

SATRIX COLLECTIVE INVESTMENT SCHEME 2

SATRIX S&P NAMIBIA BOND ETF

JSE Code: STXNAM

NSX code: SXNNAM

ISIN: ZAE000318275

("Satrixnam or Satrixnnam")

A portfolio in the Satrix Collective Investment Scheme in Securities 2, registered as such in terms of the Collective Investment Schemes Control Act, 45 of 2002

NOTIFICATION TO INVESTORS – MANAGEMENT FEE INCREASE

This letter is important and requires your immediate attention.

As part of the ongoing review of our product range, where we consider adding new offerings to our suite, we also weigh up whether our funds are commercially viable to continue offering to investors. Where a fund is deemed commercially unviable, this is generally due to limited demand (insufficient flows into a product), resulting in the product being subscale from assets under management perspective.

In the case of the Satrix S&P Namibia Bond ETF (STXNAM), previously administered by NewFunds MANCO, the situation is a little more complex. While the fund has achieved a reasonable size, the current fee meant it was unlikely to ever be commercially viable. Instead of closing the fund, we believe it is in investors best interests to amend the fee to ensure they have a fund with which to invest in the Namibian bond market.

For comparison the range of Satrix fixed-income ETFs are currently priced as follows:

Fund and Class	JSE Code	Fee
Satrix S&P Namibia Bond ETF	STXNAM	0.10%
Satrix SA Bond ETF	STXGOV	0.25%
Satrix ILBI ETF	STXILB	0.25%
Satrix GOVI ETF	STXGVI	0.32%
Satrix Global Aggregate Bond Feeder ETF	STXGBD	0.40%

From the above table, we see that ETFs with South African Government bond exposures (STXGOV, STXILB, STXGVI) are priced in the range of between 0.25% and 0.32%. SA bonds are liquid and this pricing is both market-related and competitive. Additionally, the Satrix Global Aggregate Bond Feeder ETF is priced at 0.40% signifying the slightly more challenging task of trading bonds that span the wide range of global developed markets. Against this backdrop, it becomes clear that STXNAM (at 0.10%) is not priced at a market-related rate, especially given the challenges involved in trading Namibian bonds. This pricing exercise aims to address and align the fee for STXNAM.

We hereby provide notification that the annual management fee for the Satrix S&P Namibia Bond ETF (STXNAM) will be increasing with effect from **2 September 2024**.

Please find a table below setting out the change. The base fee rate of 0.10% per annum will be increased to 0.30% per annum. The below fees are shown including VAT.

Fund and Class	JSE Code	Current Fee	New Fee	Fee increase
Satrix S&P Namibia Bond ETF	STXNAM	0.10%	0.30%	0.20%

Should you require further information on the proposed change, or should you wish to exercise your right to switch or sell any of your investments, please contact Satrix Managers on 0860 111401, or email us on info@satrix.co.za.

31 May 2024

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