

'Smart' ETFs
GIVI (give you)
another kind of diversification

**Investment Strategies
using ETPs Seminar**

July 2015

Nerina Visser
ETF Strategist
etfSA.co.za

Recap from previous seminar*

- **WISIWYG** – **W**hat's **I**n**S**ide **I**s **W**hat **Y**ou **G**et
 - ❑ Make sure you know what it is
- Do not select investments on the basis of **past performance**
 - ❑ Understand the **drivers** of past performance to look for clues on future performance
- Consider your portfolio on an **aggregate** basis
 - ❑ Beware unintended **concentration** risk and bias



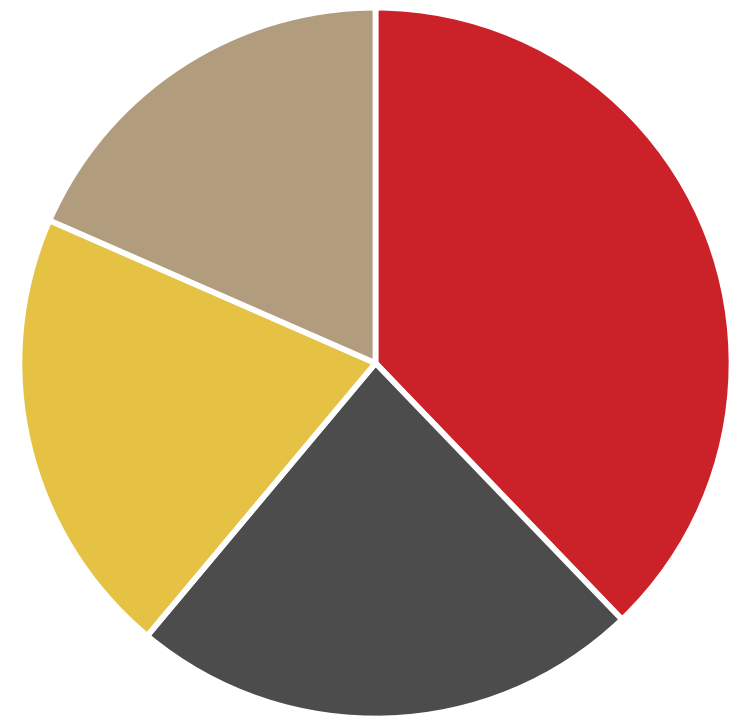
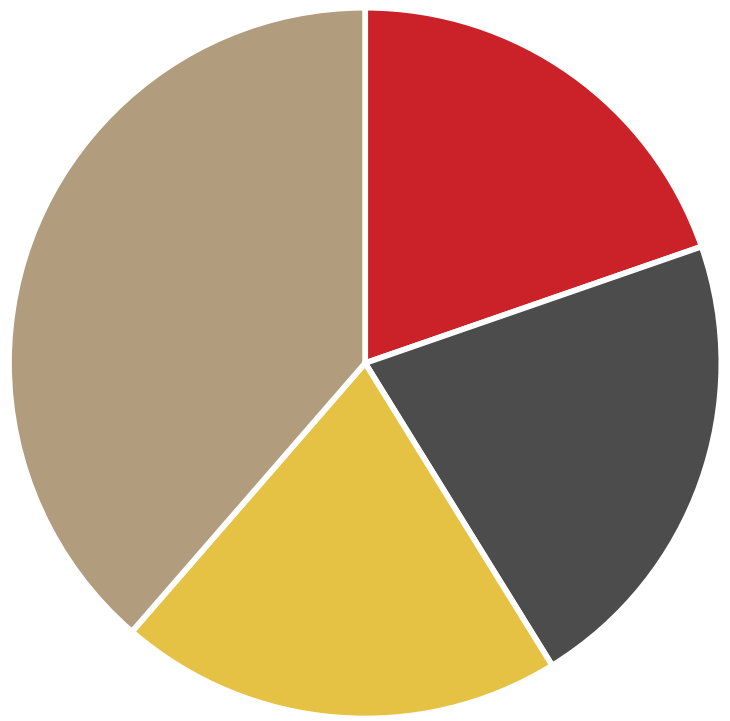
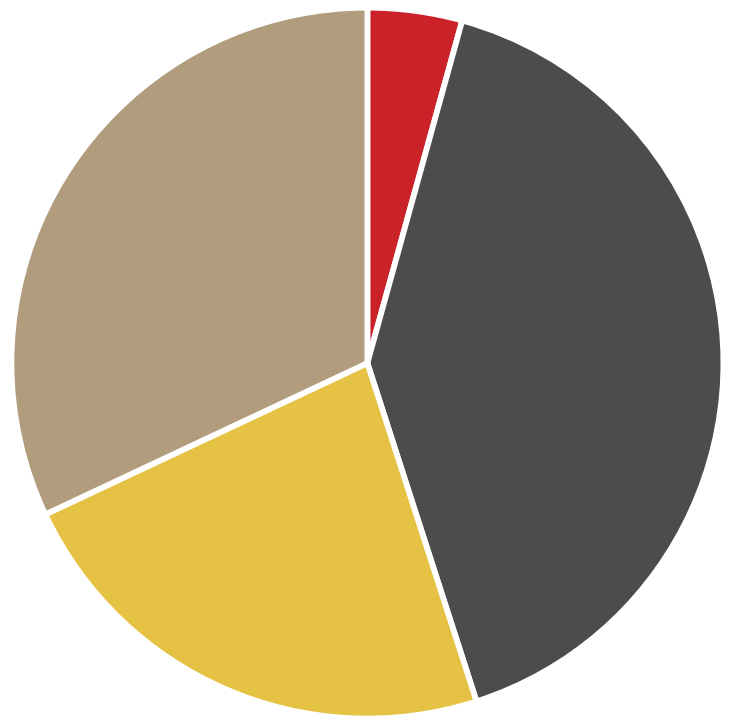
What's inside the GIVISA?

Industry exposure

NewFunds GIVISA ETF

FTSE/JSE Top40 Index

Satrix RAFI40 ETF



■ Commodities

■ Financials

■ SA Industrials

■ Non-SA Industrials

Source: ABSA; FTSE/JSE; etfSA calculations; as at 31-Jul-15





What's inside the GIVISA?

Exposure – Basic Materials

			GIVISA	STX40	STXRAF
Basic Materials			4.3	19.7	37.8
<i>Chemicals</i>				4.2	7.3
	SOL	Sasol		4.2	7.3
<i>Forestry & Paper</i>			2.8	2.5	2.9
	MND	Mondi	1.1	0.6	
	MNP	Mondi plc	1.4	1.9	2.2
	SAP	Sappi	0.3		0.7
<i>Industrial Metals & Mining</i>				0.1	0.4
	KIO	Kumba Iron Ore		0.1	0.4
<i>Mining</i>			1.4	12.9	27.2
	AGL	Anglo American		3.6	8.9
	BIL	BHPBilliton		8.4	14.0
	ANG	Anglo-Ashanti	0.6	0.5	1.1
	GFI	Gold Fields	0.6		1.4
	HAR	Harmony	0.3		0.3
	SGL	Sibanye Gold			0.4
	AMS	Angloplat		0.3	
	IMP	Implats			1.0
	LON	Lonmin			0.2

Source: ABSA; FTSE/JSE; etfSA calculations; as at 31-Jul-15

The Home of Exchange Traded Funds®





What's inside the GIVISA?

