

Feeder Fund ETFs and AMETFs

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The JSE has experienced a recent influx in listing applications for feeder funds in the exchange traded funds (“**ETF**”) and actively managed ETF (“**AMETF**”) space. Although the listings of feeder funds are permitted, the requirements do not specifically deal with the disclosure requirements relating to feeder funds. Guidance is therefore provided as to the required disclosure for feeder fund ETFs and AMETFs.

Feeder Fund ETFs

The following additional information should be included in the supplement to the placing document for a feeder fund ETF:

- General information on the underlying fund, being –
 - the name of the fund and collective investment scheme;
 - the benchmark being tracked by the fund;
 - the name of the management company and asset manager;
 - how often fact sheets on the fund are published;
 - how often NAV is calculated and the basis for the NAV calculation; and
 - The weblink where additional information on the fund can be found including, the prospectus/listing documents, fund factsheets and NAV.
- The weblink where the underlying feeder fund’s portfolio constituents are published.
- The costs of both the ETF and the underlying fund.
- The supplement to the placing document must clearly stipulate that the only assets that will be held by the AMETF will be the units in the underlying fund and cash.

Feeder Fund AMETFs

The following additional information should be included in the supplement to the placing document for a feeder fund ETF:

- General information on the underlying fund, being –
 - the name of the fund and collective investment scheme;
 - the investment mandate;
 - the benchmark;
 - the name of the management company and asset manager;
 - how often fact sheets on the fund are published;
 - how often NAV is calculated and the basis for the NAV calculation; and
 - The weblink where additional information on the fund can be found including, the prospectus/listing documents, fund factsheets and NAV.
- The costs of both the AMETF and the underlying fund.
- The iNAV provider must include the cost of both the AMETF and the underlying fund when calculating iNAV.
- The supplement to the placing document must clearly stipulate that the only assets that will

be held by the AMETF will be the units in the underlying fund and cash.

- Confirmation from the Manager of the AMETF that it has received permission to have full access to the underlying assets of the underlying fund.
- The weblink where the underlying feeder fund's portfolio constituents are published, if any.