

etfSA.co.za Portfolio of Exchange Traded Products (ETPs)

- Discretionary accounts
- Tax Free Investment accounts
- Retirement Annuities
- Living Annuities
- Managed ETP portfolios

Investment Seminars

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etfSA.co.za

Discretionary Investments

The Home of Exchange Traded Funds®



Building Up Wealth

R1000 per month in Satrix INDI 25 ETF

	Current Value*				
	1 Year	3 Year	5 Year	10 Year	20 year**
	(R)	(R)	(R)	(R)	(R)
Satrix INDI 25 ETF	13 370	52 450	118 540	404 500	3 842 000
* Current value of R1000 per month investment over 1-10 years for period ended 14 May 2015.					
** Extrapolated return based on 2004-2014 returns.					
Source: etfSA.co.za / Profile Data (14/5/2015).					
Note: Historic returns may not be repeated in future.					

Balanced Portfolio Investment

R5000 per month – R1000 per month in each ETF

	Amount Allocated		Value After 3 Years (R)	Value After 5 Years (R)
	(%)	(R)		
SA Equities				
Satrix INDI 25 ETF	20%	1 000	53 650	120 645
Satrix FINI 15 ETF	20%	1 000	53 995	111 990
Foreign Equities				
DBX Tracker MSCI World ETF	20%	1 000	55 500	117 205
SA Government Bonds				
RMB Inflation-X ETF	20%	1 000	40 050	74 890
SA Listed Property				
Proptrax SAPY ETF	20%	1 000	50 680	103 150
Total	100%	R5 000 pm	R253 150	R527 880
Comparison				
Average SA medium equity balanced Unit Trust			R215 040	R420 630
			(16% p.a. outperformance)	(20% p.a. outperformance)

The Advantages of Using the etfSA Investor Plan for Discretionary Investments

- 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.
- Can view accounts online at any time.

View: www.etfsa.co.za

Tax Free Investment Accounts

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Tax Free Investment Options

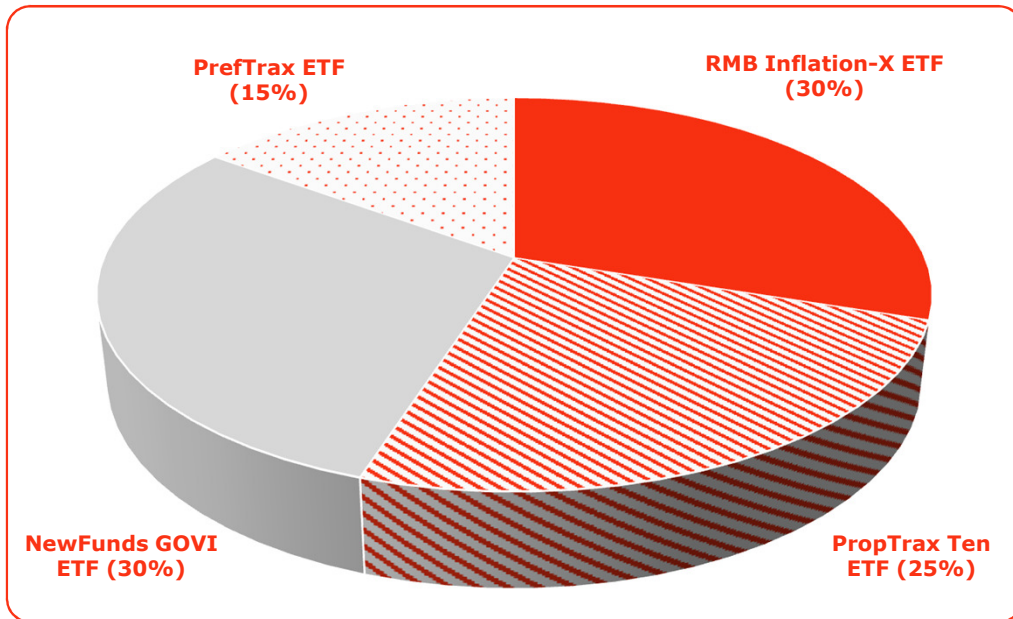
■ New Tax Free Savings and Investment Accounts

- All capital growth and any income/dividends earned in such accounts is tax free.
- **But** contributions **are not tax deductible.**
- **However**
 - Any income or capital you withdraw is not taxable.

