

**To:** Market Participants  
**From:** FTSE/JSE  
**Date:** 5 February 2024  
**Subject:** Notes from the FTSE/JSE Advisory Committee Meeting held on Thursday, 30 November 2023

## 1. Background

The FTSE/JSE Advisory Committee (AC) met on Thursday, 30 November 2023 to discuss matters relating to the FTSE/JSE Index Series. The items listed below were discussed during the meeting.

## 2. Quarterly Review Summary

The two tables below provide a summary of the changes made to the key indices and the largest changes in ranking at the December 2023 Quarterly Review.

### 2.1 Changes to Key Indices

Index	Additions	Deletions	SII Changes	FF Changes	Largest Up*	Largest Down*	Projected Max Weight	1 Way Churn
All Share			12	23	BTI (0.14%)	ANG (0.56%)	NPN (10.05%)	0.93%
Large Cap			3	9	BTI (0.21%)	ANG (0.81%)	NPN (14.74%)	1.12%
Large and Mid Cap			8	18	BTI (0.14%)	ANG (0.60%)	NPN (10.67%)	0.94%
Mid Cap			5	9	APN (0.20%)	CLS (0.08%)	NED (5.90%)	0.35%
Top 40			6	9	BTI (0.16%)	ANG (0.66%)	NPN (11.73%)	0.98%
SWIX 40			6	12	BTI (0.17%)	ANG (0.64%)	NPN (13.03%)	1.04%
Capped SWIX 40			6	12	BTI (0.20%)	ANG (0.66%)	NPN & PRX (12.00%)	1.47%
Eq Wgt 40			6	9	SSW (0.54%)	HAR (0.98%)	ALL (2.5%)	4.79%
Resi 10	HAR	AMS	1	3	HAR (4.09%)	AMS (2.95%)	AGL (41.39%)	5.45%
Fini 15			3	2	NRP (0.14%)	ABG (0.18%)	FSR (21.55%)	0.24%
Indi 25			2	5	BTI (0.32%)	PRX (0.31%)	NPN (25.63%)	0.72%
All Property			2	3	GRT (1.58%)	NRP (1.52%)	GRT, NRP (15.00%)	2.15%
Tradable Property			1	3	VKE (1.76%)	NRP (1.31%)	GRT, NRP, RDF (15.00%)	2.91%
SAPY			2	1	NRP (0.73%)	GRT (0.15%)	NRP (25.74%)	0.78%

### 2.2 Largest Changes in Ranking

All Share constituents compared at December 2023 and September 2023 Quarterly Reviews.

Noteworthy Top 40 Instruments					
Alpha	Instrument	Sep Rank	Dec Rank	Move	Comment
HAR	Harmony GM Co Ltd	39	33	6	Largest Top 40 up
CPI	Capitec Bank Hldgs Ltd	12	8	4	2nd Largest Top 40 up
CLS	Clicks Group Ltd	30	26	4	2nd Largest Top 40 up
GFI	Gold Fields Ltd	7	5	2	3rd Largest Top 40 up
BID	BID Corporation Ltd	14	12	2	3rd Largest Top 40 up
SLM	Sanlam Limited	17	15	2	3rd Largest Top 40 up
INP	Investec plc	20	18	2	3rd Largest Top 40 up
INL	Investec Ltd	20	18	2	3rd Largest Top 40 up

SSW	Sibanye Stillwater Ltd	22	28	-6	Largest Top 40 down
ANG	AngloGold Ashanti plc	15	19	-4	2nd Largest Top 40 down
<b>Largest Decrease in Ranking in Main Board</b>					
<b>Alpha</b>	<b>Instrument</b>	<b>Sep Rank</b>	<b>Dec Rank</b>	<b>Move</b>	<b>Comment</b>
OAQ	Oando plc	139	178	-39	Remains in Fledgling
ACL	ArcelorMittal SA Limited	144	163	-19	Remains in Fledgling
PPE	Purple Group Ltd	173	186	-13	Remains in Fledgling
RCL	RCL Foods Limited	89	100	-11	Remains in All Share
<b>Largest Increase in Ranking in Main Board</b>					
<b>Alpha</b>	<b>Instrument</b>	<b>Sep Rank</b>	<b>Dec Rank</b>	<b>Move</b>	<b>Comment</b>
NPK	Nampak Ltd	194	160	34	Remains in Fledgling
CHP	Choppies Enterprises Ltd	192	174	18	Remains in Fledgling
PPC	PPC Limited	123	109	14	Remains in All Share
ACT	AfroCentric Inv Corp Ltd	155	141	14	Remains in Fledgling

### 3. Feedback on the FTSE/JSE Africa Index Series

#### 3.1 Inter-Review Index Amendments

The table below summarises all intra-quarter index adjustments made to the All Share and Top 40 indices since the September 2023 review:

