



# BNP PARIBAS EUROPE ISLAMIC SELECT INDEX

MARKETING COMMUNICATION PRODUCED FOR INFORMATION PURPOSES AND FOR THE EXCLUSIVE USE OF PROFESSIONAL CLIENTS | MARCH 2024

The BNP Paribas Europe Islamic Select Index provides exposure to a selection of European companies that comply with Islamic Finance’s ethical principles, according to the Islamic religious law (i.e. Shari’ah).

## ISLAMIC FINANCE ADVOCATES A MORE TRANSPARENT AND FAIR FINANCIAL SYSTEM

- In order to be Shari’ah compliant, Islamic Investments need to comply to specific industry and financial filters.
- The ethical and responsible rules behind Islamic Finance foster a financial system working towards progress and fairness.
- Islamic Finance has been one of the fastest growing markets over the last years.

### INDUSTRY FILTERS



Pork-related products



Weapons and Defense



Alcohol and tobacco



Conventional Financial services



Entertainment



Time value of money in loans



Charging or paying of interests



Uncertainty and Deceit<sup>2</sup>

### FINANCIAL FILTERS<sup>1</sup>



Total debt



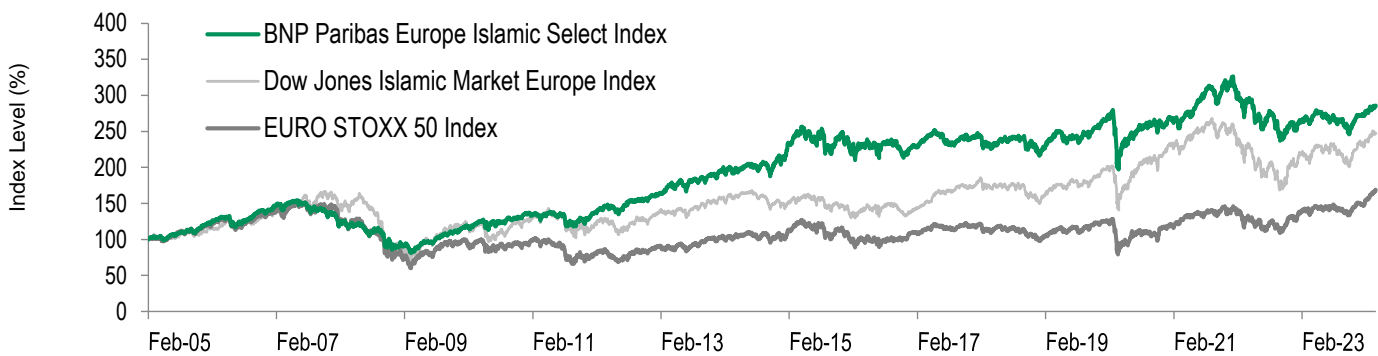
Cash Interest-bearing securities



Accounts receivable

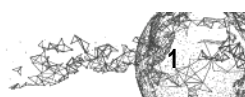
Source: S&P Dow Jones Indices ([www.djindexes.com/islamicmarket/](http://www.djindexes.com/islamicmarket/)). <sup>1</sup>The cited ratios must represent less than 1/3 of each company’s trailing 24M average market capitalization. <sup>2</sup>All business transactions which cause injustice in any form to any of the parties are forbidden. It may be in the form of hazard or peril leading to uncertainty in any business, or deceit or fraud or undue advantage.