The ETF Tax Free Investment Accounts

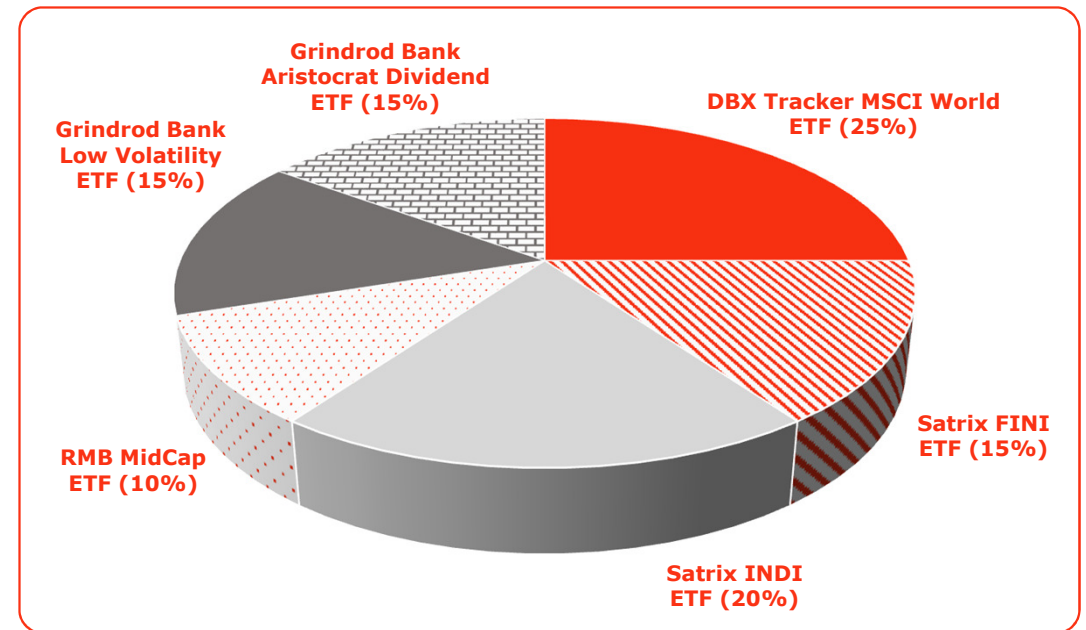
- Only invested in Collective Investment Scheme ETFs registered by the FSB and listed on the JSE.
- Offers the choice of two ETF portfolios.

ETF Tax Free Income Account



or

ETF Tax Free Equity Account



- Or a combination of both (50%/50%)

The ETF Tax Free Investment Accounts

- Allows investment from R1000 for lump sum or debit orders, up to a maximum of R30 000 per account in any tax year.
- Registers each TFSA account in your name on the centralized electronic JSE/STRATE register.
- Charges a 1% (incl. VAT) fee per annum for
 - Account administration = 0,5%
 - Portfolio management and advice = 0,5%
- Minimal transaction handling charges are bulked and charged to each client.
- Sends account statements twice a year to all clients and tax certificates as required by the Act.

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etfSA Retirement Annuity Funds



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Using Passive Products

Strategic Asset Allocation

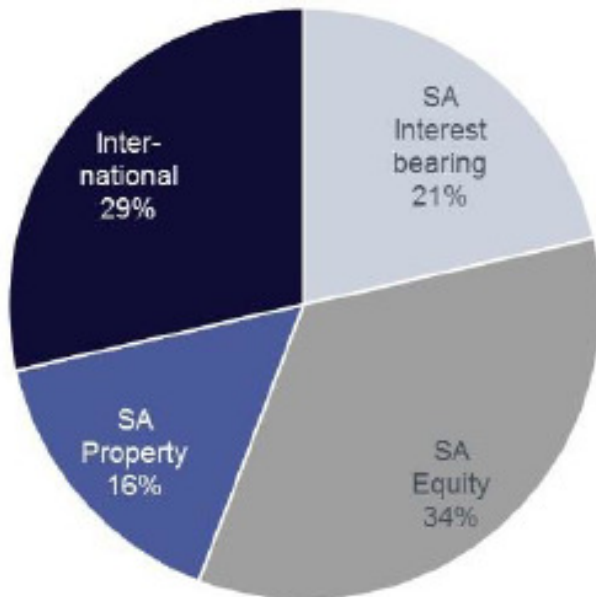
- A multi asset strategy reduces risk, creates diversification and can enhance long-term performance.
- **Asset allocation strategy** typically accounts for 90% or more of balanced portfolio performance over time.
- Need to meet Regulation 28 and other compliance requirements.



