

Indices

September 2026

let's connect

JSE

An index is a weighted average price of a basket of financial instruments that represents something



JS

Why should you care?

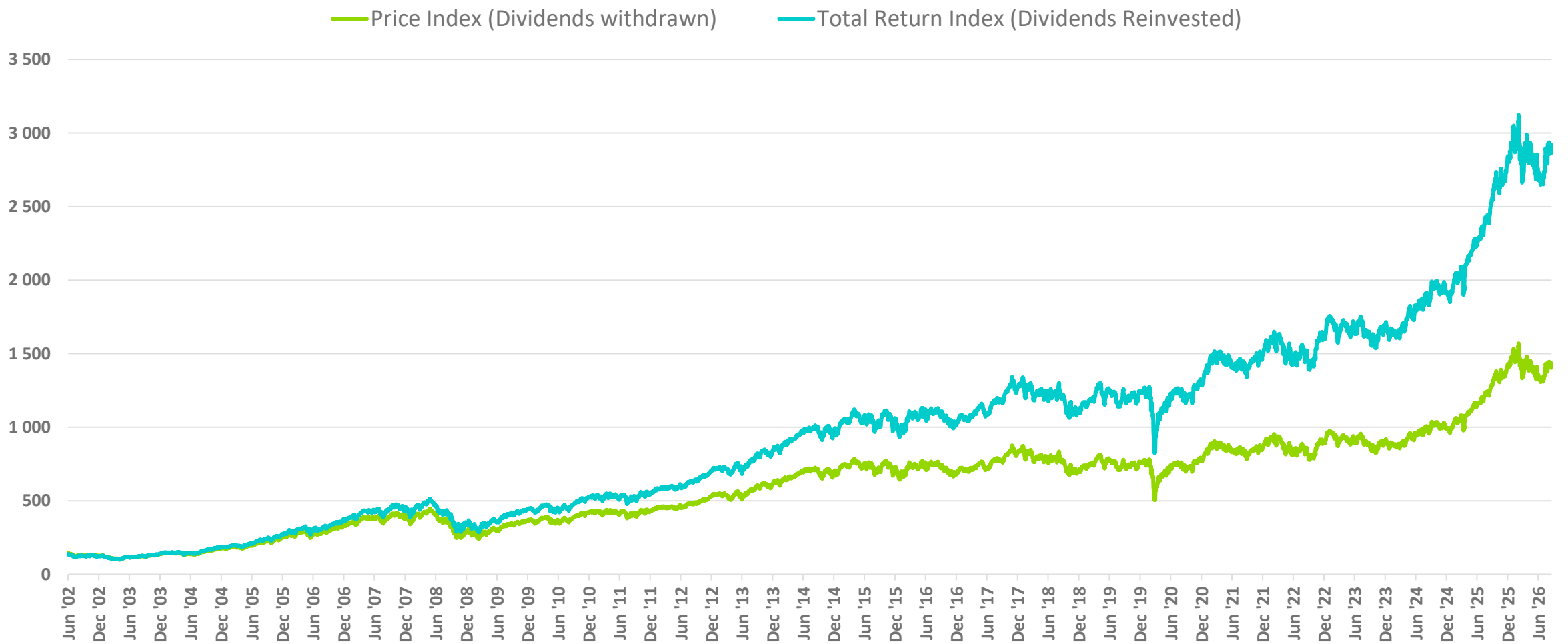
1. Understand price movements in 'The Market'
2. Benchmark fund performance
3. Allocate assets
4. Rules-based exposure
5. Draw charts



JS



The Top 40



Understand an index (or an ETF)

1. How are constituents selected? (representation)
2. How is the average price calculated? (weighting)
3. Rebalance frequency
4. Eligibility and Liquidity Rules
5. Benchmark Administrator
6. ...



A Detour: Market Capitalisation part 1

Market Capitalisation = Shares in Issues x Price

- Total value of a company if you were to purchase all the shares
- Total aggregate wealth of all current shareholders



JS

A Detour: Market Capitalisation part 2

Net Market Capitalisation = Shares in Issues x Price x Free Float

Not all Shareholders are Equal

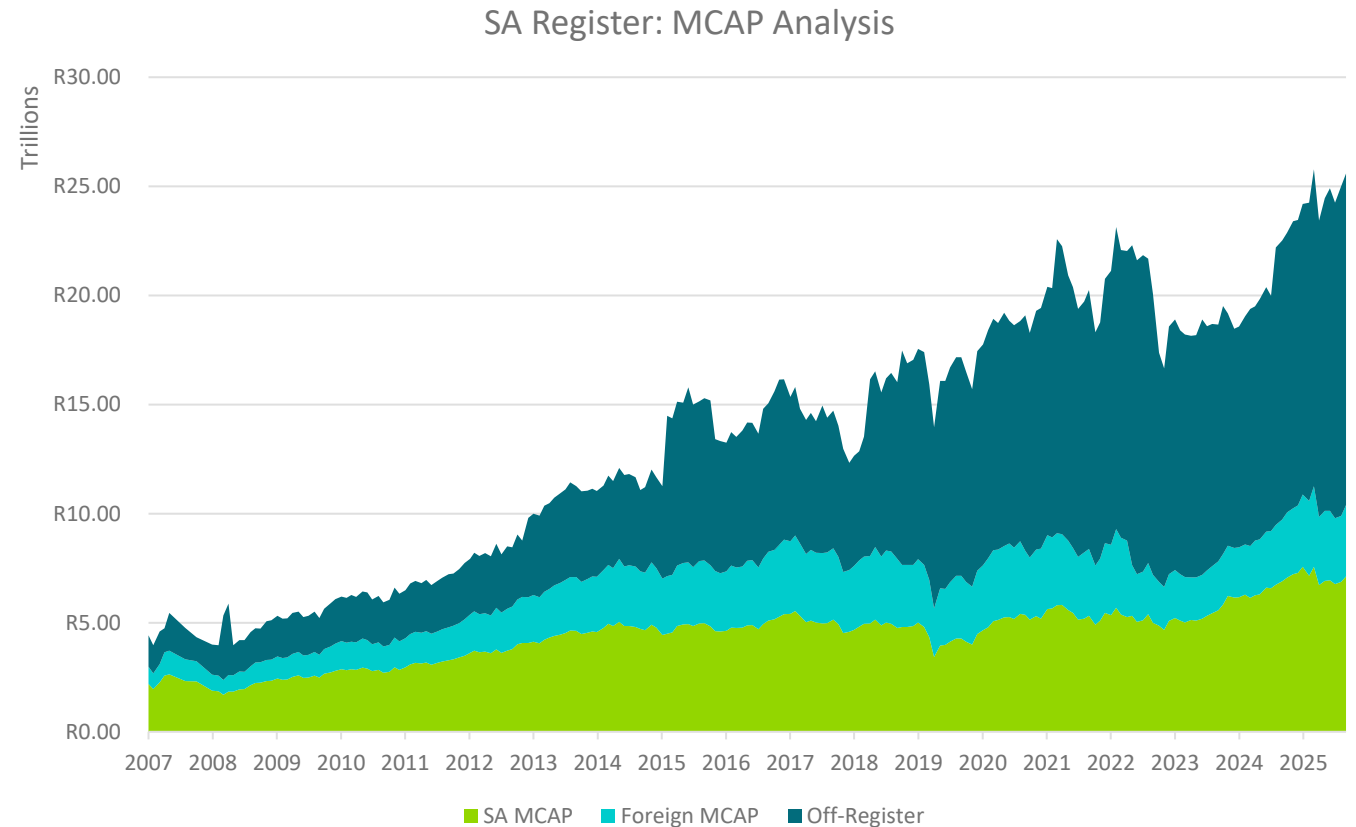
Excludes:

