

FTSE Saudi Arabia Inclusion Index Series

Overview

The FTSE Saudi Arabia Inclusion 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 Inclusion Index Series include 3 sets of indexes:

- Country level indexes. There are two versions – FTSE Saudi Arabia Indexes for QFIs, and FTSE Saudi Arabia Free Indexes for Saudi domestic investors. Sector indexes are available. Capped versions are also available for selected indexes.
- Global Saudi Inclusion Indexes that combine various FTSE global indexes with Saudi Arabia indexes, at FTSE Global All Cap, FTSE All-World® and FTSE Emerging levels.
- Regional Saudi Inclusion Indexes that combine various FTSE regional indexes with FTSE Saudi Arabia Indexes, at Middle East and Africa (ME&A), Middle East and North Africa (MENA) and GCC levels.

FTSE Saudi Arabia Indexes and FTSE Saudi Arabia Free Indexes

- 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 indexes are created to reflect differences in restrictions facing QFIs and domestic investors:
 - The FTSE Saudi Arabia Free Indexes are designed for Saudi domestic investors. Constituents are weighted by free float.
 - The FTSE Saudi Arabia Indexes 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 Indexes 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 Indexes and the FTSE Saudi Arabia Free indexes 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 indexes 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 indexes 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 Indexes (designed for QFIs) further apply foreign exclusions, and FOLs in addition to free float, in determining constituent weights.

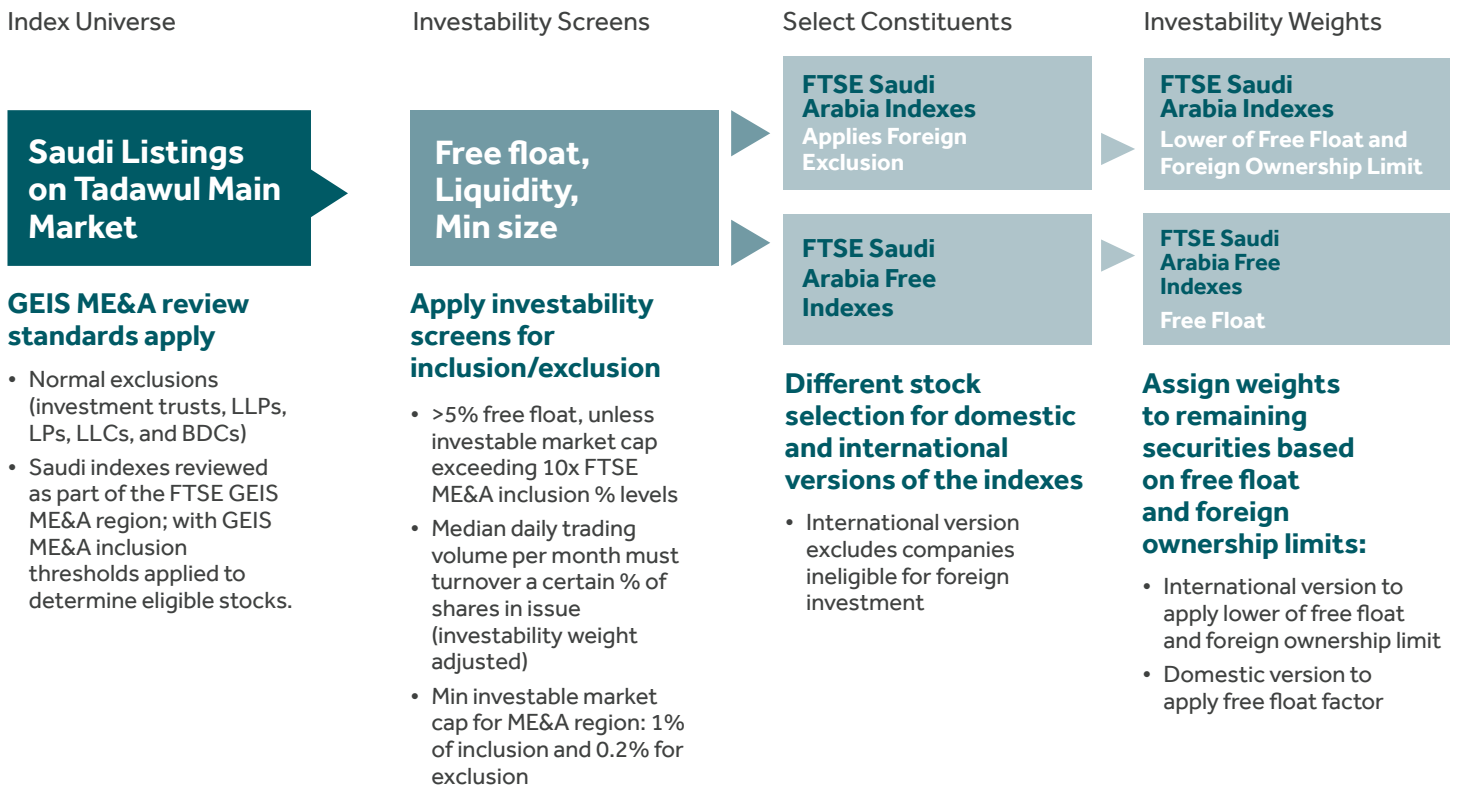
Globally integrated

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

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 Indexes and FTSE Saudi Arabia Free Indexes Construction Process



FTSE Saudi Arabia Indexes and FTSE Saudi Arabia Free Indexes

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 Global and Regional Saudi Arabia Inclusion Indexes

Ahead of the potential inclusion of Saudi Arabia as a Secondary Emerging market, FTSE Russell has launched a suite of inclusion indexes at global and regional levels as transitional tools for market participants who wish to understand the impact of Saudi Arabia's inclusion into FTSE global and regional indexes.

Country-level Indexes
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
Regional Inclusion Indexes
GCC
FTSE GCC Saudi Arabia Inclusion Index
FTSE GCC Saudi Arabia All Cap Inclusion Index
Capped
FTSE GCC Saudi Arabia Capped Inclusion Index
FTSE GCC Saudi Arabia All Cap Capped Inclusion Index
ME&A
FTSE Middle East & Africa Saudi Arabia Inclusion Index
FTSE Middle East & Africa All Cap Saudi Arabia Inclusion Index
ME&NA
FTSE Middle East & North Africa (MENA) Saudi Arabia Inclusion Index
FTSE Middle East & North Africa (MENA) All Cap Saudi Arabia Inclusion Index
Global Inclusion Indexes
FTSE All-World® Saudi Arabia Inclusion Index
FTSE Global All Cap Saudi Arabia Inclusion Index
FTSE Emerging Saudi Arabia Inclusion Index
FTSE Emerging All Cap Saudi Arabia Inclusion Index

Saudi Arabia country classification status

In terms of country classification, Saudi Arabia is not currently classified and is on FTSE's Watch List for potential inclusion in FTSE GEIS as a Secondary Emerging market. The September 2017 FTSE's Annual Country Classification Review has indicated that the promotion of Saudi Arabia to Secondary Emerging can be very near, with the next review of the status scheduled for March 2018.

About FTSE Russell

FTSE Russell is a leading global index provider creating and managing a wide range of indexes, data and analytic solutions to meet client needs across asset classes, style and strategies. Covering 98% of the investable market, FTSE Russell indexes offer a true picture of global markets, combined with the specialist knowledge gained from developing local benchmarks around the world.

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