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BM&FBOVESPA
The New Exchange

MICEX GROUP **RTS** GROUP

BSE
EXPERIENCE THE NEW

HKE **HKE_x**
香港交易所

JSE JOHANNESBURG STOCK EXCHANGE

Your Gateway to leading developing market products

Global investors are increasingly seeking exposure to leading developing markets. This initiative gives you easier access to the BRICS markets through benchmark equity index derivatives, now offered in local currencies on BM&FBOVESPA, MICEX-RTS, the BSE Ltd, Hong Kong Exchanges and Clearing Limited and the Johannesburg Stock Exchange (“the BRICSMART products”).

What is BRICSMART?

The exchanges of the BRICS emerging market bloc have announced a joint initiative to expose investors to products in these dynamic economies. You now have easier access to benchmark equity index derivatives, offered in local currencies on the BRICS exchanges, as the BRICSMART products are cross-listed on the exchanges involved.

BRICSMART is the ideal way for more investors to gain exposure to the BRICS bloc of emerging economies, with its increasing economic power. Investments in these economies are in demand, as the BRICS countries and financial markets are expected to become increasingly relevant in the coming decade.

Apart from cross-listing products, other opportunities will be explored to promote greater development and understanding amongst the respective markets.

Who forms part of the BRICS exchange alliance?

The initiative brings together the BM&FBOVESPA from Brazil, MICEX-RTS Exchange from Russia, the BSE Ltd (formerly known as Bombay Stock Exchange) from India, Hong Kong Exchanges and Clearing Limited (HKEx), as the initial China representative, and the Johannesburg Stock Exchange (JSE) from South Africa.

Background on the BRICS exchanges

BM&FBovespa

About Brazil

The combination of institutional and macroeconomic stability, sustained growth, an expanding domestic market, innovative social policies and income distribution projects a new image of Brazil in the international scene.

These changes and the existence of a modern and robust financial system, as well as the rigorous balancing of public accounts, have made the Brazilian economy one of the most resilient in the world. This balancing, along with controlled inflation and a robust social inclusion programme, drives a new cycle of expansion. This expansion is also underpinned by a comprehensive infrastructure investment plan and a better quality of life and public education.

With an area of 8.5 million square kilometres and a population of over 190 million, Brazil is currently the seventh largest world economy. The fundamentals of the country's economy are sound: inflation within the targets and sustained economic growth.

This nation of continental dimensions, the fifth largest country in the world, is economically stable and predictable. This has enabled

Brazil to earn investment grade status, according to the evaluation of the major international risk rating agencies.

The institutional environment in Brazil ensures safety for investors, who can also count on a modern and efficient financial system.

About the exchange

BM&FBOVESPA S.A. – Securities, Commodities and Futures Exchange was created in 2008 with the integration of the Brazilian Mercantile & Futures Exchange (BM&F) and the São Paulo Stock Exchange (Bovespa). Together, the companies have formed the third largest exchange in the world in terms of market value, the second largest in the Americas, and the leading exchange in Latin America. BM&FBOVESPA offers trading in equities on the cash, options and forward markets, and indices, interest rates, foreign exchange, agricultural and energy commodities on the futures, options, forward and swap markets, as well as other spot market transactions on gold, US Dollar and federal government securities. In order to provide investors with efficient and secure services, BM&FBOVESPA utilizes state-of-the-art technology. With its fully integrated business model BM&FBOVESPA is able to offer not only a sophisticated trading environment, but also registration, clearing, settlement, risk management, and central depository services. It also acts as the central counterparty for all of the transactions carried out in its markets by way of its four clearinghouses: equities, derivatives, securities, and foreign exchange.

About the index

The IBOVESPA Index is the main indicator of the Brazilian stock market's average performance. IBOVESPA's relevance is twofold: it reflects the variation of BM&FBOVESPA's most traded stocks and it has tradition, having maintained the integrity of its historical series without any methodological change since its inception in 1968.