- directors, executives, founders etc
- Strategic holdings, treasury shares
- Cross holdings

Not all Shareholders are Around

Excludes:

- Shareholdings on a foreign register



Case Study: The Top 40

How are constituents selected?

- 40 Largest JSE-listed companies by Net Market Capitalisation

How is the average price calculated?

- Net Market Capitalisation, 12% cap

Other Stuff

- Reviewed in March, June, September, December
- Liquidity screen
- Buffers reduce churn

Company	Net MCAP	Index Weight
Gold Fields	Rb 650.72	8.84%
AngloGold Ashanti	Rb 551.88	7.50%
Naspers	Rb 537.17	7.30%
Firststrand	Rb 493.61	6.71%
Capitec	Rb 406.18	5.52%
Standard Bank	Rb 400.61	5.44%
MTN Group	Rb 370.28	5.03%
Valterra Platinum	Rb 345.52	4.69%
Anglo American	Rb 241.15	3.28%
Absa Group	Rb 188.37	2.56%

Selecting rules-based exposure

How are constituents selected?

Examples:

- Geography: Developed, region, country
- Size: Large, Mid, Small
- Industry: Resources, Technology, Financials
- Sector: Banks, Copper Mining, Healthcare
- Fundamentals: Company Financials
- Factors: Momentum, Value, Growth

How is the average price calculated?

Examples:

- Net market capitalisation
- Equal weighting
- Price only
- Weighting Factor
- Tilt

Evaluating rules-based exposure

Benefits

- Low-cost
- No manager risk
- Thematic selection without manager selection
- Long-term outperformance (on average)

Considerations

- Stock concentration
- Sector concentration
- No quality filter
- Forced buying and selling
- Normally no downside protection

Does not solve for investor behaviour: buy high, sell low, chase hot themes and panic!

Exchange Traded Products

September 2026

JSE

let's connect



Exchange Traded Products

Exchange Traded Funds
(ETFs)

Actively Managed ETFs
(AMETFs)

Exchange Traded Notes
(ETNs)

Actively Managed
Certificates (AMCs)



Exchange Traded Funds

JSE Exchange Traded Funds (ETFs)

- **Fully funded (unleveraged)** security listed on the JSE which tracks the performance of a specified security or other assets;
- Assets include, but are not limited to, **indices, commodities, currencies or any other asset acceptable to the JSE**
- **No synthetic** exposure permitted
- **Collective Investment Scheme (CIS)** or **SPV** (for commodity underlying assets)
- **Permit Feeder Fund ETFs**
 - Typically reference ETFs listed in offshore markets
- **Issuer Entry Points:**
 1. **Feeder Fund**
 2. **Co-Partnered Issuer**
 3. **Establish local Management Company (Manco)**

JSE ETF General Listing Requirements

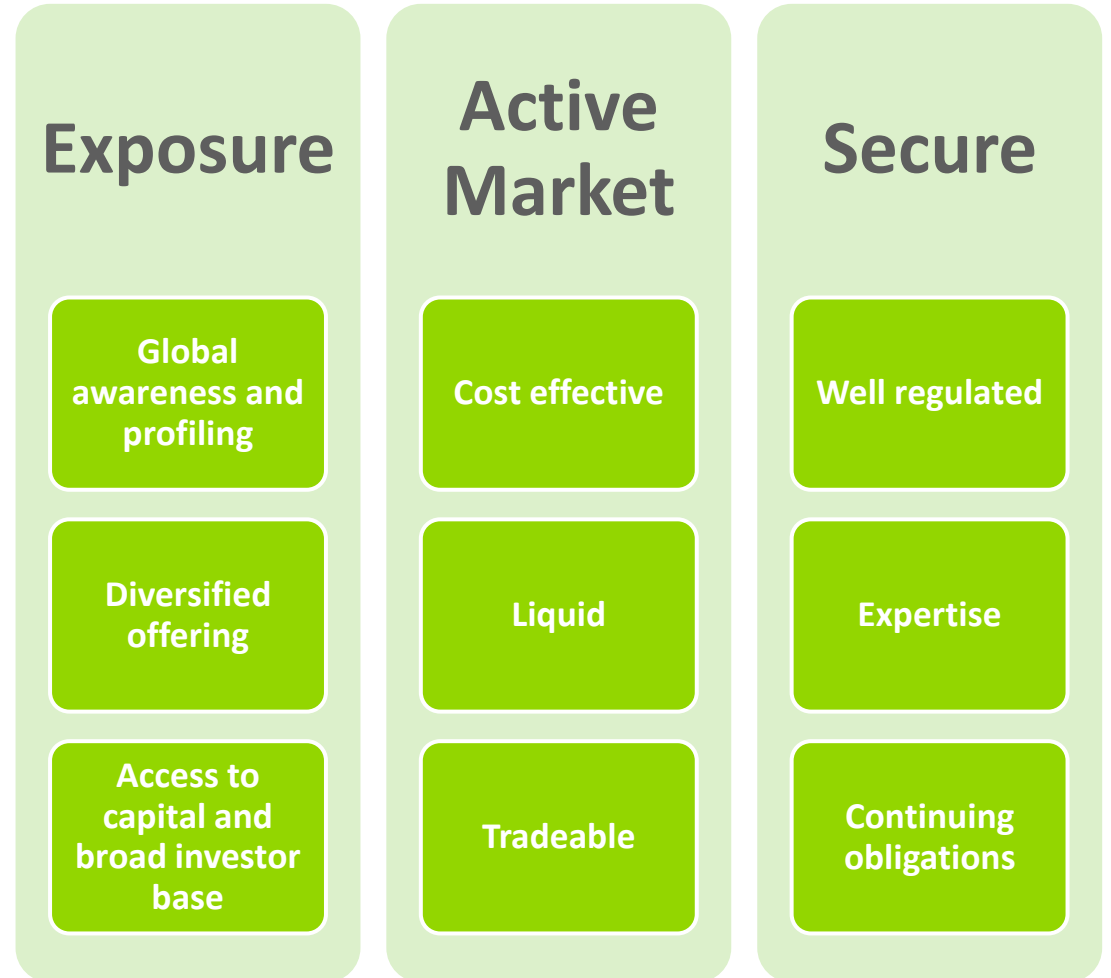
- Underlying asset must be **sufficiently liquid** for proper price formation
- **Open ended**, unless otherwise determined
- **NAV** calculated in transparent manner and published daily. Daily publication of index constituents.
- **Non-total return ETFs, distributions** made at least annually
- **ETF fully funded**
- **Appointment Market Maker**
- Issuer must have **relevant expertise or access** to such expertise
- Index provider must be in compliance with **published IOSCO Principles for Financial Benchmarks or the EU Benchmark** regulation (2016/1011).



