
Amendment Schedule

Section 19 – Specialist Securities

19. 119...[**Actively Managed Certificates**]

[The following additional paragraphs will be inserted, following from the last paragraph in Section 19 relating to Actively Managed Certificates]

Actively managed exchange traded funds

In these Listings Requirements pertaining to actively managed exchange traded funds, unless the contrary intention appears, the following terms shall have the meanings assigned to them below:

“agent” means an agent appointed by the issuer to provide bids and offers on behalf of the issuer in the market based only on the iNAV;

“AMETF” or “fund” means a fully funded (unleveraged), fund listed on the JSE which offers exposure to a single portfolio of underlying assets or securities which are discretionarily managed in terms of a pre-determined strategy;

“AMETF unit” is a participatory interest in the AMETF or the equivalent security referencing the portion of ownership in the AMETF;

“CISCA” means the Collective Investment Schemes Control Act, 2002 (as amended or replaced from time to time);

“fund composition file” means, in relation to the AMETF, the complete details of the investment holdings in the AMETF;

“FSCA” means the Financial Sector Conduct Authority;

“NAV” means the net asset value – total assets minus total liabilities;

“iNAV” means the prevailing intra-day NAV published by an iNAV provider throughout the trading day based on the previous day portfolio; and

“iNAV provider” means an entity, independent of the issuer, its directors, senior management and advisors, who has been appointed by the issuer to calculate the iNAV.

19.120 This section sets out the provisions for the listing of AMETF. The provisions of paragraphs 19.1 to 19.9, 19.11 to 19.27 above apply to AMETF in addition to the requirements set out in paragraphs 19.121 to 19.138 below.

General

19.121 The following must be included in the name of AMETF, in order to distinguish the securities from other exchange traded funds listed on the JSE:

- (a) Short name: "AMETF"; and
- (b) Long name: "Actively Managed ETF".

Criteria for actively managed exchange traded funds

19.122 AMETF must invest in assets or securities as referred to in paragraph 19.125 below:

19.123 The management company of AMETF must evidence to the JSE that it has the relevant expertise to issue securities or has access to such expertise.

19.124 AMETF must be registered as a Collective Investment Scheme under CISCA, or approved under Section 65 of CISCA (in the case of a collective investment scheme registered under foreign legislation) , and must obtain approval from the FSCA before formal application for listing is made.

19.125 The underlying assets or securities of the AMETF must comply with the requirements as determined by the FSCA from time to time. These assets or securities must be sufficiently liquid for robust pricing.

19.126 The issuer must adhere to the liquidity requirements pursuant to paragraph 19.137.

Placing documents

19.127 In addition to the disclosure requirements set out in paragraph 19.13 above, an issuer must include the following in a placing document:

- (a) a statement to the effect that investors must seek their own independent tax advice;
- (b) details of all parties involved in the AMETF structure and the cost ratio applicable to the AMETF;

- (c) the investment mandate applicable to the AMETF, under the terms and conditions section of the placing document;
- (d) in relation to the investment mandate, the following additional details must be disclosed:
 - (i) the investment universe of eligible securities;
 - (ii) the investment strategy;
 - (ii) applicable benchmark for the performance of the AMETF; and
 - (iii) the investment theme and applicable sectors that the AMETF will invest in;
- (e) in the event that the issuer makes any changes to the placing document or pricing supplement that affect the terms and conditions of AMETF, other than changes which are of a formal, minor or technical nature or are made to correct a manifest error or to comply with mandatory provisions of the law, the issuer must obtain the following approval from AMETF unitholders:
 - (i) if the AMETF is a Collective Investment Scheme, the ballot process as described in the scheme's trust deed and regulated by the Financial Sector Conduct Authority must be followed;
 - (ii) if the AMETF is an entity approved under Section 65 of CISCA (in the case of a collective investment scheme registered under foreign legislation), the process as described in the entity's local legislation;
- (f) the procedures for AMETF unitholders to exercise their votes in terms of paragraph 19.127 (e) to ensure that they are enabled to exercise their vote and for the issuer to release announcements and distribute circulars in terms of the Listings Requirements;
- (g) the source for commodity and currency pricing, if applicable. If the source changes, an announcement must be made on SENS within 24 hours;
- (h) the formula used to calculate the NAV and iNAV, if applicable, of the AMETF unit.
- (i) details on how the liquidity requirements pursuant to paragraph 19.137 will be achieved and a statement that the issuer will issue a SENS announcement when the issuer changes the liquidity provision;
- (j) the location on the issuer's website of the following information:
 - (i) NAV of the fund;
 - (ii) iNAV or daily fund composition file or both;