### PERFORMANCE

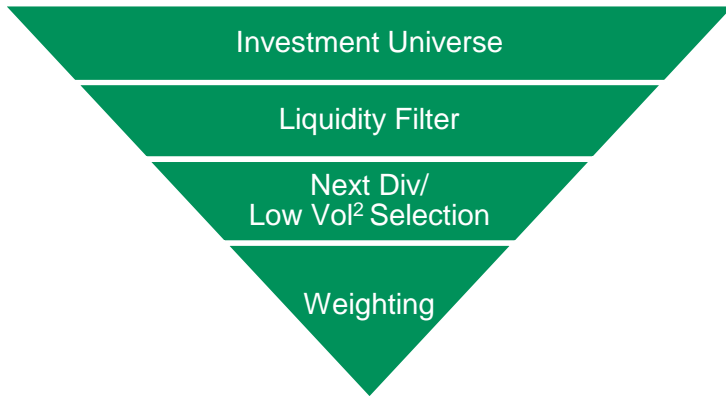


| Feb 05 – Mar 24        | BNP Paribas Europe Islamic Select Index | Dow Jones Islamic Market Europe Index | EURO STOXX 50 Index |
|------------------------|---|---------------------------------------|---------------------|
| Annualised Performance | 5.63%                                   | 4.84%                                 | 2.77%               |
| Annualised Volatility  | 14.80%                                  | 20.68%                                | 21.55%              |
| Sharpe Ratio           | 0.38                                    | 0.23                                  | 0.13                |
| Maximum Drawdown       | -47.46%                                 | -57.61%                               | -60.29%             |

Sources: Bloomberg, BNP Paribas as of 27 March 2024. Comparative indices: Dow Jones Islamic Market Europe Index, Bloomberg Code: <DJIEU Index> and Euro Stoxx 50 Index in EUR. Bloomberg Code: <SX5E Index>. Indices levels rebased at 100% on 1<sup>st</sup> February 2005. Simulated or historical past performance is not an indicator of future performance.



## INDEX SUMMARY



**Dow Jones Islamic Market Europe** ~ 312 stocks  
European Islamic stocks.

**Liquid stocks** ~165 stocks  
> 10 million EUR ADV<sup>1</sup> over 3-months.

Prioritization of companies paying a dividend the next month. The least volatile stocks complete the selection. ~50 stocks

**Risk Parity Weighting** **50 stocks**  
The selected components are weighted according to their 6-month volatility. The lowest volatile stocks weight is the highest.



### MONTHLY REBALANCED

The Index is rebalanced monthly in order to maintain reactivity and monitor closely the risk.



### 25% SECTORIAL CAP

The sectorial cap allows the strategy to be diversified. Diversification will, therefore, improve the risk profile of the Index.



### NEXT DIVIDEND & LOW VOLATILITY

The Index includes Next Dividend and Low Volatility technology upon the stock selection.



### THEMATIC INDEX

The index provides exposure to European companies that comply with Islamic finance principles.

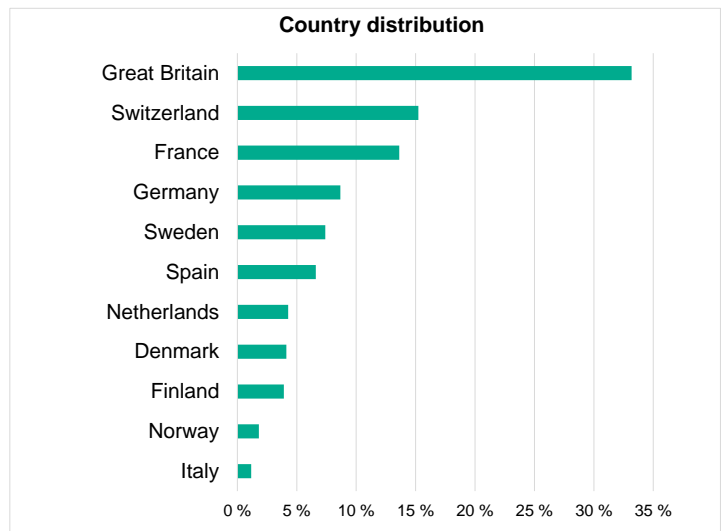
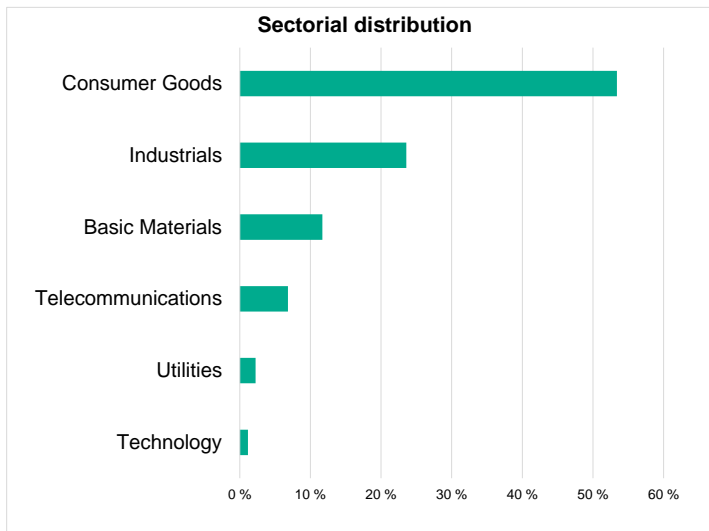
<sup>1</sup>ADV: Average Daily Volume. <sup>2</sup>Next Dividend / Low Volatility

