



## PROPTRAX – THE ETF THAT PROVIDES ACCESS TO THE JSE LISTED PROPERTY SECTOR

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5 May 2010

Property is often called the “fourth asset class”, joining bonds, cash and equities as an integral component of any diversified investment portfolio. Proptrax is an ETF listed on the JSE that tracks the FTSE/JSE listed Property Index (SAPY). This index comprises of the 17 main property unit trust and property loan stocks listed on the JSE. Proptrax provides investors with the total return (capital plus quarterly distributions) of the key property companies making up the SAPY index, with the convenience of a single trade on the JSE providing exposure to a diversified property portfolio.

There are powerful arguments in favour of including listed property shares in any balanced portfolio. These include:

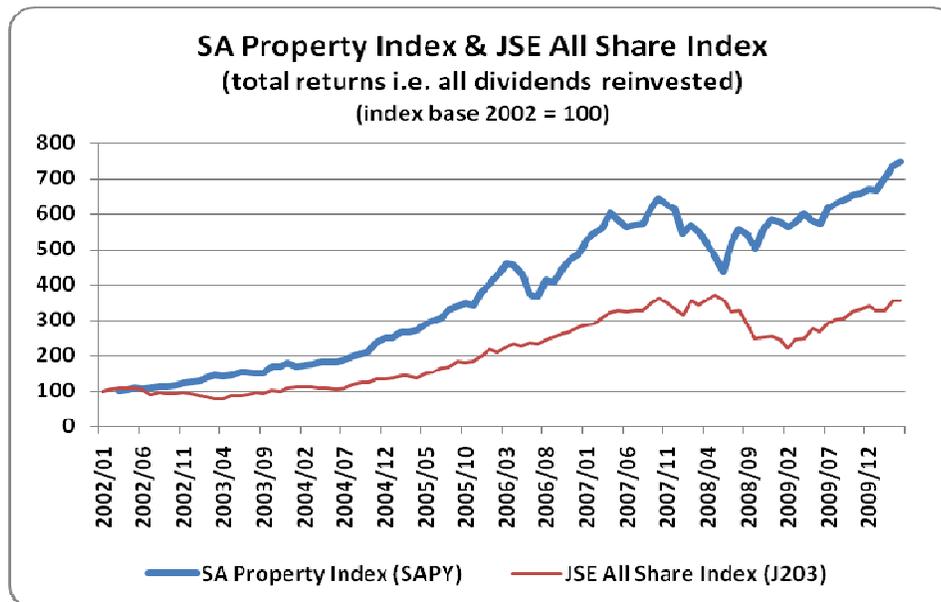
- Property shares historically show **superior performance**, over time, to other asset classes.

Historic Total Returns (2003 – 2009) (% return per annum)	
Listed Property	26,1
All Share Index	20,4
Bonds	9,4
Cash	9,1
<i>Source: ASISA (December 2009)</i>	

- Property shares offer a **strong diversification** prospect as the combination of a high yield and good capital growth potential, together with relatively low correlation with other asset classes, makes the case for property as a separate asset class.

Historic Total Return Correlations				
5 year Correlations				
	Property	Equities	Bonds	Cash
Property	<b>1,00</b>	0,34	0,66	-0,15
Equities	0,28	<b>1,00</b>	-0,01	-0,43
Bonds	0,75	-0,02	<b>1,00</b>	0,07
Cash	-0,11	-0,39	0,09	<b>1,00</b>
3 Year Correlations				
<i>Source: I-Net, Fortress as at 30 April 2010.</i>				

- The **distributable yield** of the SA listed property index (SAPY), has averaged 9,5% per annum over the past eight years. This provides a significant yield premium over normal equities and matches the returns offered by local Government bonds over the same period. Investors who reinvest such quarterly distributions, thereby capitalising this strong and regular income stream, should expect to significantly outperform the total returns of the general equity market. This is illustrated in the underlying graph, which bases the total return of the All Share Index and the SAPY index to 2002.



### MORE ABOUT PROPTRAX

Proptrax is a registered Collective Investment Scheme, also listed on the JSE as an Exchange Traded Fund (ETF). It is managed by Property Index Tracker Managers (Pty) Ltd, a company owned by Resilient Property Income Fund.

Proptrax enables investors to own a stake in each of the top 17 listed domestic property securities on the JSE (the ten top holdings are shown below).

Top Ten Holdings (% of portfolio)			
Growthpoint	23,08	Hyprop	6,12
Redefine	20,05	SA Corp	6,02
Pangbourne	8,06	Capital	5,41
Resilient	7,14	Emira	4,52
Fountainhead	6,73	Acucap	3,83
Source: Proptrax Fact Sheet (March 2010)			

The investor in Proptrax benefits by being invested in a diversified portfolio of property counters offering an exposure to the general performance of the sector as a whole. The diversification both enhances performance and reduces risk. All income received by Proptrax, after costs, is distributed to unit holders at the end of each quarter.

Like all ETFs, Proptrax can either be purchased from JSE member stockbrokers or through the etfSA Investor Scheme ([www.etfsa.co.za](http://www.etfsa.co.za)). The etfSA Platform enables lump sum investments from as little as R1000 and also facilitates recurring debit order investments from as little as R300. The annual management fees on etfSA have recently been lowered to 0,45% to 0,8% per year, depending on the size of the investment. etfSA clients can opt to reinvest the quarterly distributions or have them paid directly into their bank accounts.

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