

Satrix JSE Global Equity ETF

Initial Public Offering

SATRIX
OWN THE MARKET

The **Satrix JSE Global Equity Exchange Traded Fund** (ETF) tracks the performance of the **FTSE/JSE Global Investor Index**, which is comprised of local equities with a stronger global flavour. The index uses global free floats in weighting constituent indices, thereby offering a rand hedge alternative to local equity indices with a higher proportion of earnings from offshore.

This local ETF will list on the Johannesburg Stock Exchange (JSE) and investors will access it in South African rand.

INITIAL PUBLIC OFFERING (IPO)

By participating in this IPO, you will have the benefit of investing in this ETF at the listing price and pay zero brokerage and trading fees, and no buy-sell (bid-offer) spread applies.

IPO Opens	09h00 on 8 February 2024
IPO Closes	12h00 (midday) on 28 February 2024
JSE Listing Date	12 March 2024
JSE Listing Code	STXJGE
Targeted Annual TER	0.15%
Risk Profile	Aggressive

ABOUT THE INDEX

- The index holds 50 of the largest locally listed companies, with a sector split of 34.9% Resources, 39.3% Industrials ex Technology, 9.2% Technology and 16.7% Financials¹.
- Single stock exposures are capped at 10% and the portfolio is rebalanced quarterly.
- Global free float is used in calculating the market capitalisation of constituents that is used for constituent inclusion and portfolio weighting.
- The index has a significantly higher rand hedge component compared to other broad local equity market indices², thereby providing potential upside should the currency weaken. It also offers a diversified source of revenue from its constituents, with a greater proportion of earnings emanating from offshore markets.

WHY CHOOSE THIS FUND

Over the past few years, local equity indices using the ALSI methodology have seen significantly reduced exposure to inward listed multi-national companies, such as BHP, CFR, GLN, NPN (PRX) and SAB (ANH).

- The index rules meant that corporate actions and restructuring saw their floats considered for local index consideration substantially reduced.
- This has led to the broad local equity indices organically becoming more exposed to local macroeconomic idiosyncrasies (often referred to as SA Inc. factors). For many clients that use or track local equity indices, this has resulted in a more concentrated risk profile and a higher exposure to rand weakness.
- Investors will now be able to blend the Satrix Global Equity ETF with existing equity indices in order to gain index exposure that more closely resembles the ALSI methodology used in the past (where global free floats were used for “Grandfathered” companies³).
- By holding the Satrix Global Equity ETF, investors gain higher offshore earnings exposure and improved rand hedging by design. This can act as a useful ballast to other local equity indices, which down-weight the dual-listed companies.

¹As of 31 January 2024, source: FTSE/JSE.

²We use MSCI's measure of euro, pound, and dollar sensitivity of each constituents' residual returns over a trailing window of 252 trading days.

³“Grandfathered” companies were originally local companies that moved their primary listing offshore prior to 25 October 2011. ALSI indices used the global free float for these companies (e.g., AGL, BHG, CFR) while considering the local float for all the other constituents. The SWIX methodology only considered the free float registered on STRATE.

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INDEX TOP 10 CONSTITUENTS

COMPANY	INDEX WEIGHT	SECTOR
Compagnie Financiere	11.28%	Consumer Discretionary
British American Tobacco Plc	10.09%	Consumer Stables
BHP Group Limited	9.77%	Basic Materials
Glencore Plc	9.21%	Basic Materials
Anheuser-Busch Inbev	8.40%	Consumer Stables
Prosus Nv	5.45%	Technology
Anglo American Plc	5.16%	Basic Materials
Naspers -N	3.73%	Technology
Firststrand	3.20%	Financials
Standard Bank	2.51%	Financials

Source: Satrix | Data: FTSE/JSE 31 January 2024

INDEX PERFORMANCE

The performance of the index in methodologically consistent back-tests, suggests that the strategy performs best compared to other local equity benchmarks during periods where the rand weakens.

Name	Return 12 Months	Std. Dev. 12 Months	Return 36 Months	Std. Dev. 36 Months	Return 60 Months	Std. Dev. 60 Months
FTSE/JSE ALSI	-2.61%	13.92%	10.50%	15.25%	10.61%	17.12%
FTSE/JSE CAPI	-3.12%	14.20%	11.64%	15.19%	10.69%	17.44%
FTSE/JSE Capped SWIX	-2.02%	15.23%	10.49%	14.06%	7.75%	17.32%
FTSE/JSE Global Investor Index	-2.66%	13.16%	12.93%	13.64%	11.26%	16.91%

Source: FTSE/JSE | 31 January 2024

While the past 12 months have seen lower comparative drawdowns and lower realised volatility than both the ALSI and SWIX indices, it has historically been in line with or at times slightly higher than the FTSE/JSE ALSI Index. While its higher weighting to offshore assets may make it more susceptible to currency fluctuations in isolation, investors with high local equity exposure may find the index useful in reducing volatility through blending it with local equity indices. This follows as the differentiated return profile may act as a counter-balance to the rand's impact on returns, which has in the last few years proven to be a very important consideration in portfolio design.