Actively Managed Exchange Traded Funds

Actively Managed Exchange Traded Funds (AMETFs)

- Fully funded listed **(unleveraged)**, fund, offering exposure to **single portfolio of underlying assets of securities that are discretionarily managed** in terms of a pre-determined strategy.
- The underlying assets or securities of the AMETF must comply with the requirements as determined by FSCA from time to time.
- **Collective Investment Scheme (CIS)**



JSE AMETF General Listing Requirements

- **Open ended**, unless otherwise determined
- **Appointment of iNAV provider**
- **NAV and/or intra-day Net Asset Value (iNAV)** calculated in transparent manner and published daily
- **ETF fully funded**
- **Appointment of Market Maker or Agent**
- Issuer must have **relevant expertise or access** to such expertise

Disclosure

Daily or Quarterly Disclosure

- Issuers may opt to disclose the fund composition:
 - **Daily**; or
 - **Quarterly**, 30 days after month end provided certain requirements are met
- Monthly factsheet, within 30 days of month end
- Appoint agent to assist with market making, utilizing iNAV and only publicly available information

iNAV

- Prevailing **iNAV** published by an iNAV provider based on the previous day portfolio, 3 times a day:
 - 08h30
 - 12h00
 - 15h30
- iNAV provider is **independent of the issuer**, and the market maker, their management and directors.
- iNAV provider must be in compliance with **published IOSCO Principles for Financial Benchmarks or the EU Benchmark** regulation (2016/1011).

Liquidity Provider

- The issuer must appoint a liquidity provider i.e. **Market Maker** or an **Agent**.
- The issuer must confirm to the JSE that the **necessary procedures are in place** to ensure that the market maker or agent will only provide **liquidity** in the market based on **information available in the public domain** to comply with the provisions of the FMA.
- **Market Maker as principal**, must be independent from AMETF and iNAV provider.
- **Liquidity provider as agent**, when no fund composition file is published daily.

