

Satrix lists ETF that bets on healthcare innovation

South African investors who are looking to capitalise on companies that push the boundaries in healthcare and medical innovation may find the upcoming Satrix Healthcare Innovation Feeder Exchange Traded Fund (STXHLT) appealing.



Source: iStock

This is after shares of the ETF made a debut on the Johannesburg Stock Exchange (JSE), giving investors exposure to healthcare innovation-focused companies operating across developed and emerging markets.

The ETF, managed by Satrix and trading under the JSE code STXHLT, has been designed to track the performance of the STOXX Global Breakthrough Healthcare Index. To make it easier to access this unique investment strategy, local investors are able to buy and sell ETF shares tracking this index in South African rand.

Kingsley Williams, chief investment Officer at Satrix Investments says: “The Satrix Healthcare ETF forms part of a series of thematic investment products which seek to take advantage of megatrends playing out around the world.

“The ETF is invested in companies across sectors and geographies that are set to benefit from long-term global structural changes such as shifting demographics, an ageing population, changing economic power and technological breakthrough. This could lead to above-average earnings growth.”

“ Kingsley Williams, Chief Investment Officer at [@SATRIX_SA](#) shares insight about the Satrix Healthcare Innovation Feeder ETF that listed today. pic.twitter.com/rH7AVuG48s— JSE (@JSE_Group) [May 26, 2022](#) ”

STXHLT will replicate the index by investing in the iShares Healthcare Innovation UCITS ETF.

Adèle Hattingh, exchange traded products manager at the JSE says: “this ETF listing was yet another confirmation that the JSE’s ETF sector was an excellent platform for issuers wishing to raise capital for financing future expansion.”

Moreover, ETFs offer investors a cost-effective, strategic option to diversify their investments. The listing of STXHLT brings the number of listed ETFs to 89, with a total ETF market capitalisation of R111bn.

In terms of composition, the STOXX Global Breakthrough Healthcare Index is heavily laden with US companies accounting for a 70.8% weighting, followed by South Korea with a 4.8% weighting, and Switzerland at 4.7%.

From a sectoral point of view, biotechnology makes up about 35.2% of the index, followed by life science tools and services with 22.5% and equipment at 21.1%.

“This listing of the ETF is timely because the sector is poised for growth. We congratulate the Satrix team on this successful listing,” Hattingh concludes.

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