

## 1INVEST SA BOND ETF

("ETFSBOND") (being a portfolio under the STANLIB ETF Collective Investment Scheme registered in the Republic of South Africa in terms of Collective Investment Schemes Control Act, 45 of 2002 ("CISCA"))

Share Code: ETFBND

Abbreviated Name: ETFSBOND

ISIN: ZAE000265625

("ETFSBOND")

## CONSOLIDATION OF PARTICIPATORY INTERESTS IN THE 1INVEST SA BOND ETF

### 1. Introduction

Holders of 1INVEST SA BOND ETF participatory interests ("Security") are advised that the JSE Limited ("JSE") has approved an application by the manager of the STANLIB ETF Collective Investment Scheme ("the Manager") to proceed with a consolidation of Securities in ETFSBOND ("the Consolidation").

In terms of the Consolidation, the Manager will reduce the number of Securities that an investor holds and accordingly increase the value of each Security. The portfolio value of each investor will therefore remain unchanged.

### 2. Effective date

The effective date of the Consolidation is 28 December 2022.

### 3. Rationale for the Consolidation

Effective 01 April 2022, the Manager received regulatory approval to change the distribution policy of the Security from a quarterly deemed distribution to an actual distribution of income.

The change to a distributing Security will see the Security hold income received into the portfolio in cash and distribute a net of cash amount at the end of every quarter. To this effect, the Security will now track the Price Index of its benchmark, instead of the Total Return Index.

This change from Total Return to Price Index has resulted in the price level of the Security being significantly different to the price level of the Index. Although the difference in price levels, the Security is performing in line with the index, however the price levels difference creates a perception that the Security is not performing in line with its benchmark.

To this effect, the Manager will conduct a unit consolidation by reducing the number of units that an investor holds and increasing the value of each unit accordingly of the Security which will align to the S&P South Africa Sovereign Bond 1+ Year Index Price Return index level.

### 4. Implications for the Consolidation

The Security previously tracked, is the S&P South Africa Sovereign Bond 1+ Year Index Total Return, which trades at a level of ~822. The Security trades at 1/10th the index, therefore implying a price per unit of R82. The new benchmark being the S&P South Africa Sovereign Bond 1+ Year Index Price Return, trades at a level of ~97. At a direct reflection of a 1:1 ratio with index, the implied unit price of the Fund will be R97.

The total value of Security holders' investment, will remain unchanged.

Item	Detail
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1. Will investors investment be impacted?	1. There will be no impact as units will be reduced while increasing the price of the security, however the value of investments will remain the same.
2. Will investors be able to compare to independent pricing sources?	2. Yes, the change management will include informing pricing/performance vendors to ensure changes are implemented effectively.
3. Will there be an impact on TCF Outcomes	3. There will be no impact on Invest adherence to TCF Outcomes, however with the alignment between the Fund and the Index, there will be an enhancement in terms of TCF Outcome 5 –“Clients are provided with products that perform as they have been led to expect, and the associated service is both of an acceptable standard and as per expectations set.”

The Consolidation will bring the NAV of each unit in line with the underlying index that it represents.

## 5. Details of the Consolidations

ETFSBOND currently has 1,600,000. It is anticipated that the Consolidation will be performed on a 0.81441:1 basis and as such, the number of Securities issued pursuant to the Consolidations will be reduced to 1,303,056.

## 6. Salient dates pertaining to the Consolidations

	2022
Last date to trade in existing shares on the JSE prior to the Consolidation under the old ISIN ZAE000265625	Tuesday, 27 December
Consolidated Security begins trading under the new reduced Securities in issue under the new ISIN ZAE000316659 with effect from commencement of business	Wednesday, 28 December
Announcement released on SENS in respect of the cash payment applicable to fractional entitlements by 12:00 on	Thursday, 29 December
Record date in respect of the Consolidation	Friday, 30 December
Accounts of dematerialised holders will have their Consolidated Security updated and allocation of fraction payments on	Tuesday, 03 January 2023

In addition to JSE's approval, the Manager has also received approval from the Financial Services Board for the Consolidation.

Johannesburg  
06 December 2022

Sponsor

The Standard Bank of South Africa Limited