



*Reitway Global Property Index
Construction & Maintenance Procedures*

February 2020

General Information

In order to ensure the highest quality of each of its indices Global Property Research (GPR) exercise the greatest care when compiling and calculating indices on the basis of the rules set out in this GPR index methodology document.

However, GPR cannot guarantee that the various indices, or the various ratios that are required for index compilation and computation purposes, as set out in this GPR index methodology document, are always calculated free of errors. GPR accepts no liability for any direct or indirect losses arising from any incorrect calculation of such indices or ratios.

Decisions concerning the way its indices are calculated, as well as regarding their compilation, are always taken by GPR to the best of knowledge and belief. GPR will not be liable for any losses arising from such decisions.

The indices of GPR do not represent a recommendation for investment of whatever nature. In particular, the compilation and calculation of the various indices shall not be construed as a recommendation of GPR to buy or sell individual instruments, or the basket of instruments underlying a given index.

Index methodology is constantly under review for best practices and any changes to index methodology will constitute a change in the rule book and will be communicated to and approved by the JSE prior to implementation. All index changes will be announced via the website. Any revisions and recalculation will also be published.

All indices are designed, tested and maintained by the Index and Risk Committee of GPR and Reitway. The Index and Risk Committee is responsible for ensuring that the index is maintained in line with the rulebook, securities selected for inclusion, treatment of corporate actions and dividends, share counts, weights or other matters (i.e. the set parameters) are adhered and followed in all respects.

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1 INTRODUCTION

- 1.1 This document contains the rules for the construction and maintenance of the Reitway Global Property Index, a custom index designed by Reitway Global (Pty) Ltd in collaboration with Global Property Research.
- 1.2 The Reitway Global Property Index is a subset of the GPR 250 Index
- 1.3 Subset is compiled using the following parameters
- 1.4 The Reitway Global Property Index is composed in such a way that it is considered to be representative for the movements in the worldwide property stock market.
- 1.5 The Reitway Global Property Index is designed to reflect the performance of a mid-range of property companies in the world with a diversification to the Americas, Asia Pacific and EMEA.

2 COMPOSITION OF THE REITWAY GLOBAL PROPERTY INDEX

- 2.1 The Reitway Global Property Index includes property companies classified to the Americas region, the Asia Pacific region and to the EMEA region. The underlying regional diversifications include the property companies within the mid-range of monthly trading volume, measured as the twelve-month trading volume in US dollars over the previous twelve months.
- 2.2 The Reitway Global Property Index excludes a certain predefined amount of both the most liquid property companies and the least liquid property companies. The exclusion of the most liquid companies is due to the fact that they tend to be included in general equity index series and of which over certain periods of time the performances could be relatively more impacted by general equity sentiment rather than property sentiment. The exclusions of the least liquid property companies is to enhance the liquidity of the Reitway Global Property Index. The exact methodology for the selection is further explained in Rule 5.7.
- 2.3 Only stock exchange quoted companies without restrictions on foreign ownership are eligible for inclusion in the Reitway Global Property Index.
- 2.4 Companies are eligible for inclusion in the index (i) when the free float market capitalization, calculated as the share price times the number of outstanding shares available for trading, is over 50 million USD for two consecutive months, (ii) the free float percentage is at least 15% and (iii) the company traded on at least 75% of all of the possible trading days over a 3 month period.
- 2.5 Companies included must have at least 75% of operational turnover derived from investment activities (property investment companies) or investment and development activities combined (hybrid property companies). In the latter case at least 25% of operational turnover needs to be derived from investment activities.
- 2.6 Operational turnover is determined using figures of the latest available financial statements of the property company. If operational turnover cannot be derived from these financial statements, property assets will serve as the criterion to determine inclusion.
- 2.7 The Reitway Global Property Index includes office, residential, retail, industrial, diversified, hotel and healthcare property companies. Whenever a company derives at least 60% of operational turnover from one specific property type, the compiler considers this company to be specialized in this property sector. For companies in the hotel and healthcare sector, it must be certain they are an investor and not an operator. The financial information needs to be clear on how the income is derived, from which activities. In case of doubt, the company will not be included.
- 2.8 The property stocks included in the Reitway Global Property Index are assigned a base weighting derived from their free float market capitalization on the date of periodic adjustment.
- 2.9 Country weights are the sum of weighting factors of individual constituents in every country.
- 2.10 If a company derives over 75% of the operational turnover from one country, not being the country of its primary stock listing thereby not crossing continental borders, the company is placed in the index of the country in which the assets are located.
- 2.11 In case of exclusion of a company from the index, the compiler will not assign another company for inclusion.
- 2.12 Companies are included if the publication of audited annual reports and press releases on their website are all available in English. An annual report is defined as a current set of accounts consisting of a profit and loss statement, a balance sheet, a directors' review and full notes to the accounts.

