



JSE revised definition of “Resources” results in big shifts between RESI and INDI

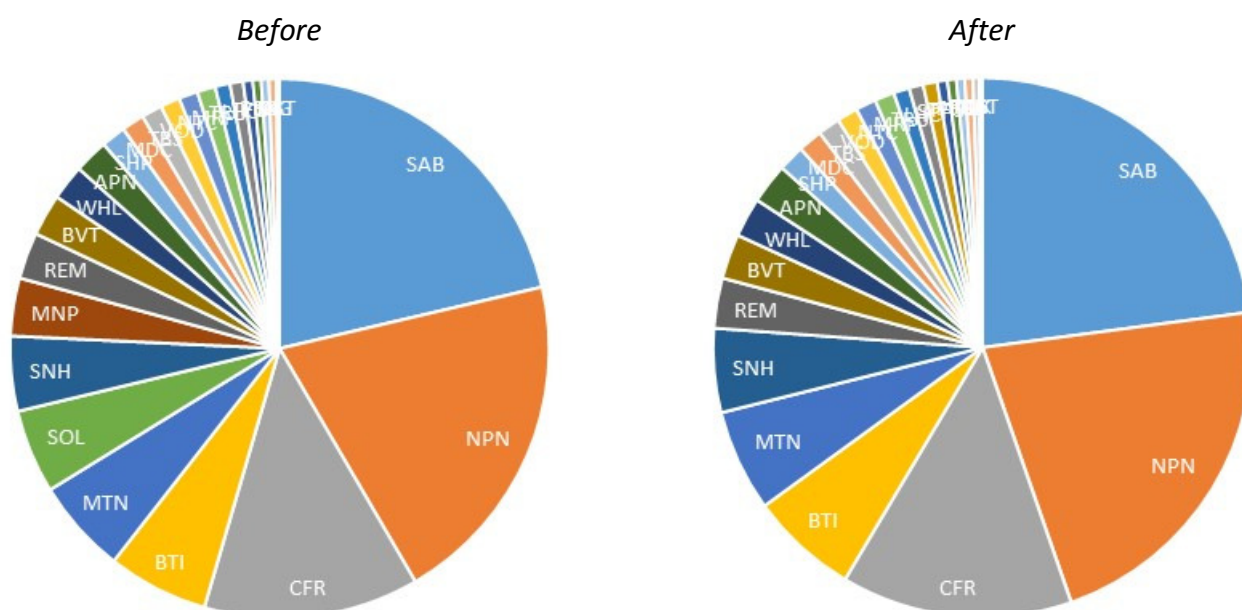
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As of today, an investment in an index-tracking product replicating either the FTSE/JSE Industrial 25 or the FTSE/JSE Resources 10 index (e.g. Satrix INDI25 ETF or Satrix RESI10 ETF), looks quite different than it did on Friday. This is because the JSE has changed its definition of the “SA Resources” sector. The affected sectors and shares are Chemicals (AECI, Afrox, Ommia, Sasol), Forestry & Paper (Mondi, Sappi) and Industrial Metals & Mining (Kumba) – these were classified as Industrial shares prior to the change, but are now considered Resources shares for the purposes of index membership.

The impact of these changes are as follows:

FTSE/JSE Industrial 25 Index (Satrix INDI25 ETF)

