

**S&P South Africa
Dividend Aristocrats
*Methodology***

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Introduction

Index Objective

The S&P South Africa Dividend Aristocrats is an equally weighted Index measuring the performance of companies within the S&P South Africa Composite that have followed a policy of increasing or maintaining stable dividends for seven consecutive years.

Highlights

The S&P South Africa Dividend Aristocrats is equal-weighted with constituents re-weighted every quarter. The qualifying universe is reviewed once a year in July. The index is calculated and maintained in a manner consistent with other equal weight indices offered by S&P Dow Jones Indices.

Companies included in the S&P South Africa Dividend Aristocrats come from a broad spectrum of industries. Unlike stocks that focus only on high dividend yields, which are typically from the Financials and Utilities sectors, the “Aristocrats” are diversified across all sectors.

Supporting Documents

This methodology is meant to be read in conjunction with supporting documents providing greater detail with respect to the policies, procedures and calculations described herein. References throughout the methodology direct the reader to the relevant supporting document for further information on a specific topic. The list of the main supplemental documents for this methodology and the hyperlinks to those documents is as follows:

Supporting Document	URL
S&P Dow Jones Indices’ Equity Indices Policies & Practices Methodology	Equity Indices Policies & Practices
S&P Dow Jones Indices’ Index Mathematics Methodology	Index Mathematics Methodology
S&P Dow Jones Indices’ Float Adjustment Methodology	Float Adjustment Methodology

This methodology was created by S&P Dow Jones Indices to achieve the aforementioned objective of measuring the underlying interest of each index governed by this methodology document. Any changes to or deviations from this methodology are made in the sole judgment and discretion of S&P Dow Jones Indices so that the index continues to achieve its objective.

Eligibility Criteria

Index Eligibility

To qualify for membership in the S&P South Africa Dividend Aristocrats, a stock must first be a member of the S&P South Africa Composite.

For more information on the S&P South Africa Composite eligibility criteria, please refer to the S&P South Africa Composite methodology available at www.spdji.com.

Eligibility Factors

Liquidity. Stocks must have an average daily value traded (ADVT) of at least ZAR 5 million for the three months prior to the rebalancing reference date.

Industry. Stocks classified as a property stock as defined by S&P Dow Jones Indices are ineligible for inclusion in the index.

For more information about what constitutes a property stock, please refer to the S&P Property Indices methodology available at www.spdji.com.

Multiple Share Classes. Each company is represented once by the listing with the highest dividend yield subject to meeting the eligibility criteria. In the event multiple lines meet the eligibility criteria and have similar dividend yields, the Designated Listing is selected.

For more information regarding the treatment of multiple share classes, please refer to Approach C within the Multiple Share Classes section of the S&P Dow Jones Indices' Equity Indices Policies & Practices document.

Spin-offs. For spin-offs occurring after January 1, 2013, the yearly dividend increase history of the parent company is assigned to both the parent and spun-off company on the spin-off effective date. To determine annual dividend payments, the dividends of the parent and spun-off companies are combined until a full annual cycle of dividend payments is available for both post-spin-off companies. Subsequent dividend comparisons are based on the annual dividend amounts of each respective company.

Stability Criteria

Dividend Growth. Stocks must have increased dividends or maintained stable dividends every year for at least seven consecutive years. As a buffer rule, a company is considered to have maintained a stable dividend if dividends per share from one year to the next change from -3% to 0%.

Dividend Payment Types. S&P Dow Jones Indices only considers cash dividend payments declared as regular by the paying company for index eligibility, selection, and weighting purposes. Cash dividend payments declared as special by the paying company, including recurring special cash dividends, are not considered. Dividend amounts are before application of withholding taxes.

Index Construction

Approaches

The methodology employs an equal weighting scheme, using the divisor methodology used in most S&P Dow Jones Indices' equity dividend indices.

There are two steps in the creation of the index. The first is the selection of the index constituents; the second is the weighting of the constituents within the index.

S&P Dow Jones Indices believes turnover in index membership should be avoided when possible. At times a company may temporarily violate one or more of the addition criteria. However, the addition criteria are used for addition to the index, not for continued membership. As a result, an index constituent that appears to violate criteria for addition to the index is not deleted unless ongoing conditions warrant an index change.

Constituent Selection

All stocks that pass the index eligibility criteria are added to the index, up to a maximum of 30 constituents. The index must have a minimum of 20 constituents at each annual rebalancing.

