

SFNG EQUITY INDEX SERIES
LIQUIDITY RULE CHANGE UPDATE

September 1st, 2016: Further to the "SFNG Liquidity Rule Change" notice on February 29th, 2016, SF Markets announces an update to the liquidity rules for the SFNG Equity Index Series.

Liquidity

To ensure that liquidity remains an important factor for index qualification, SF Markets constantly monitors the average daily trading value (ADTV) of securities and can adapt its liquidity screening to reflect any significant changes in the market. Over the last 6 months and following the last semi-annual review carried out in March 2016, Nigerian equity stocks have continued to experience depreciating levels in trading volumes and as a result, SF Markets has utilized its discretionary right as stated under Rule 5.8.1 of the SFNG Equity Index Series Guide to apply a temporary liquidity rule change for the SFNG Equity Index Series 2016 September Review.

Liquidity Rule Change

Liquidity criteria for the SFNG Equity Index Series is based on a 6-month ADTV of a stock. The average monthly trading is calculated by taking the daily traded value (price x volume) of a security for the whole month and dividing that figure by the number of trading days in the month.

Current Liquidity Rule for SFNG Equity Index Series:

Index	Securities must have a minimum 6-Month ADTV of or greater than:	Liquidity Band
SFNG Blue-Chip 30 Index	9,750,000 Naira	1
SFNG Mid Cap 40 Index	750,000 Naira	2
SFNG Small Cap Index	100,000 Naira	3
SFNG Broad Share Index	100,000 Naira	3
SFNG Micro Cap Index	No liquidity screening	4
SFNG Total Share Index	No liquidity screening	4

New Liquidity Rule for SFNG Equity Index Series (Applicable for the next 6 months):

Index	Securities must have a minimum 6-Month ADTV of or greater than:	Liquidity Band
SFNG Blue-Chip 30 Index	7,500,000 Naira	1
SFNG Mid Cap 40 Index	350,000 Naira	2
SFNG Small Cap Index	100,000 Naira	3
SFNG Broad Share Index	100,000 Naira	3
SFNG Micro Cap Index	No liquidity screening	4
SFNG Total Share Index	No liquidity screening	4

Please note that the new temporary liquidity rule for the SFNG Equity Index Series will be applicable for the upcoming SFNG Equity Index Series 2016 September Review and observed for the next 6 months, up and until the SFNG Equity Index Series 2017 March Review, when it will be further reviewed and assessed if it will be adopted as a permanent rule.

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