Exposure – Industrials & Consumer Goods

		GIVISA	STX40	STXRAF
Industrials		4.0	3.9	5.7
<i>General Industrials</i>		4.0	3.9	4.5
	BAW Barloworld	0.5		0.8
	BVT Bidvest	1.2	1.7	2.6
	REM Remgro	2.3	2.2	1.1
<i>Industrial Transportation</i>				1.2
	IPL Imperial			1.2
Consumer Goods		33.5	28.4	17.2
<i>Beverages</i>		9.8	11.2	6.3
	SAB SAB Miller	9.8	11.2	6.3
<i>Food Producers</i>		1.5	0.8	0.6
	AVI AVI	0.3		
	TBS Tigbrands	0.7	0.8	0.6
	TON Tongaat	0.5		
<i>Household Goods & Home Construction</i>		5.0	3.1	2.3
	SHF Steinhoff	5.0	3.1	2.3
<i>Personal Goods</i>		17.2	13.4	8.0
	CFR Richemont	6.3	9.5	5.3
	BTI BAT	10.9	3.9	2.7

Source: ABSA; FTSE/JSE; etfSA calculations; as at 31-Jul-15

The Home of Exchange Traded Funds®





What's inside the GIVISA?

Exposure – Health Care & Consumer Services

	GIVISA	STX40	STXRAF
Health Care	4.0	3.8	0.8
<i>Health Care Equipment & Services</i>	2.2	1.9	0.8
LHC Life HC	0.4		
MDC MediClinic	1.2	0.8	
NTC Netcare	0.6	1.0	0.8
<i>Pharmaceuticals</i>	1.8	1.9	
APN Aspen	1.8	1.9	
Consumer Services	3.3	14.8	5.0
<i>Food & Drug Retailers</i>	1.1	1.3	2.2
SHP Shoprite	1.1	1.3	1.3
SPP Spar			0.9
<i>General Retailers</i>	1.6	2.5	1.0
MPC Mr Price	0.4	1.0	
TFG Foschini	0.4		
TRU Truwths	0.5		
MSM Massmart	0.3		
WHL Woolies		1.5	1.0
<i>Media</i>		11.0	1.9
NPN Naspers -N		11.0	1.9
<i>Travel & Leisure</i>	0.6		
TSH Tsogo Sun	0.6		

Source: ABSA; FTSE/JSE; etfSA calculations; as at 31-Jul-15



What's inside the GIVISA?

Exposure – Telecomms, Banks & Life Assurance

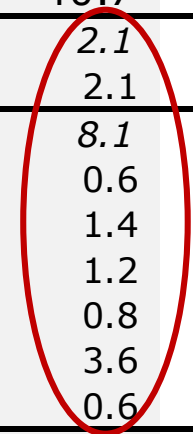
		GIVISA	STX40	STXRAF
Telecommunications		10.3	7.2	10.2
<i>Fixed Line Telecommunication Services</i>		0.8		0.7
	TKG Telkom	0.8		0.7
<i>Mobile Telecommunication Services</i>		9.4	7.2	9.4
	MTN MTN	7.0	6.4	8.4
	VOD Vodacom	2.4	0.8	1.1
Financials		40.7	22.2	23.2
<i>Banks</i>		17.0	9.1	10.2
	BGA Barclays Africa	3.1	1.0	1.7
	CPI Capitec	0.6	0.4	
	FSR Firststrand	4.3	2.9	2.4
	NED Nedbank	2.6	0.8	1.2
	RMH RMB Hold	1.5	0.8	
	SBK Standard Bank	5.0	3.2	4.9
<i>Life assurance</i>		8.9	6.7	8.9
	DSY Discovery	1.0	0.8	
	LBH Libhold	0.9		
	MMI MMI	0.8	0.5	0.7
	OML Old Mutual	4.6	3.4	6.3
	SLM Sanlam	1.6	2.0	1.9



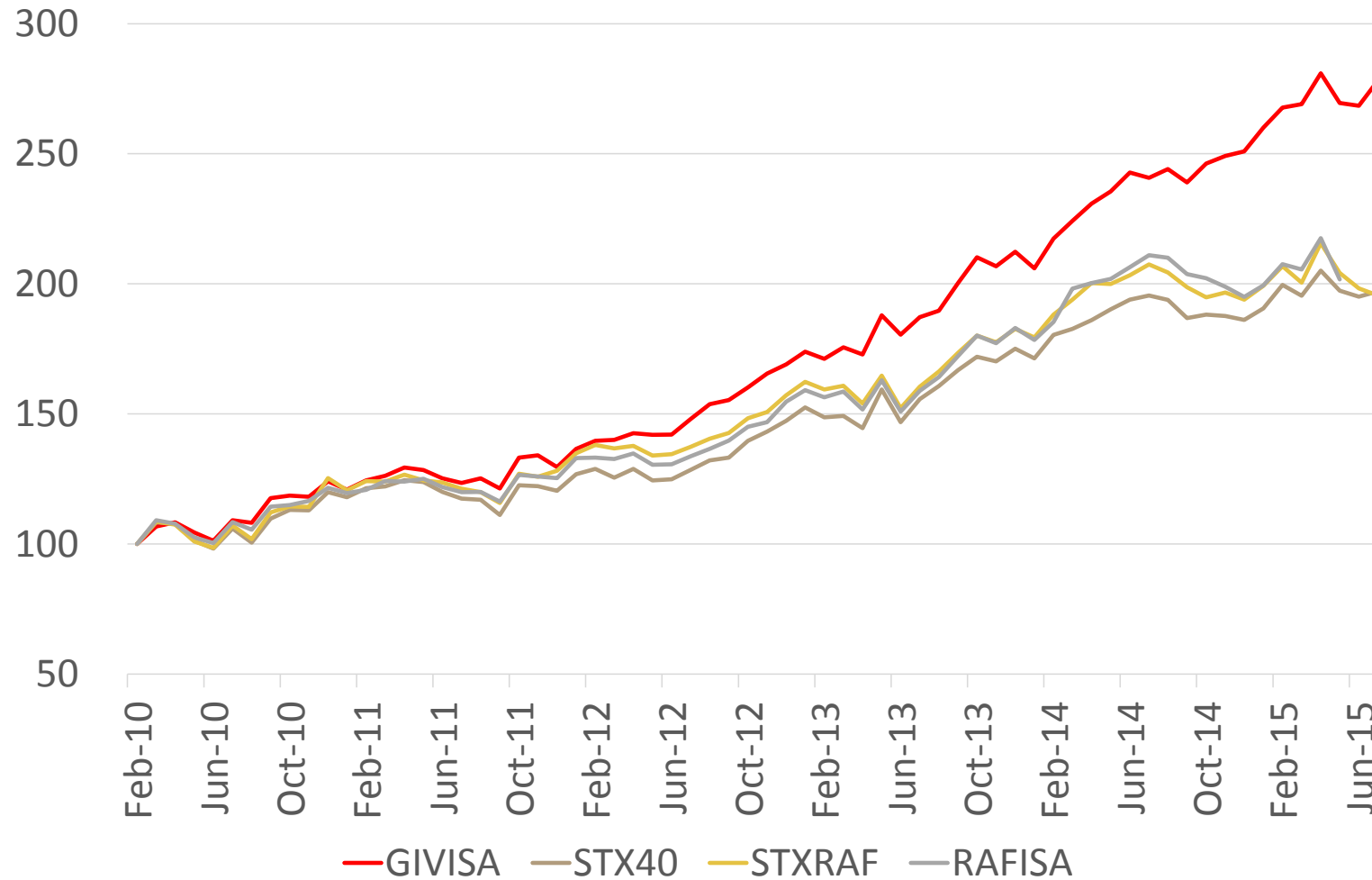
What's inside the GIVISA?