It is the current value, in Brazilian currency, of a theoretical stock portfolio constituted in 1968 (base value: 100 points) by a hypothetical investment. No additional investment has been made since this date, apart from the reinvestment of the distributed benefits (such as dividends, subscription rights and stocks bonuses). In that way, the index reflects not only the variation of the stock prices but also the impact of the distribution of benefits, and is considered an indicator that evaluates the total return of its component stocks.

The BM&FBOVESPA Index is extremely reliable and uses a methodology easily understood by the market. It faithfully represents the average performance of the main traded stocks and the profile of the cash market operations carried out on BM&FBOVESPA.

IBOVESPA's Representativeness

In terms of liquidity

The stocks that integrate IBOVESPA's theoretical portfolio represent more than 80% of the number of trades and the financial value registered on BM&FBOVESPA's cash market (round lot).

In terms of market capitalisation

The issuing companies of the stocks that compose the BM&FBOVESPA Index theoretical portfolio are responsible, on average, for approximately 80% of the sum of all BM&FBOVESPA's companies' capitalisation.

IBOVESPA's reliability comes from its simple calculation methodology and from the availability of its data to the investor public. The market recognises the index's positive characteristics and this recognition is expressed by the fact that IBOVESPA is the only performance indicator of Brazilian stocks that has a liquid futures market (one of the biggest index futures markets in the world).

MICEX-RTS Group

About Russia

The economy of Russia is the ninth largest economy in the world by nominal value and the sixth largest by purchasing power parity. Russia has an abundance of natural gas, oil, coal, and precious metals. Russia has undergone significant changes since the collapse of the Soviet Union, moving from a centrally planned economy to a more market-based and globally integrated economy.

Russian industry is primarily split between globally-competitive commodity producers - in 2011 Russia was the world's largest exporter of natural gas, the second largest exporter of oil, and the third largest exporter of steel and primary aluminum - and other less competitive heavy industries that remain dependent on the Russian domestic market.

In late 2008 and early 2009, Russia experienced the first recession after 10 years of a rising economy, until stable growth resumed in late 2009 and 2010. Despite the deep but brief recession, the economy has not been as seriously affected by the global financial crisis compared to much of Europe, largely because of the integration of short-term macroeconomic policies that helped the economy survive. Russia has had an average annual growth rate since 2000 of over 5%.

Russia has the lowest total debt level among other BRIC countries. For example world average national debt/GDP ratio is around 50%, while in Russia this ratio doesn't exceed 9.5%.

Russia has a strong stock market, which is driven by four main sources: bringing infrastructure and business practices in line with international standards, attraction of foreign investors, development of domestic investor base and privatization of state-owned assets.

About the exchange

The MICEX-RTS Group is the Russian stock and derivatives exchange, which came into existence in December 2011 after the merger of two main Russian exchanges, MICEX and RTS. The new exchange strives to achieve the status of an internationally competitive market through improved market infrastructure efficiency, product diversity and liquidity.

This exchange provides a wide range of opportunities to investors, professional institutions and their Russian and foreign clients for equities, bonds, currencies as well as derivatives trading. The exchange provides a transparent process for determining fair market values of Russian assets, with a full range of trading and post-trading services.

MICEX-RTS offers accessible technology, sound clearing and guarantee functions and flexible operational structures. All innovations and new technologies and services are aimed at bringing reliability and safety to the market.

Trading on the securities market of MICEX-RTS Group is held in three sections: The main market for equities and bonds (settled in RUB), the standard section for most liquid securities (settled in RUB); and the classica section for equities, bonds and fund shares (settled in USD).

FORTS is the exchange's derivatives market. It trades 54 futures and options contracts on equities, bonds, indices, currencies, interest rates and commodities.

MICEX-RTS's market data is accessible worldwide through all major vendor distribution channels.

About the index

MICEX Index is a capital-weighted price index consisting of 30 stocks of the major and rapidly developing Russian issuers from the main sectors of the Russian economy represented on the MICEX-RTS. From 30 September 2011, within the framework of the integration of Russia's two major exchanges, FORTS started trading in a cash-settled futures contract on the MICEX Index.