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Strategic Asset Allocation (CPI + 7% benchmark)

Benchmark Asset Allocation



Portfolio Investment Returns compared to Market Performance

(%)	6m	1yr	3yrs (pa)	5yrs (pa)	10yrs (pa)
Cash - ST Fixed Income Index (STeFI)	3.1	6.2	5.6	5.8	7.3
FTSE/JSE All Bond Index (ALBI)	0.2	9.4	7.9	9.2	8.5
FTSE/JSE All Share Index (ALSI)	6.2	8.5	20.0	17.5	17.6
FTSE/JSE SA Listed Property Index (SAPY)	8.2	31.7	21.4	20.8	20.7
MSCI World Index in ZAR (MXWR)	12.4	19.3	29.2	21.2	10.9
CPI+7%		12.0	13.2	13.0	13.7
etfSA Wealth Enhancer RA Fund	4.5	10.8			
CPI+7% Model Portfolio	5.8	12.4	15.9	15.0	15.4

Source: etfSA RA Fund Monthly Fact Sheet, May 2015



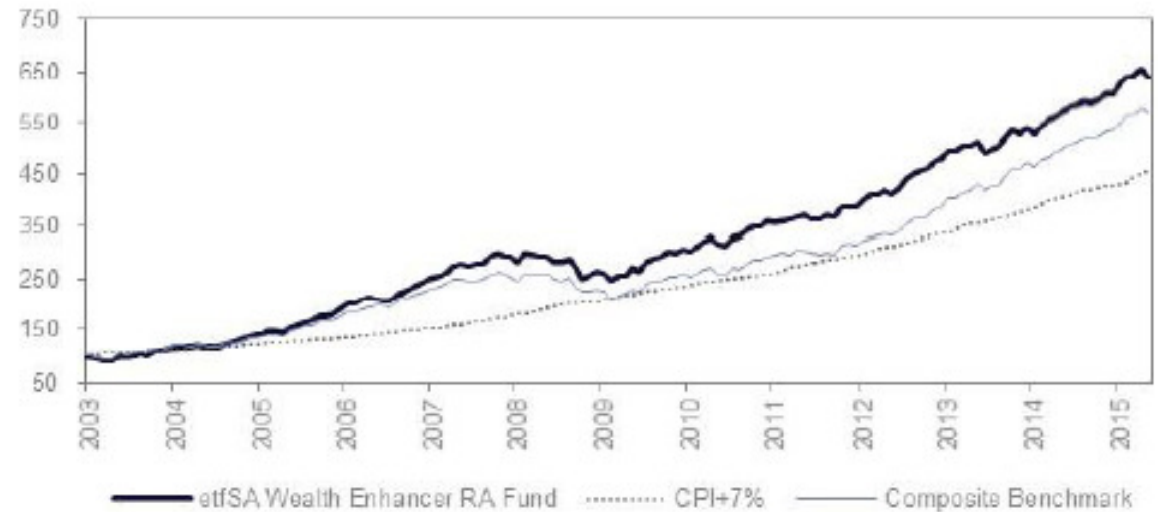
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Passive (ETP) Portfolio for Benchmark Portfolio

Actual Portfolio Holdings

Asset class	Reg. 28 Category	Description	Weight (%)	
SA Interest bearing	Cash (max 100%)	Cash	3.3	
		RMB Inflation-linked GOVI ETF	9.5	
	Debt (max 75%)	New Funds GOVI ETF	8.6	
SA Equity	Equities (max 75%)	BettaBeta Equally Weighted Top40 ETF	18.0	
		BettaBeta Green ETF	3.8	
		New Funds GMI INDI ETF	2.2	
		RMB MidCap ETF	5.7	
		Satrix Divi Plus ETF	4.7	
		Proprtax Ten ETF	15.6	
SA Property	Immovable Property (max 25%)	dB X-Trackers World ETF	9.5	
		dB X-Trackers Emerging Markets ETN	7.6	
Offshore	Africa (max 5%)	StdBank Africa ETN	5.4	
		Gold (max 10%)	New Gold ETF	2.6
		New Gold Platinum ETF	1.4	
Commodities	Other (max 5%)	New Gold Palladium ETF	0.3	
		StdBank Oil ETN	1.2	
		StdBank Wheat ETN	0.7	