If the number of eligible constituent is less than the required number, then:

- The Dividend Growth rule is relaxed by decreasing the number of years required for increased or stable dividends by one year at a time until there are at least 20 eligible constituents.
- If in relaxing this rule, the number of eligible names is more than 20, the names that have become eligible under the relaxed rules are ranked, first, by the number of years of increased or stable dividends and then, by dividend yield. Stocks are selected by this ranking process until there are a total of 20 constituents.
- A constituent added to the index under the relaxed rules remains in the index at the next annual rebalancing if it has continued its policy of increased or stable dividends and has passed all other eligibility criteria.

If the number of eligible constituents is more than the maximum number of constituents, then:

- All eligible constituents are ranked, first, by the number of years of increased or stable dividends and then, by dividend yield. The top 30 stocks selected by this ranking process are the index constituents.

Constituent Weightings

The index is equal-weighted with constituents re-weighted every quarter. Re-weightings are effective after the close of the last trading day in January, April, July and October.

Index Calculations

The index is calculated by means of the divisor method used for all S&P Dow Jones equity indices.

For more information on the index calculation methodology, please refer to the Equal Weighted Indices section of S&P Dow Jones Indices' Index Mathematics Methodology.

Index Maintenance

Rebalancing

Annual. The index is fully rebalanced annually effective after the close of business on the last trading day of July. At this rebalancing, an updated universe is used and all stocks are screened for all eligibility criteria. The reference date for yield, float-adjusted market capitalization, and average daily value traded is the last business day of June.

Semi-Annual Review. In addition to the annual rebalancing, the index also undergoes a secondary review, where constituents are screened to ensure their continuous payment of dividends. Any index constituent which has omitted its most recent dividend is removed from the index. If the number of constituents drops below 20 due to this drop, it is replaced by the highest ranked non-component. If the index remains at 20 or more constituents after the drop, no replacement is made.

If, at the mid-year review, stocks need to be removed and/or replaced, these changes are implemented effective after the close of the last trading day of January. The reference date for yield, float-adjusted market capitalization, and average daily value traded is the last business day of December.

Quarterly Re-weighting. In addition to the annual and semi-annual reviews, the index is re-weighted every quarter. Re-weightings are effective after the close of the last trading day in January, April, July and October.

Index shares are assigned based on prices two weeks prior to the rebalancing. Thus, the actual weight of each stock at the rebalancing differs from the target weights due to market movements.

Additions. Except for spin-offs, no additions are made to the index between rebalancings.

Deletions. Index constituents are removed from the index between rebalancings if the stock is removed from the S&P South Africa Composite due to corporate events such as mergers, acquisitions, takeovers or delisting.

Monthly Dividend Review

S&P Dow Jones Indices reviews index constituents on a monthly basis. If S&P Dow Jones Indices determines an index constituent has eliminated, suspended its dividend or omitted a payment, it will be removed from the index effective prior to the open of the first business day of the following month.

In addition, constituent stocks are reviewed on a monthly basis for dividend cuts. Constituent stocks may, at the discretion of the Index Committee, be removed effective prior to the open of the first business day of the following month if the constituent company lowers but does not eliminate its dividend, its new yield is significantly lower than the lowest yielding constituent, and the index committee can determine based on current information that the company will not qualify for inclusion at the next rebalancing.

The determination of qualifying for the index at the subsequent annual reconstitution is done at the discretion of the Index Committee. The decision to remove an index constituent due to dividend elimination, suspension, omission, or reduction is based on information publicly announced by the company as of five business days prior to month-end. The index constituents removed as part of the monthly dividend review process are not replaced until the following annual reconstitution.

Currency, Currency Hedged, and Risk Control Indices

The index is calculated in U.S. dollars and South African rand.

WM/Reuters foreign exchange rates are taken daily at 4:00 PM London Time and used in the end-of-day calculation of the index. These mid-market fixings are calculated by The WM Company based on Reuters data and appear on Reuters pages WMRA.

Additional currency, currency hedged, and risk control versions of the indices may be available. For a list of available currency, currency hedged, and risk control indices, please contact Client Services at index_services@spglobal.com.

For more information on currency, currency hedged, and risk control indices, please refer to S&P Dow Jones Indices' Index Mathematics Methodology.

