

### LAUNCH OF NEW ETF ON THE JSE

The **Satrix Healthcare Innovation Feeder ETF** ( JSE Code: **STXHLT**) is the second Healthcare ETF to list on the JSE. This ETF falls into the category of 'Foreign Thematic' ETFs and will list at the end of May 2022. It seeks to track, as closely as possible, an index that provides broad healthcare exposure. Healthcare innovation as a megatrend, is at the forefront of future growth that is shaping our world. Having access to this ETF provides you with opportunities to gain exposure to companies that are focused on innovation within the global healthcare sector, across Emerging and Developed markets.

### The new product's details is as follows:

ETF Name	JSE Code	Issuer	Listing Date	ISIN	Sector Exposure
Satrix Healthcare Innovation Feeder ETF	STXHLT	Satrix	26 May 2022	ZAE000310496	Healthcare

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 funds portfolios and wealth management portfolio services offered by etfSA.co.za.

### OVERVIEW

The **Satrix Healthcare Innovation Feeder ETF** provides diversified exposure to a wide range of companies that are involved in researching, developing, and manufacturing new medicine and medical devices around the world. The underlying feeder fund is the iShares Healthcare Innovation UCITS ETF, which tracks the STOXX Global Breakthrough Healthcare Index, using a physical optimised strategy. By investing in this product, you are investing into approximately 98% of the Health Care sector through direct investment into small, mid-and large-cap stocks, with approximately 188 constituents. This ETF is a Total Return ETF, which means that dividends will automatically be reinvested. The targeted TER of this ETF is 0.60%. The underlying iShares ETF has an MSCI ESG (Environmental, Social and Governance) rating of A (Average). Investments into this ETF are made in **South African Rands**; however, the underlying investments are in US Dollars. This means that the performance is exposed to some currency risk (i.e., exchange rate differential). This ETF is suitable for investors with a long-term view and the risk profile is high.

### WHY INVEST IN HEALTHCARE?

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

- Provides diversified exposure by investing across sectors and geographies in companies that are set to benefit from longer-term global structural changes; such as an aging population, change in demographics, transforming economic changes and technological breakthrough. This means that human life expectancy has generally increased, so people tend to live longer and spend more on staying healthy, which could lead to above-average earnings growth
- Healthcare is non-cyclical, which means that it is minimally dependent on business cycles. This, coupled with a broader healthcare exposure, allows for greater diversification and a longer-term view
- The exponential rate of technological innovation and disruption provides an opportunity for above-average earnings growth potential
- Has the added benefit of being additionally screened to meet the minimum ESG criteria

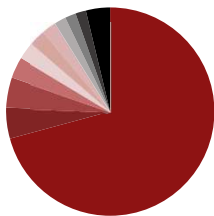
## Satrix Healthcare Innovation Feeder ETF

May 2022

### INDEX COMPARISON

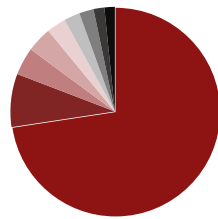
The indices that the two local healthcare ETFs track, look quite different. The Satrix Healthcare Innovation Feeder ETF (STXHLT) seeks to track the STOXX Global Breakthrough Healthcare Index; and the Sygnia Itrix Solactive Healthcare (SYGH) ETF seeks to track the Solactive Developed Markets Healthcare 150 Index. Looking at the geographic exposure, we see that while the STOXX Global Breakthrough Healthcare Index is dominated in the US, it has a broader geographic coverage with the inclusion of both Developed Market countries and Emerging Market countries, offering increased diversification. This is in comparison to the Solactive Developed Markets Healthcare 150 Index, which is also largely dominated by the US, but has a focused Developed Market country exposure. While the two Indices offer thematic exposure to the Health Care sector, their strategies differ. The STOXX Global Breakthrough Healthcare Index has a larger exposure to Biotechnology (approximately 38%), Life Science Tools & Services (approximately 24%), and Health Care Equipment & Supplies (approximately 17%); illustrating the index strategy towards healthcare innovation and disruption. The Solactive Developed Markets Healthcare 150 Index, on the other hand, has more of a traditional view, with a focus towards Pharmaceuticals (approximately 43%), Health Care Equipment & Supplies (approximately 18%), and Health Care Providers & Services (approximately 17%). While there is some overlap between the two indices, their niche strategies differ, allowing for diversification. The graph of the annualised Index Performance as shown below, includes the MSCI ACWI Health Care Index (USD), for a comparative view, which also provides exposure to both Developed Markets and Emerging Markets.

