

SATRIX COLLECTIVE INVESTMENT SCHEME
SATRIX NASDAQ 100 FEEDER PORTFOLIO
JSE Code: STXNDQ
ISIN: ZAE000256301
("SATRIXNDQ or STXNDQ")

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

Second Ballot Voting Procedure in respect of proposed Changes in the Investment Policy and Name of the Satrix Nasdaq 100 Feeder Portfolio

This letter is important and requires your immediate attention.

The first ballot which closed on 27 September 2024 was unsuccessful as it did not achieve the minimum number of votes required. This was mainly due to the low response rate. Those votes received in favour far exceeded those rejected the proposed changes. To effect the proposed changes to the portfolio, a second ballot is now required.

The purpose of this letter is to inform you of the proposed changes to the investment policy of the **Satrix Nasdaq 100 Feeder Portfolio** and to provide you with sufficient information to vote on this proposal.

This ballot amending the investment policy and structure is conducted at the request of Satrix Managers (RF) (Pty) Ltd (Satrix) (FSP no 15658).

The reason for the ballot is that Satrix wants to change the structure of the above portfolio from a feeder portfolio to a standard portfolio. This portfolio was launched in April 2018 and has, since inception, held approximately 100% of its assets in the iShares Nasdaq 100 UCITS ETF, which is an Irish-domiciled UCITS (Undertakings for Collective Investment in Transferable Securities).

After much consideration, we have concluded that it would be beneficial to unitholders to convert this feeder portfolio to a standard portfolio. These benefits include:

- The Satrix Nasdaq 100 Feeder Portfolio has achieved sufficient scale (R5.29 billion as at 30 April 2024) to efficiently be able to track underlying securities directly.
- South Africa has a double taxation agreement with the United States of America, which allows a 15% withholding tax on dividends as opposed to the standard 30% withholding tax rate. By holding the US equities directly, the exchange-traded fund (ETF) can take advantage of the lower withholding tax rate, thereby passing on enhanced performance and efficient tracking to clients.

- The bulk of the margin earned with the current feeder ETF is earned and retained in Ireland by the current underlying ETF manager, thereby limiting our ability to price the fund competitively in South Africa where it is distributed. The intention of the restructure is to reduce the total expense ratio of the fund.

The transition of the portfolio from a feeder portfolio to a standard portfolio will involve an in-specie transfer of the assets into the standard portfolio. This will be done over a period of time (in line with settlement cycles in the applicable market) deemed suitable by the investment manager.

The name of the portfolio will change from:

Satrix Nasdaq 100 Feeder Portfolio

to

Satrix Nasdaq 100 ETF

The table below lists the current investment policy, as well as the proposed changes to the new investment policy. The only change is that the feeder fund will change to a standard fund, and will therefore hold underlying securities directly, rather than via a UCITS.

| Current Investment Policy | New Investment Policy | Impact on Investor |
|---|---|--|
| <p>3.1 The investment policy of the Portfolio shall be to track the Nasdaq 100 Index (hereinafter referred to as "the Index") as closely as possible, by investing in iShares Nasdaq 100 UCITS ETF securities.</p> <p>3.2 The portfolio will apart from assets in liquid form, and financial instruments for the exclusive purpose of hedging exchange rate risks - invest in participatory interests of the iShares Nasdaq 100 UCITS ETF (the "Fund") established under the iShares VII Public Limited Company approved by the Central Bank of Ireland in August 2011. The investment objective of the Fund is to deliver the net total return performance of the Benchmark Index (being the Nasdaq 100), less the fees and expenses of the Fund. In order to achieve this investment objective, the investment policy</p> | <p>3.1 The objective of the Satrix Nasdaq 100 ETF is to provide an investment vehicle for investors wishing to track the movement of the Nasdaq 100 Index by investing in securities of global companies which are primarily constituents of the Nasdaq 100 Index.</p> <p>3.2 The portfolio shall seek to achieve this objective by investing as far as is possible and practicable in the constituents of the Nasdaq 100 Index as well as assets in liquid form and financial instruments for efficient portfolio management purposes. The manager intends to use physical tracking techniques such as full replication and, where necessary, portfolio optimisation in order to achieve a similar return to the Index. It is therefore expected</p> | <p>There is no negative impact on the investors within the Satrix Nasdaq 100 Feeder Portfolio as a result of the implementation of the proposed restructure.</p> |

| | | |
|---|---|--|
| <p>of the Fund is to invest in a portfolio of equity securities that as far as possible and practicable consists of the component securities of the Nasdaq 100 Index. The Nasdaq 100 measures the performance of 100 of the largest US and international non-financial stocks listed on the Nasdaq Stock Market which comply with size and liquidity criteria. The Fund intends to replicate the constituents of the Benchmark Index by holding all the securities comprising the Benchmark Index in a similar proportion to their weightings in the Benchmark Index.</p> <p>3.3 The Trustee shall ensure that the investment policy set out in the preceding clauses are adhered to; provided that nothing contained in this clause shall preclude the Manager from varying the proportions of securities in terms of changing economic factors or market conditions or from retaining cash in the portfolio and/or placing cash on deposit.</p> | <p>that at most times the portfolio will hold each and every underlying constituent of the Index in the exact same proportion as their weightings in the Index. However, from time to time the portfolio may not hold all constituents of the Index. The combination of shares will enable the Manager to track the performance of the Nasdaq 100 Index.</p> <p>3.3 The Fund endeavours to replicate the price return performance of the Nasdaq 100 Index in South African Rand (ZAR) (un-hedged). When the Fund is changed it will be holding the securities directly and will therefore distribute any income and dividends less fund expenses.</p> <p>3.4 The Trustee shall ensure that the investment policy set out in the preceding clauses are adhered to; provided that nothing contained in this clause shall preclude the Manager from varying the proportions of securities in terms of changing economic factors or market conditions or from retaining cash in the portfolio and/or placing cash on deposit.</p> | |
|---|---|--|