Additional Disclosures

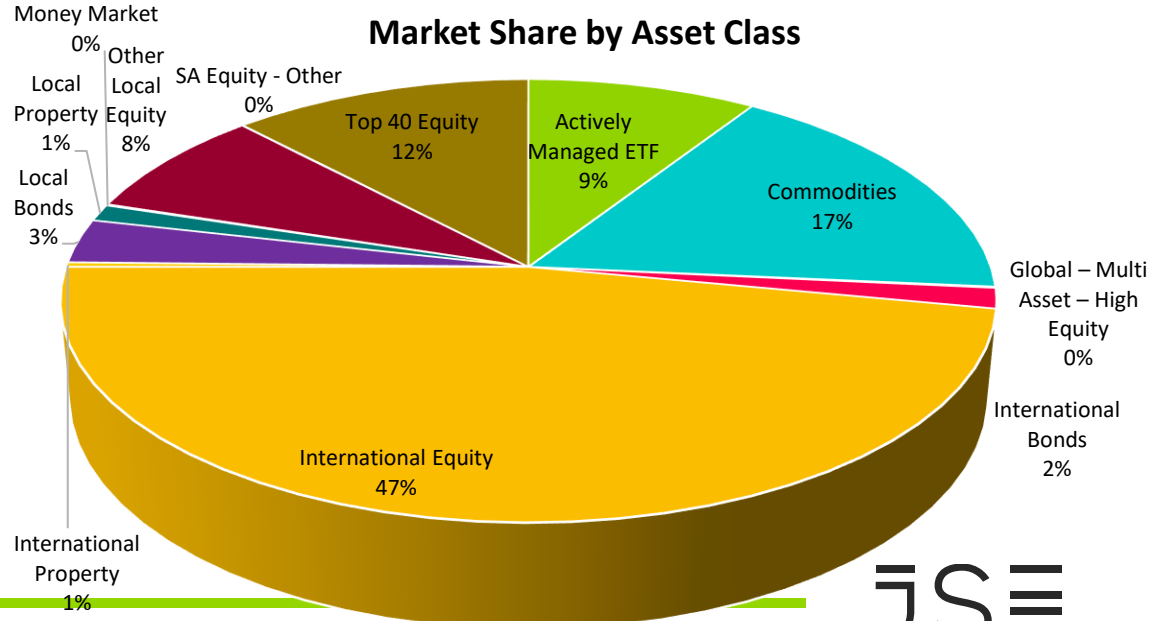
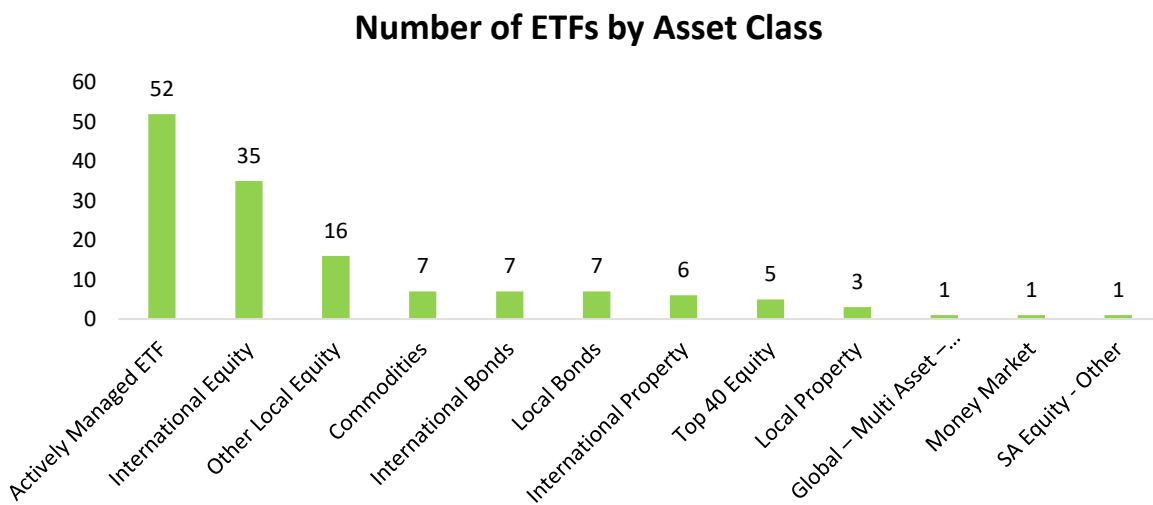
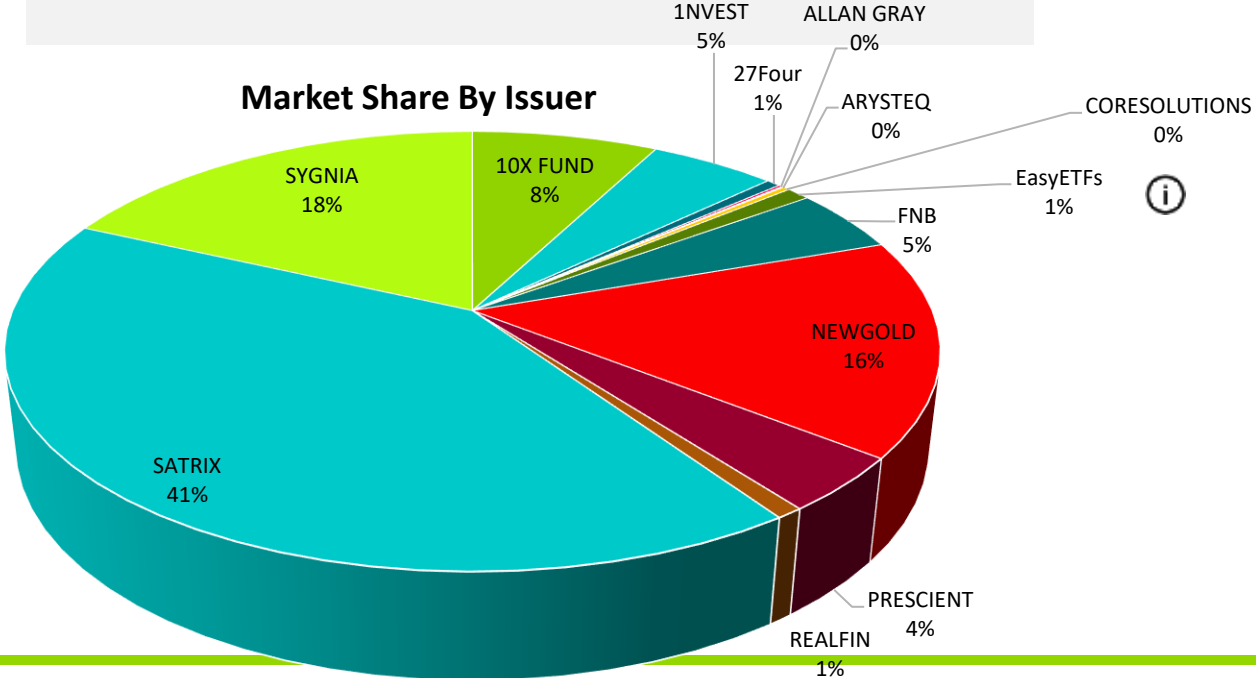
Issuer Website

- Net Asset Value (NAV) – EOD
- iNAV or daily fund composition file or both
- TER
- Accrued reserves distributable to the AMETF unitholders (if applicable);
- Constituents of the creation and/or redemption basket
- Monthly fact sheet and quarterly fund composition file, (if applicable)

Placing Document

- Investment universe of eligible securities
- Investment strategy
- Applicable benchmark for the performance of the AMETF
- Investment theme and applicable sectors that the AMETF will invest in

