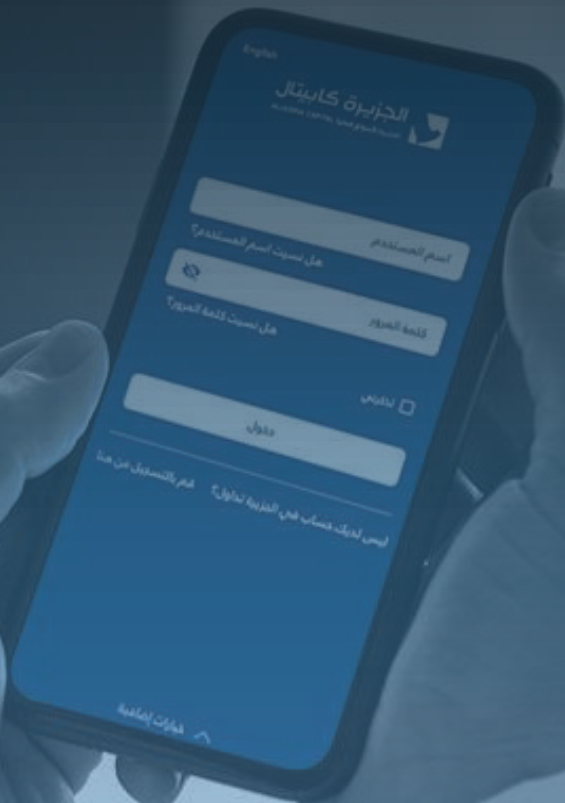




MSCI Quarterly Index Review Report

November | 2025



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MSCI Index Review: MASAR could be potential inclusion to standard index, Aldrees may be shifted from small cap to standard index

MSCI is set to review its indices on November 05. In the upcoming review, we expect MASAR to be added to the standard index, with FF-adjusted market capitalization exceeding threshold sufficiently. We also expect Aldrees to be transferred from small cap index to the standard index. In the next review in February, we see potential for Petro Rabigh inclusion and Luberef and Nahdi exclusion from standard index.

- **Key changes in upcoming review and rationale:** MASAR with FF-adjusted market capitalization of USD 4.2bn as of October 30 is sufficiently above the threshold level. Additionally, now the company has more than 6 months of trading record post the listing. Hence, we believe it is a strong candidate for inclusion into standard index. Another change that we expect in the November review is the transfer of **Aldrees** from small cap to standard index, given its 26% rally over the past 3 months, which we believe enables it to satisfy criteria for the upgrade.

Fig 1. Inclusion/exclusion contenders

Company	Sector	FF adj. market capitalization*	Reason for inclusion/exclusion
MASAR	Real Estate	USD 4.2bn	Qualifies FF-Mcap, trading length
Aldrees	Consumer Discr.	USD 3.9bn	Qualifies for upgrade post +26% in 3M

Source: Bloomberg, AlJazira Capital research, * As of October 30, 2025

- **Expected foreign fund flows with explanation:** Based on MASAR and Aldrees' foreign ownership limit and FF-adjust market capitalization. We expect their inclusion to attract ~USD 200-300mn each of funds through passive flow.

Fig 2. Expected foreign fund flows

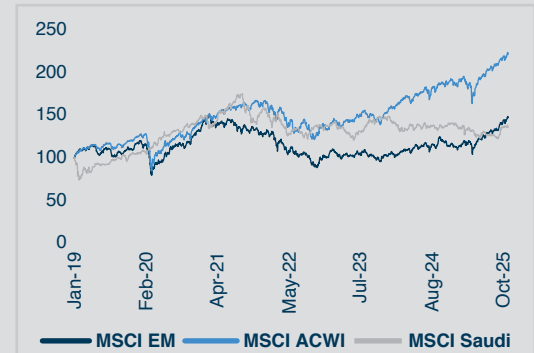
Company	Expected Index weight	Passive flows (SAR bn)
MASAR	0.02-0.03%	~USD200-300mn
Aldrees	0.02-0.03%	~USD200-300mn

Source: AlJazira Capital research

- **Potential for Petro Rabigh inclusion and Luberef and Nahdi exclusion from standard index in February review:** Potential changes in the next review could be **Petro Rabigh** addition to standard index, contingent upon a 27% increase in the stock price till next review. With 23% jump in stock prices in the last three months the company's market cap in well above market capitalization criteria but it fails on FF-adjusted basis. On the other hand, 49% and 45% decline in market cap of **Luberef** and **Nahdi**, respectively, could lead to their exclusion from the standard index, as their FF-adjusted market capitalization is already below the threshold.