- (iii) the details of the constituents of the creation and/or redemption basket; and
 - (iv) if the daily fund composition file is not published, the monthly fact sheet and the quarterly fund composition file.
- (k) if iNAV is provided -
- (i) a statement confirming that the issuer has appointed an iNAV provider pursuant to paragraph 19. 137 and the iNAV provider has the required experience in providing an iNAV, having regard for the following:
 - (a) the iNAV provider has sufficient staff with considerable relevant experience. Experience could include the calculation of iNAV, in-house benchmarks, indices or having worked with or been employed by an acceptable iNAV provider for a considerable period; and
 - (b) in relation to effective continuity on the calculation of iNAV, the iNAV provider has arrangements in place to ensure that a sufficient number of experienced staff are available to properly discharge the iNAV provider's responsibilities at all times;
 - (ii) a statement that the iNAV provider has a robust iNAV calculation system in place having regard for the following principles in considering whether the system is acceptable:
 - (a) a process must be in place to prevent manipulation of the iNAV calculation system;
 - (b) the iNAV provider must have full disaster recovery for the calculation system and the recovery process must be tested at least twice a year;
 - (c) the technology being used must ensure continuity with proper automation and data feeds;
 - (d) data in the system must be secured;
 - (e) the system must have audit logging in place; and
 - (f) intraday revisions must be possible;
- (l) if iNAV is published and the daily fund composition file is not published, the conditions under which the publication of iNAV will be halted. This must include disclosure that the publication of the iNAV will be halted if 10% of the listed underlying portfolio's pricing (excluding derivatives pursuant to Section 19.125 is no longer continuously available on an actively traded public market); and
- (m) the basis upon which the AMETF units are redeemable from the fund.

Removal at the request of the issuer

19.128 An AMETF issuer may make written application to the JSE for the removal of the listing of its AMETF units from the List stating the time and date from when it wishes the removal of listing to be effective. The JSE may grant the request for removal, provided that the following procedures have been applied:

- (a) the assets or securities underlying the AMETF have been liquidated for the benefit of AMETF unitholders;
- (b) an *in-specie pro rata* distribution of the assets or securities underlying the AMETF to AMETF unitholders; or
- (c) the process pursuant to paragraph 19.8.

Continuing obligations

In addition to paragraph 19.20, the issuer needs to comply with the following:

19.129 An AMETF must publish on its website:

- (a) the iNAV, calculated by the iNAV provider, during the day at intervals as determined in Form J of Schedule 2, or the daily fund composition file or both;
- (b) the NAV of the fund and AMETF unit, after close of business each trading day;
- (c) the total expense ratio of the AMETF;
- (d) the accrued reserves distributable to the AMETF unitholders (if applicable);
- (e) if the fund composition file is not published on a daily basis, a monthly fact sheet for the fund pursuant to Form J of Schedule 2. The prescribed fact sheet must be made available within 30 days of the month end. At the time the fact sheet is made available on the issuer's website, the issuer must immediately announce on SENS the availability of the fact sheet on the website including the link to the fact sheet on the website; and
- (f) if the fund composition file is not published on a daily basis, the quarterly fund composition file. This must be published within 30 days after the end of the quarter. The quarter will be determined based on the financial year end of the AMETF.