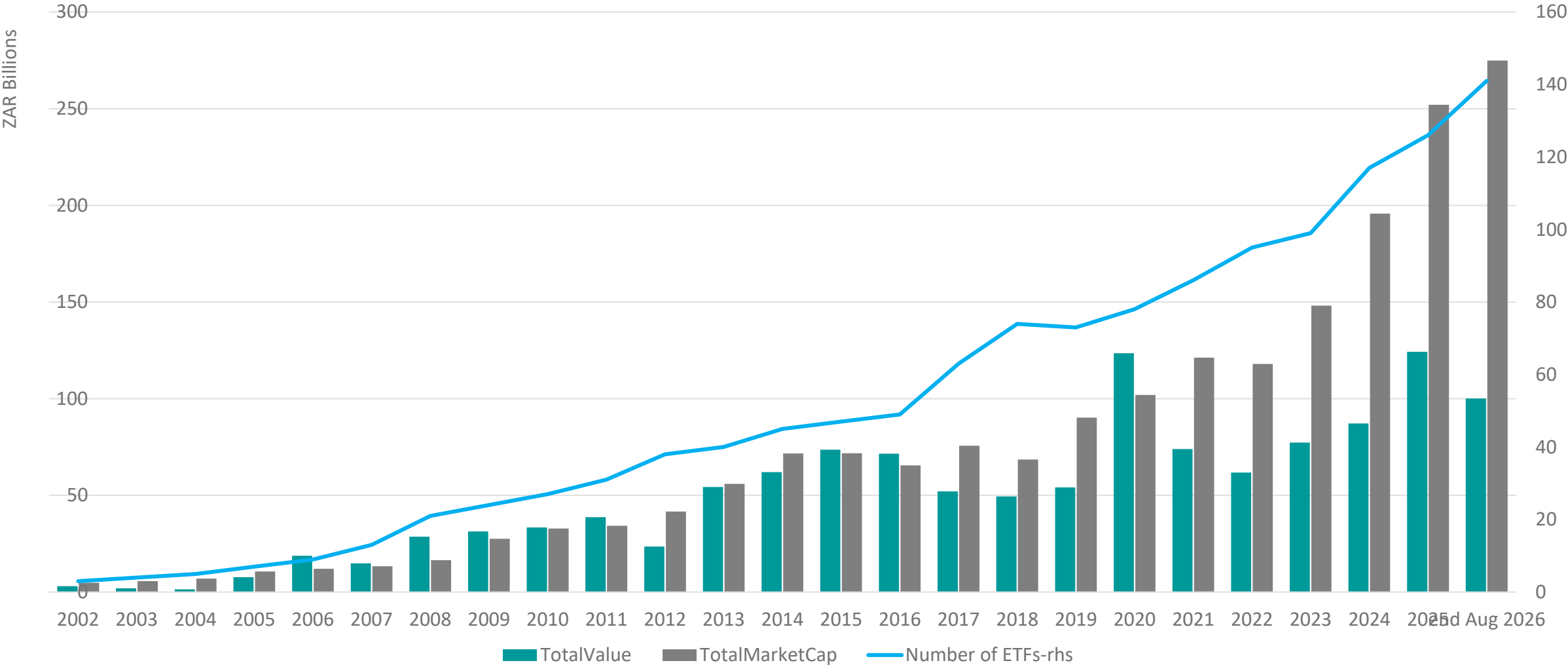
JSE ETF Industry



As at end Aug 2026

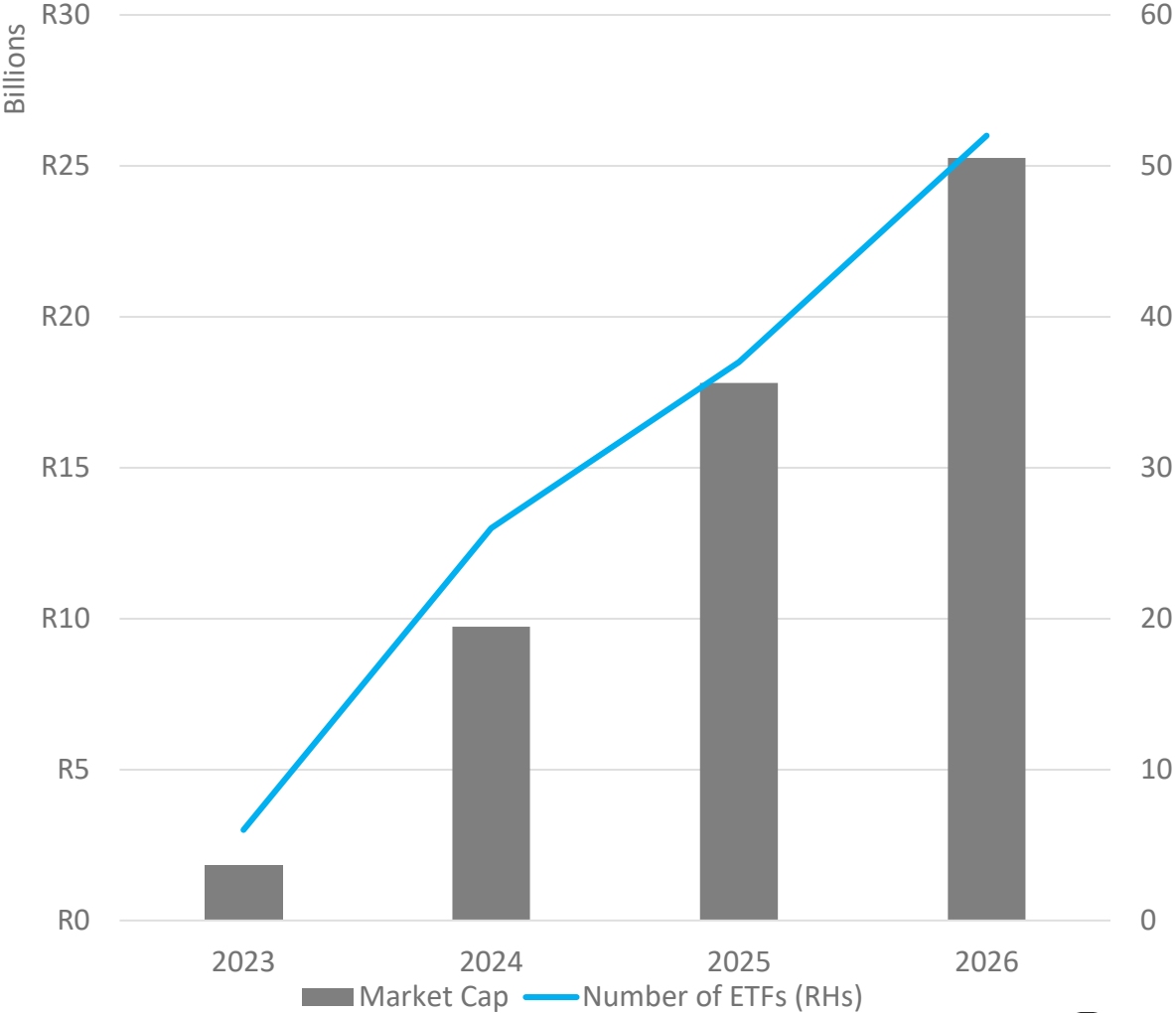
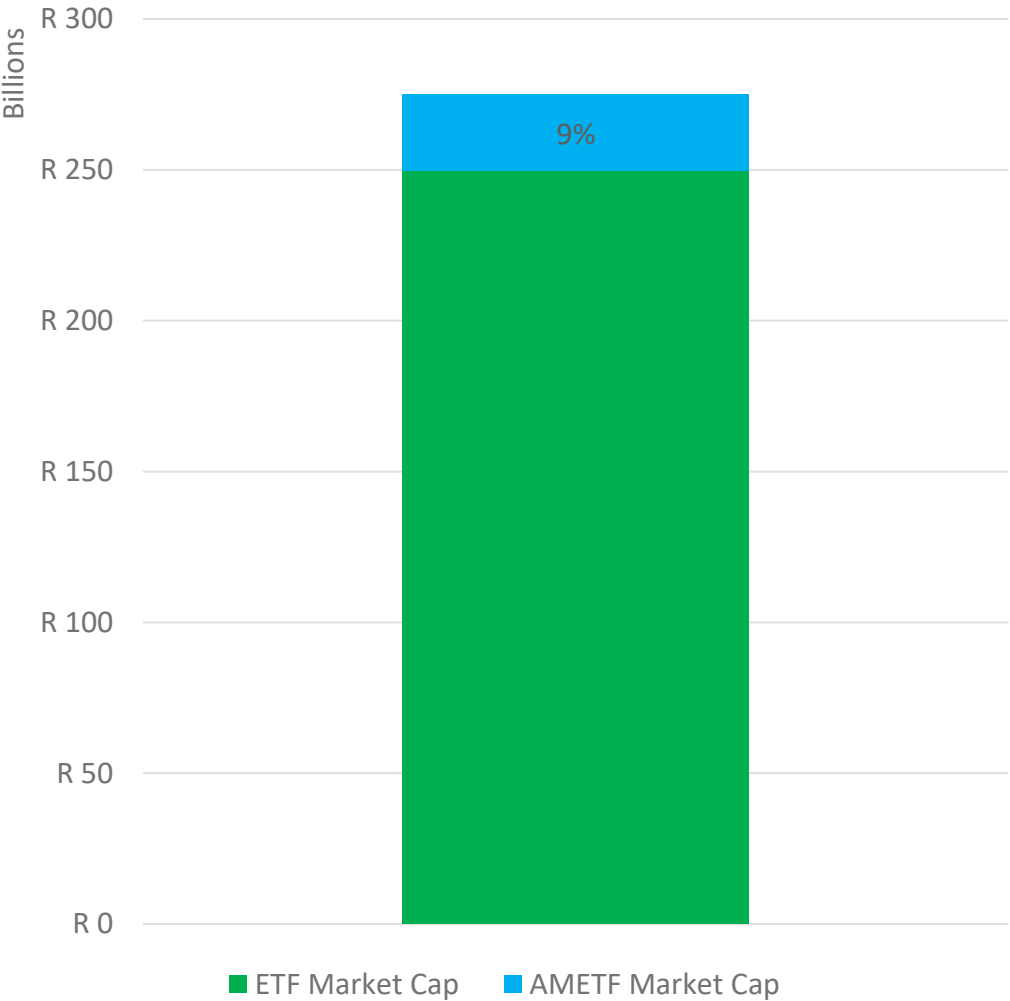
JSE ETF Growth

