

How etfSA.co.za Can Assist In Setting Up and Managing Global ETF Portfolios

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The Home of Exchange Traded Funds®

Global ETF Managed Portfolios

- ▶ For funds held abroad in offshore bank accounts.
- ▶ Permission to move funds abroad can be attained relatively easily.
 - ▶ Up to R1 million per person through an normal foreign exchange allowance
 - ▶ Up to R10 million per person with SA Reserve Bank, SARS and Foreign approval.
- ▶ etfSA.co.za can give advice on the process of shifting funds offshore.
- ▶ All investments into and out of a global ETF portfolio are made through an offshore bank account.

Why ETFs for Global Portfolios?

- ▶ Over 6800 exchange traded products are now listed on stock exchanges around the world. Total market capitalisation of over US\$4 trillion. About US\$400 billion annual capital flows into ETFs has been experienced in recent years.

ETFs are now regarded as the most liquid exchange investments available to retail investors.

- ▶ ETFs now cover all markets and asset classes.
 - ▶ Equities by sector, country, regions, groupings and investment styles.
 - ▶ Bonds - government bonds, corporate bonds, by country or region.
 - ▶ Listed Property
 - ▶ Smart Beta - factor investment, value investment or by type (high dividends).
 - ▶ Commodities
 - ▶ Currencies
 - ▶ Developmental - private equity or infrastructure funds.

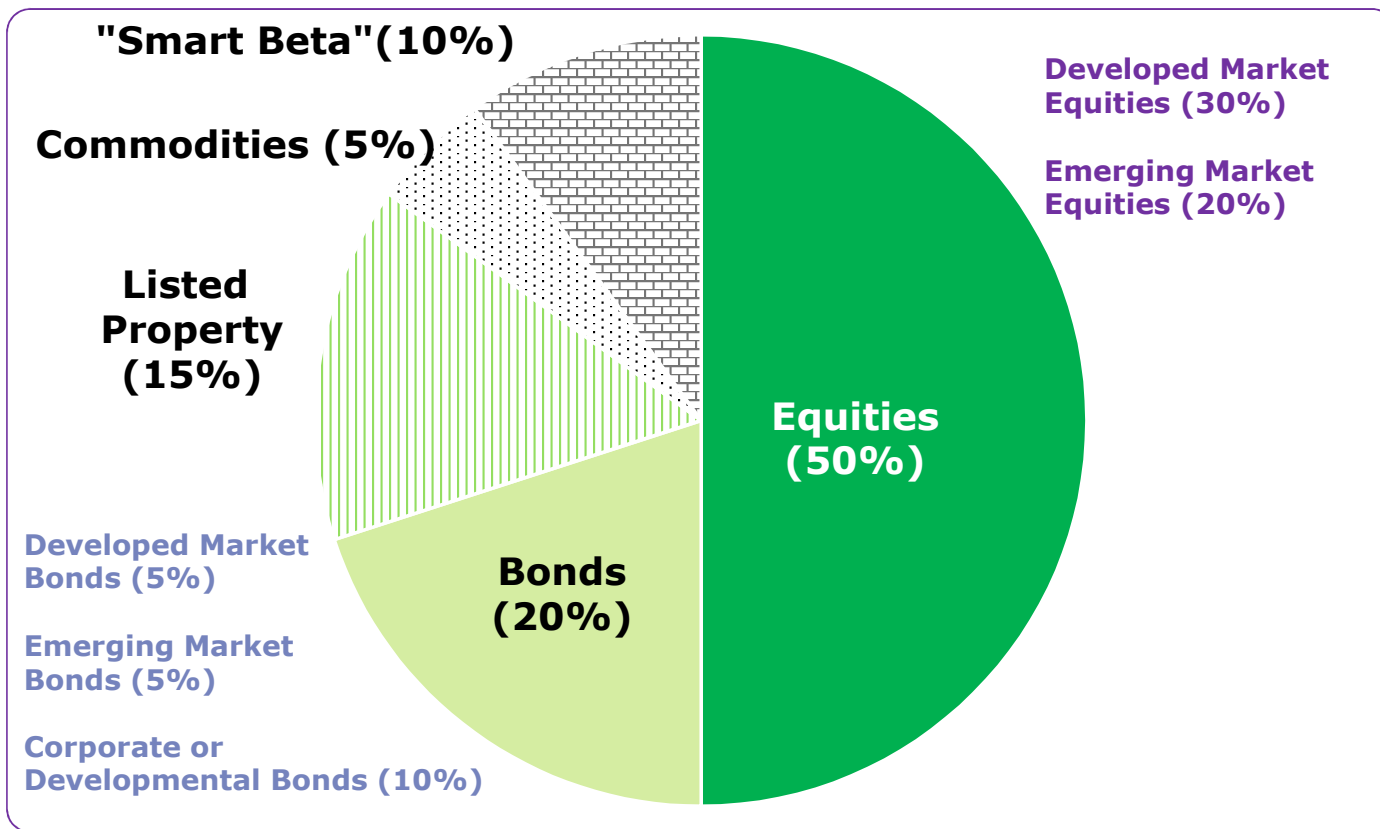
Why ETFs for Global Portfolios? (continued)

- ▶ ETFs can be used to construct multi-asset balanced portfolios very cost efficiently, with full transparency in pricing, instant liquidity and market making.

