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## NEW SATRIX MSCI CHINA ETF

Satrix Managers have announced the listing of a new product on the JSE, the Satrix MSCI China ETF. An IPO process commenced on Wednesday 1 July 2020. The IPO will close on Wednesday 15 July 2020 and the ETF securities are expected to be listed on the JSE on Wednesday 22 July 2020.

The Morgan Stanley Composite Index (MSCI) China, represents exposure to approximately 85% of the Chinese stock market, by investing directly into large and mid-cap Chinese stocks. Altogether, 704 separate companies are included in this index, with the major sectors being: Consumer Discretionary (28,8%); Communication Services (22,07%); and Financials (17,9%).

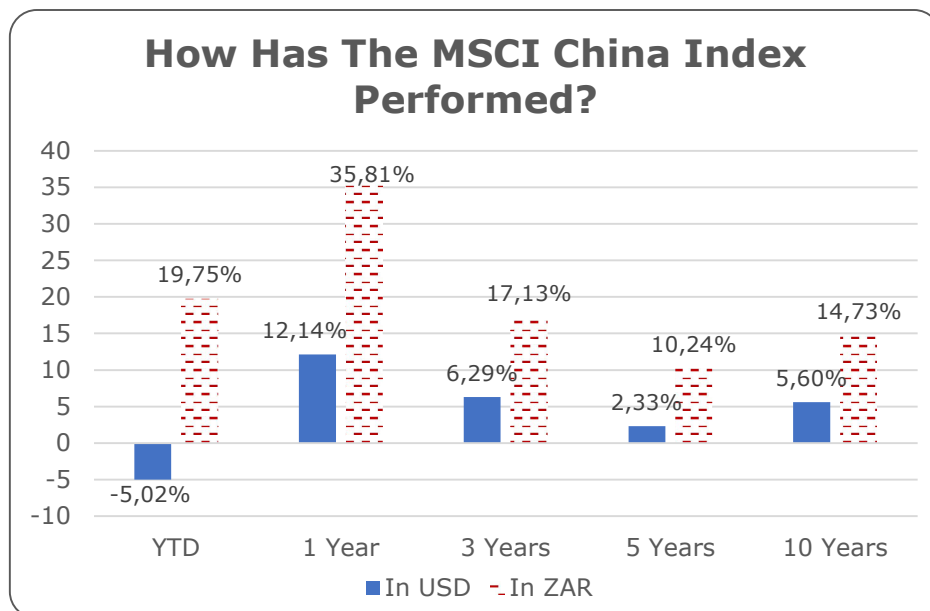
The Satrix MSCI China ETF exactly replicates this China index through the use of an ETF feeder portfolio. The JSE code is STXCHN and the abbreviated name SATRIXCHN. The Satrix MSCI China ETF is expected to have an annual Total Expense Ratio (TER) of 0,63%.

The Top Ten holdings in this product are:

Company	Index Weight	Sector
Alibaba Group Holdings Adr	17,59%	Consumer Discretionary
TenCent Holdings LI (CN)	14,81%	Communication Services
China Construction BK H	3,69%	Financials
Ping AN Insurance H	2,69%	Financials
China Mobile	2,09%	Communication Services
ICBC H	2,05%	Financials
JD Com Adr	1,96%	Consumer Discretionary
Baidu ADR	1,43%	Communication Services
Bank of China H	1,42%	Financials
NetEase Com Adr	1,33%	Communication Services
<b>Total</b>	<b>49,04%</b>	
<i>Source: MSCI data (31 May 2020).</i>		

The high weighting to Alibaba and TenCent is of pertinence because of the good investment performance of these two companies, in the period leading up to and during the COVID-19 virus crisis.

The Graph alongside shows that this China exposure has provided good returns (particularly in rands) over the period 1 to 10 years.



The Satrix MSCI China ETF is a good addition to the range of ETF products available on the JSE. It provides exposure to the world's second largest economy, fastest growing stock exchange and to a variety of companies not available elsewhere. As such, the China ETF is a product that will diversify your holdings and hopefully generate good investment returns well into the future.

There is limited reason to participate in the IPO process as you need to pay upfront and do not know at what price you will be allocated ETF securities until the day of the listing. In the circumstances, it makes sense to wait until the product is listed and readily available on the JSE from 22 July 2020.

You can purchase this ETF through the following vehicles offered by etfSA.co.za:

- The new online digital investment platform, The Investor Hub ([http://www.etfsa.co.za/investor\\_hub.htm](http://www.etfsa.co.za/investor_hub.htm))
- Your existing Tax Free account or, if you do not have a Tax Free account with us, you can open a new tax free account for this purpose.
- We will look to include the Satrix MSCI China ETF in the managed products we provide, including Retirement Funds, Tax Free portfolios, Managed Investment Portfolios, etc.

Should you have any queries on this exciting new product, please contact us on [info@etfsa.co.za](mailto:info@etfsa.co.za) or on 010-446-0371.

Kind regards  
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