

Methodology

Introduction

The Dow Jones Kuwait Titans 30 IndexSM measures the performance of the largest and most liquid stocks trading on the Kuwait Stock Exchange.

Index Universe

The index universe is defined as all stocks trading on the Kuwait Stock Exchange. Any security having more than 10 nontrading days over the past quarter is excluded.

Selection List

On a monthly basis, the 30 current component companies and 30 largest noncomponent companies in the index universe by float-adjusted market capitalization are added to the index selection list. The selection list suggests possible additions or deletions at the next composition review.

Stock Selection

The top-ranked stocks by size and liquidity are chosen from the selection list as components:

- 1 Stocks on the selection list are ranked first by full market capitalization and then by 12-month average daily domestic currency trading volume.
- 2 Stocks are sorted by final rank: an equally weighted combination of the market-cap rank and the trading volume rank.
- 3 Stocks are selected top-down by final rank until the target component number (30) is reached.
- 4 The component list is finalized according to buffers that aim to limit unnecessary turnover:
 - Any component stock ranked 35 or lower is replaced by the highest-ranked noncomponent.
 - Any noncomponent stock ranked 25 or higher replaces the lowest-ranked current index component.

Review Frequency

The index composition is reviewed on an annual basis using data from the last trading day in February. Changes resulting from the review are implemented on the Monday after the third Friday in March. The index component weightings are rebalanced quarterly, in March, June, September and December. If a component does not appear on the selection list at the time of the quarterly shares and float update, it will be removed and replaced with the highest-ranked noncomponent.

The index is reviewed on an ongoing basis for unusual events such as delistings, bankruptcies, mergers and takeovers. Changes to index composition and related weight adjustments are made as soon as they are effective. These changes are typically announced two business days prior to the implementation date. Selection lists are provided monthly based on end-of-month data.

Weighting

The index is weighted by float-adjusted market capitalization. The weights of individual components are capped at 10% of the index's full market capitalization. Weights are reviewed quarterly.

Historical Data Availability

Calculation of the Dow Jones Kuwait Titans 30 IndexSM began on September 4, 2008. Real index history is available daily from this date forward. Back-tested historical data have been calculated daily back to December 31, 1996, the date at which the index base value is set at 100.

Estimated back-tested historical data represents calculations of how the index might have performed in the past if it had existed. Back-tested performance information is purely hypothetical and is solely for informational purposes. Back-tested performance does not represent actual performance, and should not be interpreted as an indication of actual performance. Past performance is not indicative of future results. Index performance is not the same as fund performance as it does not reflect management and other fees.

For more information on the Dow Jones Kuwait Titans 30 IndexSM,
email djindexsupport@dowjones.com or call 609-520-7249. Learn more at www.djindexes.com.

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