FTSE/JSE Africa Index Series - Ground Rule Update

19 December 2019

FTSE Russell would like to inform clients of the following update to the FTSE/JSE Africa Index Series which will be effective from the March 2020 index review:

Section 4: Index Construction

4.3.6 Free float review (update highlighted in bold)

Free float will be calculated using available published information rounded to 12 decimal places. Underlying data for the calculation of free float is collected on an ongoing basis, and the detailed free float percentage as maintained by the JSE is updated accordingly.

June Updates

In June, a constituent's free float will be updated regardless of size. No buffers are applied. The data cut-off for the June changes will usually be at the close of business on the Friday five weeks prior to the implementation date. Any change to this cut-off date will be subject to advanced notification.

March, September and December Updates

At the March, September and December quarterly updates, a constituent with a free float of greater than 15% will have their free float updated if it moves by more than 3 percentage points above or below the existing free float. For example, Company A on a free float of 30% would trigger a change if its free float moved to above 33% or below 27%.

A constituent with a free float of 15% or below will be subject to a 1 percentage point threshold. For example, Company B on a free float of 8% would trigger a change if its free float moved to above 9% or below 7%.

For SWIX constituents and constituents treated as foreign in the Index Series, the Strate register number will be updated regardless of size. The 1% and 3% thresholds, as set out above, will not be applicable.

Quarterly updates to free float will be applied after the close of business on the third Friday of March, June, September and December. The data cut-off for these quarterly changes will be the close of business on the Friday five weeks prior to the implementation date in March, September and December.

Updates Arising from Corporate Events

Free float changes resulting from corporate events will not be subject to the buffers as detailed above and will be implemented in line with the event.

An updated copy of the FTSE/JSE Africa Index Series Ground Rules (v6.5) is now available using the following link: FTSE_JSE_Africa_Index_Series_new.pdf

Or on the FTSE Russell website: www.ftserussell.com

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