This contract is the first on-exchange instrument developed and introduced through close collaboration of the specialists of the two exchanges. The launch of derivatives on the main rouble index of the Russian stock market on the basis of the FORTS platform facilitates further qualitative development of the whole derivatives market range of instruments and helps investors to build more effective strategies in the indices and spot segments of the derivatives market. The range of trading strategies involving the MICEX Index futures contract is extremely wide. It includes hedging stock portfolios, speculative trading, arbitrage between the index futures and a basket of shares or futures as well as index arbitrage.

According to the specifications for the futures on the MICEX Index, the contract volume amounts to a value of the MICEX Index multiplied by 100 roubles. The basic size of initial margin sets at 10%. The contract's settlement price is determined on the basis of the average value of the MICEX Index for a period from 15:00 MSK to 16:00 MSK on the last trading day, multiplied by 100 roubles. Contracts' settlement periods are March, June, September and December.

BSE (formerly Bombay Stock Exchange Ltd)

About India

India is one of the fastest growing large economies in the world. Increasing domestic demand, a robust savings rate (one of the highest in the world), growing disposable incomes and skilled labour are among the key domestic drivers.

The technology revolution led by IT and the telecommunication sector, the emergence of the small and medium enterprise (SME) sector, a growing retail presence in Tier-II cities across India and the high level of adaptability of a young working nation propel virtually every industry sector in India today.

India has the right balance of a strong domestic investor and institutional base in the markets. Although there are 19 million depository accounts, over 2,000 brokerage firms, over 65,000 sub-brokers and over 200,000 terminals spread across 1,500 towns, only 3% of the population participates in the equity markets, leaving good headroom for growth.

Regulatory, technology, distribution, innovation (product, processes and technology) and competition issues will have a considerable impact in future.

About the exchange

Established in 1875, BSE is Asia's first exchange and boasts the world's largest number of listed companies (over 5,000). BSE migrated to an online screen-based order-driven trading system in 1995 and demutualised and corporatised in 2007. It continues to transform itself into an integrated transaction processing entity in the financial infrastructure space. BSE's strategic direction is primarily threefold:

- i. Diversification: Different business lines (besides trading systems)
 - Depository services
 - Financial education and certification
 - Clearing: Settlement and Risk Management Systems
 - IT solutions

- ii. Innovation: Product, service and technology
 - Products and services
 - Liquidity enhancement incentive programme in derivatives
 - New indices: BSE TASI Shariah 50, Carbon Index
 - Cross-national alliances for listing of indices
 - Technology
 - Faster, more effective application of technology
 - Mobile trading
 - Mutual fund investment via web
- iii. Inclusive growth
 - Reduced membership fees
 - Points of presence: Better connectivity
 - Intensive investor education
 - SME exchange platform

About the index

The SENSEX, launched in 1986, is India's oldest equity index. It is India's bellwether index that tracks the daily performance of the 30 largest and most actively traded companies in the stock market. The oldest index in the country, it provides time series data over the past two decades. SENSEX is calculated based on the free float market capitalisation method, which is a widely followed index construction methodology on which majority of global equity indices are based. SENSEX is widely reported in both domestic and international markets through the print as well as the electronic media. SENSEX is one of the most prominent brands in India and is regarded as the indicative index for the Indian securities markets worldwide.

Hong Kong Exchanges and Clearing Limited

About China (and Hong Kong)

China is the world's largest developing country and one of the fastest growing economies. Over the past decades, China's reform and open-up campaign has been the major driving force behind its economic development.

The Chinese market has been growing steadily, with institutional infrastructures and investors becoming increasingly sophisticated. China's capital market meets internationally accepted standards in terms of its legal framework, trading rules and regulatory regime.

