

To: Market Participants
From: FTSE/JSE Index Team
Date: 4 November 2023
Subject: FTSE/JSE Index Harmonisation Phase 2 Consultation

1. Executive Summary

The Index Harmonisation project has expedited the natural convergence of the FTSE/JSE Core (Vanilla) indices with the FTSE/JSE Shareholder Weighted (Swix) indices. The first phase of the project was to align the methodologies, adopting the Swix weighting methodology in both index series, which was executed successfully on 18 March 2024. Phase 2 of the project involves decommissioning the Swix indices, which each now have a vanilla counterpart with identical weightings. FTSE/JSE intends to formally announce the decommissioning date during December 2024 and is proposing a final termination date of 31 December 2025. This consultation aims to obtain additional information from index subscribers regarding any follow up concerns around the termination process or proposed date.

In line with the intention to streamline indices and the data provision for index constituent and index valuations data, FTSE/JSE further intends to terminate the legacy FTSE/JSE SA Listed Property Index (SAPY/J253) and the FTSE/JSE Capped Property Index (PCAP/J254). The designated benchmarks in the listed property sector are the FTSE/JSE All Property Index (ALPI/J803) and the FTSE/JSE Tradable Property Index (PROP/J800).

2. Proposal for Consultation

FTSE/JSE proposes the termination of all legacy Swix indices together with their associated data products and licensing arrangements with effect from start of business on 2 January 2026. Intraday prices and end of day data products will be published up to and including 31 December 2025.

FTSE/JSE further proposes the termination of the legacy SAPY and PCAP indices on the same dates.

The full set of indices impacted by this consultation are included in the Appendix A.

FTSE/JSE intends to provide a full year's notice for this termination, with a final binding termination notice to be published during December 2024.

There will be no changes to the index codes and index names of the vanilla indices, such as the ALSI, FTSE/JSE Top 40 Index (TOPI/J200), etc. Index users who make use of the SWIX indices, such as the FTSE/JSE Shareholder Weighted Top 40 Index (DTOP/J400) will be required to switch into the vanilla equivalent index on the effective date, which is the J200 in this example.

3. Responding to the Consultation

FTSE/JSE requests that respondents furnish the following information when responding to the consultation:

1. Name of responding organisation.
2. List of FTSE/JSE indices earmarked for termination and how they are used by the organisation:

Underlying FTSE/JSE Index	Type of Usage (Allocation Mandate, Performance Benchmark, Tracking Fund, Financial Contract or other)	Reference Value Total aggregate value of assets or contracts that reference the index
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3. Detail any impacts the proposed timelines would have on your operations together with an estimate of the associated costs.
4. In the event that your organisation is not able to align with the proposed timelines, provide details on the underlying reasons and proposed mitigations

Please provide your feedback to the consultation in writing by 17:00 on Monday, 25 November 2024 to indices@jse.co.za

FTSE/JSE would also like to meet with market participants to discuss any further comments, suggestions or concerns. Please contact us at the email address provided above, should you wish to arrange a meeting in this regard.

This document is not confidential and should be distributed as widely as possible to all stakeholders.

Appendix A: List of indices to be decommissioned by December 2025

Index code	Index
J253	SA Listed Property
J254	Capped Property
J400	Shareholder Weighted Top 40
J403	Shareholder Weighted All Share
J430	Capped Shareholder Weighted Top 40 Index
J433	Capped Shareholder Weighted All Share Index
JN43	Shareholder Weighted All Share Net TRI
JN430	Capped Shareholder Weighted Top 40 Net TRI
JN433	Capped Shareholder Weighted All Share Net TRI
JNX4	Shareholder Weighted All Top 40 Net TRI
JS20	SWIX Resource 10
JS21	SWIX Industrial 25
JS22	SWIX Financial 15
JS23	SWIX Financial and Industrial 30
JS24	SWIX SA Resources
JS25	SWIX SA Industrials
JS26	SWIX SA Financials
JS27	SWIX SA Financials and Industrials
JW0010	SWIX Technology
JW0015	SWIX Telecommunications
JW0020	SWIX Health Care
JW0030	SWIX Financials
JW0035	SWIX Real Estate
JW0040	SWIX Consumer Discretionary
JW0045	SWIX Consumer Staples
JW0050	SWIX Industrials
JW0055	SWIX Basic Materials
JW0060	SWIX Energy
JW0065	SWIX Utilities
JX1011	SWIX Software and Computer Services
JX1012	SWIX Technology Hardware and Equipment
JX1511	SWIX Telecommunications Equipment
JX1512	SWIX Telecommunications Service Providers
JX2011	SWIX Health Care Providers
JX2012	SWIX Medical Equipment and Services
JX2013	SWIX Pharmaceuticals and Biotechnology
JX3011	SWIX Banks
JX3021	SWIX Finance and Credit Services
JX3022	SWIX Investment Banking and Brokerage Services
JX3023	SWIX Mortgage Real Estate Investment Trusts
JX3024	SWIX Closed End Investments
JX3031	SWIX Life Insurance
JX3032	SWIX Non-life Insurance
JX3511	SWIX Real Estate Investment and Services
JX3512	SWIX Real Estate Investment Trusts
JX4011	SWIX Automobiles and Parts
JX4021	SWIX Consumer Services
JX4022	SWIX Household Goods and Home Construction
JX4023	SWIX Leisure Goods
JX4024	SWIX Personal Goods
JX4031	SWIX Media
JX4041	SWIX Retailers
JX4051	SWIX Travel and Leisure
JX4511	SWIX Beverages

Index code	Index
JX4512	SWIX Food Producers
JX4513	SWIX Tobacco
JX4521	SWIX Personal Care, Drug and Grocery Stores
JX5011	SWIX Construction and Materials
JX5021	SWIX Aerospace and Defense
JX5022	SWIX Electronic and Electrical Equipment
JX5023	SWIX General Industrials
JX5024	SWIX Industrial Engineering
JX5025	SWIX Industrial Support Services
JX5026	SWIX Industrial Transportation
JX5511	SWIX Industrial Materials
JX5512	SWIX Industrial Metals and Mining
JX5513	SWIX Precious Metals and Mining
JX5521	SWIX Chemicals
JX6011	SWIX Oil, Gas and Coal
JX6012	SWIX Alternative Energy
JX6511	SWIX Electricity
JX6512	SWIX Gas, Water and Multi-utilities
JX6513	SWIX Waste and Disposal Services