| Current Fund Name | New Fund Name | Impact on Investor |
|------------------------------------|--------------------------|---|
| Satrix Nasdaq 100 Feeder Portfolio | Satrix Nasdaq 100 ETF | No impact |
| | | |
| Current Fund Benchmark | New Fund Benchmark | Impact on Investor |
| Nasdaq 100 Index | Nasdaq 100 Index | No change to benchmark |
| | | |
| Current TER | New TER | Impact on Investor |
| 48 bps | 42 bps | The restructure will reduce the TER of the fund. |
| | | |
| Distribution Methodology | Distribution Methodology | Impact on Investor |
| Total Return | Distributing | Change in distribution methodology i.e change from total return to distributing provides the investor the option to receive the physical distribution cash or |

| | | |
|--|--|-----------|
| | | reinvest. |
|--|--|-----------|

Action required from investors

1. Please read this circular on the proposed change to the portfolio, your rights as an investor and the impact this will have on your investment.
2. A Ballot Form enclosed, is available to all investors, brokers and CSDPs for completion of the ballot vote.
3. The various Brokers/CSDPs will then submit the ballot responses via email to our external auditors, KPMG, at satrixballotSTXNDQ1@kpmg.co.za on or before **4 December 2024**. Alternatively, the Ballot Form may be emailed directly to KPMG at satrixballotSTXNDQ1@kpmg.co.za by **4 December 2024**.
4. Please do not include any other instructions regarding your holdings with your ballot form, e.g. requests for purchases, switching instructions, etc. Your ballot form will go directly to our auditors and, should such instructions be sent to the auditors, we cannot guarantee that any instruction subsequent to the commencement of the ballot process will be effected.
5. If you are no longer invested in this portfolio, no action is required.

Approval and Commencements

Subject to the ballot voting procedure being successful and approval by the Financial Sector Conduct Authority ("the Authority") of Collective Investment Schemes, the change in the Investment Policy and name of the Portfolio will be effected.

Timelines for the implementation of the amendments on Satrix NASDAQ 100 Feeder Portfolio ballot:

| Date | ACTION |
|-----------------------------|---|
| Tuesday, 22 October 2024 | Receive investor holdings per STRATE Register (as 18 October 2024) |
| Thursday, 24 October 2024 | Release of announcement on JSE SENS |
| Wednesday, 4 December 2024 | Final date of response to ballot letter (30 business days after distribution) |
| Tuesday, 10 December 2024 | Satrix submit audit report to FSCA |
| Wednesday, 18 December 2024 | FSCA approve audit report |
| Tuesday, 24 December 2024 | Results of the ballot announcement on SENS |
| Monday, 6 January 2025 | FSCA approve supplemental deed |
| Monday, 20 January 2025 | Last day to trade in the old name |

| | |
|---------------------------|--|
| Tuesday, 21 January 2025 | Effective date of change in investment policy and portfolio name and commencement of trade under the new name (Satrix Nasdaq 100 ETF) |
| Thursday, 23 January 2025 | Record date |
| Friday, 24 January 2025 | Shareholder accounts at the CSDP's/Broker's updated with the new name |

Notes:

The long name will change.

The short name, ISIN and alpha code will remain the same.

The instrument will retain its historical trading and reference data.

The Effect on You as Investor

The proposed changes to this fund will not change the nature of the underlying strategy. The change will convert the feeder ETF to a standard ETF, and will therefore hold underlying securities directly, rather than via a UCITS ETF.

Effective Date of Change

The effective date of the proposed changes in the investment policy and the name of the portfolio will be **21 January 2025**, provided that the necessary consent is obtained from investors and the Financial Sector Conduct Authority ("FSCA").

Charges, Performance and Unit Pricing

Investors will not be liable for the payment of any additional fees, charges, taxes or brokerage as a result of the investment policy and name change.

Special Distribution

No special distributions will be effected nor applicable.

Your Rights as an Investor

The rights of investors are firmly entrenched in the Act. In terms of Section 98 of CISCA, as read with Clause 59 of the Deed of the Satrix Collective Investment Scheme in Securities, the Registrar of Collective Investment Schemes requires that:

- All investors are notified in writing of any proposed material changes to the collective investment schemes and portfolios in which they hold units.

- All investors are balloted in order for them to vote on the proposed changes.

Please note that, in terms of the Act, the Registrar will not consent to the changes to the portfolio unless satisfied that the changes will not be detrimental to the interests of any investor. Furthermore, investor votes received in the previous ballot does not count towards this ballot and investors are therefore required to vote again.

Due to the re-ballot of the Satrix Nasdaq 100 Feeder Portfolio, there is no required value of investors which must respond, however, those that have responded excluding the manager must respond in writing of which the majority must agree to the amendment.

If you choose not to switch or sell your funds prior to the effective date of the change of investment structure as set out in this letter (if approved by investors), the amended investment policy will automatically apply to your investment.

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 You can also send an email to info@satrix.co.za.

24 October 2024

JSE Sponsor
Vunani Sponsors