

Lotte Confectionery (Korea): Demerger of Lotte Confectionery (Korea) and stock acquisition of Lotte Shopping (Korea) and Lotte Chilsung Beverage (Korea)

Changes in Russell RAFI™ Index Series

17 October 2017

Lotte Confectionery (to be renamed to Lotte Holdings, 6535432) is currently suspended from trading in relation to a 0.2961238 for 1 demerger of Lotte Confectionery (new) (Korea, BD72J68) followed by 0.7038762:1 consolidation. Afterwards Lotte Confectionery and Lotte Confectionery (new) will have a 2.5 for 1 stock split.

Simultaneously, Lotte Holdings will acquire the investment businesses of Lotte Shopping (Korea, BOWGPZ5) and Lotte Chilsung Beverage (Korea, 6535443) respectively by issuing new shares to their shareholders. Lotte Shopping and Lotte Chilsung Beverage will also conduct a consolidation.

Currently Lotte Confectionery, Lotte Shopping and Lotte Chilsung Beverage are suspended from trading and will resume trading on 30 October 2017. In order to avoid index tracking error, Lotte Holdings (Temp Line I) and Lotte Holdings (Temp Line II) will be added to indices to reflect the distribution of Lotte Holdings shares for Lotte Shopping and Lotte Chilsung Beverage shareholders respectively.

Please see details of affected indices and effective dates below:

Index	Effective From Start of Trading
Russell RAFI Global Index	30 October 2017
Russell RAFI Global Large Company Index	30 October 2017
Russell RAFI Global Small Company Index	30 October 2017
Russell RAFI Emerging Index	30 October 2017
Russell RAFI Emerging Large Company Index	30 October 2017
Russell RAFI Emerging Small Company Index	30 October 2017
Russell RAFI Global ex US Index	30 October 2017
Russell RAFI Global ex US Large Company Index	30 October 2017
Russell RAFI Global ex US Small Company Index	30 October 2017

Please note :

1. The expected listing date of Lotte Confectionery (new) will be on 30 October 2017
2. RGS classification of Lotte Confectionery (new) will remain unchanged as 0410494 (Foods).
3. Lotte Holdings (Temp Line I) share number is based on the stock terms of 1.1444932 Lotte Holdings new shares for each Lotte Shopping share held.

Lotte Shopping share number is based on the 0.8930216:1 consolidation.

RGS classification for Lotte Holdings (Temp Line I) will remain unchanged as 0360815(Diversified Retailers)

4. Lotte Holdings (Temp Line II) share number is based on the stock terms of 8.2301943 Lotte Holdings new shares for each Lotte Chilsung Beverage share held.

Lotte Chilsung Beverage share number is based on the 0.6460906:1 consolidation.

RGS classification for Lotte Holdings (Temp Line II) will remain unchanged as 0410410 (Beverage: Soft Drinks).

5. Since the settlement date of Lotte Holding shares during the stock acquisition of the investment businesses from Lotte Shopping and Lotte Chilsung Beverage has not yet been announced, two temporary lines will remain in the index at the market price until they announce and will subsequently be amalgamated to Lotte Holding (6535432) on a T+2 notice. FTSE will further issue a notice in due course.

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