Historical Performance

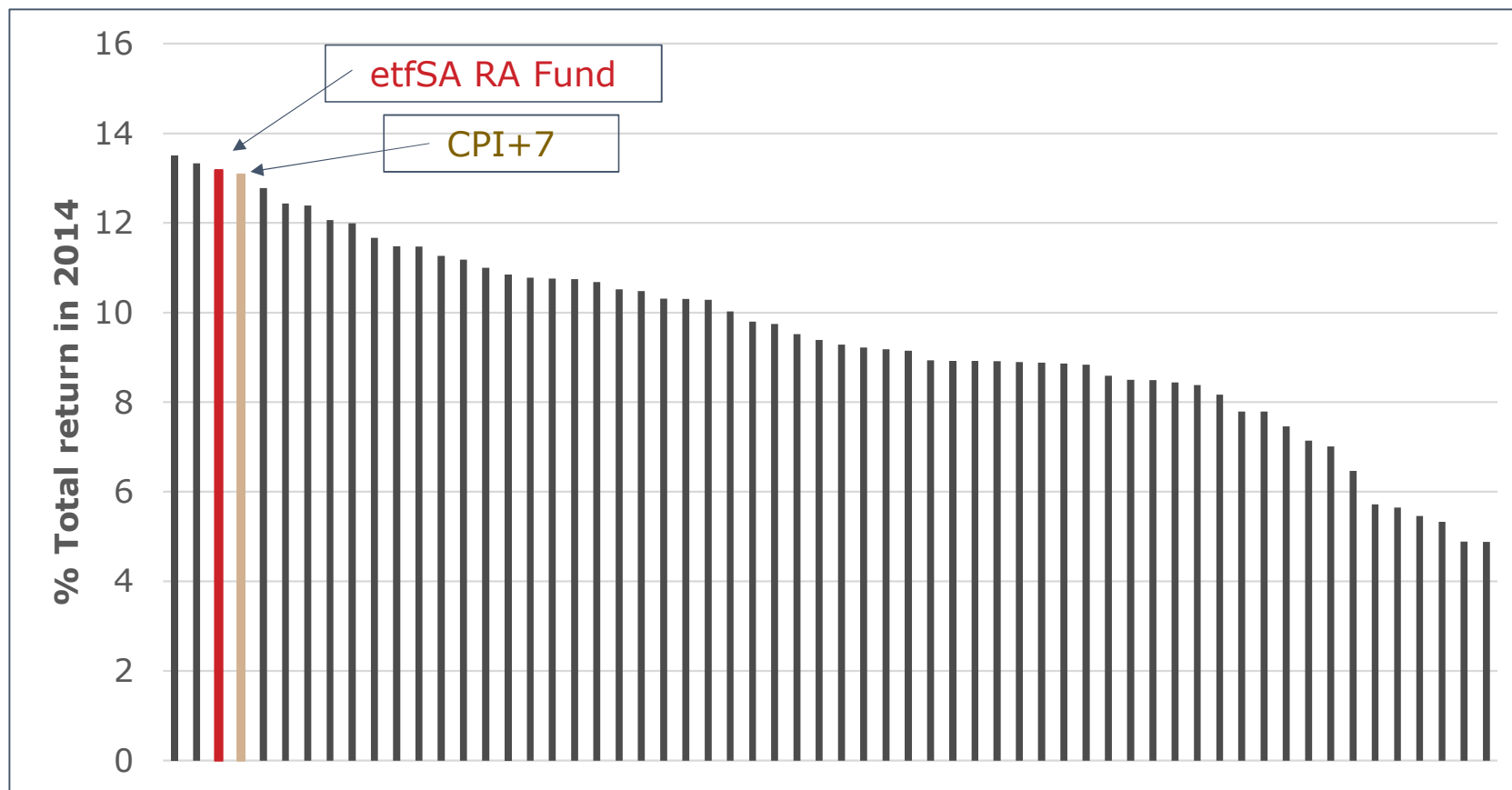


Source: etfSA RA Fund Monthly Fact Sheet, May 2015



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etfSA RA Funds 1 Year Performance Data (2014)



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Why Passive? Using Exchange Traded Products?

