



SATRIX RESI 20 ETF NOW BECOMES SATRIX RESI 10 ETF

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The JSE recently announced that, as from Tuesday 22nd March 2011, the FTSE/JSE Resources 20 index would be replaced by a Resources 10 index.

The rationale for this action was apparently that 97% of the weighting of the old Resi 20 index was constituted by the top ten resource shares, so the remaining resources companies in the index contributed very little to the weightings and the performance of the index. Also many of the second ten resource index shares were very illiquid, which made it difficult to track this index with a low tracking error.

When the index components change in this manner, the index value remains the same and only the underlying constituents and weightings are adjusted. Accordingly, asset managers who track this index, like the Satrix Resources 20 ETF, shift to the new index, by adjusting their portfolio weightings and by selling off the shares that fall out of this index. The price (NAV) of the Satrix RESI 20 ETF was not affected, but it now becomes the Satrix RESI 10.

The underlying portfolio of the Satrix RESI 10 is now concentrated on the major mining companies on the JSE with better liquidity. The Satrix RESI ETF is an Exchange Traded Fund with a dedicated exposure purely to the resources sector and this change is likely to prove positive for this product.

The new index components and weightings of the FTSE/JSE Resources 10 index and the shares that were dropped from this index are shown in the tables below.

Resources 10 Index Components (as at 22/3/2011)	
Share	% Weighting
BHP Billiton	33,90
Anglo American PLC	27,54
Sasol	13,89
Impala Platinum	7,27
AngloGold Ashanti	7,11
Gold Fields	4,87
Anglo Platinum	3,10
African Rainbow Minerals	1,03
Exxaro Resources	0,95
Lonmin PLC	0,33
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<i>Source: JSE</i>	

Shares dropped from Index
Harmony Ltd
Assore Ltd
Northam Platinum Ltd
Optimum Coal Holdings
Merafe Resources Ltd
Wesizwe Platinum Ltd
Petmin Ltd
Sentula Mining Ltd
DRD Gold Ltd
Simmer & Jack Mines
<i>Source: JSE</i>

For more information or detail please contact the undersigned.

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