

Memorandum

To: Market Participants
From: FTSE/JSE
Date: 12 July 2013
Subject: **Notes from the JSE Actuaries Fixed Income Index Series Advisory Committee Meeting held on Wednesday, 10 July 2013**

1. Background

The JSE Actuaries Fixed Income Index Series Advisory Committee (AC) met on Wednesday 10 July 2013 to approve the third quarter Reconstitution changes to the JSE Actuaries Fixed Income Index Series and to discuss matters relating to the indices. The items listed below were discussed during the meeting.

2. Index Reconstitution

There were no constituents changes made to the ALBI, and one change made to the CILI. The AC noted and approved the changes and the Index Reconstitution papers were distributed to the market.

Index	Addition	Deletion
CILI	FRBI23	NRA023

3. Data Integrity

The JSE is currently busy with a pilot project to test the replacement files for the daily turnover reports. Once the comments from the pilot project have been assimilated, the new reports will be distributed to all current subscribers. Relevant notification will be provided to market players in preparation of this change.

4. Credit Indices

Following the presentation of the updated methodology for the new Credit Indices at the April AC meeting, the proposal was distributed by ASISA to its members. In addition, the JSE Interest Rates team distributed the proposal directly to a number of clients, in order to get their feedback on the new index design. The closing date for comments was 9 July. However, only a small number of responses were received and it was decided to further poll the market.

5. ALBI Constituents

The AC discussed a proposal regarding the potential increase to the number of constituents in the ALBI index. It was decided that there is no compelling reason to increase the number of ALBI constituents,



but the introduction of an additional market representation index will be explored in order to capture a larger portion of the bond market, at the cost of tradability.

The Next AC meeting will be held on Wednesday, 9 October 2013

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