Exposure – Real Estate & Other Financial

	GIVISA	STX40	STXRAF
Financials (cont.)	40.7	22.2	23.2
<i>Real Estate Holding & Services</i>	2.1	0.5	
CCO CapCountry	2.1	0.5	
<i>Real Estate Investment Trusts</i>	8.1	2.2	1.9
CPF CaptProp	0.6		
GRT Growthpoint	1.4	1.2	0.9
RDF Redefine	1.2		
HYP Hyprop	0.8		
ITU IntuProp	3.6	1.0	1.0
RES Resilient	0.6		
<i>Financial Services</i>	3.8	2.5	2.2
BAT Brait	1.5	0.9	
INL Invest Ltd		0.5	0.7
INP Investec plc	2.3	1.2	1.5
<i>Equity Investment Instruments</i>	0.7	1.3	
REI Reinet		0.7	
RMI Rand Merchant Ins	0.7	0.5	



GIVISA: relative performance

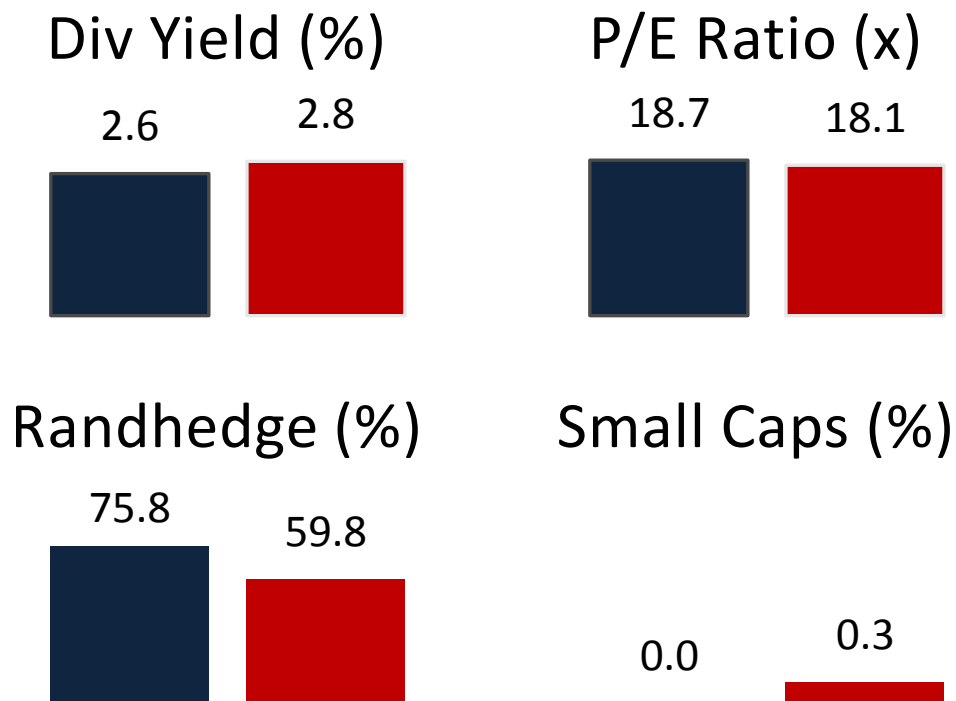


Source: S&P; FTSE/JSE; etfSA calculations; as at 31-Jul-15

