

Launch of New ETF on the JSE

Great news on the emerging market front: the Satrix MSCI India Feeder ETF will list on the Johannesburg Stock Exchange at the end of February 2022. This new ETF falls into the category of “Broad Equity Market Access” and seeks to track, as closely as possible, an index that provides broad geographic market exposure to Indian equities. India is one of the world’s largest and fastest growing economies with a stable economic environment. Having access to this ETF provides you with opportunities to gain direct exposure to Emerging Market India.

The details of the new product are as follows:

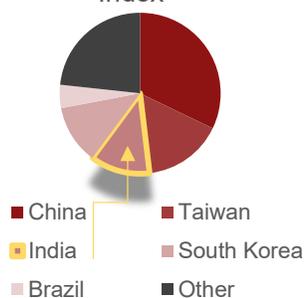
ETF Name	JSE Code	Issuer	Listing Date	ISIN	Geographic Exposure
Satrix MSCI India Feeder ETF	STXNDA	Satrix	24 February 2022	ZAE000306924	Emerging Markets - India

This ETF will be available post-listing on all the etfSA.co.za platforms for tax-free and discretionary investments and will be carefully considered for inclusion in the retirement fund portfolios and wealth management portfolio services offered by etfSA.co.za.

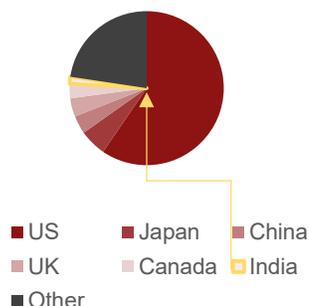
INDEX COMPARISON

Looking at a geographic exposure comparison within the global equity indices below, India remains under-represented. Within the MSCI Emerging Markets (EM) Index, India ranks 3rd with approximately 13% exposure. The country just falls short of the Top 10 ranking with approximately 1% exposure in the MSCI ACWI Index, which is the All-Country World Index that includes both Emerging Market and Developed Market countries. This illustrates the opportunity to gain more exposure to India. Looking at the sectoral exposure, there are different Information Technology subsectors within the Top 10 constituents. The MSCI EM Index and the MSCI ACWI Index have a strong focus towards consumer electronics, computer software, graphic and chip processing units for gaming and mobile computing, as well as semiconductor manufacturing. The MSCI India Net TR Index on the other hand, has more exposure towards business consulting, information technology and outsourcing services. These differing broad subsector exposures within the MSCI India Net TR Index, allows for greater diversification.

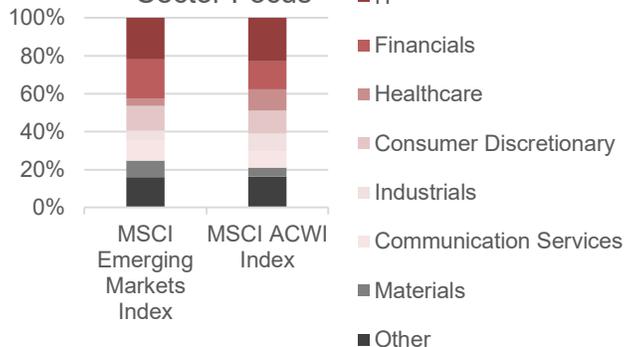
MSCI Emerging Markets Index



MSCI ACWI Index



Sector Focus



Satrix MSCI India Feeder ETF

February 2022

OVERVIEW

The **Satrix MSCI India Feeder ETF** (JSE Code: **STXNDA**) provides broad geographic exposure to India. The underlying feeder fund is the iShares MSCI India UCITS ETF, which tracks the MSCI India NET TR Index using a physical replication strategy. By investing in this product, you are investing into approximately 85% of the Indian stock market through direct investment into large- and mid-cap stocks, with approximately 106 constituents. This ETF is a Total Return ETF, which means that dividends will automatically be reinvested. The targeted TER of this ETF is 0.82%. The underlying iShares ETF has an MSCI ESG (Environmental, Social and Governance) rating of BBB (Average). Investments into this ETF are made in **South African Rands**; however, the underlying investments are in Rupees, which is converted into US Dollars. This means that the performance is exposed to some currency risk (i.e., exchange rate differential).

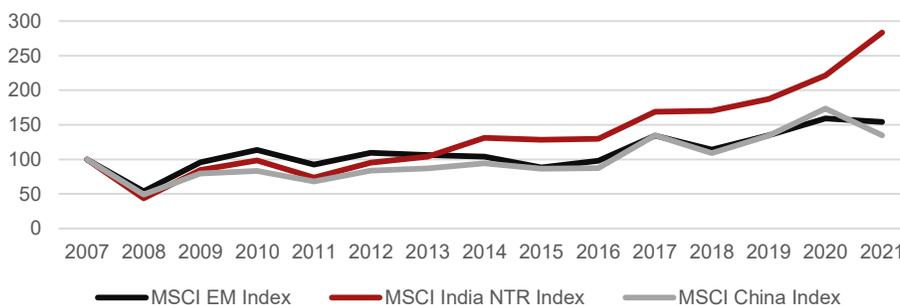
WHY INVEST IN INDIA?

The graph below illustrates Index performance over the last 10 years in USD terms and in Rand terms.

According to the Satrix pre-listing statement, the outlook for India is attractive due to the following reasons:

- India has a fast-growing young and educated population, with an increasing middle class and relatively low wages compared to their emerging market counterparts. Considering these aspects, along with long term structural benefits and committed government reforms, ranks India among the Top 10 improvers in the World Bank's Ease of Doing Business Rankings.
- India is technologically advanced, and the accelerating technology uptake is not yet fully reflected in the stock market. This presents investors with an opportunity for growth.
- India has low wages, a versatile English-speaking population and an established chemical, pharmaceutical and electrical manufacturing base. These factors, among others, enable India to fill the gap of potential over-dependence on China for global multi-nationals.

Cumulative Index Performance - Net Returns (USD)

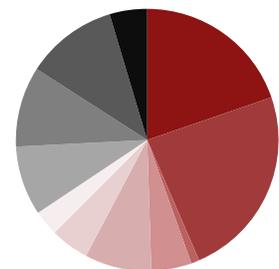


Source: Satrix (MSCI data ,31 January 2022)

*Past performance is not indicative of future performance

SECTOR FOCUS

The chart below shows the composition of the broad geographic exposure, as measured by the MSCI India NET TR Index. The main sector exposure is to Financials (24%), Information Technology (20%), Energy (11%) and Materials (10%)



TOP 10 HOLDINGS

COMPANY		SECTOR	%
	Reliance Industries engages in the production and exploration of petrochemicals, natural gas, retail communications, mass media and textiles	Energy	9.29
	Infosys provides business consulting, information technology and outsourcing services	Information Technology	8.85
	Housing Development Finance Corporation is a non-banking financial services company, primarily engaged in the business of providing finance for housing	Financials	6.11
	ICICI Bank is an Indian multinational bank and financial services company	Financials	5.22
	Tata Consultancy Services provides information technology and consulting services	Information Technology	4.75
	Hindustan Unilever Limited is a consumer goods (food, beverage, personal care, etc.) company, that is a subsidiary of Unilever	Consumer Staples	2.67
	Bajaj Finserv is a non-banking financial services company that is focused on asset management, wealth management, lending and insurance	Financials	2.61
	Bharti Airtel provides information, communication and technology services	Communication Services	2.32
	Axis Bank is banking and financial services company, offering services for personal and corporate banking	Financials	2.12
	HCL Technologies provides information technology and consulting services	Information Technology	1.97

Source: Satrix, iShares, and MSCI

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