Corporate Actions

Corporate Action	Adjustment Made to Index	Divisor Adjustment?
Spin-off	In general, both the parent and spun-off companies remain in the index until the next index rebalancing, provided that each gives an indication it will continue and/or initiate a consistent dividend paying policy. <i>For further information, please refer to the Treatment of Spin-offs in the S&P Dow Jones Indices' Equity Indices Policies & Practices document.</i>	No
Rights Offering	The price is adjusted to the Price of the Parent Company minus (the Price of the Rights Offering/Rights Ratio). Index shares change so that the company's weight remains the same as its weight before the rights offering.	No
Stock Dividend, Stock Split, Reverse Stock Split	Index shares are multiplied by and price is divided by the split factor.	No
Share Issuance, Share Repurchase, Equity Offering or Warrant Conversion	None.	No
Special Dividends	Price of the stock making the special dividend payment is reduced by the per share special dividend amount after the close of trading on the day before the dividend ex-date.	Yes
Constituent Change	Except for spin-offs, there are no intra-rebalancing additions.	-
	Deletions due to delistings, acquisition or any other corporate event resulting in the deletion of the stock from the Index causes the weights of the rest of the stocks in the index to change. Relative weights stay the same.	Yes

For more information, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices document.

Investable Weight Factor (IWF)

Please refer to S&P Dow Jones Indices' Float Adjustment Methodology for more information on float adjustment and IWFs.

Other Adjustments

In cases where there is no achievable market price for a stock being deleted, it may be removed at a zero or minimal price at the Index Committee's discretion, in recognition of the constraints faced by investors in trading bankrupt or suspended stocks.

Base Date and History Availability

The index history availability, base date and base value are shown in the table below.

Index	Launch Date	First Value Date	Base Date	Base Value
S&P South Africa Dividend Aristocrats	01/29/2014	09/19/2008	09/19/2008	1000

Index Data

Calculation Return Types

S&P Dow Jones Indices calculates multiple return types which vary based on the treatment of regular cash dividends. The classification of regular cash dividends is determined by S&P Dow Jones Indices.

- Price Return (PR) versions are calculated without adjustments for regular cash dividends.
- Gross Total Return (TR) versions reinvest regular cash dividends at the close on the ex-date without consideration for withholding taxes.
- Net Total Return (NTR) versions, if available, reinvest regular cash dividends at the close on the ex-date after the deduction of applicable withholding taxes.

In the event there are no regular cash dividends on the ex-date, the daily performance of all three indices will be identical.

For a complete list of indices available, please refer to the daily index levels file (“.SDL”).

For more information on the classification of regular versus special cash dividends as well as the tax rates used in the calculation of net return, please refer to S&P Dow Jones Indices’ Equity Indices Policies & Practices document.

For more information on the calculation of return types, please refer to S&P Dow Jones Indices’ Index Mathematics Methodology.

Index Governance

Index Committee

The S&P South Africa Dividend Aristocrats is maintained by the Europe (EMEA) Indices Index Committee. All committee members are full-time professional members of S&P Dow Jones Indices' staff. The committee meets quarterly. At each meeting, the Index Committee may review pending corporate actions that may affect index constituents, statistics comparing the composition of the index to the market, companies that are being considered as candidates for addition to the index, and any significant market events. In addition, the Index Committee may revise index policy covering rules for selecting companies, treatment of dividends, share counts or other matters.

S&P Dow Jones Indices considers information about changes to its indices and related matters to be potentially market moving and material. Therefore, all Index Committee discussions are confidential.

S&P Dow Jones Indices' Index Committees reserve the right to make exceptions when applying the methodology if the need arises. In any scenario where the treatment differs from the general rules stated in this document or supplemental documents, clients will receive sufficient notice, whenever possible.

In addition to the daily governance of indices and maintenance of index methodologies, at least once within any 12-month period, the Index Committee reviews the methodology to ensure the indices continue to achieve the stated objectives, and that the data and methodology remain effective. In certain instances, S&P Dow Jones Indices may publish a consultation inviting comments from external parties.

For information on Quality Assurance and Internal Reviews of Methodology, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices document.

Index Policy

Announcements

All index constituents are evaluated daily for data needed to calculate index levels and returns. All events affecting the daily index calculation are typically announced in advance via the Index Corporate Events report (.SDE), delivered daily via ftp to all clients. Any unusual treatment of a corporate action or short notice of an event may be communicated via email to clients.

All methodology changes are posted to the S&P Dow Jones Indices' Web site and announced via email to all clients. The latest available version is posted on the Web site at www.spdji.com.

