

To: Market Participants
From: FTSE/JSE
Date: 26 June 2019
Subject: Notes from the FTSE/JSE Advisory Committee Meeting held on Thursday, 6 June 2019

1. Background

The FTSE/JSE Advisory Committee (AC) met on Thursday, 6 June 2019 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 June 2019 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			69	122	BTI (0.24%)	AGL (0.41%)	NPN (19.46%)	0.82%
Large Cap			19	36	BTI (0.29%)	AGL (0.49%)	NPN (23.56%)	0.72%
Large and Mid Cap			45	80	BTI (0.25%)	AGL (0.43%)	NPN (20.32%)	0.77%
Mid Cap			26	44	KAP (0.52%)	CCO (0.18%)	GFI (5.98%)	1.15%
Top 40	EXX	NTC	17	31	EXX (0.68%)	AGL (0.49%)	NPN (23.43%)	1.18%
SWIX 40	EXX	NTC	17	31	EXX (0.88%)	NTC (0.58%)	NPN (30.22%)	1.49%
Capped SWIX 40	EXX	NTC	17	31	EXX (1.14%)	NPN (1.03%)	NPN (10.00%)	2.09%
Eq Wgt 40	EXX	NTC	17	31	EXX (2.50%)	NTC (1.85%)	All (2.50%)	5.49%
Resi 10			3	9	BHP (0.75%)	AGL (1.45%)	BHP (41.42%)	1.45%
Fini 15			9	10	DSY (0.16%)	FSR (0.11%)	SBK (17.62%)	0.38%
Indi 25			9	22	BTI (0.52%)	NPN (0.30%)	NPN (43.12%)	0.80%
All Property	LTE		18	22	EPP (0.69%)	CCO (0.58%)	GRT (15.00%)	2.07%
Tradable Property			10	11	EPP (0.93%)	CCO (0.65%)	GRT, RDF, NRP (15.00%)	2.07%
SAPY			11	13	EPP (0.77%)	GRT (0.41%)	GRT (21.63%)	1.35%

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

2.2 Largest Changes in Ranking

All Share constituents compared at June 2019 and March 2019 Quarterly Reviews.

Noteworthy Top 40 Instruments					
Alpha	Instrument	June Rank	March Rank	Move	Comment
EXX	Exxaro Resources Ltd	32	37	5	Largest Top 40 up (addition)
TFG	The Foschini Group Ltd	35	39	4	2nd Largest Top 40 up
APN	Aspen Pharmacare Hldgs Ltd	38	26	-12	Largest Top 40 down
SAP	Sappi Ltd	44	35	-9	2nd Largest Top 40 down
NTC	Netcare Limited	49	40	-9	2nd Largest Top 40 down (deletion)
SAP	Sappi Ltd	44	35	-9	Lowest Ranking Top 40
IMP	Impala Platinum Hlgs Ltd	40	42	2	Largest Reserve List
Largest Decrease in Ranking in Main Board					
Alpha	Instrument	June Rank	March Rank	Move	Comment
TON	Tongaat Hulett Ltd	166	119	-47	Remains in Small Cap
REB	Rebosis Property Fund Ltd	180	155	-25	Remains in Small Cap
REA	Rebosis Property Fund Ltd A				Fails secondary line rule
DLT	Delta Property Fund Ltd	181	163	-18	Remains in Small Cap
SSK	Stefanuti Stck Hldgs Ltd	250	232	-18	Remains in Fledgling
BAT	Brait SE	101	84	-17	Remains in Mid Cap
OMN	Omnia Holdings Ltd	147	130	-17	Remains in Small Cap
HUG	Huge Group Ltd	208	191	-17	Remains in Fledgling
Largest Increase in Ranking in Main Board					
Alpha	Instrument	June Rank	March Rank	Move	Comment
AFH	Alexander Forbes Grp Hldgs	106	124	18	Remains in Small Cap
MTA	Metair Investments Ltd	130	146	16	Remains in Small Cap
ADR	Adcorp Holdings Limited	161	177	16	Remains in Fledgling
CIL	Cons Infrastructure Grp Ltd	211	226	15	Remains in Fledgling
EOH	EOH Holdings Ltd	144	158	14	Remains in Small Cap
YRK	York Timber Holdings Ltd	217	231	14	Remains in Fledgling

