

Magni Islamic Stewardship Index



BECAUSE GOVERNANCE MATTERS™

Magni Islamic Stewardship Index combines Islamic guidance for businesses from *Maqasid* with a best-practice model for corporate governance to screen Shariah-compliant large-cap US companies. Islamic guidance for good corporate governance provides a valuable, practical and business-relevant moral compass. When a business incorporates *Maqasid* values into its conduct, we believe there will be a better outcome.



WHY IS CORPORATE GOVERNANCE IMPORTANT?

1. Good Governance = Honesty and Transparency

The more honest and transparent a company is with its shareholders, customers, suppliers, employees, competitors, and communities in which the company operates, the greater the opportunity for a positive impact on equity valuations.

2. Behavior More Accurately Reflects Intent Than Words

Measuring good governance is not easy. Just because rules and

regulations are in place does not mean that they are enforced. A key factor in determining good governance is behavior versus self-described intent.

3. Insightful Approach to ESG Investing

We evaluate both the governance and the social aspects of ESG investing for the index. Currently, companies are assessed on what they are willing to disclose, but not their behavior or actual impact.

OVERVIEW

TickerMAGISLM
Inception Date2/28/18
Index Calculation/
Publication..... INDXX
Holdings All stocks in S&P 500 that are considered Shariah compliant
Rebalance..... Semi annually (Feb/Aug)
Weighting Scheme Modified, Magni Corporate Governance Score

THE MAGNI DIFFERENCE—LOOKING BELOW THE SURFACE FOR THE BIG PICTURE

Traditional investment analysis focuses on surface-level data reported by the company instead of actual behavior of employees and management.

Magni's Corporate Governance Assessment takes the research methods used on good country-level governance and applies them to a best-practices model for corporate governance.

This provides a more accurate and complete analysis of governance that aligns with Islamic guidance.



LICENSING INFORMATION

Magni Global Asset Management LLC licenses its indexes to firms involved in the issuance of Exchange Traded Products (ETPs). If you are interested in licensing an index from Magni, contact us at info@magniglobal.com

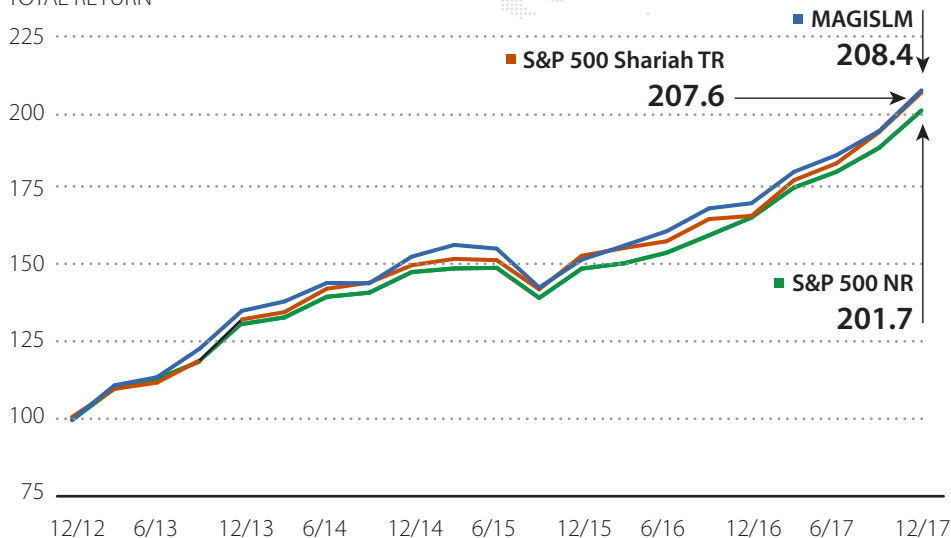
Provided by Magni Global Asset Management LLC. This is not investment advice or a recommendation to buy or sell securities. Investors may not invest directly in an index.

WHY MAGNI?

- 1. Quality and depth of research**—Magni's research database analyzes 316 factors based on the Sustainable Value Creation principles. We assess the company's relationship with not only its shareholders and employees, but also its customers, suppliers, and competitors along with the communities in which the company operates.
- 2. Repeatable process**—Our research results in a score for each company and that score determines the company's weight in the index.
- 3. Experienced Manager**—Magni has used this approach in their country governance research to run Magni Model Portfolios since 2003 and to manage money for clients in Magni Global Portfolios since 2012.

INDEX BACK-TEST RESULTS

TOTAL RETURN



Magni's index back-tested returns reflect results from 12/31/2012 to 12/31/2017 using large capitalization securities listed on the NYSE and NASDAQ. Results do not include transaction costs or imputed commissions. The Magni Islamic Stewardship Index (MAGISLM) typically contains the Shariah-compliant subset of the 500 companies considered to be large cap.

TOP 10 HOLDINGS

As of 8/31/19

in alphabetical order

- Autodesk Inc.
- Biogen Inc.
- Cognizant Tech Solutions
- Corning Inc.
- Ecolab Inc.
- Home Depot Inc.
- Netapp
- Norfolk Southern Corp.
- Northrop Grumman Corp.
- Starbucks Corp.

CONSTITUENT REQUIREMENTS

To be eligible for inclusion in the index, companies must be in the S&P 500 Index and be considered Shariah compliant.