Using low cost, high beta passive ETFs to generate alpha returns from portfolio asset allocation strategies is rapidly replacing high cost active multi-management products.

- ▶ Being listed on highly regulated stock exchanges, with well funded clearing house systems, electronic depository and custodian services, makes ETFs far lower risk than active products where investors often have to consider counterparty risks.

Strategic Asset Allocation Strategy



Proforma Offshore ETF Portfolio

Product	Size (million)	Provider	Ticker	TER	5 Year Performance (% p.a.)	Allocation	Weighted Return (% p.a.)
Developed Market Equities							
Core S&P 500 UCITS ETF (USA)	US\$21 640	iShares	ESPX	0,07%	14,92%	10%	1,49%
Core MSCI FTSE 100 ETF	US\$7 407	iShares	SWDA	0,20%	7,53%	5%	0,43%
iShares Core MSCI Japan UCITS ETF	US\$2 580	iShares	SJPA	0,20%	10,61%	5%	0,53%
Nasdaq 100 UCITS ETF	US\$1 246	iShares	CNDX	0,33%	18,9%	5%	0,95%
Core MSCI World UCITS ETF	US\$10 659	iShares	SWDA	0,20%	9,96%	5%	0,50%
						30%	
Emerging Market Equities							
China Large Cap UCITS ETF	US\$594	iShares	FXC	0,74%	6,64%	10%	0,64%
Core MSCI Emerging Markets UCITS ETF	US\$5 942	iShares	EIMT	0,25%	3,89%	10%	0,39%
						20%	
Bonds							
US Treasury Bond (7 + 10 years) UCITS ETF	US\$2 071	iShares	IBTM	0,20%	1,67%	5%	0,08%
JP Morgan Emerging Markets Bond UCITS ETF	US\$7 670	iShares	JPEA	0,45%	5,80%	5%	0,29%
Global Infrastructure UCITS ETF	US\$751	iShares	INFR	0,65%	7,77%	5%	0,39%
Global Corporate Bond UCITS ETF	US\$915	iShares	CORP	0,20%	4,66%	5%	0,23%
						20%	

Proforma Offshore ETF Portfolio (continued)

Product	Size (million)	Provider	Ticker	TER	3 Year Performance (% p.a.)	Allocation	Weighted Return (% p.a.)
Property							
US Property Yield UCITS ETF	US\$675	iShares	IUSP	0,40%	10,22%	5%	1,02%
European Property Yield UCITS ETF	EUR1 587	iShares	IPRP	0,40%	13,41%	5%	0,67%
Asia Property Yield UCITS ETF	US\$350	iShares	IASP	0,50%	6,96%	5%	0,35%
						15%	
Commodities							
Physical Gold ETC	US\$2 904	iShares	SGLN	0,25%	(4,30%)	5%	(0,20%)
"Smart Beta"							
Edge S&P 500 Minimum Volatility UCITS ETF	US\$1 192	iShares	SPMV	0,20%	14,41%	5%	0,72%
Edge MSCI Europe Value Factor UCITS ETF	US\$1 160	iShares	IEVL	0,25%	6,13%	5%	0,31%
						10%	
Total Annual Return (US Dollars)							8,56%
Total Annual Return (ZAR Rands)							19,40%

The etfSA.co.za International Portfolio Service

- ▶ Managed through etfSA Portfolio Management Company, a division of etfSA Investment Services (Pty) Ltd, a Category II FSP license holder (No. 40107).
- ▶ Specifically designed portfolios of global ETFs to meet the risk profiles and objectives of the individual investor.
- ▶ Using only low cost, highly liquid ETFs, listed on major stock exchanges.
- ▶ Portfolios managed on a strategic asset allocation multi-asset exposure, with quarterly review of asset allocation, investment performance and risks.
- ▶ Trading done through Saxo Capital Markets - a global stockmarket trading platform, used by over 150 South African institutions.
- ▶ All ETFs held in global stock exchange electronic custodian systems in the name of the investor.

The etfSA.co.za International Portfolio Service (continued)

- ▶ etfSA.co.za / Saxo provide financial intermediary services only and have no claim on the investors' assets.
- ▶ Total all-in fee of 1% per annum which covers:
 - ▶ Asset management fee for designing and operating an offshore ETF portfolio, including quarterly reinvestment of dividends and other rebalancing;
 - ▶ The cost of using a global stockbroking platform to transact in ETFs, including brokerage, settlement and registration fees;
 - ▶ All custodian fees (ETFs are held in your name on a global custodian system);
 - ▶ Account administration fees.
 - ▶ Client reporting (monthly statements, tax certificates, portfolio review reports).
 - ▶ Financial advice and consultation.
- ▶ There are no other fees or charges.

Contact Details

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