Hong Kong is a Special Administrative Region of China. Hong Kong's economy is characterised by free trade, low taxation and minimum government intervention. It is the world's 10th largest trading economy, with the Mainland China as its most significant trading partner. Hong Kong is also a major service economy, with particularly strong links to Mainland China and the rest of the Asia-Pacific region.

The recent development of offshore Renminbi business in Hong Kong marks the beginning of a new stage in the promotion and internationalisation of the Chinese currency in offshore markets.

About the exchange

Hong Kong Exchanges and Clearing Limited (HKEx) is the holding company of the operators of the Hong Kong stock and derivatives exchanges and their associated clearing houses. HKEx listed on its own stock exchange on 27 June 2000.

As one of the largest exchanges globally, HKEx offers a deep, efficient, fair and transparent marketplace for investors and issuers from all over the world to capitalise on opportunities in Asia and beyond. In its role as the frontline regulator of the markets, HKEx also regulates listed issuers and administers the listing, trading and clearing rules.

Hong Kong is one of the premier financial centres in the Asian time zone. It is not only part of China, but is also the country's established international financial centre. Bringing together investors and companies from both the East and the West, Hong Kong finished first among the world's exchanges in terms of IPO funds raised in 2009, 2010 and 2011.

About the index

The Hang Seng Index (HSI), created in 1969, is the most widely quoted gauge of the Hong Kong stock market, which includes the largest and most liquid stocks listed on the Main Board of the Stock Exchange of Hong Kong. The Hang Seng China Enterprises Index (HSCEI) is the major index that tracks the performance of China enterprises listed in Hong Kong in the form of H shares, which comprises the largest and most liquid H shares. Stocks of both of the indexes are freefloat-adjusted for investability representation. To avoid single stock domination, 15% and 10% caps are applied to HSI and HSCEI respectively. Hang Seng Indexes Company Limited, a wholly-owned subsidiary of Hang Seng Bank, calculates and manages the Hang Seng Family of Indexes, including the HSI and HSCEI.

Johannesburg Stock Exchange

About South Africa

South Africa is the economic powerhouse of Africa, leading the continent in industrial output and mineral production and generating a large proportion of Africa's electricity. The country has abundant natural resources, well-developed financial, legal, communication, energy and transport sectors and a modern infrastructure supporting the efficient distribution of goods throughout the southern African region.

South Africa has a world-class and progressive legal framework. Legislation governing commerce, labour and maritime issues is particularly well developed, and laws on competition policy, copyright, patents, trademarks and disputes conform to international norms and conventions. The country's financial systems are sophisticated and robust. The banking regulations rank with the best in the world, and the banking sector has long been rated among the top 10 globally.

