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## Methodology

# Guggenheim RBP® Islamic Market U.S. 50 Index

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## Introduction

The Guggenheim RBP® Islamic Market U.S. 50 Index is part of the family of indexes offered by Guggenheim Investments using rules-based published analytics. Components of the Guggenheim Investments Indexes are selected in part based on their RBP® probabilities.

RBP®, which stands for Required Business Performance, is calculated by taking a reverse discounted cash flow approach to determine the future business performance required by a company to support its current stock price. RBP probabilities intend to measure the likelihood that a company can deliver the required business performance identified by applying the methodology over specified time periods.

The Guggenheim RBP® Islamic Market U.S. 50 Index also adheres to the Dow Jones Islamic Market U.S. Index family methodology, which includes rules-based screens for adherence to Shari'ah investment principles.

## Index Universe

The selection universe for Guggenheim RBP® Islamic Market U.S. 50 Index includes all securities in the Dow Jones U.S. Large-Cap Index and Dow Jones U.S. Mid-Cap Index that comply with Shari'ah investment principles in Dow Jones Islamic Market U.S. Index.

## Index Composition

### Eligibility Screens

Stocks are subject to the following screens to determine their eligibility for the index:

- Stocks require an RBP® Probability.
- Stocks with free float of less than 50% are deemed ineligible.
- Stocks with a price of \$3 or less for two consecutive quarters are deemed ineligible.
- Stocks with a six-month average daily trading volume of less than 250,000 shares for two consecutive quarters are deemed ineligible.

Note: Prior to March 2011, the liquidity screens removed stocks with a six-month average daily trading volume of less than 100,000 shares for two consecutive quarters.

## Index Construction

From the remaining pool of eligible securities, the selection process proceeds as follows:

- The 300 securities with betas closest to 1 are eligible for the index.
- The 200 securities with the highest momentum are eligible for the index.
- The top 50 companies by RBP® probability are selected to the Guggenheim RBP® Islamic Market U.S. 50 Index.

## Weighting

Constituent stocks are weighted by RBP® probabilities.

## Review Frequency

The Guggenheim RBP® Islamic Market U.S. 50 Index is rebalanced quarterly after the close of third Friday of March, June, September and December. In addition, the index is reviewed on an ongoing basis to account for corporate actions such as mergers and de-listings.

## Data Availability

Calculation of the Guggenheim RBP<sup>®</sup> Islamic Market U.S. 50 Index began on January 8, 2010. Real index history is available daily from this date forward.

Additional information regarding the RBP<sup>®</sup> methodology is available at [rbpinstitute.com](http://rbpinstitute.com).

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