The Home of Exchange Traded Funds®



GIVISA: selected valuation metrics

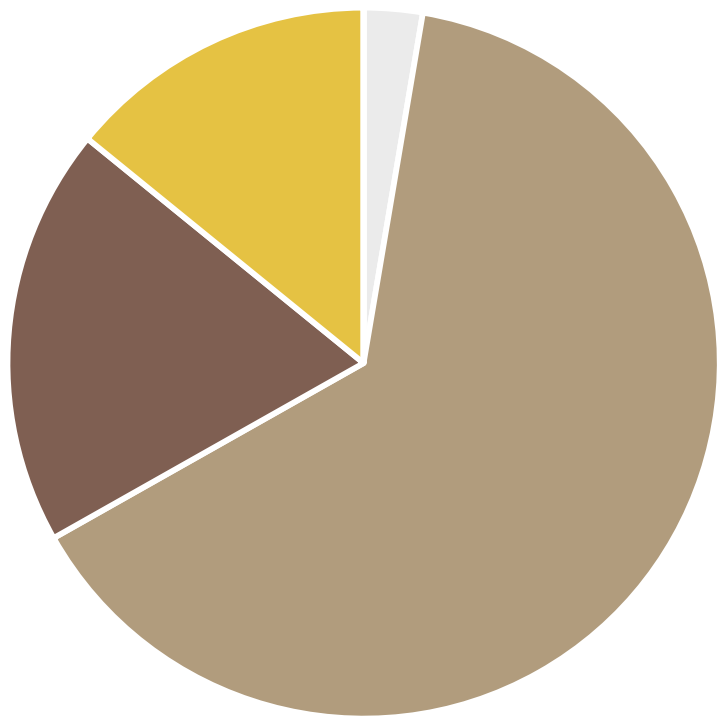


Source: S&P; FTSE/JSE; etfSA calculations; as at 31-Jul-15

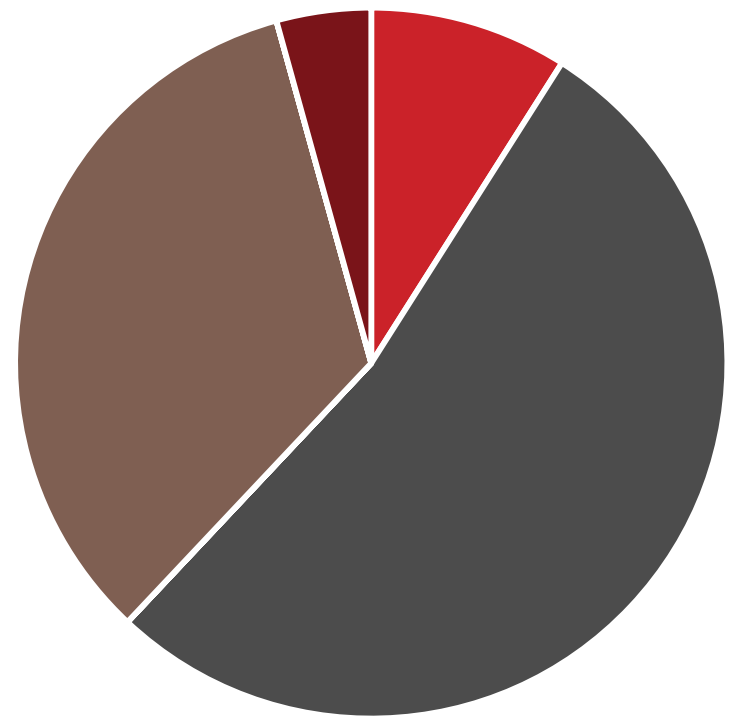


What's inside the GIVRES? Sector exposure

Satrix RESI10 ETF



NewFunds GIVRES ETF

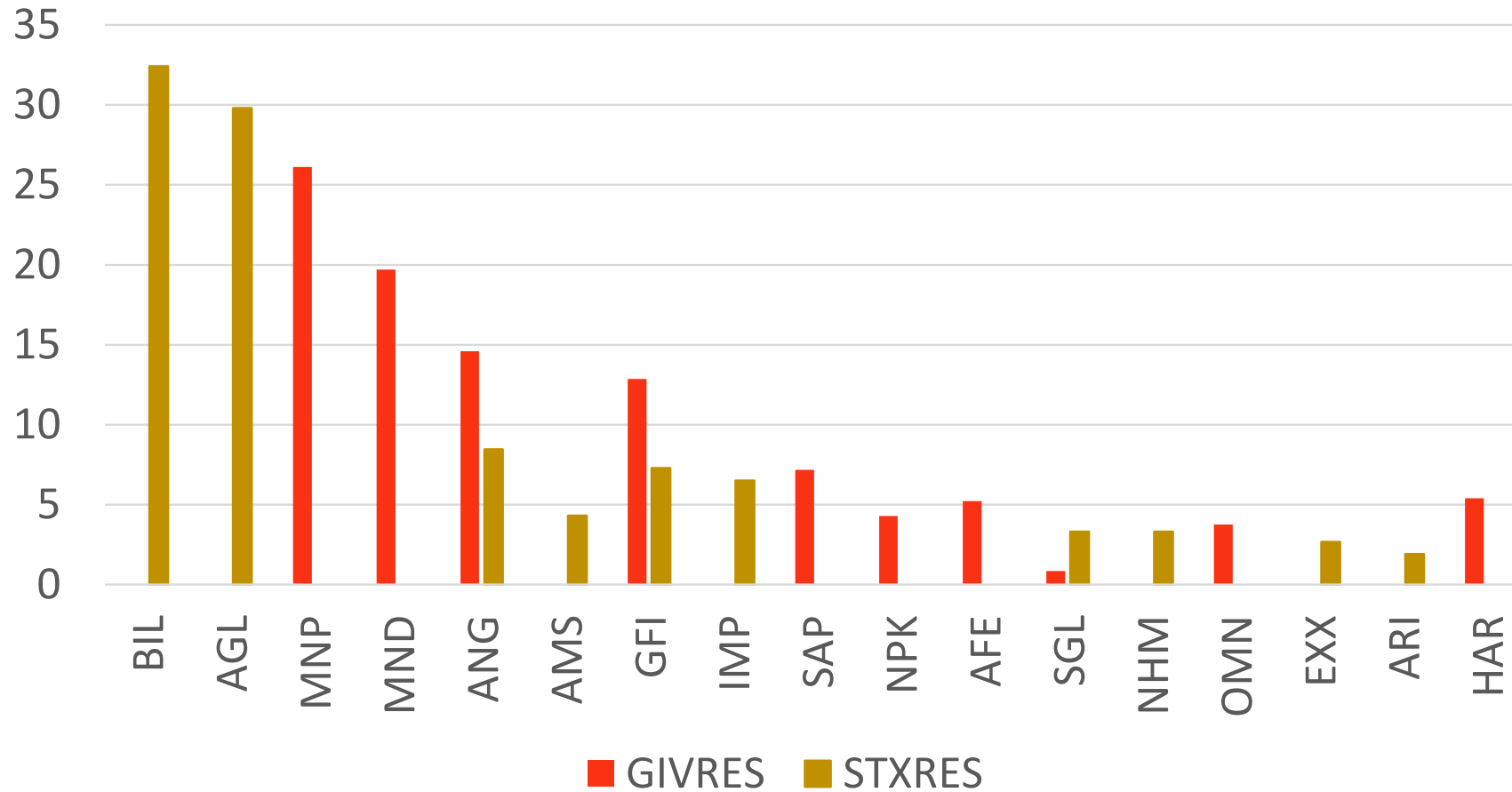


- Chemicals
- Paper
- Coal
- General Mining
- Gold Mining
- Platinum Mining
- Packaging

Source: ABSA; FTSE/JSE; etfSA calculations; as at 31-Jul-15



GIVRES: relative exposure

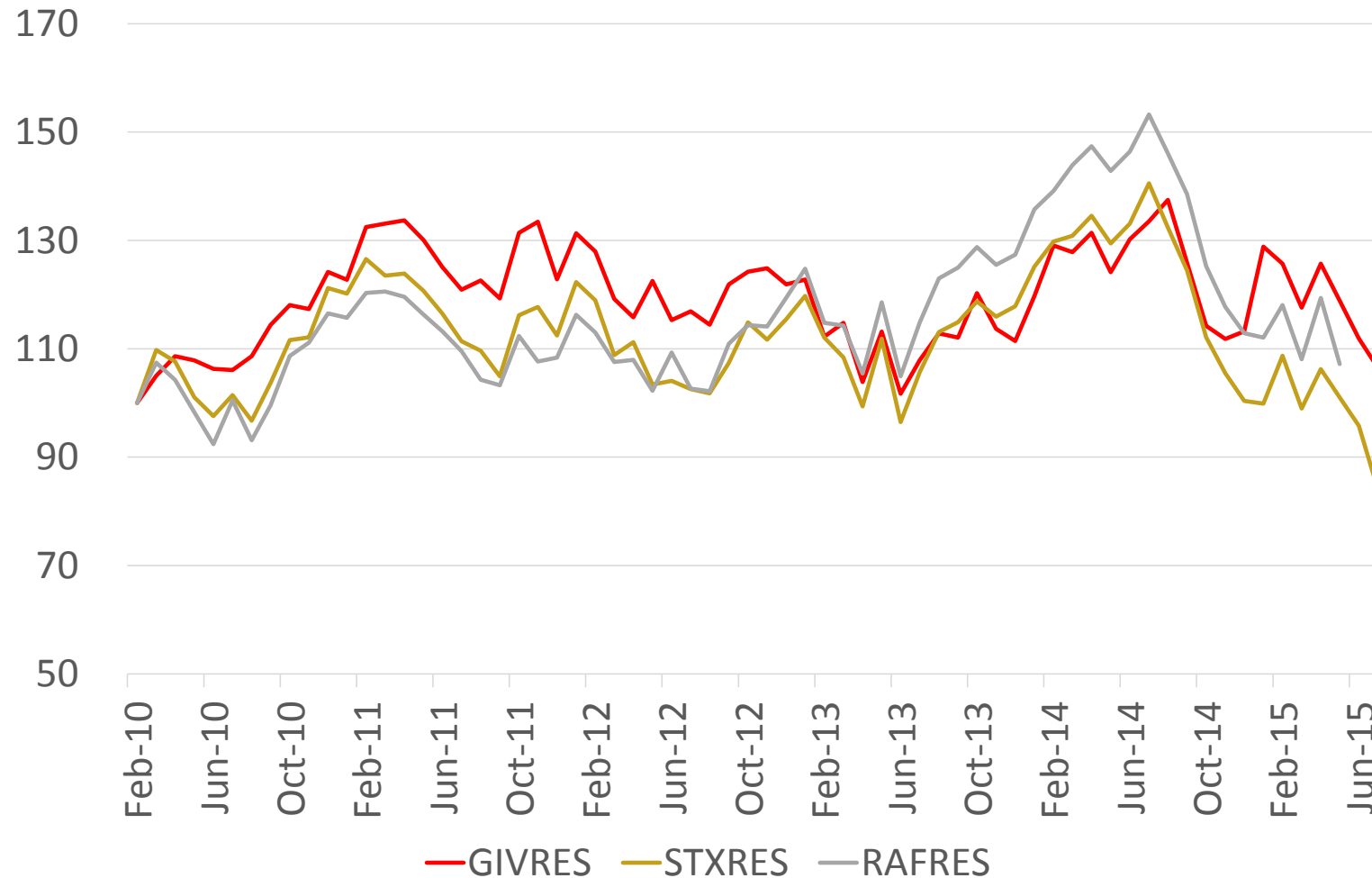


Source: ABSA; FTSE/JSE; etfSA calculations; as at 31-Jul-15

The Home of Exchange Traded Funds[®]



