The World of "Smart" ETFs Seminar
Introduction to the Grindrod Bank Gtrax ETFs

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What Are Exchange Traded Products (ETPs)?

- They are securities traded on the JSE, like any other listed shares.
- They give access to a portfolio (Fund) of shares.
- The Fund typically tracks an index.

Components of FTSE/JSE Top 40 Index

Index Weights – Basket of Constituents (as at March 2014) FTSE/JSE Top 40 Index			
	Market Cap Weighted (%)		Market Cap Weighted (%)
African Rainbow Minerals	0,38	Capital & Countries Prop	0,23
Anglo Platinum Ltd	0,54	Compagnie Fin Richemont	9,66
Anglo American Plc	6,60	Discovery	0,44
Anglo Gold Ashanti Ltd	1,40	Exxaro Resources Ltd	0,34
Aspen Pharmacare Hldgs	1,59	Firstrand Ltd	2,02
Assore Ltd	0,26	Growthpoint Properties Ltd	0,80
Barclays Africa Group	0,91	Impala Platinum Holdings	1,17
BHP Billiton Plc	13,10	Imperial	0,57
Bidvest Group Ltd	1,63	Investec Ltd	0,39
British American Tobacco	3,28	Investec Plc	0,97

Components of FTSE/JSE Top 40 Index

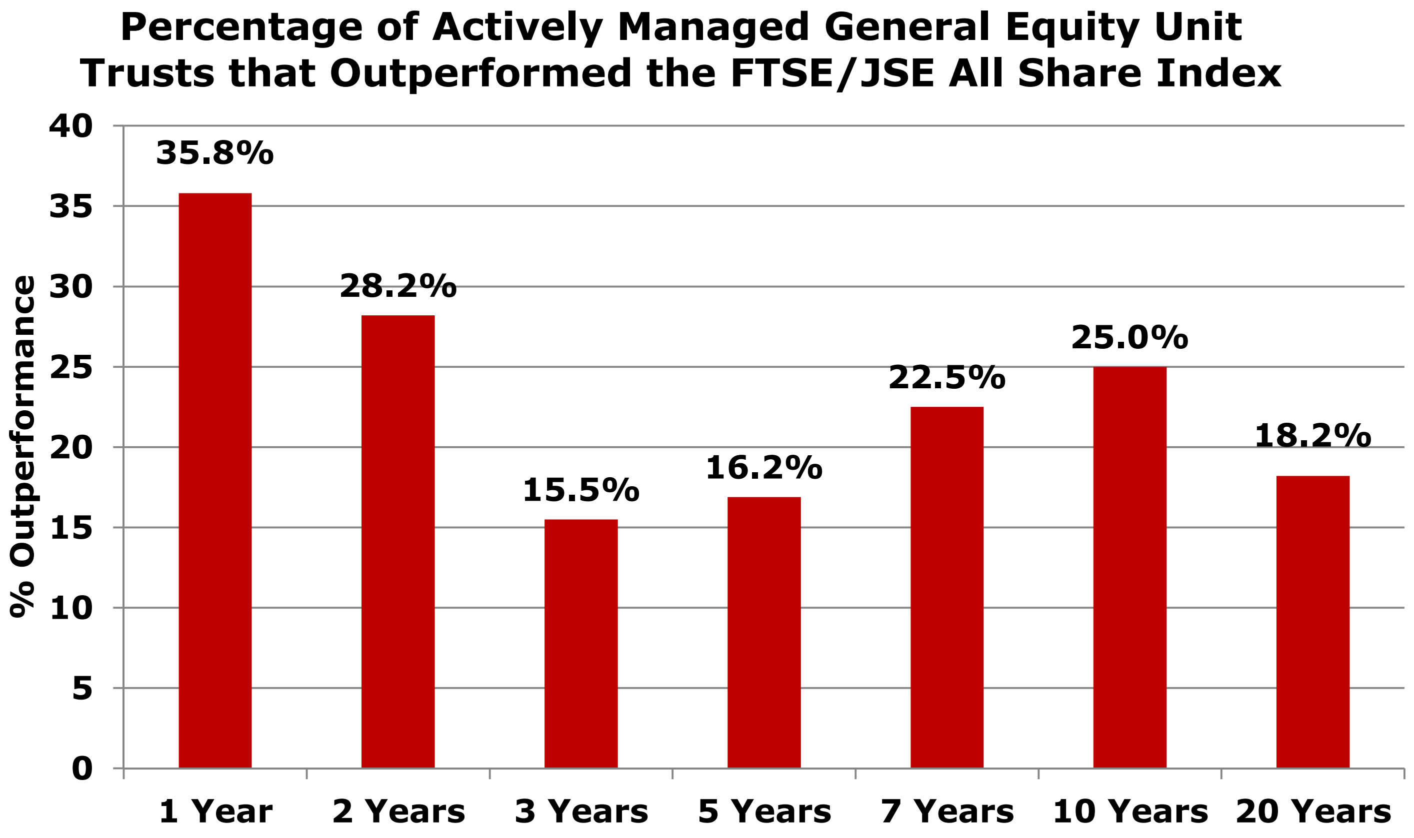
Index Weights – Basket of Constituents (as at March 2014) FTSE/JSE Top 40 Index			
	Market Cap Weighted (%)		Market Cap Weighted (%)
Intu Properties Plc	0,69	Remgro Ltd	1,83
Kumba Iron Ore Ltd	0,41	RMB Holdings Ltd	0,60
Life Healthcare Grp Hldgs	0,65	SABMiller Plc	9,63
Mediclinic International Ltd	0,58	Sanlam Ltd	2,00
Mondi Ltd	0,43	Sasol Ltd	6,15
Mondi Plc	1,32	Shoprite Holdings Ltd	1,26
MTN Group	7,21	Standard Bank Group Ltd	3,10
Naspers Ltd -N-	8,65	Steinhoff International Hldg	2,01
Nedbank Group Ltd	0,84	Tiger Brands Ltd	0,79
Old Mutual Plc	3,12	Vodacom Group	0,80
Reinet Inv Soc Anon	0,64	Woolworths Holdings Ltd	1,00