CAGR (2002–Aug 2026): Market Cap 18.4% • Listings 17.4%



ETFs vs. AMETFs

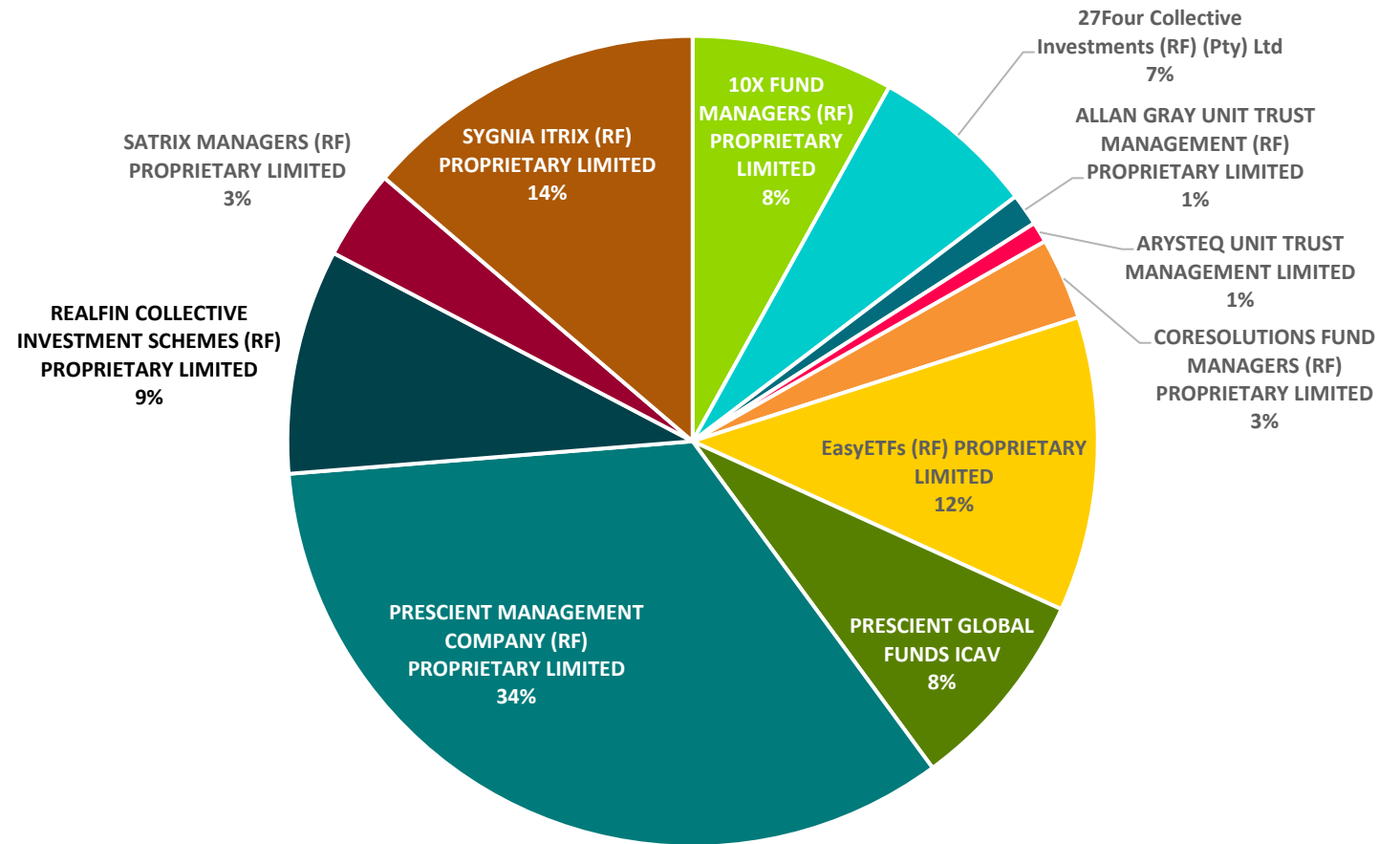
AMETF CAGR (2023–Aug 2026): Market Cap 140.7% • Listings 105.4%



AMETF Market

Largest issuer 33.8% • Top three 59.3% • Top five 76.4%

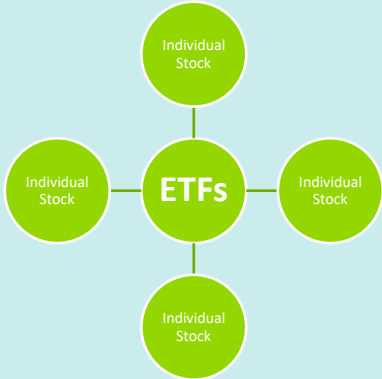
- 10X Fund Managers
- 27Four Collective Investments
- Allan Gray Unit Trust Management
- Arysteq Unit Trust Management
- CoreSolutions Fund Managers
- EasyETFs
- Prescient Management Company
- Prescient Global Funds ICAV
- RealFin Collective Investment Schemes
- Satrix Managers
- Sygnia Itrix



Use of ETFs

Contact ETF Market Maker:
Transact at NAV
STT Exempt

Core Satellite



Generate
Alpha

Building Blocks

Asset Allocation
Diversification

Local and Foreign:
- Equity
- Bonds
- Property
Commodities

Short Sales

Alternative to
derivatives

Pairs Trading

Can
lessen market
risk

Equitize Cash

Reduces
performance
shortfall – cash
drag

Temporary cash
position in ETFs



Efficiencies of ETFs and AMETFs

Real-time market price available. Single security.