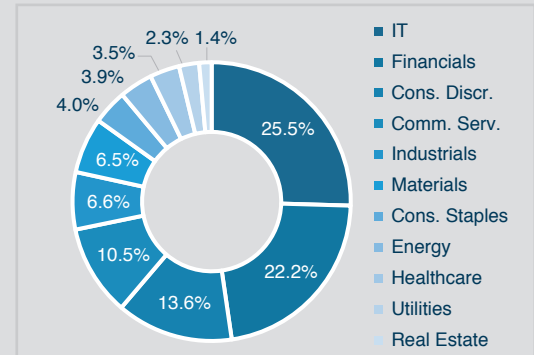
MSCI Index review	November 5, 2025
MSCI EM	2 inclusions
MSCI small	1 exclusion

MSCI EM vs MSCI ACWI vs MSCI Saudi



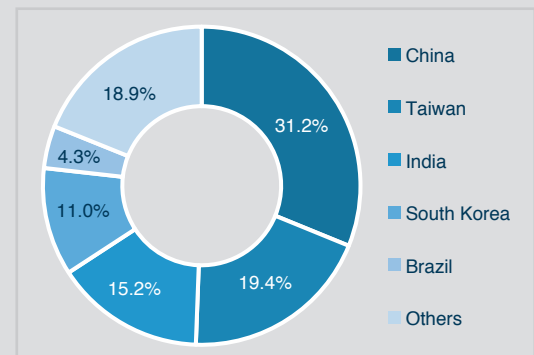
Source: MSCI, AlJazira Capital research

MSCI EM sector weights



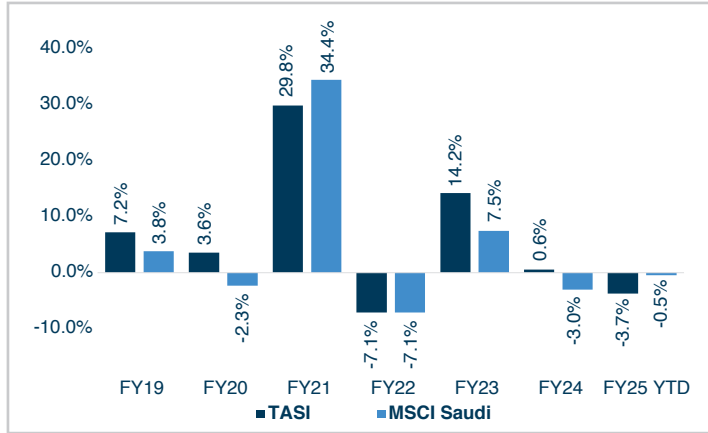
Source: MSCI, AlJazira Capital research, as of September 30

MSCI EM country weights



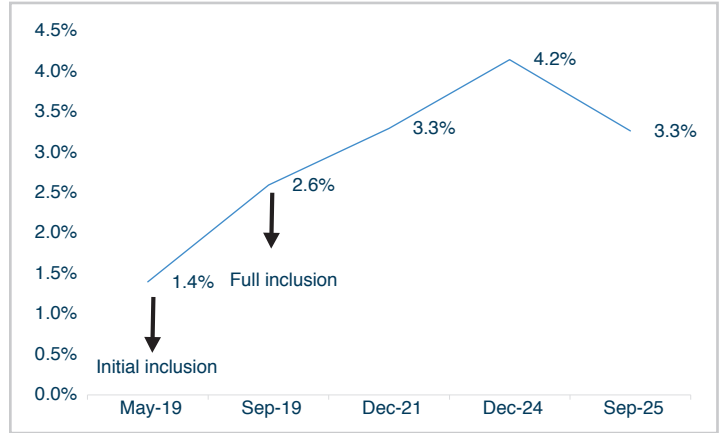
Source: MSCI, AlJazira Capital research, as of September 30