The Case for ETPs

- You buy one ETP, but you own a whole portfolio (fund) of shares.
- Although you own a whole portfolio, you only pay for one share – brokerage and JSE settlement costs are only paid once and not for every share in the portfolio.

Buy one security and own a whole "basket" of shares on the JSE.

Why You Should Be Using ETFs/ETNs



Source: ASISA Unit Trust Survey (31 December 2013)

The Home of Exchange Traded Funds®

What ETFs/ETNs to buy?

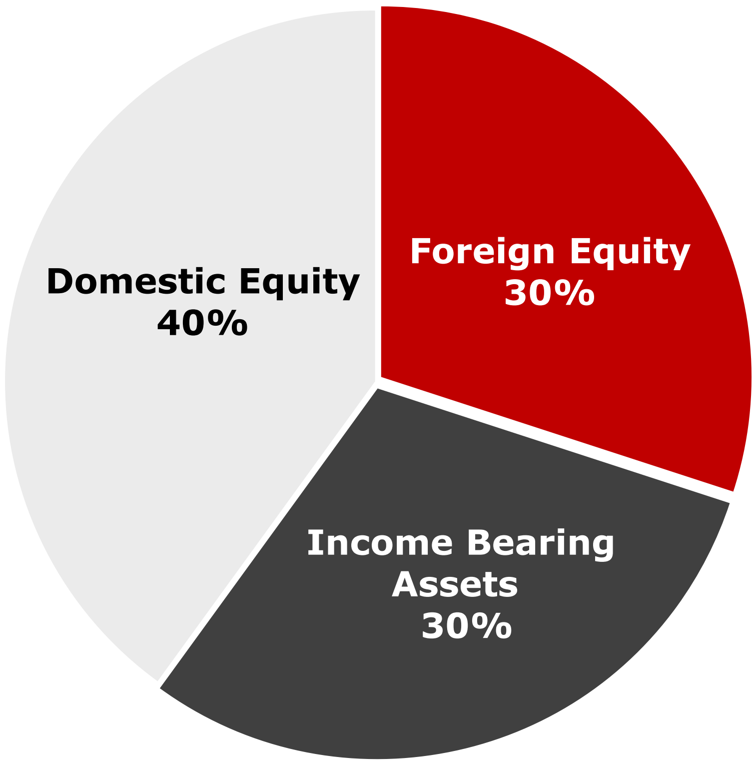
Total SA equity market exposure (pure Beta)	Track the FTSE/JSE Top 40 .	• Satrix 40 ETF • RMB Top 40 ETF • BettaBeta EWT 40 ETF
Exposure to sectors of the market	Track Industrial, Financial, Resources, MidCap indices, etc.	• Satrix INDI 25 ETF • NewFunds eRAFI FINI 15 ETF • RMB MidCap ETF
Bonds	Track portfolios of SA Government bonds.	• NewFunds GOVI ETF • RMB Inflation-X ETF
Property	Track listed Property indices.	• Proptrax SAPY ETF • Proptrax TEN ETF
Money Market	Invest in cash/near cash instruments	• NewFunds TRACI ETF • PrefTrax ETF

Continued/…

What ETFs/ETNs to buy? (continued)