3. Feedback on the FTSE/JSE Africa Index Series

3.1 Rebasing of Index Values

Due to various system limitations, the JSE cannot currently process an index level in excess of 99,999.99 where that index has a derivative contract listed on it. As such, it has been the practice to rebase any index whose level is approaching this value. No indices are currently due to be rebased. The below indices have index values in excess of 70,000.00:

Index	Class	Index Value	Derivative Listed	Open Interest
JS54 - SWIX Media	Total Return Index	144,215.14	-	-
JS54 - SWIX Media	Capital Index	115,245.20	-	-
J853 - Nonlife Insurance	Capital Index	88,725.88	-	-
J257 - SA Industrials	Capital Index	80,026.24	-	-
J213 - Financial and Industrial 30	Capital Index	78,499.43	Yes	365
J211 - Industrial 25	Capital Index	73,365.45	-	-
J201 - Mid Cap	Capital Index	72,566.44	-	-

Table 1: Indices with index values exceeding 70,000.00 on 2019/04/30

3.2 Corporate Actions for the Quarter

The table below summarises all intra-quarter index adjustments made to the All Share and Top 40 indices since the March 2019 review:

Amendment Type	Top 40 Index	All Share Index	Top 40 Notes
CP - Special Dividend		2	
DV - Dividend	18	51	
UB – Unbundling	1	1	Unbundling of Oceana Group by Tiger Brands

Table 3: Inter-Review changes since the last review to 2019/04/30

3.3 Unbundling of Oceana by Tiger Brands

In November 2018, Tiger Brands made an announcement on its intention to unbundle its shareholding in Oceana. This was implemented in two separate events. In the initial event, Brimstone acquired 8,000,000 of Oceana shares from Tiger Brands. There was no index adjustment made during this event and Brimstone remains a restricted shareholder of Oceana for free float purposes. The final event was effected by unbundling the remaining shares held by Tiger Brands (TBS) in Oceana (OCE), as a distribution to Tiger Brands shareholders. For every 100 shares held in Tiger Brands, shareholders received 25.86927 Oceana shares.

FTSE/JSE published an ICA on 17 April 2019 detailing the index treatment. The event was applied in the indices from start of business on 24 April 2019.

3.4 Decommissioning of the FTSE/JSE International Benchmark Index (IBI)

The FTSE/JSE International Benchmark Index (IBI) Series will be decommissioned effective after close on 30 September 2019:

Index Code	Index Name
J240	FTSE/JSE International Benchmark Index
J241	FTSE/JSE International Benchmark Index - Resources
J242	FTSE/JSE International Benchmark Index – Financials
J243	FTSE/JSE International Benchmark Index - Industrial

4. Naspers Capitalisation Issue of International Assets

On 25 March 2019 Naspers announced its intention to form a new global consumer internet group ("NewCo") comprising Naspers' international internet assets and list NewCo on Euronext Amsterdam. NewCo will also have a secondary, inward listing on the JSE.

NewCo will comprise all of Naspers' internet interests outside of South Africa including, among others, its companies and investments in the online classifieds, payments, food delivery, Etail, travel, education and social and internet platforms sectors. These businesses are some of the world's leading and fastest growing internet brands, such as Tencent, mail.ru, OLX, Avito, letgo, PayU, iFood, Swiggy, DeliveryHero, Udemy, eMAG and MakeMyTrip.

On the same day FTSE/JSE released an [Informative notice](#), noting the Naspers announcement. A further index [announcement](#) was published on 13 June 2019, detailing the expected index treatment. However, on 21 June 2019, Naspers announced that the event timelines have changed and the listing date of NewCo will be in September 2019.

The next AC meeting will be held on Thursday, 5 September 2019.

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

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