Client liability management provided by STRATE

Designated Market Makers

Maker Makers able to transact at NAV

Secondary trading market negating need for daily creations and redemptions

Intraday Net Asset Value (iNAV)

Securities Transfer Tax (STT) exempt



Actively Managed Certificates

Actively Managed Certificates

- An investment product, in the form of a **note**, which offer investors exposure to the performance of a **single portfolio of underlying assets that are discretionarily managed** by a third party in terms of a predetermined strategy;
- Issuer must be:
 - **local bank or bank controlling company** whose capital requirements are regulated by the Prudential Authority, or a **foreign bank or bank holding company**, which is subject to equivalent prudential supervision; or
 - an **insurer or insurer controlling company** as defined in the Insurance Act 2017, as amended; or
 - **local or foreign entity** where the ability to deliver or perform in terms AMC's is covered by a guarantee, issued by a company (mentioned above)

- **Current AMC Issuers**



UBS



Standard Bank

Criteria for AMC

- AMC must reference a **single portfolio** that is actively managed by an independent portfolio manager, based on a specific investment mandate.
- Underlying assets must be **sufficiently liquid** for proper price formation
- Portfolio manager must comply:
 - (a) Cat II discretionary FSP, authorized by the FSCA; or
 - (b) Any foreign manager with the equivalent status.
- Issuer must appoint a **Market Maker/Agent**

Underlying assets

- The following underlying assets are deemed acceptable to the JSE:
 - **securities**, as defined in the FMA, listed on a recognized exchange;
 - **derivatives on listed securities** (excluding derivatives on commodities and currencies). However, the effective exposure of derivatives must be limited to 10% of the total market value of the portfolio and only used for efficient portfolio management purposes;
 - **commodities** of which trading prices are readily and publicly available;
 - **currencies** of which trading prices are readily and publicly available; and
 - **any other asset acceptable to the JSE.**

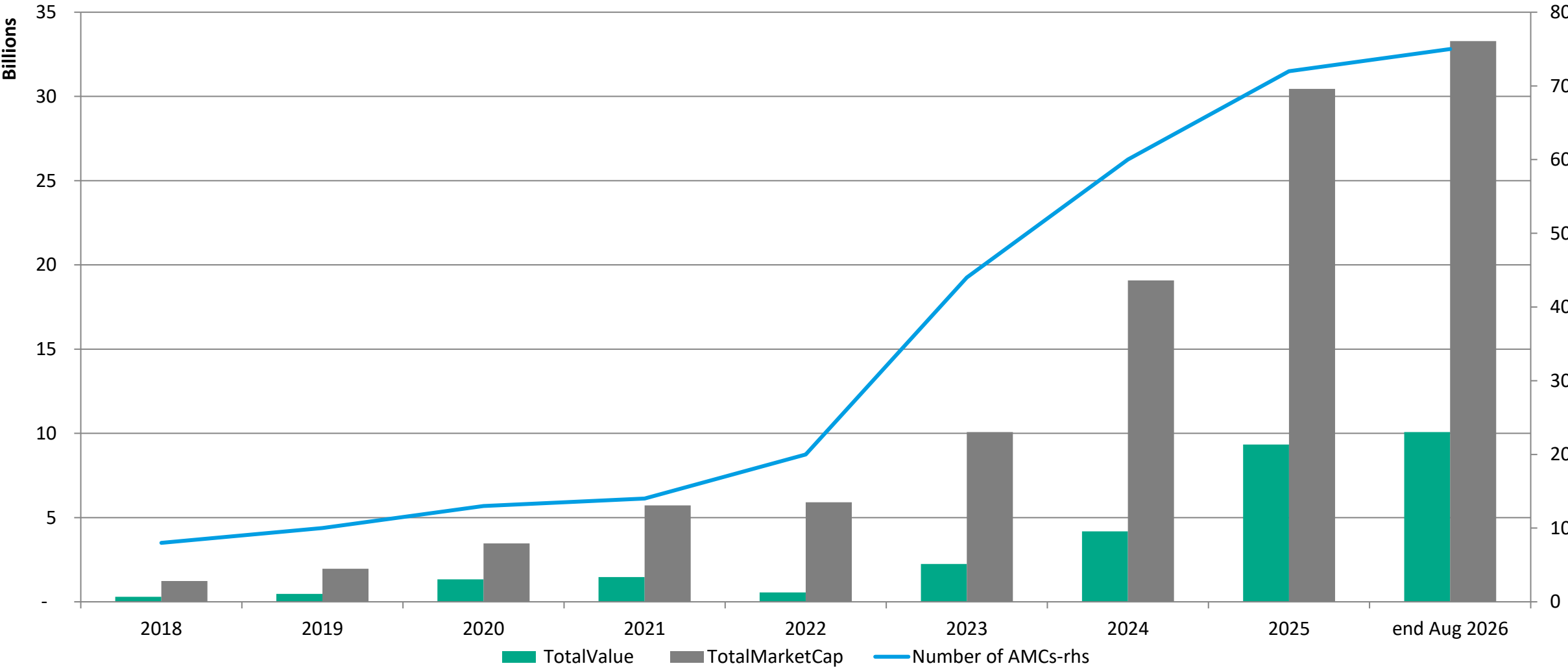
Continuing Obligations

The issuer must publish on its website or any other freely available platform:

- (a) the **intra-day reference portfolio value (iRPV)** or the portfolio composition file or both;
 - (b) the **reference portfolio value (RPV)** of the portfolio after close of business each trading day;
 - (c) the **total cost** of the AMC; and
 - (d) a **monthly factsheet** of the portfolio pursuant to Form K of Schedule 2.
- The prescribed factsheet must be made available on the issuer's website within 30 days of the month end.
 - At the time the factsheet is made available on the issuer's website, the issuer must immediately announce the availability of the factsheet on SENS with a weblink to the issuer's website.