Foreign Equity Markets	Track main offshore indices in rands (rand denominated assets).	• DBX Tracker MSCI World ETF • DBX Tracker MSCI USA ETF • DB Emerging Markets ETN
"Smart" ETFs	Track indices with a "Theme" or "Style".	• Satrix DIVI ETF • Grindrod DivTrax ETF • Grindrod LowVolTrax ETF • Nedbank BGreen ETF
Other Assets	Track physical commodity prices, currencies, etc.	• NewGold ETF, NewPlat ETF • Standard Bank Africa ETFs (Gold, Platinum and Palladium)

Typical Asset Allocation



Illustrative Portfolio
(R100 000 lump sum investment)

Fund	Amount Allocation (%)	Amount Allocation (R)	Current Value* After 3 Years (R)	Current Value* After 5 Years (R)
Domestic Equity				
Satrix INDI 25 ETF	20%	20 000	42 720	75 078
Grindrod DivTrax ETF**	10%	10 000	16 513	38 130
NewFunds eRAFI FINI ETF	10%	10 000	19 510	29 716
Sub-total	*40%*	*40 000*		
Foreign Equity				
DBX Tracker MSCI USA ETF	15%	15 000	24 889	27 388
DBX Tracker Eurostoxx 50 ETF	15%	15 000	32 118	40 633
Sub-total	*30%*	*30 000*		
Interest Bearing Assets				
Proptrax SAPY ETF	15%	15 000	24 940	34 458
RMB Inflation-X ETF	15%	15 000	20 377	24 580
Sub-total	*30%*	*30 000*		
Totals	**100%**	**100 000**	**181 067**	**269 983**
% Return			80,8%	169,9%

*	Current value of lump sum investment done 3 and 5 years ago.	Source:	etfSA.co.za / Profile Data (13/5/2014).
**	Based on historic data provided by Grindrod Bank.	Note:	Historical returns may not be repeated in future.

Debit Order Investment
(R1000 per month in each ETF)

Fund	Amount Invested (per month) (R)	Current Value** after 3 Years (R)	Current Value** After 5 Years (R)
Satrix INDI 25 ETF	1 000	52 620	122 300
*Grindrod DivTrax ETF	1 000	49 500	123 000
*Grindrod LowVolTrax ETF	1 000	51 900	123 500
DBX Tracker MSCI USA ETF	1 000	56 820	115 280
Proptrax SAPY ETF	1 000	44 040	89 700
Totals		**254 880**	**573 780**

*	*Estimate based on Grindrod Bank back-tested data.*
**	*Current value of R1000 per month investment over past 3 and 5 years.*

Source:	*etfSA.co.za / Profile Data (13/5/2014).*
Note:	*Historical returns may not be repeated in future.*

The etfSA Investor Plan

- Will accept investments from R1000.
- Will process debit orders from R300 per month.
- Automatically reinvests dividends four times a year.
- Administration fee (0,4% - 0,7% p.a.) is administered over 12 months and covers all transactions over that period.
- Will facilitate third party investments
- Ideal for Investor Clubs/Stokvels.
- Specialise in ETPs only.
- Financial advice can be provided for portfolio investments.

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Go to "How to Invest"

Retirement Annuity Portfolios for the 21st Century

Why Retirement Annuity (RA) Funds?

- Build up your own retirement fund.
- Tax deductible contributions.
- Preservation of capital – cannot withdraw until at least 55 years of age.
- Tax efficient portfolio structures.
- Direct distribution of funds to beneficiaries in the event of your death.

Features of etfSA Retirement Annuity Fund

High Flexibility

- Flexible contributions
  - From R5000 lump sum
  - From R300 per month
  - R1000 for additional lump sums
- Switch between etfSA RA portfolios at no cost.
- Transfer in or out of etfSA RA Fund at no cost under Section 14 transfer.
- <u>No penalties</u> if you cannot continue contributions or want to change any contributions.
- Can invest directly, without financial advisor.
- Or can use financial adviser (trailing commissions of up to 1% per annum can be paid).

Features of etfSA Retirement Annuity Fund

High Flexibility

- Complete transparency in
  - Costs
  - Portfolio
  - Performance
  - Rules and benefits
- Clean costs of 1,35% per annum cover all costs
  - Asset management
  - Client administration
  - Management of fund
  - Advice
  - Dispensation of benefits.

