

Exchange traded products FAQ

Q: What is an ETPs?

A: Exchange traded products, including exchange traded funds and exchange traded notes are securities which are listed and traded on the Johannesburg Securities Exchange Main Board. Similar to unit trusts, an ETP pools funds in instruments that give investors access to a basket of holdings. However ETPs are passively managed as the ETF or ETN tracks a set basket, whereas unit trusts are actively managed by a fund manager who decides what to invest client funds in.

Q: Are ETPs easily traded?

A: ETFs and ETNs trade in the same way as a share as they are listed securities on the exchange. You would need to consider the liquidity of the specific ETF or ETN. PSG Wealth's ETP platform pools investor funds which then trade once a day. This reduces the trading costs on ETF investments.

Q: Are ETFs regulated?

A: Most ETFs are registered collective investments and are regulated by the JSE and FSB.

Q: What is an ETN?

A: Exchange traded notes (ETNs) are similar to [ETFs](#). While ETNs share some attributes with Index Funds and Equities they differ in structure. Both have low market entry barriers and allow you to track index based commodity prices on the JSE. However, ETNs are debt instruments and not equity instruments; therefore they do not own the underlying commodities.

Q: What are the timings on an ETP account?

A: New investments work on T+2 days. Withdrawals take T+4 days to process, and then depending on which bank you are with another 2-3 days would be required to appear in your bank account.