total Return	SPBSE5S SPBSE5ST	.SPBSE5S --
S&P BSE 500 SHARIAH (USD)	Price Return Total Return	SPBS5SUP SPBS5SUT	-- --

Index Data

Daily constituent and index level data are available via subscription.

For product information, please contact S&P Dow Jones Indices, www.spdji.com/contact-us.

Web site

For further information, please refer to S&P Dow Jones Indices' Web site at www.spdji.com or Asia Index Private Limited's Web site at www.asiaindex.co.in.

Appendix

Methodology Changes

Methodology changes since January 1, 2015 are as follows:

Change	Effective Date (After Close)	Methodology Previous	Methodology Updated
Index Maintenance: Graded Surveillance Measure (GSM)	21-Sept-18	--	On a monthly basis, companies added to the GSM list are dropped. The effective date of the drop is at the open of the Tuesday following the first Monday of each month. The reference date for the GSM list data is the third Friday of the previous month. Any company previously dropped due to its inclusion on the GSM list must remain off the GSM list for six consecutive months prior to the rebalancing reference date in order to be reconsidered for index inclusion.

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