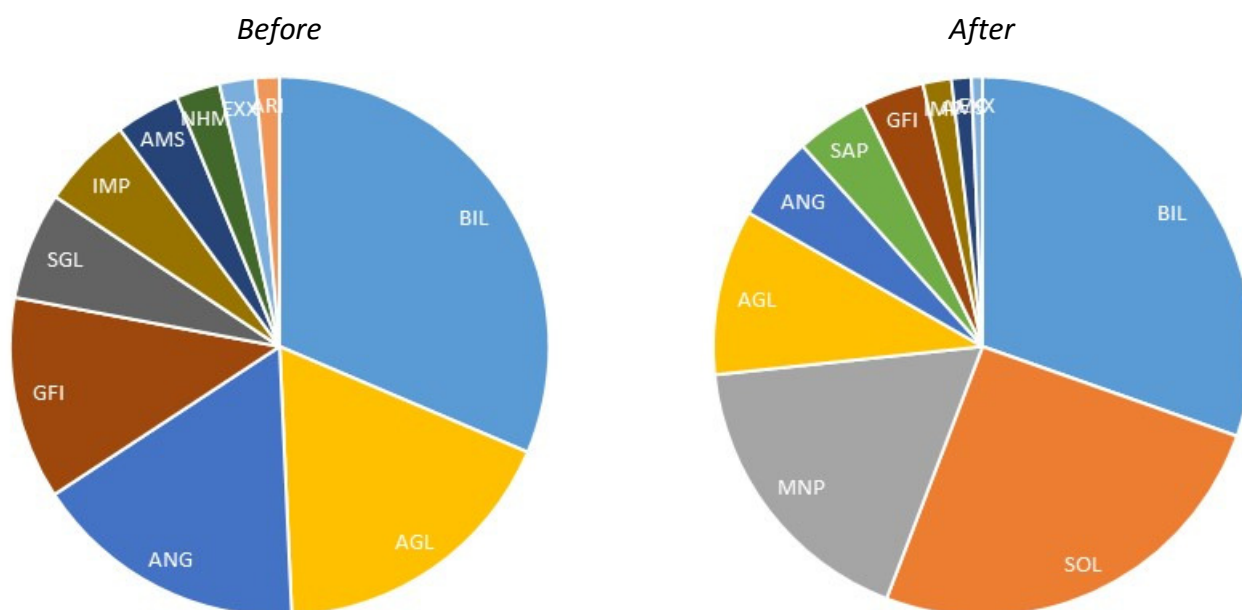


Top 10 holdings (%)		83.7
SAB	SAB Miller	21.3
NPN	Naspers -N	20.3
CFR	Richemont	12.9
BTI	BAT	6.0
MTN	MTN	5.7
SOL	Sasol	5.0
SNH	Steinhoff	4.5
REM	Remgro	2.8
MNP	Mondi plc	2.6
BVT	Bidvest	2.5

Top 10 holdings (%)		86.6
SAB	SAB Miller	22.9
NPN	Naspers -N	21.8
CFR	Richemont	13.9
BTI	BAT	6.5
MTN	MTN	6.1
SNH	Steinhoff	5.0
REM	Remgro	3.0
BVT	Bidvest	2.7
APN	Aspen	2.4
WHL	Woolies	2.4

The removal of Sasol and Mondi from the Industrial index has resulted in an even bigger exposure to the heavyweights SAB Miller, Naspers and Richemont (these three companies jointly make up almost 60% of the index), and the Top 10 holdings now represent 86.6% of the index, compared to 83.7% before.

FTSE/JSE Resources 10 Capped Index (Satrix RESI10 ETF)



Top 10 holdings (%)		100.0
BIL	BHPBilliton	31.4
AGL	Anglo American	17.9
ANG	Anglo-Ashanti	16.5
GFI	Gold Fields	12.2
SGL	Sibanye Gold	6.5
IMP	Implats	5.5
AMS	Angloplat	3.9
NHM	Northams	2.6
EXX	Exxaro	2.1
ARI	AfrRainbow	1.4

Top 10 holdings (%)		99.3
BIL	BHPBilliton	30.4
SOL	Sasol	25.4
MNP	Mondi plc	13.3
AGL	Anglo American	9.9
ANG	Anglo-Ashanti	5.1
SAP	Sappi	4.3
MND	Mondi	4.3
GFI	Gold Fields	3.8
IMP	Implats	1.7
AMS	Angloplat	1.2

The impact of the switch is much more pronounced in the Resources index, where the inclusion of Sasol and Mondi now take up almost 40% of this index. As a result, mining companies (e.g. Anglo American and the gold and platinum companies) now have a much lower weight.

Investors in the Satrix RESI10 ETF should note that this investment no longer offers a pure mining exposure, but rather a better diversified exposure to commodity companies in general.

Investors in the Satrix INDI25 ETF will find that it now represents even more of a rand-hedge, but with significant exposure to the global consumer industry. Furthermore, **the ±23% exposure to SAB Miller is unlikely to offer much return other than the rand-pound exchange rate movement, until the AB-InBev transaction is implemented.** Investors who have grown accustomed to exceptional returns from the Satrix INDI25 ETF over the last 10 years, should therefore not be surprised if the returns during 2016 are somewhat muted.