3 CALCULATION OF THE REITWAY GLOBAL PROPERTY INDEX

- 3.1 The base date of the Reitway Global Property Index is 30 September 2002 and the base value is 100.
- 3.2 The Reitway Global Property Index is calculated in USD.
- 3.3 The Reitway Global Property Index reflects gross dividend payments.
- 3.4 Share prices are established during normal, regulated trading hours on the stock exchange of primary listing. If a property stock has multiple listings only the primary listing will be considered. Primary listing describes the quotation of the property stock with the highest number of shares traded.
- 3.5 Share prices used are most recent closing trade prices as quoted by the relevant primary listing exchange.
- 3.6 Dividends are included in the index at the ex-dividend date.
- 3.7 Dividends paid out by a company are immediately reinvested.
- 3.8 Foreign exchange rates are WM/Reuters London close rates.
- 3.9 If for any reason the stock price or a foreign exchange rate is not known or deemed to be unreliable the compiler will, after proper inquiries have been made with the relevant pricing source, calculate the index on the basis of the most recent price for that property stock or foreign exchange rate which is known to the compiler.
- 3.10 Changes in free float will be implemented once a month, after close of trading on the third Friday of each month. The free float thresholds are determined by GPR.
- 3.11 Free float changes will be reported at least one week before occurrence.

4 PUBLICATION OF THE REITWAY GLOBAL PROPERTY INDEX

- 4.1 The current value of the Reitway Global Property Index will be published once a day.
- 4.2 Index values are calculated daily using the end of day closing prices as quoted by the relevant stock exchange and will be published prior open of the next trading day.
- 4.3 The compiler of the Reitway Global Property Index reserves the right to delay publication of values of the index or to suspend or cease publication, if in its opinion circumstances prevail which prevent the proper calculation of the index. In case of such a delay all relevant parties such as the Issuer, will be informed, and the notification will be made via the JSE News Service.

The index may be recalculated in certain limited circumstances, for example if the index is found to be incorrect or inconsistent within two trading days of the publication of the index level in question for one of the following reasons:

- 1. Incorrect or revised closing price
 - 2. Missed corporate event
 - 3. Late announcement of a corporate event
 - 4. Incorrect application of corporate action or index methodology
- 4.4 The index values for the Reitway Global Property Index will be published via the price marketing services of agreed vendors. Access to the full underlying holdings and weights for this custom index are only available from each data vendor with permission
 - 4.5 In situations where an exchange is forced to close early due to unforeseen events, such as computer or electric power failures, weather conditions or other events, the compiler will calculate the closing price of the indices based on (1) the closing prices published by the exchange, or (2) if no closing price is available, the last regular price reported for each security before the exchange closed. If an exchange fails to open due to unforeseen circumstances, this shall be treated as a standard market holiday. The index will use the prior trading day's closing prices and shifts any corporate actions to the following business day. Should the exchange fail to open or other extreme circumstances present, the compiler may determine not to publish the index for that day.

