

MSCI GCC COUNTRIES ISLAMIC INDEX (USD)

The MSCI GCC Countries Islamic Index reflects Sharia investment principles and is designed to measure the performance of the large and mid cap segments of the 6 GCC countries that are relevant for Islamic investors. The index, with 43 constituents applies stringent screens to exclude securities based on two types of criteria: business activities and financial ratios derived from total assets.

CUMULATIVE INDEX PERFORMANCE - GROSS RETURNS (USD) (MAY 2007 – DEC 2018)



ANNUAL PERFORMANCE (%)

Year	MSCI GCC Islamic	MSCI GCC Countries
2018	11.81	16.71
2017	5.69	4.64
2016	13.08	9.46
2015	-13.01	-13.89
2014	-2.26	1.16
2013	28.75	30.86
2012	9.86	8.16
2011	-8.70	-6.10
2010	14.96	21.11
2009	19.51	22.92
2008	-58.66	-55.84

INDEX PERFORMANCE — GROSS RETURNS (%) (DEC 31, 2018)

	1 Mo	3 Mo	1 Yr	YTD	ANNUALIZED			
					3 Yr	5 Yr	10 Yr	Since May 31, 2007
MSCI GCC Islamic	1.05	-1.41	11.81	11.81	10.14	2.59	7.26	0.89
MSCI GCC Countries	0.92	0.06	16.71	16.71	10.16	3.09	8.70	2.53

FUNDAMENTALS (DEC 31, 2018)

Div Yld (%)	P/E	P/E Fwd	P/BV
3.86	15.23	na	1.96
4.01	13.61	na	1.76

INDEX RISK AND RETURN CHARACTERISTICS (MAY 31, 2007 – DEC 31, 2018)

	Beta	Tracking Error (%)	Turnover (%) ¹	ANNUALIZED STD DEV (%) ²			SHARPE RATIO ^{2,3}			Since May 31, 2007 (%)	MAXIMUM DRAWDOWN Period YYYY-MM-DD	
				3 Yr	5 Yr	10 Yr	3 Yr	5 Yr	10 Yr			
MSCI GCC Islamic	1.03	4.21	16.94	14.40	17.74	17.00	0.66	0.19	0.47	0.11	69.00	2008-01-15—2009-03-09
MSCI GCC Countries	1.00	0.00	9.30	13.32	16.74	16.67	0.71	0.22	0.55	0.18	66.27	2008-01-15—2009-03-03

¹ Last 12 months ² Based on monthly gross returns data ³ Based on ICE LIBOR 1M

* GCC Countries include: Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and United Arab Emirates.

The MSCI GCC Countries Islamic Index was launched on Jul 26, 2007. Data prior to the launch date is back-tested data (i.e. calculations of how the index might have performed over that time period had the index existed). There are frequently material differences between back-tested performance and actual results. Past performance -- whether actual or back-tested -- is no indication or guarantee of future performance.

INDEX CHARACTERISTICS

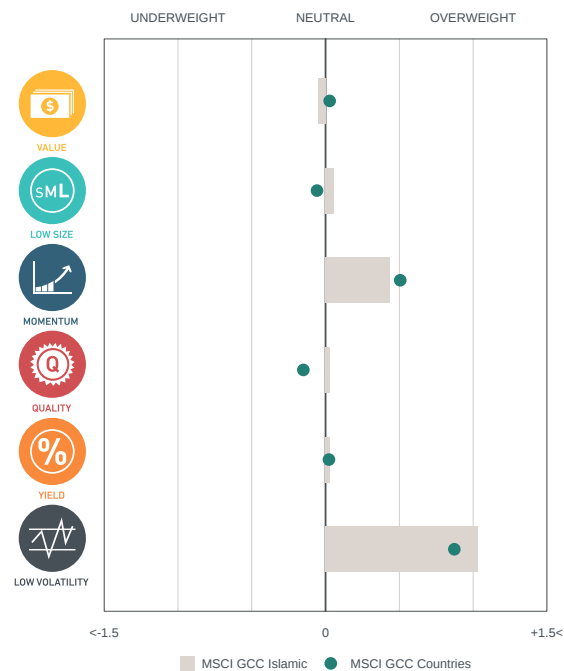
	MSCI GCC Islamic	MSCI GCC Countries
Number of Constituents	43	76
	Weight (%)	
Largest	19.20	10.59
Smallest	0.14	0.04
Average	2.33	1.32
Median	1.41	0.78

TOP 10 CONSTITUENTS

	Country	Index Wt. (%)	Parent Index Wt. (%)	Sector
AL RAJHI BANKING & INV	SA	19.20	10.59	Financials
SAUDI BASIC IND CORP	SA	14.71	8.11	Materials
SAUDI TELECOM CO	SA	6.20	3.42	Communication Services
ALINMA BANK	SA	4.36	2.41	Financials
INDUSTRIES QATAR	QA	4.22	2.33	Industrials
KUWAIT FINANCE HOUSE	KW	3.96	2.18	Financials
SAUDI ARABIAN MINING CO	SA	3.40	1.88	Materials
QATAR ISLAMIC BANK	QA	3.06	1.69	Financials
AL RAYAN BANK	QA	2.66	1.47	Financials
SAUDI ARAB FERTILIZER	SA	2.44	1.35	Materials
Total		64.22	35.42	

