The Home of Exchange Traded Funds®

Seminars on "Making ETFs the Core of Your Investment Plans" – March 2012

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Despite the growth in the number of Exchange Traded Products (ETPS) available in South Africa – there are now 51 listed ETFs/ETNs listed on the JSE, with a market capitalisation of over R40 billion in total – the general perception seems to be that these are simple savings tools only really suitable for the small entry-level investor.

Of course, nothing could be further from the truth as, in their construction and structure, Exchange Traded Products require significant expertise and ongoing management to deliver good benchmark performance, low tracking error, competitive costs and liquidity.

Although ETFs/ETNs are perfect for the small, recurring (debit order) investor who wants exposure to the average returns of the market or an asset class, they can also be used as specialised tools or components in generating very competitive long-term returns for sophisticated investors and for complex investment products.

Exchange Traded Products in South Africa now cover most asset classes and sub-classes, including equities, bonds, property, offshore markets, commodities and various investment styles and techniques. As such, they can be used as the building blocks in portfolio construction and investment products to match most required solutions. Their low-cost, relatively low risk, benchmark performance delivery and high visibility, transparency and tradability can help in market leading delivery of investment objectives.

A simple example of a portfolio which invests in five ETFs to cover five different types of asset classes, with 20% in each investment, is shown below.

Category	Product	Allocation
Domestic Equity	Satrix INDI 25	20%
Domestic Bonds	zShares GOVI	20%
Listed Property	Proptrax SAPY	20%
Offshore Equity	DBX Tracker MSCI USA	20%
Commodities	NewGold	20%

The performance is shown below and is compared with the average returns of the asset allocation Unit Trusts. This Balanced ETF portfolio would comfortably have outperformed the average performance of balanced unit trusts over the past three years.

Asset Allocation Portfolios – Collective Investment Schemes Total Returns (% Growth with Dividends Reinvested)			
	1 Year (%)	**2 Years (%) p.a.**	**3 Years (%) p.a.**
Balanced ETF Portfolio (medium risk)	16,5	18,3	15,7
Asset Allocation Unit Trusts (average)			
Prudential Low Equity Funds	6,3	8,0	8,8
Prudential Medium Equity Funds	5,3	8,7	10,8
Prudential High Equity Funds	4,2	8,9	11,9
Asset Allocation Flexible Funds	5,9	9,6	12,3
Asset allocation performance based on historical data for year ended 31 December 2011.			
Performance Data – Unit Trust Performance Survey – ASISA (31 December 2011).			

Of course, other ETFs with exposure to alternative sectors or assets, with varying asset allocation strategies, different risk profiles and concentration levels can also be considered in such multi product construction.

Investment Seminars

Nedbank Capital, one of the most prominent ETF issuers, together with etfSA.co.za the specialist ETF service provider, will be holding a series of seminars around the country in March 2012 to update investors on developments in the Exchange Traded Products industry and on using ETFs/ETNs in investment strategies for the average investor. Details of the seminar venues, programme and dates are below.

Making ETFs the Core of Your Investment Plans

Seminars: 6th to 19th March 2012

Book your Place

SPEAKERS

Nerina Visser – Nedbank Capital

- Making the best use of ETFs to meet Investment Objectives
- Investment Strategies and Portfolio Construction using ETFs/ETNs
- The exciting new BGreen ETF

Mike Brown – etfSA.co.za

- etfSA.co.za – the Gateway to the World of ETFs/ETNs
- **What** ETFs/ETNs are now available
- **How** to use them and how to access them
- **Where** to get all the information and data you require.
- **Why** you should be looking at ETFs/ETNs.

SEMINAR DATES & VENUES

City	Date	Venue
Cape Town	6 March 2012	Nedbank Auditorium, Nedbank & BoE Clocktower, Victoria and Alfred Waterfront, Cape Town Parking: Nedbank & BOE Clocktower basement, Level P1
Durban	7 March 2012	Nedbank – Kingsmead, Auditorium, 90 Ordnance Road, Durban Parking Entrance: Basement, 90 Braam Fischer Road (directly opposite the ICC)
Johannesburg	12 March 2012	JSE Auditorium, Maude Street, Sandton Parking is in the JSE's basement, entrance in Gwen Lane, Sandton (car registration details required)
Pretoria	13 March 2012	University of Pretoria, High Performance Centre (hpc), Sport Campus (LC de Villiers), cnr Burnett & Richard Streets, Pretoria
Bloemfontein	14 March 2012	Protea Hotel Willow Lake, 101 Henry Street, Willows
Port Elizabeth	19 March 2012	Nelson Mandela Metropolitan University, NMMU Conference Centre (North Campus), University Way

Agenda for all seminars

17h30 for 18h00
Arrival & Registration

18h00 to 19h00
Seminar presentations

19h00 to 19h30
Q&A session

19h30
Refreshments

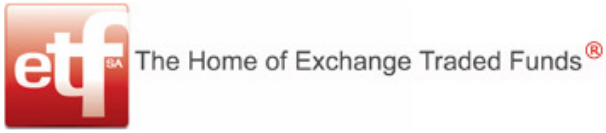
For more details on venues, parking and directions go to www.etfsa.co.za

How to book your seat

Phone: etfSA 011 561 6649 Email: info@etfsa.co.za

Direct: www.etfsa.co.za, click on ETF seminar window

There is no fee for attendance, but we need to know you are coming for catering purposes.



For more information, please call Mike Brown, contact details below.

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