5 PERIODIC ADJUSTMENT OF THE REITWAY GLOBAL PROPERTY INDEX

- 5.1 The aim of the compiler of the Reitway Global Property Index when making a periodic adjustment is to ensure that the weighting and selection of the component countries and property stocks remains in accordance with the basic principles of the Index, as described in chapter 2.
- 5.2 Periodic adjustments to the selection and base weighting of property stocks and countries in the Reitway Global Property Index will occur biannually after trading hours on the third Friday of March and September.
- 5.3 Changes in the selection and base weighting of countries or in the selection of property stocks will be announced one month before occurrence of the adjustment. The compiler will publish a main list as well as a replacement list. The replacement list is ranked in order of first substitute and serves as a backup in case companies on the main list do not meet the inclusion criteria in the time frame between publication and adjustment. Any exclusion from the main listing will be reported immediately.
- 5.4 Periodic adjustment to the selection and base weighting of property stocks and countries included in the Reitway Global Property Index may not change the historic value of the index.
- 5.5 The selection of stocks included in the Reitway Global Property Index shall be adjusted biannually on the basis of trading turnover on an absolute basis over the past twelve months on the primary stock exchange.
- 5.6 If there has not been a publication of monthly trading volume throughout the entire period, adjustments will be based on the longest possible period within that twelve-month period.
- 5.7 Stocks included in the Reitway Global Property Index are selected using the following methodology:
 - Take the GPR 250 Index constituents as a basis.
 - Rank the stocks in each region of the three (3) regions (Americas, Asia-Pacific and Europe, Middle East and Africa) based on the annual turnover.
 - Identify the stocks to exclude for each of the eleven (11) top exclusions options. The options range from 0% to 50% (of aggregated turnover relative to the region) with a 5% increment.
 - Identify the number of stocks to include for the five (5) top inclusions options. The options range from the top 20 to 40 highest ranking stock based on the annual turnover, with a five (5) stocks increment. The regional split is based on the regional weights of the GPR 250 Index.
 - Create the 55 options (eleven top exclusions and five inclusion options) to select the optimal option from.
 - For the 55 options twelve (12) strategies are created based on their 6 to 72 months historical performance with a 6-month increment. This results in 660 option/strategy combinations.
 - Per strategy the historically best performing option is chosen to represent that strategy.

- The relevant strategy that has the best historical performance will be chosen. The related option determines the stocks included in the Reitway Global Property Index as of that rebalancing.
- 5.8 The weighting of property stocks included in the Reitway Global Property Index shall be adjusted biannually on the basis of free float market capitalization of these property stocks on the date of periodic adjustment. The compiler will use the most recently published data of free float.
- 5.9 The historical backtesting as from the base date is conducted in accordance with the basic principles of the Index, as described in chapter 2 and chapter 5.
- 5.10 In cases, which are not explicitly defined in the rules for periodic adjustment, periodic adjustment will be carried out in spirit of the aims mentioned in article 1.3. All adjustments must meet the criteria mentioned in chapter 2.

6 CORPORATE ACTIONS

Company Structure Changes

- 6.1 In case of a merger or acquisition in which all of the companies involved are in the Reitway Global Property Index, only one company will continue to be part of the Reitway Global Property Index. The weight of this company is dependent on the free float market capitalization of the surviving company. Free float will be adjusted to publications following the offer. The compiler will not assign another company for inclusion. The final return will reflect the offer price.
- 6.2 In case of a merger or acquisition in which one of the companies involved is in the Reitway Global Property Index and the other company does not meet the criteria as expressed in chapter 2, the company resulting from the activity will have to comply with these criteria in order for the company to remain included in the Reitway Global Property Index. If the resulting company fails to meet these criteria, the company will be excluded. The final return will reflect the offer price.
- 6.3 After the occurrence of a de-merger of a company included in the Reitway Global Property Index, both the original and/or the newly created entities will immediately become part of the index whenever the new entities meet the criteria of chapter 2.
- 6.4 After the occurrence of a spin-off of part of a company included in the Reitway Global Property Index, only the original company will remain part of the index. The spin-off will be treated as an initial public offering.
- 6.5 In case of a suspension of trading in a company, the price of the share will remain the price of the last trade in the companies' shares, reflecting a zero return. In case the suspension eventually leads to a bankruptcy, the loss of the investment will be taken on the filing date. Whenever the suspension continues for more than three consecutive months, the share price will be set at zero, assuming a total loss of the investment.