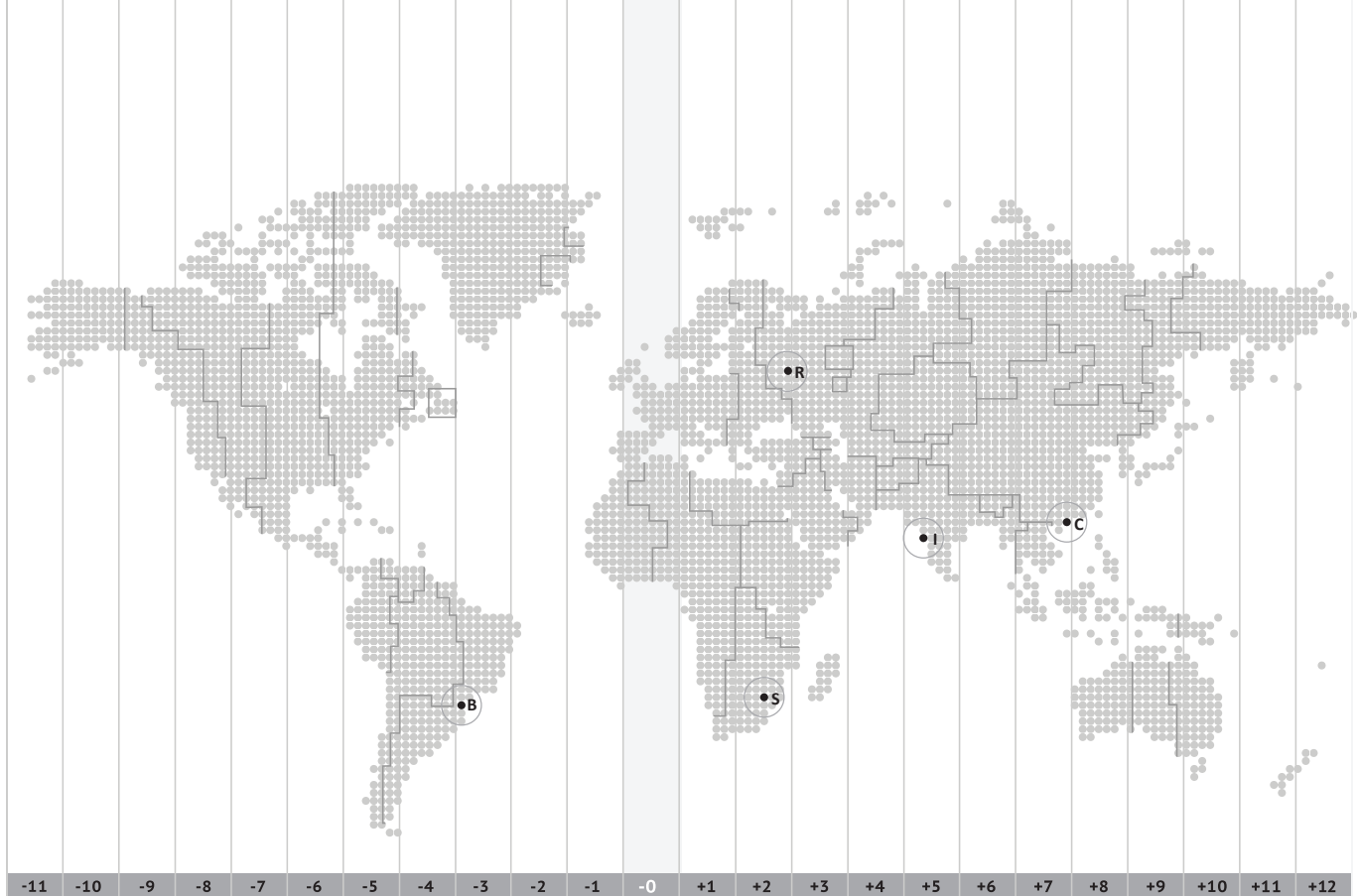
Not only is South Africa itself an important emerging economy, it is also the gateway to other African markets. The country plays a significant role in supplying energy, relief aid, transport, communication and investment on the continent. Its well developed road and rail links provide the platform and infrastructure for ground transportation deep into Africa.

About the Exchange

As South Africa's only securities exchange, the Johannesburg Stock Exchange connects buyers and sellers in equity, equity derivatives, currency derivatives, commodities derivatives and bond and interest rate derivatives markets. The Johannesburg Stock Exchange offers the investor a first world trading environment, with world class technology and surveillance and settlement of securities in an emerging market context. The Johannesburg Stock Exchange is amongst the top 20 largest equities exchanges in terms of market capitalisation in the world.

About the Index

The FTSE/JSE Top40 Index consists of the 40 South African highest ranking companies by full market capitalisation value and is designed to represent the performance of South African companies and provide investors with a comprehensive and complimentary measure of the performance of the major capital and industry segments of the South African market.



TIMES BASED ON 00:00 UTC/GMT



BRAZIL
SÃO PAULO
21:00 (UTC)
Previous Day



RUSSIA
MOSCOW
04:00 (UTC)



INDIA
MUMBAI
05:30 (UTC)



CHINA
HONG KONG
08:00 (UTC)



SOUTH AFRICA
JOHANNESBURG
02:00 (UTC)