Amendment Type	Top 40 Index	All Share Index	Top 40 Notes
CA - Constituent Addition	-	-	
CD - Constituent Deletion	-	1	
CI – Capitalisation Issue	-	-	
CP - Special Dividend	2	4	CFR special dividend and PRX capital repayment
DV - Dividend	18	35	
RI – Rights Issue	-	-	
IC - Weight Change	-	-	
IS - Shares Update	-	-	
NC - Name Change	1	2	ANG reorganisation corporate action
SS – Classification Change	-	-	

#### 3.2 Removal of cross-holding structure between Naspers and Prosus

In June 2023, Naspers (NPN) and Prosus (PRX) issued a joint [Announcement](#) indicating the intention to implement a transaction in terms of which their cross-holding structure would be removed.

PRX undertook a capitalisation issue where minority shareholders received newly issued PRX shares. NPN also undertook a capitalisation issue where minority shareholders would receive 4,999 shares for each share held. This was followed by a share consolidation of 1:5,000 for all shares. In August 2023, FTSE/JSE issued an [Informative Notice](#) indicating the expected index treatment. Once the event received all the necessary approvals, FTSE/JSE issued an [ICA](#) detailing the index treatment, which consisted of a shares and free float increase and a price reduction for Prosus. Naspers experienced a decrease in their shares in issue as well an increase in their free float.

The event was treated as market cap neutral on ex-date. The table below shows the net index impact immediately before (12 September close) and after (13 September open) the event.

Constituent	Closing market cap and index weight		Opening market cap and index weight	
	Net Market Cap	Weight	Net Market Cap	Weight
Naspers	Rb 612.37	10.59%	Rb 612.37	10.59%
Prosus	Rb 220.43	3.81%	Rb 220.43	3.81%

### 3.3 Anglogold Ashanti reorganisation

In [May 2023](#), Anglogold Ashanti Ltd (ANG) published an announcement indicating a corporate restructuring followed by a change to its domicile and primary listing location. The company announced that the most appropriate corporate structure for the newly created company, AngloGold Ashanti Plc, is a UK corporate domicile with a US primary listing on the New York Stock Exchange (NYSE) and secondary listing on the Johannesburg Stock Exchange (JSE). In the reorganisation, shareholders received one share in AngloGold Ashanti Plc (GB00BRXH2664) for each Anglogold Ashanti Ltd (ZAE000043485) share held. Due to the effective date being 2 days after the September Review effective, FTSE/JSE published an [Informative Notice](#) indicating that the event would be treated as a name change on the event effective date and that ANG would use the lower of its STRATE register number and company breakdown across all indices, effective from the December 2023 Review. The decrease in Free Float that ANG experienced in the J203 and J403 was 99.96% to 74.96% and 96.82% to 74.96% respectively.

## 4. Matters Arising from Previous Meetings

### 4.1 Index Harmonisation Update

Following the ongoing discussions and engagements related to the Index Harmonisation project, FTSE/JSE published an [Informative Notice](#) in June 2023 advising that a detailed document outlining the impact of the methodology change in each of the indices will be published in due course. Having received the necessary approvals, the [Index Harmonisation FAQ](#) document was published in October 2023.

## 5. Other Index related matters

### 5.1 FTSE/JSE Ground Rules Update

FTSE/JSE published an [Informative Notice](#) regarding a change in the the data vendor used to source the one year forecast dividend data for the Dividend Plus Index. Previously, the data was sourced from IRESS however post the September 2023 Dividend Plus Index Review, the data will be sourced from Refinitiv.

### 5.2 Launch of the FTSE/JSE Global Investor Index

FTSE/JSE is pleased to announce the launch of the Global Investor Index (J501), effective from 16 October 2023. A set of [Ground Rules](#) detailing the methodology were published in October 2023. The J501 is based on the principle that all dual listed shares are fungible. The approach makes no adjustment for the Strate register and weights all companies, including dual listed companies, on their global free float. The J501 is reviewed once a quarter, capped at 10% and consists of the 50 largest companies from the All Share Index (J203) when ranked by global investable market capitalisation. The auto addition and auto deletion ranks are 43 and 58 respectively as at Cut Date<sup>1</sup>. This means that a non-constituent has to rank at number 43 or above to be eligible for index inclusion and a constituent that falls to rank 58 and below will be deleted from the index.

Index Name	Index Code	Intended Use	Universe	Group Entity Capping Level	Weighting Methodology
Global Investor	J501	ETFs, Passive Funds, Derivative Contracts, Structured Products	All Share Index (J203)	10%	Global Investable Market Cap

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<sup>1</sup> as at the close of business on the Monday four weeks prior to the review effective date.

**The next AC meeting will be held on Thursday, 29 February 2024.**

For further information, please contact the FTSE/JSE Indices Department.

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