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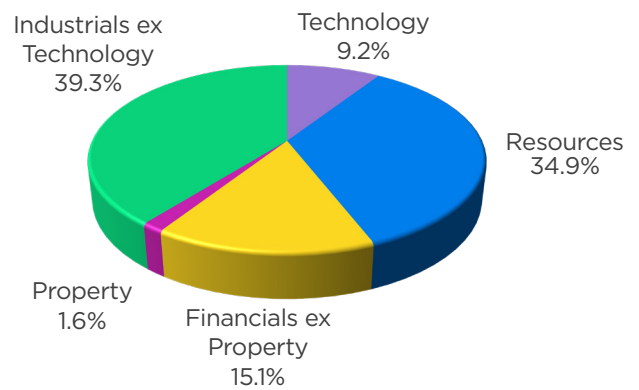


INDEX COMPOSITION

The index invests entirely in local equities, and has a 35% weighting to Resources and 39% to Industrials, excluding NPN and PRX. Compared to the FTSE/JSE ALSI, this means a 6% overweight to Resources and 12% overweight to Industrials ex technology, funded largely from an underweight to financials.

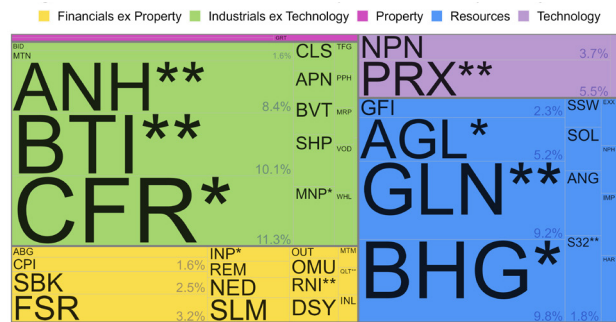
Below we illustrate the constituent holdings differences between the FTSE/JSE All Share Index and the JSE Global Investor Index using a holdings matrix. Note that the Global Investor Index has a higher concentration to the large locally listed multi-national companies, which investors can use to blend with existing benchmark indices to get greater exposure to offshore earnings.

SECTOR EXPOSURE



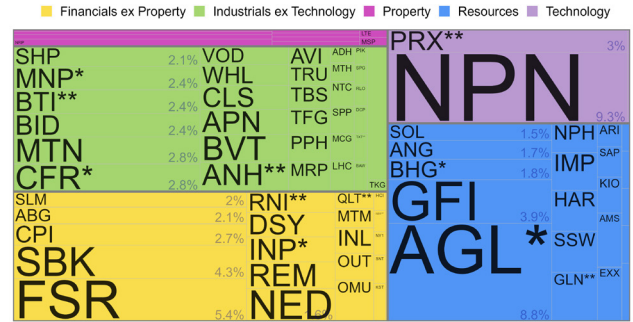
Source: Satrix | Data: JSE | 31 January 2024

Weight Distribution: Global Investor Index | Stock Count: 50 | January 2024



Grandfathers* make up 28.3% of index; other inward-listed** stocks: 36.8%. Total: 65.1%
Source: FTSE/JSE | Calculation: Satrix

Weight Distribution: ALSI | Stock Count: 126 | January 2024



Grandfathers* make up 17% of index; other inward-listed** stocks: 9.9%. Total: 26.9%

HOW TO ACCESS THIS ETF

SatrixNOW platform

Other investment platforms

JSE member stockbrokers

ASSET MANAGER: Satrix Investment Team

MARKET MAKER: Sanlam Private Wealth

FOR MORE INFORMATION: www.satrix.co.za

Satrix Managers (RF) (Pty) Ltd (Satrix) is a registered and approved Manager in Collective Investment Schemes in Securities and an authorised financial services provider in terms of the FAIS. Collective investment schemes are generally medium- to long-term investments. With Unit Trusts and ETFs the investor essentially owns a "proportionate share" (in proportion to the participatory interest held in the fund) of the underlying investments held by the fund. With Unit Trusts, the investor holds participatory units issued by the fund while in the case of an ETF, the participatory interest, while issued by the fund, comprises a listed security traded on the stock exchange. ETFs are index tracking funds, registered as a Collective Investment and can be traded by any stockbroker on the stock exchange or via Investment Plans and online trading platforms. An ETF may incur additional costs due to it being listed on the JSE. Past performance is not necessarily a guide to future performance and the value of investments / units may go up or down. A schedule of fees and charges, and maximum commissions are available on the Minimum Disclosure Document or upon request from the Manager. Collective investments are traded at ruling prices and can engage in borrowing and scrip lending. Should the respective portfolio engage in scrip lending, the utility percentage and related counterparties can be viewed on the ETF Minimum Disclosure Document. The Manager does not provide any guarantee either with respect to the capital or the return of a portfolio. The index, the applicable tracking error and the portfolio performance relative to the index can be viewed on the ETF Minimum Disclosure Document and/ or on the Satrix website. Performance is based on NAV to NAV calculations of the portfolio. Individual performance may differ to that of the portfolio as a result of initial fees, actual investment date, dividend withholding tax and income reinvestment date. The reinvestment of income is calculated based on actual distributed amount and factors such as payment date and reinvestment date must be considered.