GIVRES: relative performance

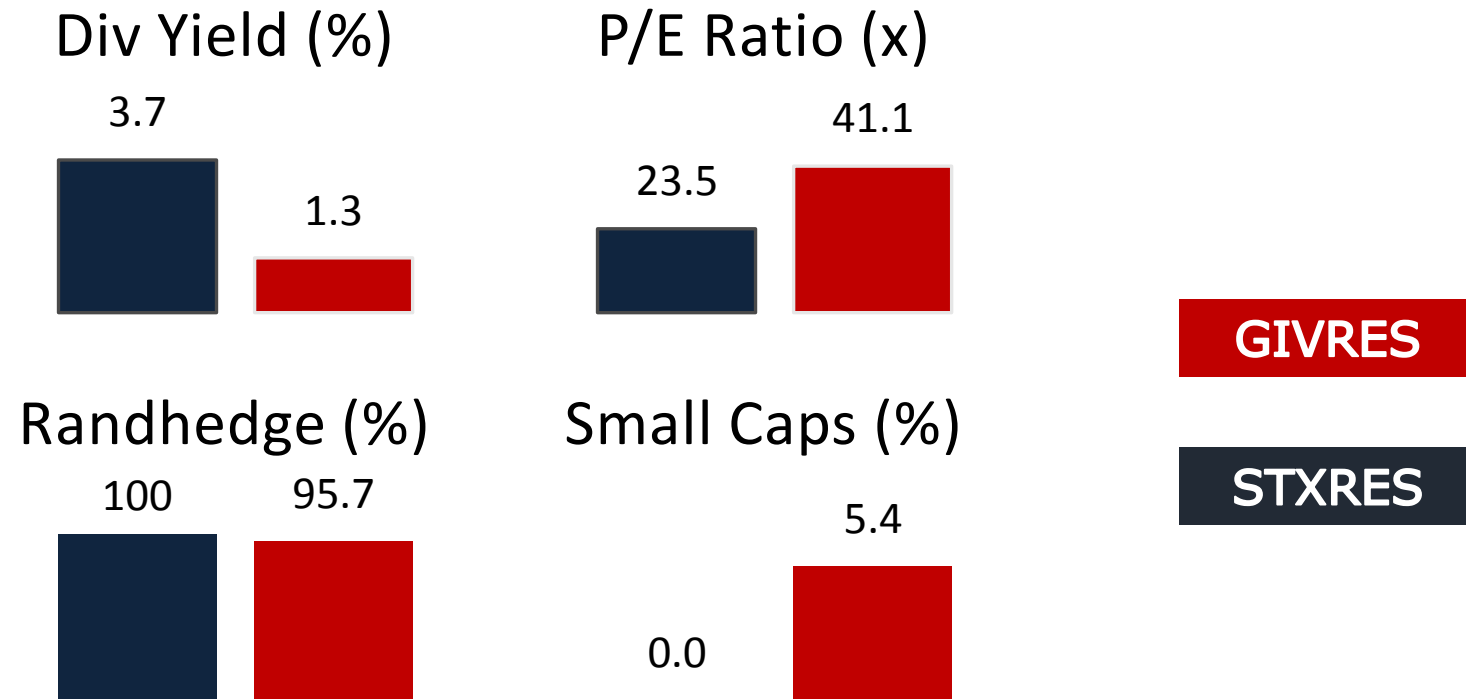


Source: S&P; FTSE/JSE; etfSA calculations; as at 31-Jul-15

The Home of Exchange Traded Funds®



GIVRES: selected valuation metrics



Source: S&P; FTSE/JSE; etfSA calculations; as at 31-Jul-15

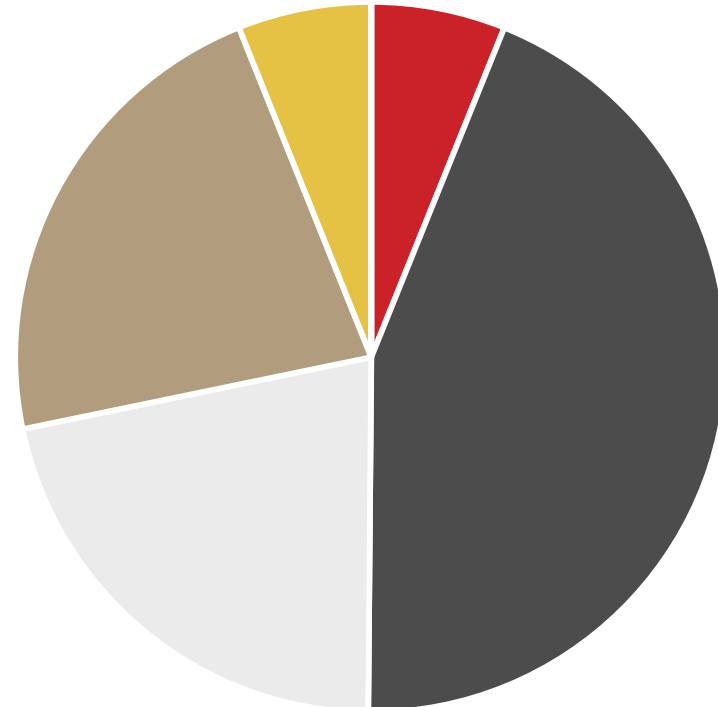


What's inside the GIVFIN? Sector exposure

Satrix FINI15 ETF



NewFunds GIVFIN ETF

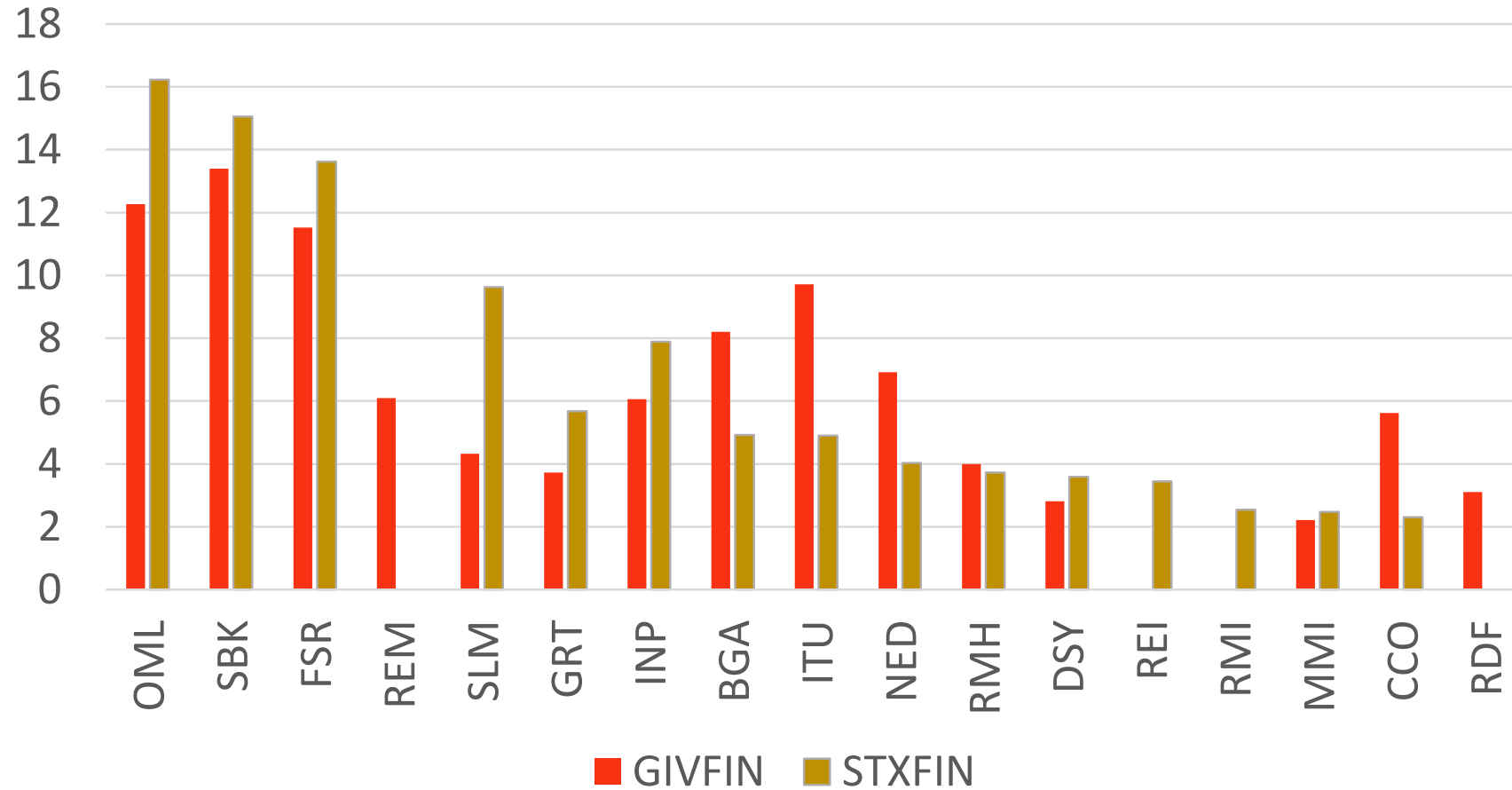


