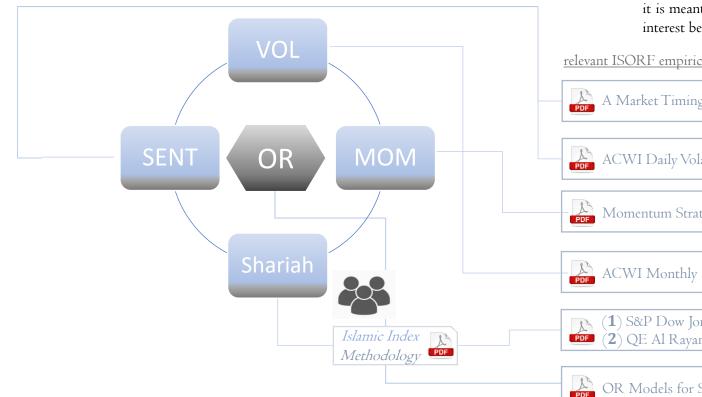# ISORF ISLAMIC FINANCE (IF) FACTORS

❖ ISORF Factors are active portfolio management strategies capitalising on factor exposure and resorting to a widened analysis dimension hyperspace

❖ The ISORF Islamic Indices result from the conjoint application of the ISORF Factors and the ISORF Islamic Index Methodology

❖ The combined utilisation of two or more ISORF Factors is achieved by means of an Operations Research (OR) engine which makes it possible to take all factors into account and to to meet the applicable constraints, including diversification and cost effectiveness constraints

❖ ISORF **VOL** = Volatility Factor
it is meant to dominate the benchmark by underweighting volatile stocks and by imposing at the same time a profitability lower-bound threshold

❖ ISORF **MOM** = Momentum Factor
it is meant to overperform the benchmark by overweighting the bullish momentum stocks

❖ ISORF **SENT** = Sentiment Factor
it is meant to dominate the benchmark by reducing the exposition to the equity asset class when the sentiment indicators worsen and/or the implied volatility surges

❖ ISORF **SHARIAH** Methodology
it is meant to exclude stocks which do not meet the Shariah requirements, as well as interest bearing securities

relevant ISORF empirical research

📄 PDF	A Market Timing Strategy For The GCC Conventional and Shariah Stock Indices
📄 PDF	ACWI Daily Volatility-Based Market Timing Strategy
📄 PDF	Momentum Strategy: A Risk Management Perspective
📄 PDF	ACWI Monthly 3-Factor Market Timing Strategy: Volatility, Sentiment & Momentum
📄 PDF	(**1**) S&P Dow Jones Indices: S&P Shariah Indices Methodology (**2**) QE Al Rayan Islamic Index Methodology & Maintenance (**3**) AAOIFI standards
📄 PDF	OR Models for Stock Index Passive Replication & Risk-Control Replication

Islamic Index Methodology 📄 PDF