The only RA Fund in South Africa to have full transparency.

etfSA RA Fund – Wealth Enhancer Fact Sheet

BETTABETA

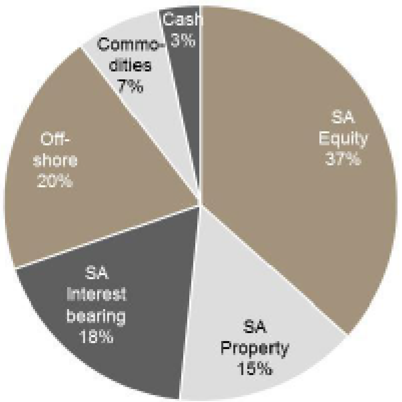
CPI+7% target return fund

April 2014

The Home of Retirement Funds

etfSA Wealth Enhancer RA Fund

Benchmark Asset Allocation



Key Information

Sector

SA Multi-asset – Medium Equity (Reg. 28 compliant)

Composite Benchmark

33%ALSI+15%SAPY+10%ALBI +10%ILBI+5%STeFI+27%MXWR

The etfSA Wealth Enhancer RA Fund aims to preserve the purchasing power of assets over time by achieving targeted returns of 7% in excess of the level of inflation (as measured by the Consumer Price Index, or CPI) over rolling three year periods, while reducing the volatility associated with market-linked investments. The fund is constructed through strategic allocations into a range of exchange traded products, exposed to different asset classes, which optimises the cost efficiency and transparency of the fund. The fund is ideal for investors who are self-employed or already contributing to an employer's retirement fund and would like to make additional savings for retirement. The portfolio is suitable for an investor with an investment horizon of at least 15 years and beyond – it is designed to provide maximum growth in capital with a high targeted real return. The portfolio is well-suited for risk-tolerant investors with real return objectives, seeking long term wealth creation, who in terms of their liabilities, have to earn investment returns in excess of inflation. The portfolio does not pay out dividends – any distributions received from underlying investments are automatically reinvested into the portfolio to allow for additional compounded growth.

Model Portfolio Investment Returns compared to Market Performance

(%)	6m	1yr	3yrs (p.a.)	*3yr Stdev*	5yrs (p.a.)	10yrs (p.a.)
FTSE/JSE All Share Index (ALSI)	9.0	30.1	17.8	*11.7*	22.2	20.1
FTSE/JSE SA Listed Property Index (SAPY)	2.1	-3.6	18.1	*14.7*	19.2	23.1

http://www.etfsara.co.za/factsheets/etfSA-RA-CPI+7-apr2014.pdf

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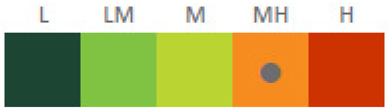
etfSA RA Fund – Wealth Enhancer Fact Sheet

Medium to High (MH)



Fund Total Expense Ratio (TER), incl. in total below

0.35% + VAT

NO performance fees

TOTAL cost (Retirement Annuity, Administration and Fund management)

1.35% + VAT

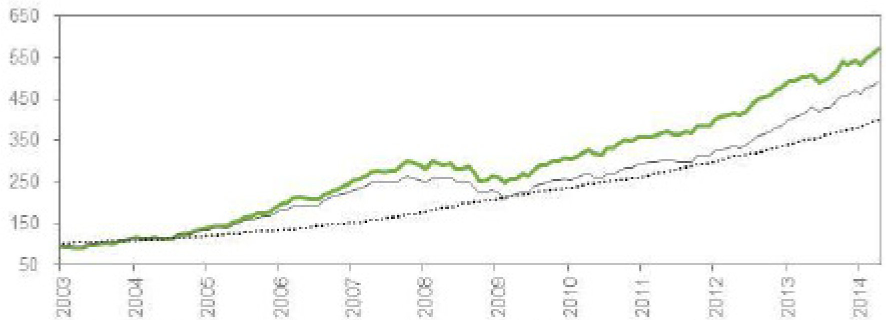
CPI+7%		13.7	13.6		13.0	13.6
CPI+7% Model Portfolio	5.1	13.3	15.5	6.6	17.1	17.2
etfSA Wealth Enhancer RA Fund	**6.6**					

Refer to Note 1 on back page

Actual Portfolio Holdings

Asset class	Reg. 28 Category	Description	Weight (%)
SA Equity	Equities (max 75%)	BettaBeta Equally Weighted Top40 ETF	18.9
		BettaBeta Green ETF	6.7
		RMB MidCap ETF	6.2
		Satrix Divi Plus ETF	4.8
SA Property	Immovable Property (max 25%)	Proptrax Ten ETF	15.1
SA Interest bearing	Debt (max 75%)	RMB Inflation-linked GOVI ETF	9.2
		NewFunds GOVI ETF	8.8
	Cash (max 100%)	Cash	3.5
Offshore	Foreign exposure (max 25%)	dB X-Trackers World ETF	9.4
		dB X-Trackers Emerging Markets ETN	5.8
	Africa (max 5%)	StdBank Africa ETN	4.7
Commodities	Gold (max 10%)	NewGold ETF	2.9
	Other (max 5%)	StdBank Oil ETN	2.4
		StdBank Wheat ETN	1.5

Historical performance



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