■ General Industrials ■ Banks ■ Life Assurance ■ Real Estate ■ Financial Services ■ Inv. Instruments

Source: ABSA; FTSE/JSE; etfSA calculations; as at 31-Jul-15

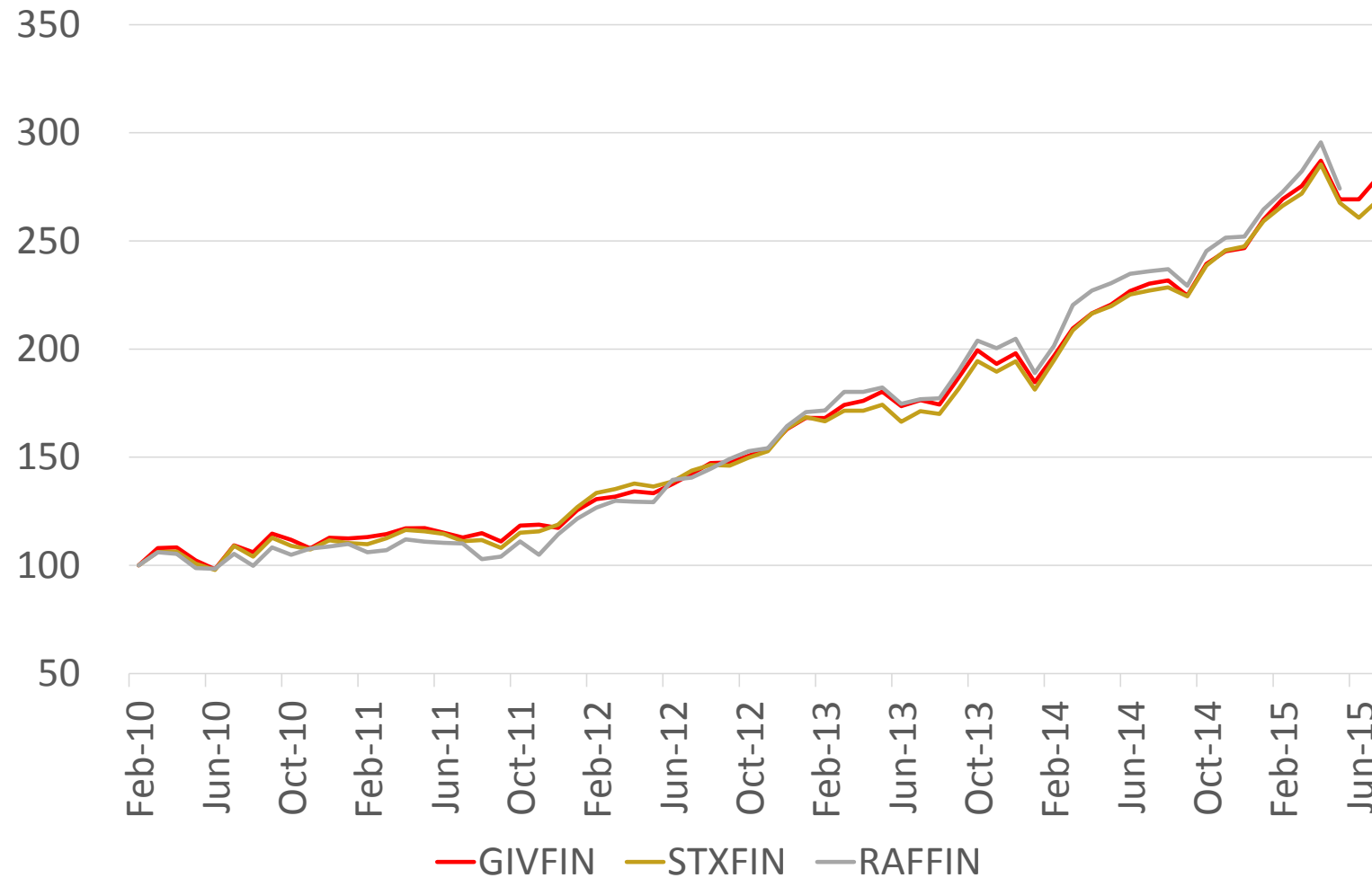


GIVFIN: relative exposure



Source: ABSA; FTSE/JSE; etfSA calculations; as at 31-Jul-15

GIVFIN: relative performance



Source: S&P; FTSE/JSE; etfSA calculations; as at 31-Jul-15

The Home of Exchange Traded Funds®

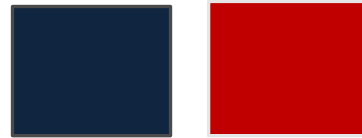


GIVFIN: selected valuation metrics

Div Yield (%)