Company Capital Changes

- 6.6 The amount of shares outstanding will be changed to reflect seasoned offerings and share repurchases at the day of occurrence. Any changes in the amount of shares outstanding will only affect the weighting of property stocks included in the Reitway Global Property Index at the semi-annual rebalancing.
- 6.7 If a company goes bankrupt, the index will reflect the return by setting the price at zero, in order to reflect a total loss of the investment.
- 6.8 In case of a stock split, a stock dividend, a poison pill, a rights issue or a bonus issue the number of shares will be adjusted. Furthermore, an adjustment factor is implemented to ensure continuity of return calculations.
- 6.9 In case of a merger or acquisition, whereby the target company remains listed on the stock exchange with a free float percentage of at least 15%, this target company will continue to be part of the Index when the offer has been declared unconditional. This article will be superior to articles 6.1 and 6.2.
- 6.10 In the event of a rights issue, an adjustment factor is implemented to ensure continuity of return calculations. If the rights issue is fully underwritten, then the newly issued shares will be included in the index at the closing price at the end of the ex-right date. If the rights issue is not fully underwritten, then the newly issued shares will be included in the index at the closing price at the end of the first day of trading. In case of doubt, the rights issue will be perceived as not fully underwritten.

7 FINAL PROVISIONS FOR THE REITWAY GLOBAL PROPERTY INDEX

- 7.1 Global Property Research acts as the compiler of the Reitway Global Property Index.
- 7.2 The compiler of the Reitway Global Property Index is responsible for the daily administration of the index. The compiler of the Reitway Global Property Index is also responsible for decisions regarding the interpretation of these rules.
- 7.3 In cases for which the rules make no provision, but which require immediate action, the compiler of the Reitway Global Property Index shall decide to the best of his ability and within the spirit of and in accordance with the aim of the rules.
- 7.4 These rules may be amended, which may also lead to a change in the Reitway Global Property Index. There must be a period of at least three months between the date of publication of a proposed amendment and the date on which it comes into effect, unless the amendment does not conflict with any interest of the parties involved. No responsibility is accepted for damages arising from an amendment to the rules of the Reitway Global Property Index.
- 7.5 The compiler of the Reitway Global Property Index shall make every effort to safeguard the accuracy of the composition, publication and adjustment of the Reitway Global Property Index in accordance with the applicable rules. However, the compiler of the Reitway Global Property Index accepts no responsibility whatsoever for any inaccuracy in the share prices, the calculation and publication of the index, the information used to make adjustments neither in the Reitway Global Property Index nor in the adjustments themselves.
- 7.6 The index may be recalculated in certain limited circumstances, for example if the index is found to be incorrect or inconsistent. Such restatement will be announced to the market via the issuer's website and via JSE SENS announcements. All data vendors will be informed of such restatement. Reasons for such restatement include but not limited to:
 1. Incorrect or revised closing price
 2. Missed corporate event
 3. Late announcement of a corporate event
 4. Incorrect application of corporate action or index methodology

Any other restatement or recalculation of an index is only done under extraordinary circumstances to reduce or avoid possible market impact or disruption as solely determined by the Index and Risk Committee.
- 7.7 In situations where an exchange is forced to close early due to unforeseen events, such as computer or electric power failures, weather conditions or other events, GPR will calculate the closing price of the indices based on (1) the closing prices published by the exchange, or (2) if no closing price is available, the last regular trade reported for each security before the exchange closed. If an exchange fails to open due to unforeseen circumstances, this shall be treated as a standard market holiday. The index will use the prior trading day's closing prices and shifts any corporate actions to the following business day.

There might be circumstances pursuant to which the compiler can decide to terminate the Reitway Global Property Index. Before deciding to terminate the Index, the compiler shall consult with the client(s) using the Reitway Global Property Index. If the compiler, after the consultation, decides to terminate the Reitway Global Property Index the compiler shall give the client(s) using the Reitway Global Property Index at least two (2) years prior notice before the Reitway Global Property Index is terminated. Whenever possible, the compiler shall suggest alternative indices to the client(s) using the Reitway Global Property Index.