For more information, please refer to the Announcements section of S&P Dow Jones Indices' Equity Indices Policies & Practices document.

Pro-forma Files

In addition to the corporate events file (.SDE), S&P Dow Jones Indices provides constituent pro-forma files each time the index rebalances. The pro-forma file is typically provided daily in advance of the rebalancing date and contains all constituents and their corresponding weights and index shares effective for the upcoming rebalancing. Since index shares are assigned based on prices prior to the rebalancing, the actual weight of each stock at the rebalancing differs from these weights due to market movements.

Please visit www.spdji.com for a complete schedule of rebalancing timelines and pro-forma delivery times.

Holiday Schedule

The index is calculated on all days that the Johannesburg Stock Exchange is open.

A complete holiday schedule for the year is available at www.spdji.com.

Rebalancing

The Index Committee may change the date of a given rebalancing for reasons including market holidays occurring on or around the scheduled rebalancing date. Any such change will be announced with proper advance notice where possible.

Unexpected Exchange Closures

For information on Unexpected Exchange Closures, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices document.

Recalculation Policy

For information on the recalculation policy, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices document.

For information on Calculations and Pricing Disruptions, Expert Judgment and Data Hierarchy, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices document.

Contact Information

For any questions regarding an index, please contact: index_services@spglobal.com.

Index Dissemination

Index levels are available through S&P Dow Jones Indices' Web site at www.spdji.com, major quote vendors (see codes below), numerous investment-oriented Web sites, and various print and electronic media.

Tickers

The table below lists headline indices covered by this document. All currency, currency hedged, risk control, and return type versions of the below indices that may exist are also covered by this document. Please contact index_services@spglobal.com for a complete list of indices covered by this document.

Index	Return Type	Bloomberg	Reuters
S&P South Africa Dividend Aristocrats (ZAR)	Price Return	SPSADAZP	.SPSADAZP
	Total Return	SPSADAZT	.SPSADAZT
	Net Total Return	SPSADAZN	.SPSADAZN
S&P South Africa Dividend Aristocrats (USD)	Price Return	SPSADUZP	.SPSADUZP
	Total Return	SPSADUZT	.SPSADUZT
	Net Total Return	SPSADUZN	.SPSADUZN

FTP

Daily constituent and index level data are available via FTP subscription.

For product information, please contact S&P Dow Jones Indices, www.spdji.com/contact-us.

Web site

For further information, please refer to S&P Dow Jones Indices' Web site at www.spdji.com.

Appendix

Methodology Changes

Methodology changes since January 1, 2015 are as follows:

Change	Effective Date (After Close)	Previous	Methodology Updated
Monthly Dividend Review	07/31/2018	--	<p>S&P Dow Jones Indices reviews index constituents on a monthly basis. If S&P Dow Jones Indices determines an index constituent has eliminated, suspended its dividend or omitted a payment, it will be removed from the Index effective prior to the open of the first business day of the following month.</p> <p>In addition, constituent stocks are reviewed on a monthly basis for dividend cuts. Constituent stocks may, at the discretion of the Index Committee, be removed effective prior to the open of the first business day of the following month if the constituent company lowers but does not eliminate its dividend, its new yield is significantly lower than the lowest yielding constituent, and the index committee can determine based on current information that the company will not qualify for inclusion at the next rebalancing.</p> <p>The determination of qualifying for the index at the subsequent annual reconstitution is done at the discretion of the Index Committee. The decision to remove an index constituent due to dividend elimination, suspension, omission, or reduction is based on information publicly announced by the company as of five business days prior to month-end. The index constituents removed as part of the monthly dividend review process are not replaced until the following annual reconstitution.</p>
Update to stability/growth requirement	07/29/2016	Eligible constituents must have a minimum of five years stability/growth.	Eligible constituents must have a minimum of seven years stability/growth.
Introduction of membership cap	07/29/2016	No maximum number of constituents.	The maximum number of constituents is capped at 30.
Treatment of Spin-offs	09/30/2015	<p>Spin-offs are added to the index and there is no weight change to the parent stock. The price of the parent company is adjusted to the Price of the Parent Company minus (the Price of the Spun-off Company/Share Exchange Ratio).</p> <p>However, when the price of the spin-off is not known, the spun-off company is added to the index at a zero price.</p>	The spun-off company is added at a zero price at the market close of the day before the ex-date (with no divisor adjustment). The spun-off company will be removed after at least one day of regular way trading (with a divisor adjustment).

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