

S&P South Africa Composite Capped Indices Consultation on Constituent Weighting

AMSTERDAM, FEBRUARY 8, 2022: S&P Dow Jones Indices (“S&P DJI”) is conducting a consultation with market participants on a potential change to the S&P South Africa Composite Capped Indices.

In order to reduce the total weight of related companies within an index, S&P DJI is considering modifying the constituent weighting scheme of the indices. Under this proposal, a 10% weight cap would be applied at the issuer level at each quarterly rebalancing instead of at the stock level. The table below summarizes the proposed change.

Methodology	Constituent Weightings
Current	No single stock weighs more than 10% of the index at each rebalancing.
Proposed	A weight cap of 10% is applied at the issuer level, defined as any parent and controlled subsidiary where more than 35% of all voting shares in the subsidiary are controlled by the same issuer control group. S&P DJI performs a quarterly review of all issuers coinciding with the index quarterly rebalancing. Any change in an issuer resulting from a corporate event and any updates triggered by the disclosure of new public information unrelated to corporate events or corrections to existing group entities will generally be implemented as of the subsequent quarterly rebalancing.

For additional information about the indices, please refer to the [S&P South Africa Composite Indices Methodology](#).

IMPACT ANALYSIS

Using data from the December 2021 rebalancing, the table below shows the constituents that would have been capped at the issuer level, as well as their total weights, had the previously described change been in effect at that time.

Index	Ultimate Issuer	Group of Companies	Total Weight
S&P South Africa Composite Capped	Anglo American plc	Anglo American plc	11.937%
		Kumba Iron Ore	
		Anglo American Platinum Ltd	
S&P South Africa Composite Shariah Capped	Anglo American plc	Anglo American plc	17.419%
		Kumba Iron Ore	
		Anglo American Platinum Ltd	
S&P South Africa Domestic Shareholder Weighted (DSW) 50	Naspers Limited	Naspers Limited	14.780%
		Prosus	
S&P South Africa Domestic Shareholder Weighted (DSW) Capped Index	Naspers Limited	Naspers Limited	13.258%
		Prosus	
S&P South Africa 50	Anglo American plc	Anglo American plc	12.229%
		Kumba Iron Ore	
		Anglo American Platinum Ltd	
	Naspers Limited	Naspers Limited	11.424%
		Prosus	

IMPLEMENTATION TIMING

S&P DJI is proposing to implement the previously described changes, if adopted, in conjunction with the next quarterly rebalancing, which takes effect prior to the market open on Monday, March 21, 2022. If adopted, the changes would first be visible to clients in pro-forma files, where applicable, beginning on Friday, March 11, 2022.

QUESTIONS

Please answer the following questions and provide S&P DJI with the reasoning behind your answers:

1. **Do you agree with the proposal to modify the constituent weighting scheme by introducing issuer level capping?**
2. **If the proposed change is adopted, do you agree with the proposed implementation date?**
3. **Do you have any other comments or feedback regarding the proposed change 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. Please respond to this survey by **February 28, 2022**. After this date, S&P DJI will no longer accept survey responses. Prior to the Index Committee's final review, S&P DJI may request clarifications from respondents as part of that review.

To participate in this consultation, please visit the online survey available [here](#).

For further information about this consultation, please contact S&P Dow Jones Indices at SPDJI_Index_Governance@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.

Thank you for taking the time to complete this survey.

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

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 been innovating and developing indices across the spectrum of asset classes helping to define the way investors measure and trade the markets.

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FOR MORE INFORMATION:

S&P Dow Jones Indices
index_services@spglobal.com

CONSULTATION