APPENDIX

8 TECHNICAL APPENDIX

8.1 Calculating returns for individual companies

The returns for individual companies are calculated as follows:

$$r_{i,t} = \frac{P_{i,t} + D_{i,t} - P_{i,t-1}}{P_{i,t-1}}, \text{ where}$$

$r_{i,t}$	Return of company i in period t,
$P_{i,t}$	Price of company i at time t
$D_{i,t}$	Dividend of company i at time t
$P_{i,t-1}$	Price of company i at time t-1
t	Last trading day
$t - 1$	Last trading day minus one business day

8.2 Calculating weights of individual companies at semi-annual rebalancing

The weight of companies in the index is derived as follows:

$$W_{i,t} = \frac{C_{i,t-1}}{\sum_{i=1}^{N_t} C_{i,t-1}}, \text{ where}$$

$W_{i,t}$	Weight of company i at time t
$C_{i,t-1}$	(Free float) market capitalization of company i at time t-1
N_t	Number of companies that meet the inclusion criteria at time t

8.3 Calculating weights of individual companies after semi-annual rebalancing

After the semi-annual rebalancing company weights float on price return on a daily basis.

8.4 Calculating index

The index value is calculated by making a sum of all contributions of all companies in the index, multiplied by the index value of the previous trading day. The contribution of a company is calculated by multiplying its return by its respective weight.

$$I_t = I_{t-1} * (1 + \sum_{i=1}^{N_t} W_{i,t} * r_{i,t}), \text{ where}$$

I_t	Index value at time t
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8.5 Periodic adjustment of the Reitway Global Property Index

BIANNUALY
after close of trading on the third Friday of March and September
Definition of the list of property companies further to Rule 5.5 with:
no. of shares
closing share price
free float threshold

9 CORPORATE ACTIONS TREATMENT PROCEDURES

Corporate actions can be grouped in events that concern dividends, capital changes, mergers & acquisitions, exceptional market conditions, capital increases and capital returns. Some Corporate actions are treated via an Adjustment Factor. The Adjustment Factor is provided by the relevant stocks exchange and double checked by GPR.

Within the different groups the following different types of corporate actions are defined (Corporate Actions marked with an asterisk have impact on the Adjustment Factor:

	Corporate Action	Capital Restructure Dividends
1	DIVIDEND	Cash Dividend
2	DIVIDEND	Special Dividend
3	DIVIDEND	Stock Dividend or Scrip Dividend*
4	DIVIDEND	Optional Dividend
5	DIVIDEND	Bonus Dividend*
6	CAPITAL CHANGE	Share Split*
7	CAPITAL CHANGE	Share Consolidation or Reverse Share Split*
8	CAPITAL CHANGE	Share Redenomination
9	MERGER & ACQUISITION	Merger
10	MERGER & ACQUISITION	Demerger
11	MERGER & ACQUISITION	Spin-off
12	MERGER & ACQUISITION	Takeover
13	MERGER & ACQUISITION	Acquisition
14	EXCEPTIONAL MARKET CONDITION	Bankruptcy
15	EXCEPTIONAL MARKET CONDITION	Change of Primary Listing
16	EXCEPTIONAL MARKET CONDITION	Suspension
17	EXCEPTIONAL MARKET CONDITION	Share Conversion
18	CAPITAL INCREASE	Rights Issue*
19	CAPITAL RETURN	Capital Return or Capital Repayment
20	CAPITAL RETURN	Share Buy-Back

Cash Dividend

Cash dividends are payments made by a company to its shareholders. Sometimes, when a company earns a profit, that money can be put to two uses: it can be either re-invested in the business or it can be paid to the shareholders as a dividend. The Gross Dividend Amount is the amount before applying tax rates (Net Dividend Amount).

The Price Index does not take into account the Cash Dividend.

The Net Index requires adjustment for the Net of Withholding Tax Cash Dividend.

For the Net Index, the regular Cash Dividend is reinvested after deduction of withholding tax by applying the maximum rate of the company's country of incorporation applicable to institutional investors. A withholding tax related to a dividend is a tax on the income of the shareholder withheld by the company when the dividend is paid to a shareholder. The compiler applies the maximum withholding tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties. The withholding tax rate applicable is defined annually. The compiler will publish the applicable withholding tax rate.