## INDEX COMPOSITION

|              |                |                    |                        |   |
|--------------|----------------|--------------------|------------------------|---|
| 1 DSV AS     | 11 LOREAL SA   | 21 INFORMA PLC     | 31 ROCHE HOLDING AG    | 41 EVONIK INDUSTRIES AG                         |
| 2 SKF AB     | 12 SAFRAN SA   | 22 PEARSON PLC     | 32 WARTSILA OYJ ABP    | 42 STMICROELECTRONICS NV                        |
| 3 ABB LTD    | 13 BUNZL PLC   | 23 UNILEVER PLC    | 33 SMITHS GROUP PLC    | 43 YARA INTERNATIONAL ASA                       |
| 4 SIKA AG    | 14 HALMA PLC   | 24 BEIERSDORF AG   | 34 SMITH NEPHEW PLC    | 44 SVENSKA CELLULOSA AB SCA                     |
| 5 KONE OYJ   | 15 SYMRISE AG  | 25 AKZO NOBEL NV   | 35 COMPASS GROUP PLC   | 45 HIKMA PHARMACEUTICALS PLC                    |
| 6 RELX PLC   | 16 PANDORA AS  | 26 ALFA LAVAL AB   | 36 WOLTERS KLUWER NV   | 46 RECKITT BENCKISER GROUP PLC                  |
| 7 NESTLE SA  | 17 LEGRAND SA  | 27 ASSA ABLOY AB   | 37 BARRY CALLEBAUT AG  | 47 ASSOCIATED BRITISH FOODS PLC                 |
| 8 ENDESA SA  | 18 GIVAUDAN SA | 28 GSK PLC DRN ED  | 38 INTERTEK GROUP PLC  | 48 INDUSTRIA DE DISENO TEXTIL SA                |
| 9 NESTE OYJ  | 19 NOVARTIS AG | 29 NOVO NORDISK AS | 39 AMADEUS IT GROUP SA | 49 CHOCOLADEFABRIKEN LINDT SPRUENGLI AG         |
| 10 DANONE SA | 20 BRENNTAG AG | 30 COCACOLA HBC AG | 40 ESSILORLUXOTTICA SA | 50 CIE GENERALE DES ETABLISSEMENTS MICHELIN SCA |

Sources: Bloomberg, BNP Paribas as of 27 March 2024.

## SECTOR AND COUNTRY BREAKDOWN



Sources: BNP Paribas as of 27 March 2024.

**TABLE OF CHARACTERISTICS**

| CURRENCY | TYPE OF INDEX      | BLOOMBERG CODE | REUTERS CODE | LAUNCH DATE                   |
|----------|--------------------|----------------|--------------|-------------------------------|
| EUR      | Price Return Index | BNPIEUIS Index | .BNPIEUIS    | 09 <sup>th</sup> January 2017 |

For more details on the index, please visit the dedicated page:

[BNP Paribas Europe Islamic Select 50 PR Index - BNP Paribas Indices - The bank for a changing world](#)

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