

**To:** Market Participants  
**From:** FTSE/JSE  
**Date:** 23 October 2024  
**Subject:** Notes from the FTSE/JSE Advisory Committee Meeting held on Thursday, 5 September 2024

## 1. Background

The FTSE/JSE Advisory Committee (AC) met on Thursday, 5 September 2024 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 September 2024 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	PHP, PMR	THA, TCP	7	36	FSR (0.09%)	NPN (0.49%)	NPN (9.82%)	1.21%
Large Cap	NED, INP, INL		2	11	NED (3.23%)	NPN (1.47%)	NPN (14.69%)	5.23%
Mid Cap	PHP	NED, INP, INL, MKR	1	13	BVT (0.73%)	NED (7.32%)	BVT (5.99%)	12.49%
Top 40	PPH	AMS	2	13	PPH (1.08%)	AMS (0.65%)	NPN (11.73%)	1.89%
Capped Top 40	PPH	AMS	2	13	PPH (1.13%)	AMS (0.69%)	NPN & PRX (10.00%)	2.15%
Eq Wgt 40	PPH	AMS	2	13	PPH (2.50%)	AMS (2.46%)	ALL (2.5%)	6.95%
Resi 10			1	4	ANG (0.51%)	AGL (1.21%)	GFI (21.39%)	1.23%
Fini 15			1	2	FSR (0.11%)	SLM (0.25%)	FSR (21.83%)	0.46%
Indi 25			0	10	MTN (0.16%)	NPN (0.88%)	NPN (24.41%)	1.34%
All Property	PHP		4	3	PHP (0.84%)	GRT (0.45%)	GRT, NRP (15.00%)	1.95%
Tradable Property	PHP	LTE	2	3	PHP (1.57%)	LTE (5.01%)	GRT, FFB, RDF (15.00%)	6.00%
Global Investor			2	18	BHG (1.18%)	BTI (1.95%)	BHG, BTI, CFR, NPN & PRX (10.00%)	2.58%

\*Shows the projected increase/decrease in percentage weight within the index

### 2.2 Largest Changes in Ranking

All Share and Top 40 constituents compared at September 2024 and June 2024 Quarterly Reviews.

Noteworthy Top 40 Instruments					
Alpha	Instrument	Jun Rank	Sep Rank	Move	Comment
DSY	Discovery Ltd	32	24	8	Largest Top 40 up
PPH	Pepkor Holdings Ltd	40	34	6	2nd Largest Top 40 up
IMP	Impala Platinum Hlgs Ltd	19	28	-9	Largest Top 40 down
SSW	Sibanye Stillwater Ltd	29	37	-8	2nd Largest Top 40 down
Largest Decrease in Ranking in Main Board					
Alpha	Instrument	Jun Rank	Sep Rank	Move	Comment
ENX	enX Group Limited	162	187	-25	Remains in Fledgling

QFH	Quantum Foods Hldgs Ltd	143	166	-23	Remains in Fledgling
ORN	Orion Minerals Limited	169	183	-14	Remains in Fledgling
MKR	Montauk Renewables Inc	77	90	-13	Remains in All Share
KP2	Kore Potash plc	149	161	-12	Remains in Fledgling
TGA	Thungela Resources Ltd	64	76	-12	Remains in All Share
<b>Largest Increase in Ranking in Main Board</b>					
Alpha	Instrument	Jun Rank	Sep Rank	Move	Comment
BAT	Brait plc	165	129	36	Remains in Fledgling
NPK	Nampak Ltd	163	139	24	Remains in Fledgling
MUR	Murray & Roberts Hldgs	190	169	21	Remains in Fledgling
BEL	Bell Equipment Ltd	145	125	20	Remains in Fledgling
SSK	Stefanutti Stck Hldgs Ltd	221	202	19	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 June 2024 review:

Amendment Type	Top 40 Index	All Share Index	Top 40 Notes
CA - Constituent Addition	-	1	
CD - Constituent Deletion	-	-	
CI – Capitalisation Issue	-	-	
CP - Special Dividend	-	4	
CX - Consolidation	-	-	
DV - Dividend	8	31	
RI – Rights Issue	-	1	
IC - Weight Change	-	1	
IS - Shares Update	-	1	
NC - Name Change	-	1	
SC – Scrip Dividend	-	-	
SS – Classification Change	-	2	

#### 3.2 RCL Foods unbundling Rainbow Chicken

In [March 2024](#), RCL Foods (RCL) published an announcement indicating their intention to pursue the formal separation of Rainbow Chicken (RBO) via an unbundling to shareholders, at a ratio of one RBO share for every RCL share, and a concurrent listing on the JSE. The listing and unbundling were approved by the board of directors of RCL FOODS on Monday, 3 June 2024 with an effective date for the two events being 26 June 2024.

FTSE/JSE published an [ICA](#) on 20 June 2024 detailing the index treatment, which involved adding RBO to all the indices that RCL is a constituent of. As the ex-date of the unbundling and listing events was two days after the Review Effective Date, with RCL due for a shares and free float update for the June 2024 Review, RBO was added into the indices using the post review information of RCL.

#### 3.3 Ibex Scheme of Arrangement

In [May 2024](#), Ibex Investment Holdings (Formerly Steinhoff Investment Holdings Limited) published an announcement indicating their intention to repurchase all their preference shares, by way of a Scheme of Arrangement, following which all the preference shares would be delisted from the JSE.

FTSE/JSE published an [ICA](#) on 13 June 2024 detailing the deletion of the constituent from the Preference Share Index (J251) effective from 19 June 2024. The J251 currently has five constituents.

### **3.4 Ibex Topco accelerated bookbuild**

In [June 2024](#), Ibex Topco B.V through its subsidiary Ainsley Holdings Proprietary Limited announced the launch of an accelerated bookbuild that resulted in the sale of 500 million ordinary shares in Pepkor Holdings Limited (PPH) at a price of R18. According to Section 5.2 of the [Corporate Actions Guide](#), this transaction breached the thresholds for a T+2 application since there was a change in index shares greater than 5% and a USD 250m investable market cap change.

FTSE/JSE published an [ICA](#) on 25 June 2024 which detailed a free float change for PPH, effective from start of business on 28 June 2024.

## **4. Matters Arising from Previous Meetings**

### **4.1 Distribution related concerns in the index series**

Following the client concerns received relating to the treatment of distributions, particularly in the capital index series, FTSE/JSE has made an additional distribution related change. The first change was on the tax applied to special dividends and the notice can be found here: <https://clientportal.jse.co.za/Content/ICANoticeItems/FTSE-JSE-Africa/20240306%20FTSE%20JSE%20Ground%20Rule%20Update%20Index%20Harmonisation.pdf>.

The second change is related to the index treatment of Glencore's (GLN) capital distributions. Previously, a price adjustment was applied in the capital index series, however effective from GLN's August 2024 distribution and all future distributions, the application will be made in the Total Return Index. This means that all GLN distributions are now applied as ordinary dividends in accordance with section 4.2 of the [Corporate Actions Guide](#), due to Glencore being headquartered in Switzerland. FTSE/JSE published an [Informative Notice](#) indicating this change on the 29<sup>th</sup> of July 2024.

The next set of work that FTSE/JSE is embarking on, is investigating the possibility of treating regular special dividends as ordinary dividends, in line with section 4.2 of the [Corporate Actions Guide](#). This will involve additional client interaction and any index changes will be announced with ample notice.

**The next AC meeting will be held on Thursday, 5 December 2024.**

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

Email: [indices@jse.co.za](mailto:indices@jse.co.za)

Tel: +27 (0) 11 520 7000