AMC Growth

CAGR (2018–Aug 2026): Market Cap 51.0% • Listings 32.3%





Considerations



ETPs Expand Portfolio Choice

MARKET OPPORTUNITY

320 listed ETPs

R325bn

ETP market capitalisation

As at end Aug 2026

WHAT THE MARKET ENABLES

Passive and active strategies across multiple asset classes, delivered through exchange-traded wrappers.

Efficiency through banking infrastructure (AMC) and ETF/AMETF

PORTFOLIO RELEVANCE

- Core and tactical market exposure
- Active selection in a listed wrapper
- Tradability supported by liquidity providers

GROWTH OPPORTUNITY

- Established local ETF base
- Continued local product growth
- Global actively managed ETP expansion

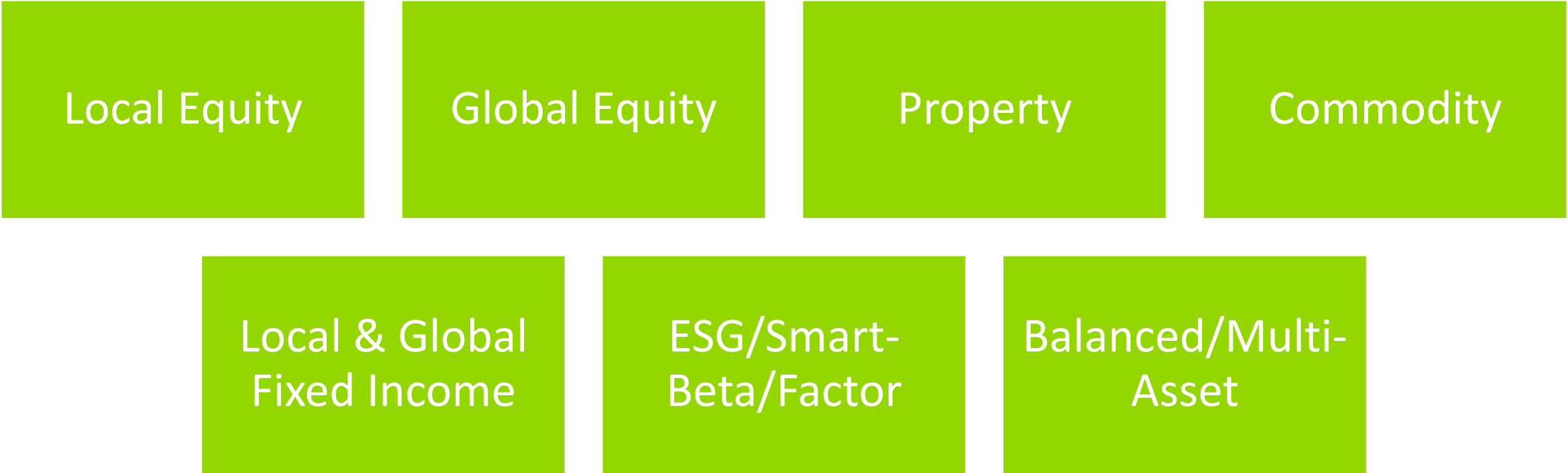
RISKS

- Liquidity and bid–ask spreads
- Tracking or manager risk
- Concentration in products or providers
- Wrapper and structural complexity
- Issuer credit risk for debt products

Allocation decision: TER, underlying assets, concentration, structure



Underlying Assets and Themes





Analysis of Product

1

Objective

What outcome is the product designed to deliver?

2

Exposure

What assets, markets or factors drive the return?

3

Structure

Is it a CIS or a note? Feeder fund or direct replication?

4

Cost

What are the management, product and trading costs?

5

Liquidity

How easily can it be traded and are there liquidity providers?

6

Risk & disclosure

What could cause a loss, is there credit risk, and how often is information published?



ETPs Compared

Product	Legal structure	Cost lens	Liquidity	Disclosure	Valuation	Credit exposure
ETF	CIS or SPV; passive index mandate TFSA Compliant	TER + transaction costs + trading spread	Market-maker quotes; capacity follows the underlying market	Portfolio, NAV, MDD and index-rule disclosures	NAV and Closing Price Methodology	No issuer credit at wrapper level; underlying exposures remain
AMETF	CIS; active investment mandate TFSA Compliant	Total cost ratio + trading spread	Market maker/agent; underlying holdings can constrain	NAV/iNAV; holdings at the permitted disclosure frequency	NAV/iNAV and Closing Price Methodology	No issuer credit at wrapper level; underlying exposures remain
AMC	Debt referencing one portfolio; active investment mandate	Total cost + spread; strategy fees may apply	Market Maker/Agent	Portfolio, RPV/iRPV, costs and factsheet disclosures	RPV/iRPV and Closing Price Methodology	Direct issuer-credit exposure



Key Takeaways

Three points to remember

01

MATCH THE PRODUCT TO THE GOAL

Choose the right product for the job.

Use ETFs for broad market exposure, AMETFs or AMCs for active management, and ETNs for specific markets/assets that are harder to reach.

02

LOOK AT ALL COSTS

The fee is only part of the cost.

Also compare trading spreads, turnover, tracking difference, premiums or discounts, liquidity and concentration.

03

CHECK THE RISKS

Know how the product works.

A CIS and a note carry different risks. Check issuer risk, maturity, disclosure and how easily you can sell.



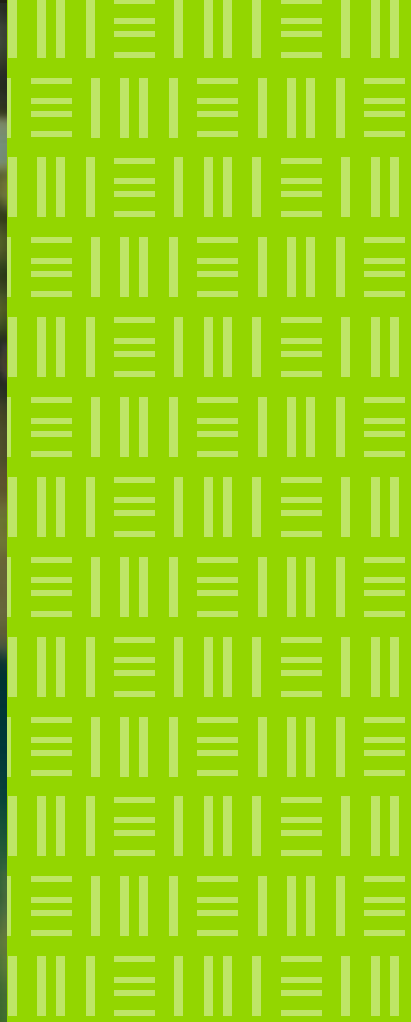
Thank you

Adele Hattingh

adeleh@jse.co.za

JSE

let's connect



Q&A