Special Dividend

Special dividends are those dividends that are outside of the normal payment pattern established historically by the company. Whether a dividend payment is funded from operating earnings or from other sources of cash does not affect the determination of whether it is a special dividend.

Instead, it is considered a Special Dividend when the market perceives it as a special dividend with dividends outside the normal payment pattern.

The Price Index does not take into account the Special Dividend.

The Net Index requires adjustment for the Net of Withholding Tax Special Dividend.

For the Net Index, the Special Dividend is reinvested after deduction of withholding tax by applying the maximum rate of the company's country of incorporation applicable to institutional investors. A withholding tax related to a dividend is a tax on the income of the shareholder withheld by the company when the dividend is paid to a shareholder. The compiler applies the maximum withholding rate applicable to non-resident institutional investors who do not benefit from double taxation treaties. The withholding tax rate applicable is defined annually. The compiler will publish the applicable withholding tax rate.

Stock Dividend or Scrip Dividend

The Stock Dividend is a distribution of shares to shareholders as an alternative to a cash payment. In some instances, the Stock Dividend can be optional, whereby the shareholder may choose the shares instead of a cash dividend payment. In this case the shares are issued for the value.

An adjustment to the price and the Price Adjustment Factor is done on the opening of the ex-dividend date, and the number of shares is adjusted (increased) on the ex-dividend date after close of trading.

When there is no cash alternative, the Stock Dividend represents a script/bonus issue and the Price Adjustment Factor should be calculated in the same way.

Optional Dividend

A company offers its shareholders the choice of receiving the dividend in cash or in stock. It is assumed that investors select the cash option a) on the ex-dividend date for those cases where a stated equivalent of stock is announced and b) on the pay-date for those cases where an undetermined amount of stock is announced based on earnings and profits to be distributed at a future date. Thus, the dividend is treated in the same way as Cash Dividend.

Bonus Dividend

A bonus is an offer of free additional shares to existing shareholders. A company may decide to distribute further shares as an alternative to increasing the dividend pay-out.

An adjustment to the price and the Price Adjustment Factor is done on the opening of the ex-date, and the number of shares is adjusted (increased) on the ex-dividend date after close of trading.

Share Split

Existing shares are subdivided into larger number of shares with an equivalent reduction in the Nominal Value of each share (where applicable). A Share Split increases the number of shares in a company. The price is adjusted so that before and after this corporate event the market capitalization of the company remains the same and dilution does not occur.

The number of shares, dividends and the share price are adjusted by the split factor on the ex-date. The share split does impact the Price Adjustment Factor as at the ex-date.

Share Consolidation or Reverse Share Split

A Reverse Share Split or reverse split is a reduction in the number of shares and an accompanying increase in the share price.

The reverse split does have impact on the Price Adjustment Factor as at the ex-date.

Share Redenomination

The nominal value of existing shares in issue changes due to the change of currency. Therefore, the amount is converted using a set exchange rate.

Merger

Referring to Rule 6.1 and Rule 6.2, a Merger generally means that two or more companies merge to form one larger company. Treatment of a Merger is described in more detail in Rule 6.1 and Rule 6.2.

Acquisition

Referring to Rule 6.1 and Rule 6.2, an Acquisition generally means the procurement of a controlling interest of more than 85% in one company by another company and the acquired company may continue to trade. Shareholders of the target company are offered cash and/or shares for their holding. Treatment of an Acquisition is described in more detail in Rule 6.1 and Rule 6.2.

Demerger

Referring to Rule 6.3, a Demerger is the distribution of shares in a wholly owned or a partially owned company to the parent company's existing shareholders. Treatment of a Demerger is described in more detail in Rule 6.3.

Spin-off

Referring to Rule 6.4, a Spin-off is the distribution of shares in a wholly owned or a partially owned company to new shareholders. Treatment of a Spin-off is described in more detail in Rule 6.4.

Takeover

Referring to Rule 6.1 and Rule 6.2, a Takeover is also the acquisition of one company by another. However, this term is normally - but not always - used to imply that the acquisition is made on the initiative of the acquirer and often without the full agreement of the acquired company. Shareholders of the target company are given cash and/or shares for their holding. A reverse takeover is the acquisition of a larger company by a smaller one, based on certain criteria such as turnover, profits or net assets.