FACTORS - KEY EXPOSURES THAT DRIVE RISK AND RETURN

MSCI FACTOR BOX



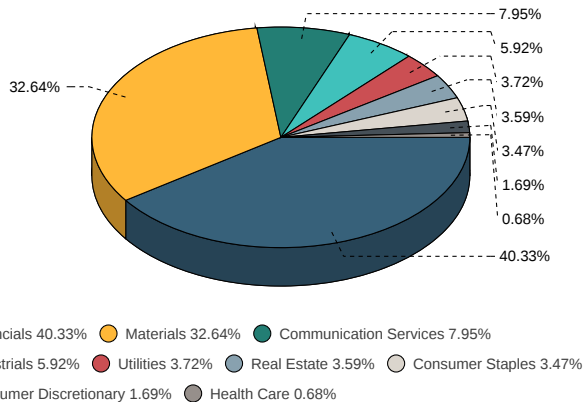
MSCI FaCS

- VALUE**
Relatively Inexpensive Stocks
- LOW SIZE**
Smaller Companies
- MOMENTUM**
Rising Stocks
- QUALITY**
Sound Balance Sheet Stocks
- YIELD**
Cash Flow Paid Out
- LOW VOLATILITY**
Lower Risk Stocks

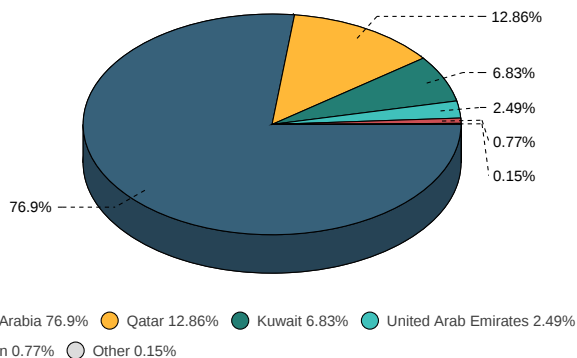
MSCI FaCS provides absolute factor exposures relative to a broad global index - MSCI ACWI IMI.

Neutral factor exposure (FaCS = 0) represents MSCI ACWI IMI.

SECTOR WEIGHTS



COUNTRY WEIGHTS



INDEX METHODOLOGY

The methodology for the MSCI Global Islamic Indexes follow Sharia investment principles and does not allow investment in companies that are directly active in, or derive more than 5% of their revenues from such business activities as alcohol, tobacco, pork-related products, conventional financial services, defense/weapons, gambling, or adult entertainment.

In addition, the MSCI Global Islamic Indexes do not allow investment in companies deriving significant income from interest or companies that have excessive leverage. MSCI uses three financial ratios to screen for such companies: 1) total debt over total assets; 2) the sum of a company's cash and interest-bearing securities over total assets; and 3) the sum of a company's accounts receivables and cash over total assets. None of these financial ratios may exceed 33.33%.

Finally, if a company derives part of its total income from interest income and/or from prohibited activities, Sharia investment principles state that this proportion must be deducted from the dividends paid out to shareholders and given to charity. MSCI therefore applies a *dividend adjustment factor* to all reinvested dividends.

FACTOR BOX AND FaCS METHODOLOGY

MSCI FaCS is a standard method ([MSCI FaCS Methodology](#)) for evaluating and reporting the Factor characteristics of equity portfolios. MSCI FaCS consists of Factor Groups (e.g. Value, Size, Momentum, Quality, Yield, and Volatility) that have been extensively documented in academic literature and validated by MSCI Research as key drivers of risk and return in equity portfolios. These Factor Groups are constructed by aggregating 16 factors (e.g. Book-to-Price, Earnings/Dividend Yields, LT Reversal, Leverage, Earnings Variability/Quality, Beta) from the latest Barra global equity factor risk model, GEMLT, designed to make fund comparisons transparent and intuitive for use. The MSCI Factor Box, which is powered by MSCI FaCS, provides a visualization designed to easily compare absolute exposures of funds/indexes and their benchmarks along 6 Factor Groups that have historically demonstrated excess market returns over the long run.

ABOUT MSCI

For more than 40 years, MSCI's research-based indexes and analytics have helped the world's leading investors build and manage better portfolios. Clients rely on our offerings for deeper insights into the drivers of performance and risk in their portfolios, broad asset class coverage and innovative research. Our line of products and services includes indexes, analytical models, data, real estate benchmarks and ESG research. MSCI serves 99 of the top 100 largest money managers, according to the most recent P&I ranking. For more information, visit us at www.msci.com.

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