

MARKET NOTICE

Number: 040/2024

Relates to:

- ☐ Equity Market
- ☒ Equity Derivatives Market
- ☐ Commodity Derivatives Market
- ☐ Currency Derivatives Market
- ☐ Interest Rate Derivatives Market
- ☐ Bond Market
- ☐ Bond ETP Market

Date: 12 February 2024

SUBJECT: TREATMENT OF FORTRESS REAL EST INV B (FFB) CORPORATE ACTION – CONVERSION
14 FEBRUARY 2024 (EX-DATE)

Name and Surname: Matthias Kempgen

Designation: Chief Information & Operating Officer – JSE Clear

Members notice is drawn to section 13 of the contract specifications of Individual Equity Futures and options, which states:

“13. Corporate Events

The JSE reserves the right to adopt any procedure or to adjust any single stock future or option on a single stock future, in a manner it deems fit, to deal with any extraordinary corporate events that may occur from time to time in relation to a share that is the underlying instrument of the equity option and to notify position holders, derivatives members and any other interested parties, of such event and the procedure or adjustment adopted. Such events include, for example, mergers, take-overs, unbundlings, capitalisation issues and rights issues.

The implication of this is that anybody trading in Single Stock futures or options on Single Stock futures in which the underlying stock is the subject of an extraordinary corporate event should be aware that the JSE may make adjustments to the Single Stock futures and options.

CONVERSION

For every 1 Fortress Real Est Inv B (FFB), shareholders will receive 0.060207 NEPI Rockcastle N.V. (NRP) shares.

With regards to this corporate action, the following adjustments will be made on 14 February 2024 (Ex-Date). The adjustments will be made to positions held in FFB, as at close of business on 13 February 2024 (LDT).

IMPORTANT NOTE for position holders:

Certain types of corporate actions require futures and options positions to be adjusted. This is done by applying the relevant position factor (determined as per published methodologies). The application of the position factor often results in decimal values, as a result rounding is a key part of the corporate action processing.

Therefore, current positions multiplied with the factor are rounded up or down to the nearest whole contract which determines the adjusted position. Smaller positions (depending on the factor) may as a result not receive additional contracts.

Please refer to the published guidance note for details:

<https://www.jse.co.za/content/Guidance%20Notes/ITaC%20Guidance%20Note%20on%20Corporate%20Actions.pdf>

Adjusted positions will be created at an initial value of zero.

Please note:

Position adjustments will be made to all contracts where FFB is the underlying share. These contracts include:

Contract Code	JSE Instrument Type
20MAR24 FFB CSH	Single Stock
20MAR24 FFB PHY DN	Dividend Neutral
20MAR24 FFB CSH CFD RODI	CFD
20MAR24 FFB CSH CFD SABOR	CFD
20MAR24 FFB PHY	Single Stock
20JUN24 FFB CSH	Single Stock
20JUN24 FFB PHY DN	Dividend Neutral
20JUN24 FFB PHY	Single Stock
19SEP24 FFB CSH	Single Stock
19SEP24 FFB PHY DN	Dividend Neutral
19SEP24 FFB PHY	Single Stock
19DEC24 FFB CSH	Single Stock
19DEC24 FFB PHY DN	Dividend Neutral
19DEC24 FFB PHY	Single Stock

1. POSITION FACTOR

- The positions on futures, eCFDs and Options will be closed, and new adjusted positions will be opened by applying the position factor formula
- Position factor formula

$$\begin{aligned}
 &= \text{Resultant ratio} / \text{Source ratio} \\
 &= 0.060207 / 1 \\
 &= 0.060207
 \end{aligned}$$

Example:

Position on LDT: + 100 20MAR24 FFB PHY

Position on Ex Date: + 6 20MAR24 NRP PHY

SUSPENSION AND TERMINATION OF LISTING

The instruments linked to the Source equity (FFB) will be suspended effective Ex-Date and Terminated effective Ex-Date+1.

TREATMENT FOR ALLOCATION ON ADDITIONAL CONTRACTS

With the implementation of ITaC, the JSE has enhanced the position adjustment process.

Please see link below to the Guidance Note issued on treatment of corporate actions as distributed in October 2018 and specifically refer to Section 8 for details of the position adjustment process:

<https://www.jse.co.za/content/Guidance%20Notes/ITaC%20Guidance%20Note%20on%20Corporate%20Actions.pdf>

Should you have any queries regarding this Market Notice, please e-mail: clearops@jse.co.za

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