The mechanisms for carrying out an acquisition or takeover may be through a cash offer -fixed, open or tender-, a share exchange or a combination of both. Treatment of a Takeover is described in more detail in Rule 6.1 and Rule 6.2.

Bankruptcy

Referring to Rule 6.5, a company legally declares inability or impairment of ability to pay their creditors. Creditors may file a bankruptcy petition against a debtor in an effort to recoup a portion of what they are owed. However, in the majority of cases, bankruptcy is initiated by the debtor. After undergoing reorganization, a company is liquidated. Treatment of a Bankruptcy is described in more detail in Rule 6.5.

Change of Listing

If a company is delisted from the stock exchange within the universe of eligible stock exchanges for the index, there are two different options to consider:

The company's primary stock exchange listing changes to another stock exchange that is considered eligible for the index. There is no change in the index.

The company remains unlisted, or the primary stock exchange listing changes to a stock exchange that is not considered eligible for the index. The company is removed from the index at its last closing price as shares would not be eligible for inclusion in the index.

Suspension

A security is removed at zero, assuming a total loss of the investment if a stock is suspended for full trading for at least X trading days. During those X trading days, the index calculation takes into account the last trading price for the security which is suspended.

Share Conversion

Share Conversion is the exchange of one form of shares for another form of shares of the same company.

Rights Issue

Referring to Rule 6.10, shareholders are offered the right to buy new shares in proportion to their existing holding at a set offer price usually (but not always) at a discount to the market price. Rights are an offer of additional shares to existing shareholders. A company may decide to distribute further shares as an alternative to increasing the dividend pay-out.

The rights issue does have impact on the Price Adjustment Factor as at the ex-date.

Treatment of a Rights Issue is described in more detail in Rule 6.10.

Capital Return or Capital Repayment

Capital repayments to shareholders is the return of all or any portion of the issued capital of a company in the winding up of operations or the return of capital in excess of a company's requirements. A capital repayment refers to payments that exceed the growth (net income/taxable income) of a business back to "capital owners", such as shareholders, partners or unit holders. The Capital Repayment is a transfer of value from the company to the existing owners. For the Net Index, the compiler will apply the same withholding tax treatment as the one applied to the dividends.

Share Buy-Back

The repurchase by a company of its own shares, in order to reduce the number of shares in issue, usually at a set price either as a percentage of shares issued or ratio of shares held.

A Share Buy-Back may be performed via a repurchase tender offer (to all shareholders), an open market purchase or a privately negotiated purchase. Share buybacks are implemented only under a tender offer form.

10 GLOSSARY

<i>Adjustment factor</i>	A multiplier to correct for changes in the intrinsic value of the stock not having return implications
<i>Base</i>	Initial value of the index
<i>Compiler</i>	Party responsible for the management and maintenance of the indices
<i>De-merger</i>	Situation in which a company splits up in two or more entities, which may be floated
<i>Development activities</i>	Property holdings under construction
<i>Directors' holdings</i>	Shares held by the management and board of Directors of the company
<i>Ex-dividend date</i>	First trading date at which the holder of the stock is no longer entitled to receive the subsequent dividend
<i>Free float</i>	The number of shares outstanding considered to be available for trading on the stock market, excluding shares held by management, board of directors and block-holders owning more than 5% of the companies' shares outstanding
<i>Gross dividends</i>	Dividends before taxes
<i>Indicative values</i>	Values subject to change
<i>Investment activities</i>	Income generating property holdings, including land
<i>Market capitalization</i>	Number of shares outstanding times the share price
<i>Nominee account</i>	A joint share account held by a financial institution aggregating various separate share holdings
<i>Operational turnover</i>	Recurrent income from activities
<i>Primary stock listing</i>	Quotation of the stock with the highest number of shares traded
<i>Spin-off</i>	Situation in which a company disposes part of its portfolio by creating a separate entity, which subsequently may be floated
<i>Suspension of trading</i>	A temporary deferral of regulated trading
<i>Trading volume</i>	Share turnover expressed as the number of shares traded times the price of the shares in US dollars

11 CONTACTS

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