3.1

3.2



P/E Ratio (x)

15.4

18.1



Randhedge (%)

34.8

39.8



Small Caps (%)

0.0

0.0



GIVFIN

STXFIND

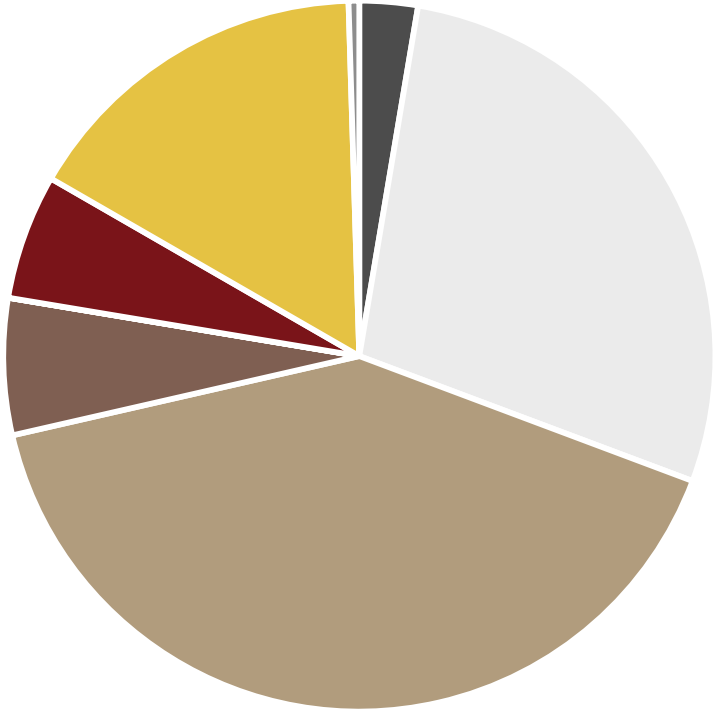


What's inside the GIVIND? Sector exposure

Satrix INDI25 ETF



NewFunds GIVIND ETF

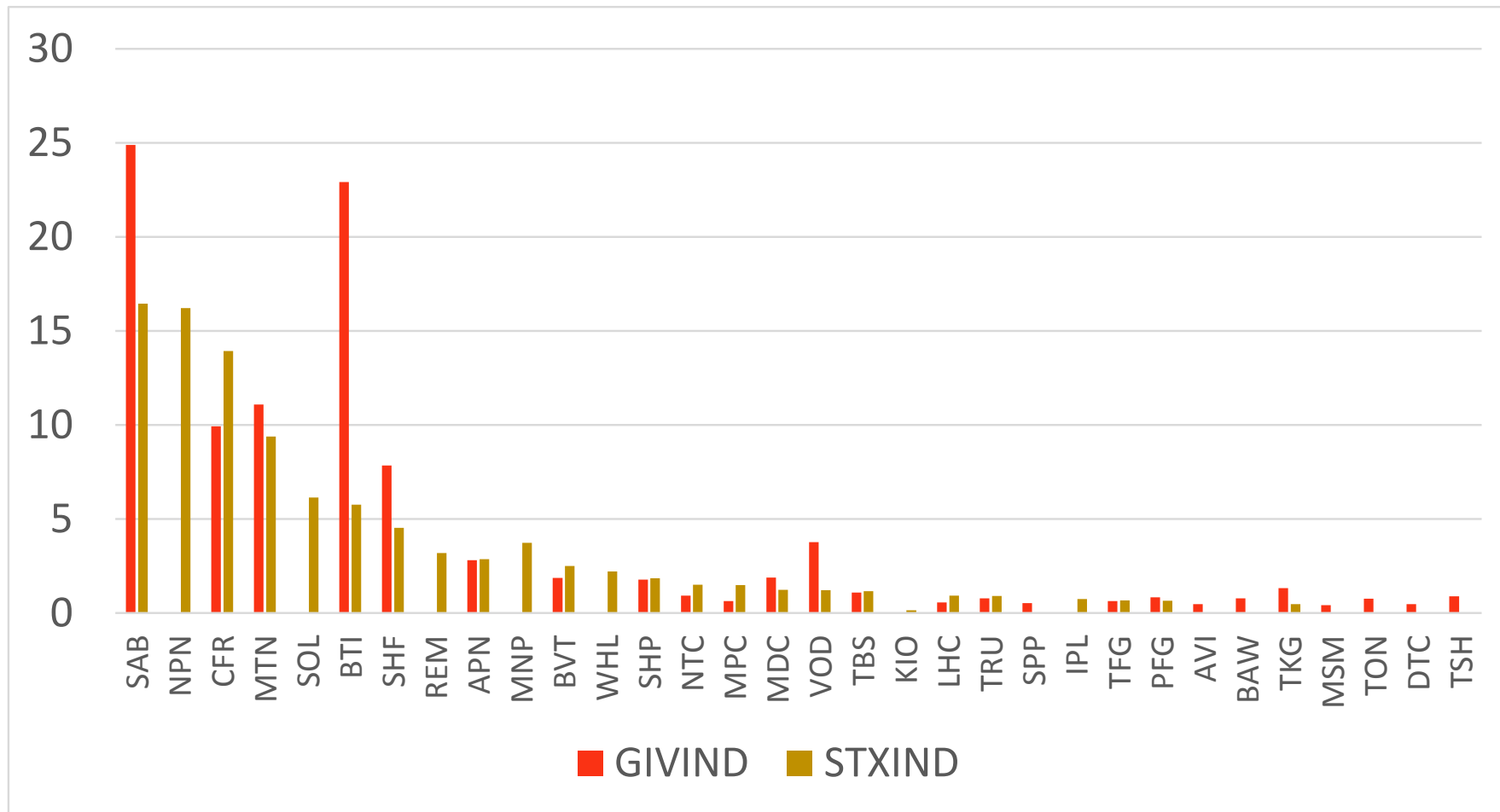


■ Resources ■ Industrials ■ Food & Beverage ■ Personal Goods ■ Health Care ■ Media ■ Other Cons. Serv. ■ Telecomms ■ IT