TASI vs. MSCI Saudi returns



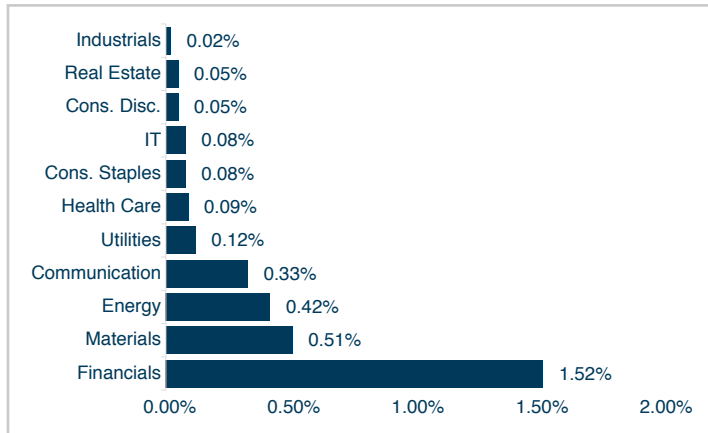
Source: AlJazira Capital research

KSA weight* evolution in MSCI EM Index



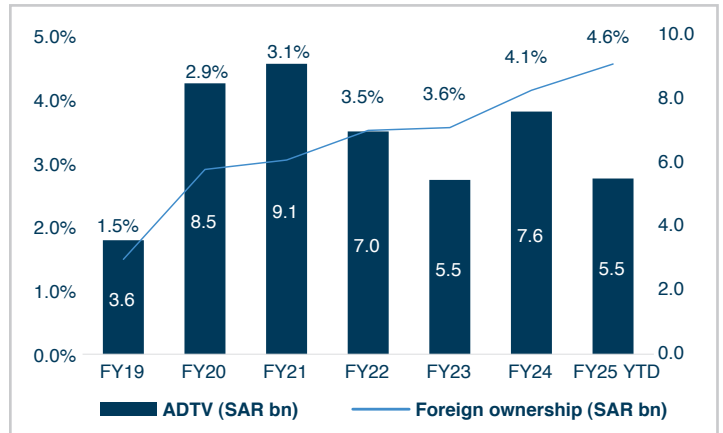
Source: AlJazira Capital research, *latest weight based on iShares MSCI EM ETF

KSA sectoral diversification in MSCI EM



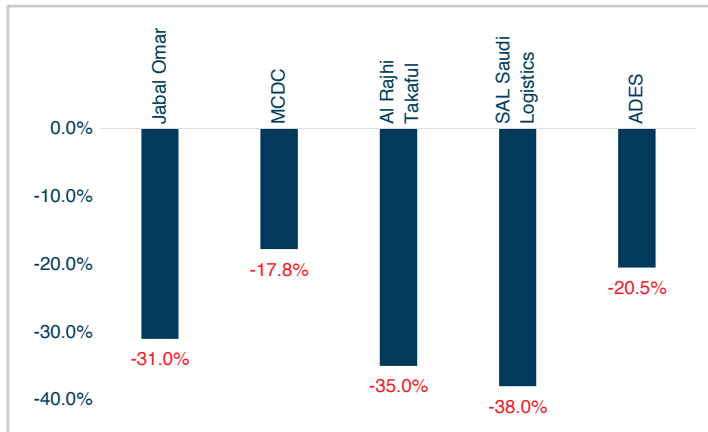
Source: AlJazira Capital research, as of October 30

Foreign ownership and ADTV in Saudi markets



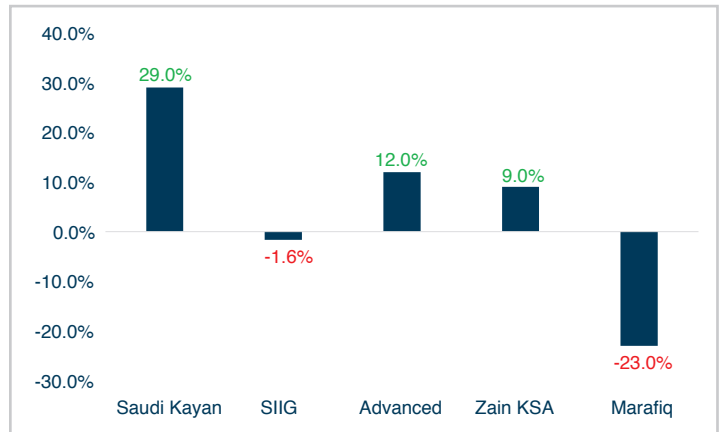
Source: AlJazira Capital research, as of September 30

YTD performance for last 5 inclusion



Source: AlJazira Capital research

YTD performance for last 5 exclusion



Source: AlJazira Capital research



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2. **Underweight:** This rating implies that the stock is currently trading at a premium to its 12 months price target. Stocks rated "Underweight" would typically decline by over 10% from the current price levels over next twelve months.
3. **Neutral:** The rating implies that the stock is trading in the proximate range of its 12 months price target. Stocks rated "Neutral" is expected to stagnate within +/- 10% range from the current price levels over next twelve months.
4. **Suspension of rating or rating on hold (SR/RH):** This basically implies suspension of a rating pending further analysis of a material change in the fundamentals of the company.

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