

MARKET NOTICE

Number: 401/2016

Relates to:

- Equity Market
- Equity Derivatives
- Commodity Derivatives
- Interest Rate and Currency Derivatives

Date: 22 July 2016

SUBJECT: TREATMENT OF PROSHARES ULTRO SHORT-TERM FUTURES EFT U.S (UVXG) CORPORATE ACTION – STOCK SPLIT – 25 JULY 2016 (EX. DATE)

Name and Surname: Brett Kotze

Designation: Head of Operations – Clearing and Settlement

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.

Stock Split

ProShares Ultra Short-term Futures EFT U.S (UVXG) shareholders will receive 1 share for every 5 UVXG shares held on LDT. As a result of this corporate action, the following adjustments will be made to UVXG positions on Monday 25th July 2016 (**Ex-date**). The adjustments will be made to the positions held in UVXG as at close of business on Friday, 22nd July 2016 (**LDT**).

Futures contracts

All long and short positions will be adjusted by a factor of 0.2

Option contracts

- (a). All long and short positions will be adjusted by a factor of 0.2
- (b). Strike prices will be adjusted by a factor of 0.2

NB: -

- Please refer to Notice F708 for clarity regarding the allocation of additional contracts.
- In the event of an uneven allocation across all position holders, the position holder with the higher decimal fraction will receive priority above the position holder with the lower decimal fraction.

Should you have any queries regarding this notice, please contact clearops@jse.co.za

This Market Notice will be available on the website at <https://www.jse.co.za/redirects/market-notices-and-circulars>