

S&P South African Indices Consultation

LONDON, DECEMBER 18, 2017: This consultation is now closed. For results, please click [here](#).

For more information about S&P Dow Jones Indices, please visit www.spdji.com.

S&P Dow Jones Indices
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S&P South African Indices Consultation

LONDON, NOVEMBER 6, 2017: S&P Dow Jones Indices (“S&P DJI”) is conducting a consultation with members of the investment community on potential changes to certain S&P South African indices.

S&P South Africa Composite Index

Index Universe. S&P DJI is looking to expand its coverage of stocks in the South African market. Currently, to be eligible for inclusion in the S&P South Africa Composite Index a company’s primary market listing must be included in either the S&P Global Broad Market Index (BMI) or the S&P Frontier BMI. S&P DJI is proposing to change the index universe from the Global or Frontier BMI to any stock listed and trading on the Johannesburg Stock Exchange. This change would allow the index access to a greater number of stocks for potential inclusion.

Size and Liquidity. S&P DJI is proposing to change the size and liquidity eligibility rules from USD to ZAR. If adopted, the minimum float-adjusted market capitalization and minimum annual dollar value traded requirements would change as detailed in the following table.

Requirement	Methodology	
	Current	Proposed
Minimum float-adjusted market capitalization	USD 100 million (USD 75 million for current constituents)	ZAR 1.25 billion (ZAR 1 billion for current constituents)
Minimum annual dollar value traded	USD 50 million (USD 35 million for current constituents)	ZAR 625 million (ZAR 500 million for current constituents)

Impact Analysis. Based on research carried out using the above proposed rules and data as of the end of July 2017, 14 additional stocks would have been included in the index at the 2017 September Annual Reconstitution.

Scenario	Index Constituent Count (Open of September 18, 2017)	Index Market Capitalization
Index – Current Methodology	142	ZAR 7,109,748,460,414
Index – Proposed Methodology	156	ZAR 7,253,151,906,718

Downstream Impacted Indices. In addition to the S&P South Africa Composite Index, the proposed changes outlined above would also affect the following S&P South African indices if adopted:

- S&P South Africa Completion Index
- S&P South Africa Low Volatility Index
- S&P South Africa 50
- S&P South Africa 50 Equal Weight Index
- S&P South Africa Composite Capped
- S&P South Africa Domestic Shareholder Weighted (DSW) Index
- S&P South Africa Domestic Shareholder Weighted (DSW) 50
- S&P South Africa Domestic Shareholder Weighted (DSW) Capped Index

S&P South Africa 50, S&P South Africa 50 Equal Weight Index, and S&P South Africa Domestic Shareholder Weighted (DSW) 50

S&P DJI is also proposing to change the rebalancing reference dates for the S&P South Africa 50, S&P South Africa 50 Equal Weight Index, and S&P South Africa Domestic Shareholder Weighted (DSW) 50 from after the close of the last trading day of February and August to after the close of the third Friday in March and September. This change to forward looking dates would allow these indices to immediately include any eligible stocks that are added to the S&P South Africa Composite Index rather than having to wait until their next index reconstitution.

Questions:

- 1. Are you in favor of the proposal to modify the index universe of the S&P South Africa Composite Index?**
- 2. Are you in favor of the proposal to modify the minimum size and liquidity requirements of the S&P South Africa Composite Index? Are the proposed minimum requirement amounts appropriate?**
- 3. Are you in favor of the proposal to modify the rebalancing reference dates for the S&P South Africa 50, S&P South Africa 50 Equal Weight Index, and S&P South Africa Domestic Shareholder Weighted (DSW) 50 indices?**
- 4. Do you have any other comments or feedback regarding the proposed changes outlined above?**

Your participation in this consultation is important as we gather information from various market participants in order to properly evaluate your views and preferences. S&P DJI will make responses to consultations freely available upon request.¹ If you do not want your response to be made available, you must clearly state that in your response. Please respond to this survey by **December 8, 2017**. After this date, S&P DJI will no longer accept survey responses. Prior to the Index Committee's final review, S&P DJI will consider the issues and may request clarifications from respondents as part of that review. Alternative options to the proposed questions after the deadline require that the consultation be re-opened to the public.

To participate in this consultation, please respond to S&P DJI at index_services@spglobal.com.

Please be advised that all comments from this consultation will be reviewed and considered before a final decision is made; however, S&P DJI makes no guarantees or is under any obligation to comply with any of the responses. The survey may result in no changes or outcome of any kind. If S&P DJI decides to change the index methodology, an announcement will be posted on our website.

For more information about S&P Dow Jones Indices, please visit www.spdji.com.

¹ Individual and company names as well as contact details will be redacted.

ABOUT S&P DOW JONES INDICES

S&P Dow Jones Indices is the largest global resource for essential index-based concepts, data and research, and home to iconic financial market indicators, such as the S&P 500[®] and the Dow Jones Industrial Average[®]. More assets are invested in products based on our indices than products based on indices from any other provider in the world. Since Charles Dow invented the first index in 1884, S&P DJI has become home to over 1,000,000 indices across the spectrum of asset classes that have helped define the way investors measure and trade the markets.

S&P Dow Jones Indices is a division of S&P Global (NYSE: SPGI), which provides essential intelligence for individuals, companies and governments to make decisions with confidence. For more information, visit www.spdji.com.

FOR MORE INFORMATION:

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