

## **DFM launches new general index providing global best practice for indices and greater transparency for investors**

- **Comprehensive transformation of methodology comes amidst growing global visibility owing to DFM's thriving IPO and trading activities**
- **Special bell ringing ceremony to celebrate the milestone in the presence of senior executives from DFM and S&P Dow Jones Indices (S&P DJI)**

**Dubai, 21 November 2022:** Dubai Financial Market (DFM) today launched its new general index culminating the successful accomplishment of a comprehensive transformation of its indices' methodology. The developed indices provide various market participants with world-class investable and tradeable benchmarks for the DFM equity market. S&P Dow Jones Indices acts as the calculation agent of the indices.

The new general index provides a series of enhancements for investors including 10% threshold caps, quarterly rebalancing, independent methodology oversight and index calculation based on actual free-float. The transformation also includes eight sectoral indices as well as the DFM Sharia Index.

To celebrate this milestone, the DFM hosted a special bell-ringing ceremony in the presence of Hamed Ali, CEO of DFM and Nasdaq Dubai and Charbel Azzi, Head of Asia Pacific, Middle East, Africa at S&P DJI, as well as other senior officials from both sides.

Prior to shaping the final methodology, the DFM offered market participants the opportunity to counsel on its draft during a consultation period between 3<sup>rd</sup> and 17<sup>th</sup> of October 2022.

Hamed Ali, CEO of DFM and Nasdaq Dubai, said: "This significant milestone underscores DFM's commitment to constantly develop its services as part of Dubai's strategy to develop its financial markets. The index transformation caters to the ever-growing demand from various investors' categories towards DFM's investment opportunities whether to participate in the thriving IPOs that placed us at the center stage globally or to

trade on the market. DFM indices align with best practices, providing its expanding base of local and international investors with transparent indices for both equities and equity futures. We would like to thank S&P Dow Jones Indices for collaborating with us as the calculation agent of the new index."

Charbel Azzi, Head of Asia Pacific, Middle East, Africa at S&P Dow Jones Indices comments: "We are very pleased that DFM has selected S&P Dow Jones Indices as the calculating agent for its indices. Our aim is to offer rules-based and robust index solutions that suit the needs of the local markets and enable market participants to meet their investment objectives."

**Key features of the new methodology of DFM indices include:**

- Capping the threshold of a DFM index individual constituent at 10% of the index weightage instead of 20% currently, hence limiting the effect of limited number of companies on the index.
- Index calculation based on actual free float adjusted market capitalization
- Quarterly rebalancing of the index replacing the current semiannual review
- A DFM independent index committee oversees current and future methodology changes.
- The alignment of DFM's sectors with the Global Industry Classification Standard (GICS) that are tracked by institutional clients.
- The new sectors include; Communication Services, Consumer Staples, Materials, Real Estate, Utilities, Financials, Industrials, and Consumer Discretionary.

Further details about the new index methodology and weightages of the Index Sample are accessible through the following link: [Market Rules \(dfm.ae\)](http://dfm.ae/MarketRules)

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**About Dubai Financial Market:** Dubai Financial Market (DFM) was established as a public institution with its own independent corporate body. DFM operates as a secondary market for the trading of securities issued by public shareholding companies, bonds issued by the Federal Government or any of the local Governments and public institutions in the country, units of investment funds and any other financial instruments, local or foreign, which are accepted by the market. The DFM commenced operations on March 26, 2000 and became the first Islamic Shari'a-compliant exchange globally since 2007. Following its initial public offering in November 2006, when DFM offered 1.6 billion shares, representing 20 per cent of its paid-up capital of AED 8 Billion, DFM became a public joint stock company and its shares were listed on 7 March 2007 with the trading symbol (DFM). Following the IPO, the Government of Dubai retained the remaining 80 per cent of DFM Company through Borse Dubai Limited. [www.dfm.ae](http://www.dfm.ae)

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