Source: ABSA; FTSE/JSE; etfSA calculations; as at 31-Jul-15



GIVIND: relative exposure

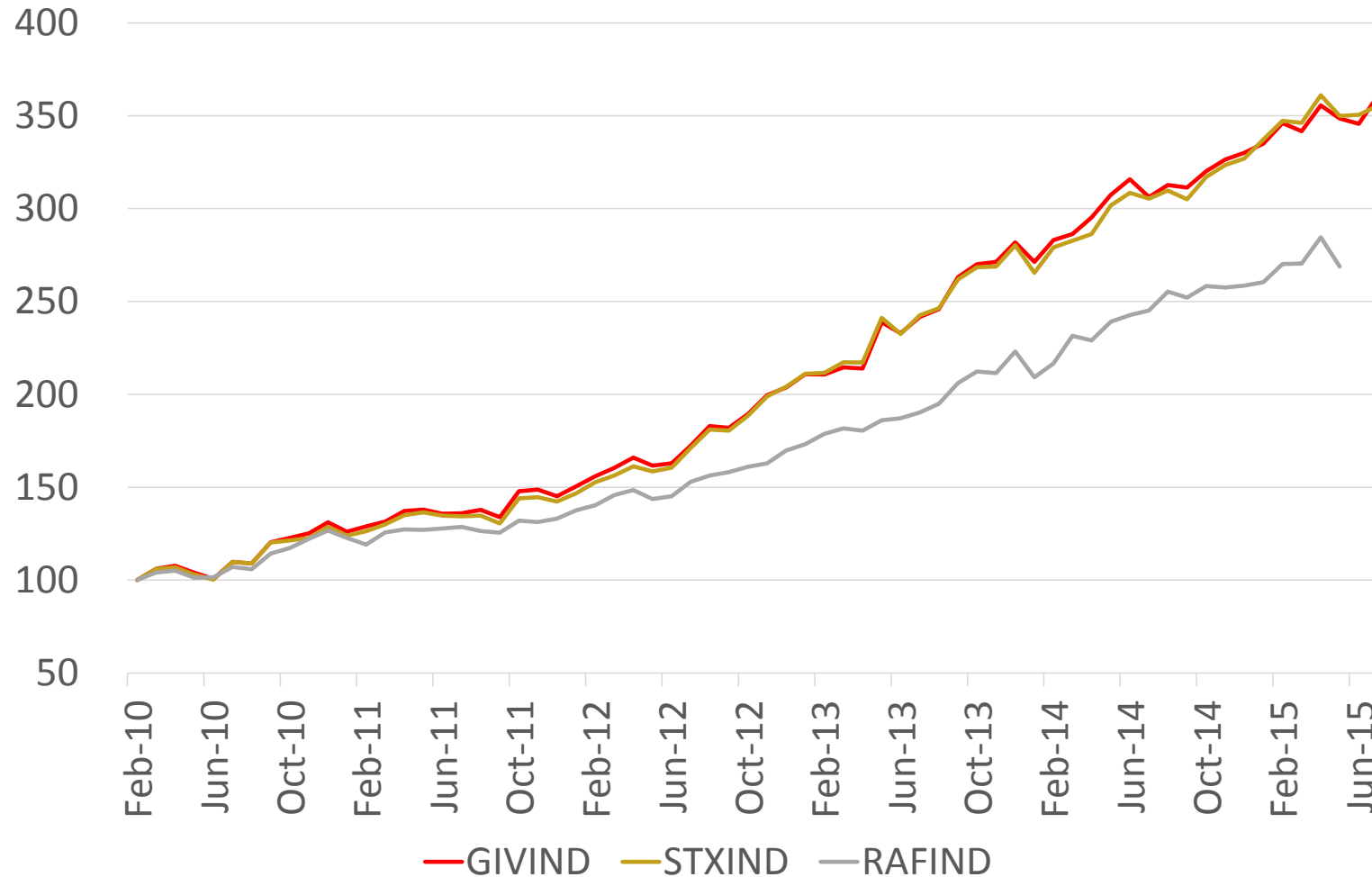


Source: ABSA; FTSE/JSE; etfSA calculations; as at 31-Jul-15

The Home of Exchange Traded Funds[®]



GIVIND: relative performance

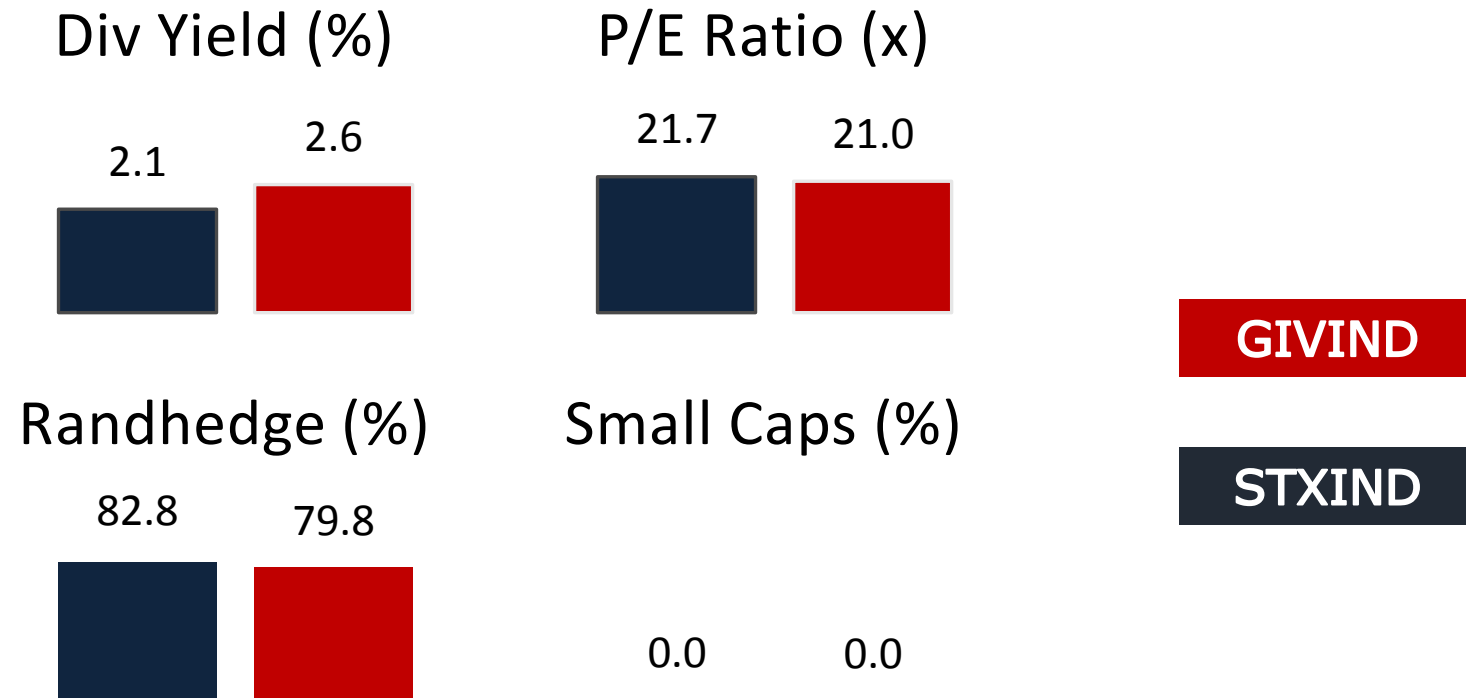


Source: S&P; FTSE/JSE; etfSA calculations; as at 31-Jul-15

The Home of Exchange Traded Funds®



GIVIND: selected valuation metrics



Source: S&P; FTSE/JSE; etfSA calculations; as at 31-Jul-15

The Home of Exchange Traded Funds®



In summary, a reminder

- **WISIWYG** – **W**hat's **I**n**S**ide **I**s **W**hat **Y**ou **G**et
 - ❑ Make sure you know what it is
- Do not select investments on the basis of **past performance**
 - ❑ Understand the **drivers** of past performance to look for clues on future performance
- Consider your portfolio on an **aggregate** basis
 - ❑ Beware unintended **concentration** risk and bias

Question time



at the end...