



FTSE/JSE Africa Index Series Ground Rule Update

27 October 2015

FTSE/JSE announces the following Ground Rule updates which will take immediate effect.

The SA Resources Sector definition change will take effect with the December 2015 Quarterly Review.

6.2 Secondary Lines

Existing Rule:

6.2.1 Where there are multiple lines of equity capital in a company, all are included and priced separately, provided that:

The line passes all investability screens.

The secondary line's full market value (i.e. before the application of any investability weightings) is greater than 25% of the full market capital of the company's main line. Should the market value of a secondary line that is already a constituent of the Index Series fall below 20% at the next review, the secondary line is deleted from the index.

6.2.2 For the purposes of the FTSE/JSE Africa Index Series, companies with an approved dual listed structure are treated as secondary lines of a single entity.

6.2.3 Where a company's shares are issued partly, or nil, paid and the call dates are already determined and known, the market price will, for the purposes of calculating its market capitalisation, be adjusted so as to include all such calls (i.e. the fully paid price).

New Rule:

6.2.1 Where there are multiple lines of equity capital in a company, all are included and priced separately, provided that they pass index eligibility screens in their own right.

- All partly-paid classes of equity are priced on a fully-paid basis if the calls are fixed and are payable at known future dates. Those where future calls are uncertain in either respect are priced on a partly-paid basis.

8.3 New Issues

Existing Rule:

8.3.1 If, in the view of the FTSE/JSE Advisory Committee, a new issue is so large (i.e. its full market capitalisation amounts to 1.0% or more of the full capitalisation of the FTSE/JSE All-

Share Index, before the application of individual constituent investability weightings) that the effectiveness of the index as a market indicator would be significantly and adversely affected by its omission, the FTSE/JSE Advisory Committee will normally decide to include the new issue as a constituent of the FTSE/JSE Africa Index Series that it qualifies for after the close of business on the first day of official trading. In all cases, advance notification confirming the timing of the inclusion of the new constituent will be given accordingly. The security, which is the lowest ranking constituent of the index, will be selected for removal and related indices adjusted in accordance with Rule 7.1. The fast entry rule is not applicable to the FTSE/JSE Specialist Property Indices and also not to any share that is classified as foreign, for index purposes.

New Rule:

- 8.3.1 Where a company, whether an existing constituent or not, undertakes an Initial Public Offering of a new equity security, that security will be eligible for fast entry inclusion to the FTSE/JSE Africa Index Series if its full market capitalisation amounts to 1.0% or more of the full capitalisation of the FTSE/JSE All-Share Index, before the application of individual constituent investability weightings) FTSE/JSE will normally decide to include the new security as a constituent of the FTSE/JSE Africa Index Series that it qualifies for after the close of business on the fifth day of official trading. In all cases, advance notification confirming the timing of the inclusion of the new constituent will be given accordingly. The security, which is the lowest ranking constituent of indexes with a fixed number of constituents, will be selected for removal and related indexes adjusted in accordance with Rule 7.1. The fast entry rule is not applicable to the FTSE/JSE Specialist Property Indexes and also not to any share that is classified as foreign, for index purposes. In the event of the fifth day of trading being in close proximity to an index review, FTSE Russell may use its discretion to include a fast entrant at the index review date following advance notice.

Definition Change for the SA Resources Sector

This change will take effect with the December 2015 Quarterly Review.

Existing Definition

The current SA Resources sector incorporates companies classified in the Industry Classification Benchmark (ICB) sectors Oil & Gas Producers (0530) and Mining (1770).

New Definition

The new SA Resources sector incorporates companies classified in the Industry Classification Benchmark (ICB) industries Oil & Gas (0001) and Basic Materials (1000).

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