- 19.130 Publish a statement on SENS including a hyperlink to the location on the issuer's website where all the underlying constituents of the AMETF and their weightings in the fund can be found. This must be published as at every calendar quarter end, within 30 days of the end of the quarter. When this information is published on the website the issuer must announce immediately on SENS and include the hyperlink to the information on the issuer's website.
- 19.131 The issuer must inform the JSE in writing immediately upon receipt of notice or becoming aware that the iNAV provider has halted its service in providing the iNAV. The JSE may suspend the AMETF, pursuant to the provisions of Section 1, on the trading system until the iNAV provider resumes its services.
- 19.132 The issuer must inform the JSE in writing immediately the issuer becomes aware of any data breaches at the iNAV provider with respect to the underlying assets in the fund.
- 19.133 Any distributions made by the AMETF must be announced in accordance with the requirements stipulated in the corporate actions timetable pursuant to Schedule 2 Form L.
- 19.134 The issuer must make an announcement on SENS when the issuer changes the liquidity provision pursuant to paragraph 19.137. This announcement should include the details of the new liquidity provision as well as the effective date.
- 19.135 The issuer must inform the JSE in writing immediately when the issuer becomes aware of any non-compliance with CISCA or any provisions of a collective investment scheme registered under foreign legislation.

Creations and redemptions of existing actively managed exchange traded funds

- 19.136 Issuers may increase or decrease the issue size of existing AMETF units, subject to the submission of an application letter to the JSE detailing the specific terms of the increase or decrease in issue size.

Liquidity provider

- 19.137 The issuer must appoint a market maker or an agent subject to meeting the requirements below. 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.

(a) Appointment of a market maker as principal

The market maker must be appointed pursuant to paragraph 19.11. The market maker must be independent from the AMETF and the iNAV provider. If the market maker is not independent from the AMETF, the JSE will have regard to the criteria set out in paragraph 19.37 in

considering whether to allow the market maker to act as such for the issuer. If the market maker is not in a position to provide liquidity based on the iNAV only, the issuer must publish on the issuer's website the fund composition file on a daily basis.

(b) Appointment of agent

The issuer may only appoint an agent where no fund composition file is published on a daily basis. If an issuer elects to publish the fund composition file on a daily basis, then it must immediately appoint a market maker referred to in (a) above

iNAV provider

19.138 The iNAV provider must comply with the following criteria:

- (a) be independent from the issuer and the market maker, their management and directors in terms of the criteria set out in paragraph 19.37;
- (b) be an entity specialising in the calculation of intraday values, with sufficient relevant experience in performing the calculation of iNAV. Such expertise is demonstrated by:
 - (i) being listed as an acceptable index calculator on the JSE website; or
 - (ii) having significant and appropriate previous experience in calculating values of financial instruments.

Form J of Schedule 2

Publication of iRPV or iNAV

The JSE requires that the prevailing intra-day RPV or iNAV must be published by the issuer during the trading day at least at the following intervals:

- 08h30;
- 12h00; and
- 15h30.

Form L of Schedule 2

AMETF Fact Sheet

The fact sheet must, as a minimum, include the following disclosures:

- 1 The issuer must state in the factsheet that the placing document or pricing supplement includes the detail information on the AMETF and investors must ensure that the factsheet is read in conjunction with the placing document or pricing supplement;
- 2 The total number of AMETF units in issue;
- 3 NAV of the AMETF;
- 4 Expense ratio of the AMETF;
- 5 Current bid/offer spread applicable, where an agent is appointed;
- 6 The top 10 holdings of the AMETF;
- 7 Performance of the AMETF;
- 8 Regional disclosure; and
- 9 Contact name and contact details to obtain additional information from the issuer regarding the AMETF.

10 Risk profile of the portfolio.

On the basis that the AMETF is registered as a Collective Investment Scheme under CISCA (or an approved foreign collective investment scheme under S65 of CISCA), the above disclosures can be included in the minimum disclosure document as required under CISCA regulations, without the requirement for a separate Fact Sheet.