STOXX Global Breakthrough Healthcare Index



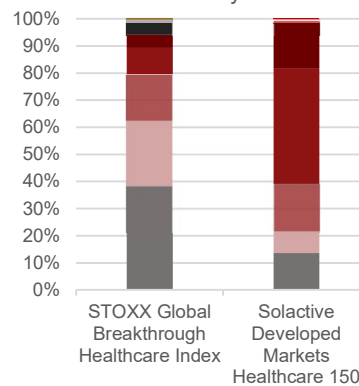
■ US  
 ■ Switzerland  
 ■ Germany  
 ■ France  
 ■ China  
 ■ South Korea  
 ■ Belgium  
 ■ Japan  
 ■ Denmark  
 ■ Sweden

Solactive Developed Markets Healthcare 150



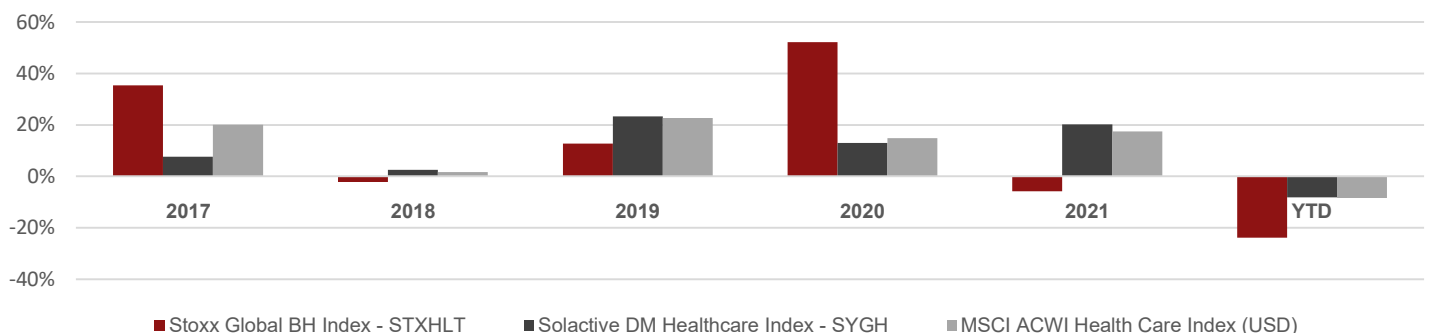
■ US  
 ■ Switzerland  
 ■ UK  
 ■ Japan  
 ■ Denmark  
 ■ Germany  
 ■ Australia  
 ■ Other

Industry focus



■ Chemicals  
 ■ Food & Staples Retailing  
 ■ Textiles, Apparel & Luxury Goods  
 ■ Cash and/or Derivatives  
 ■ IT Services  
 ■ Health Care Technology  
 ■ Health Care Providers & Services  
 ■ Pharmaceuticals  
 ■ Health Care Equipment & Supplies  
 ■ Life Science Tools & Services  
 ■ Biotechnology

Annualised Index Performance - Net Returns



Source: STOXX, Solactive, and MSCI, as at 29 April 2022

\*Past performance is not indicative of future performance

### TOP 10 HOLDINGS

COMPANY		SUB SECTOR	%
 <b>abbvie</b>	AbbVie is an American biopharmaceutical company with exposure to immunology and oncology	<b>Biotechnology</b>	<b>1.61%</b>
 <b>Dexcom</b>	Dexcom designs is an American company that manufactures and distributes Continuous Glucose Monitoring (CGM) systems for diabetics	<b>Healthcare Equipment</b>	<b>1.48%</b>
 <b>Thermo SCIENTIFIC</b>	Thermo Fisher Scientific is an American company that sells laboratory equipment, diagnostic consumables, scientific instruments and life science reagents	<b>Life Sciences Tools &amp; Service</b>	<b>1.46%</b>
 <b>HOLOGIC</b> The Science of Sure	Hologic is an American medical technology company that manufactures products focused on women's health. The company sells medical devices for diagnostics, medical imaging and surgery	<b>Healthcare Equipment</b>	<b>1.42%</b>
 <b>ucb</b>	UCB is a Belgium biopharmaceutical company that primarily focuses on research & development for the treatment of central nervous system and immunologic disease	<b>Pharmaceuticals</b>	<b>1.39%</b>
 <b>Edwards Lifesciences</b>	Edwards Lifesciences Corp. is an American medical technology company that designs, manufactures and sells a range of medical devices & equipment for advanced heart diseases	<b>Healthcare Equipment</b>	<b>1.36%</b>
 <b>Cerner</b>	Cerner Corp is an American company that is a supplier of health information technology services, hardware and devices	<b>Healthcare Equipment</b>	<b>1.33%</b>
 <b>biohaven</b> pharmaceuticals	Biohaven Pharmaceutical is an American clinical-stage biopharmaceutical company that specialises in advanced neurological diseases, including rare disorders	<b>Biotechnology</b>	<b>1.32%</b>
 <b>ABIOMED</b>	Abiomed Inc is an American company that develops and manufactures external and implantable circulatory-support devices	<b>Healthcare Equipment</b>	<b>1.28%</b>
 <b>Bristol Myers Squibb</b>	Bristol Myers Squibb is an American company that researches, develops and sells medication for therapeutic areas, such as cardiovascular, oncology and immune disorders	<b>Pharmaceuticals</b>	<b>1.25%</b>

Source: Satrix, iShares, and STOXX

## Disclaimer

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