

Satrix

Satrix is the leading provider of index-tracking investment products and exchange traded funds (ETFs) in South Africa, with assets under management of R200 billion* invested in the range of ETFs, index-tracking unit trusts, life pooled, undertakings for collective investment in transferable securities (UCITS) and segregated portfolios that are specifically tailored for client-specific mandates or retail funds. Satrix pioneered index investing in South Africa, launching the flagship Satrix 40 ETF as the first locally listed ETF in November 2000. The business services the institutional, intermediary, and individual investor markets. Satrix has proven expertise in risk management, portfolio analysis and index construction.

Satrix currently has five ETFs dual-listed on the NSX.

Strategy

ETFs offer greater diversity compared to investing in individual stocks, providing instant exposure to a multitude of stocks rather than a handful. They aim to replicate index performance, delivering more predictable returns. The pooled nature of ETFs allows flexible entry and exit at any time. ETFs bring advantages like transparency, simplicity, and low cost compared to active management. Satrix, leveraging innovation and a customer-centric approach, ensures easy access for investors, breaking down barriers and extending investment possibilities to the market.

Products and Services

Exchange traded funds (ETFs) differ from unit trusts in that they can be traded intra-day on a stock exchange, giving investors more control over the price they pay for the underlying assets in the index that they choose to track. An index can be aligned with a variety of investment strategies across a range of asset classes, locally and abroad.

Satrix has five ETFs dual-listed on the NSX:

- Satrix S&P Namibia Bond ETF
- Satrix MSCI Emerging Markets ETF
- Satrix MSCI World ETF
- Satrix Nasdaq 100 ETF
- Satrix S&P 500 ETF

Opportunities

Satrix ETFs present compelling opportunities for investors seeking to enhance their portfolios. By offering exposure to a diverse range of securities beyond NSX-listed companies, these ETFs provide the potential for stable returns, fostering effective portfolio diversification. Investing in Satrix ETFs streamlines the process, as it offers a single security with exposure to a diversified asset portfolio. Furthermore, the presence of Satrix ETFs contributes to the development of capital markets, making them more robust. For local investors, accessing Satrix ETFs through a publicly traded instrument allows for global portfolio diversification, enriching their investment strategies by including exposure to international markets and industries alongside their existing local holdings. This multifaceted approach opens up new avenues for investors to optimise their investment portfolios.

Challenges

Like any investment, ETFs come with inherent risks. Capital risk entails the fluctuation of the investment's value and income over time. Currency risks emerge from the fact that international ETFs are denominated in local currencies, exposing them to the impact of exchange rate movements. Liquidity risk is also a consideration, as low liquidity in ETFs can result in higher trading costs or difficulties in buying or selling them. Managing these risks is crucial for investors navigating the landscape of ETF investments.



Satrix S&P Namibia Bond ETF Representatives



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