Lower Risk

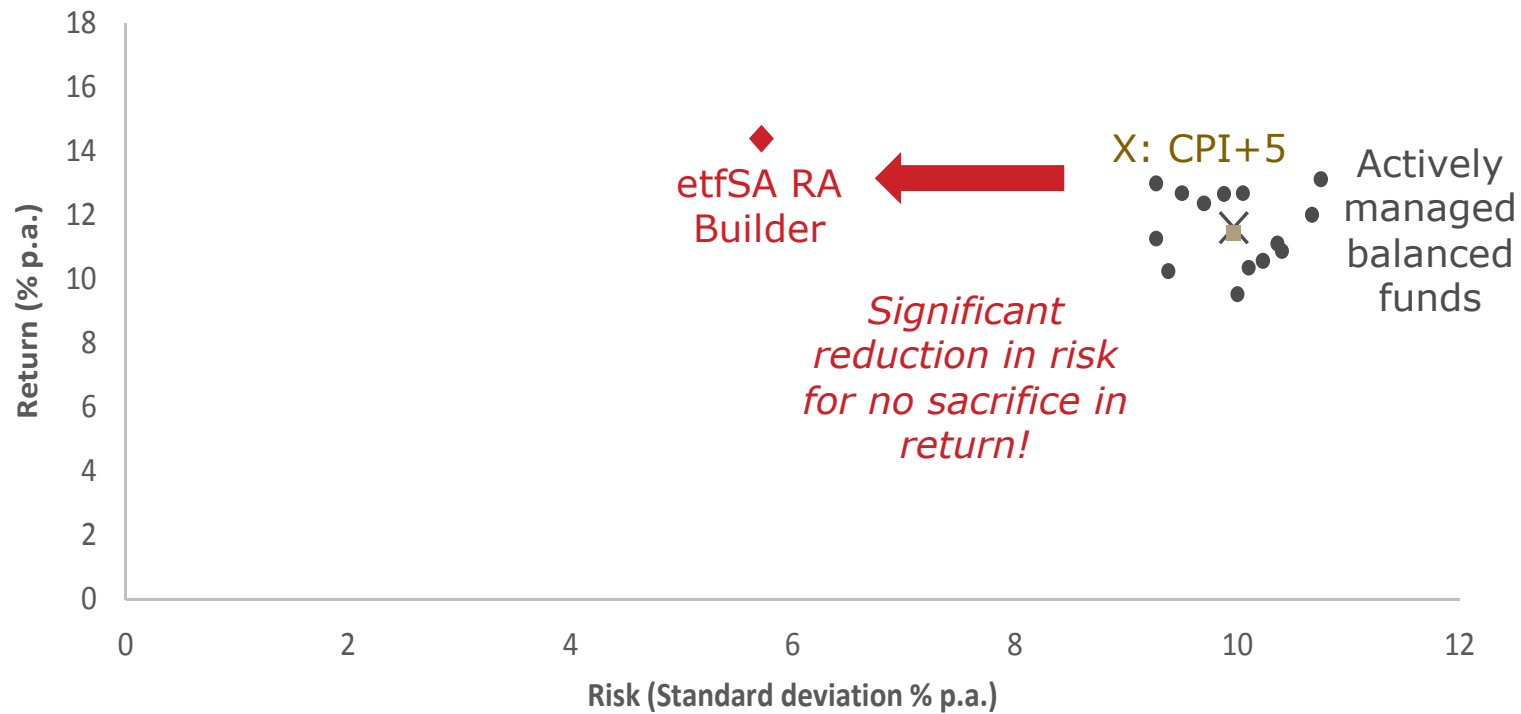
- Eliminate active manager getting the market wrong.
- Greater consistency of performance by ensuring actual returns of the index for each asset class.
- Risk is typically measured by the standard deviation against the benchmark (the index).
- Investing directly in the indices materially reduces the standard deviation (volatility) risk of the portfolio.



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Comparative Risk and Return Profiles of passive and active strategies

Historical Performance of Balanced Funds - Medium Equity Mandate



Notes: Average performance for the 10 years from Jan-05 to Dec-14
Source: ProfileMedia data; etfSA calculations



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etfSA Living Annuity Funds

- Underwritten by Prescient Life, a listed life insurance company.
- ETP portfolios managed by etfSA Portfolio Management Company.
- Low risk, maturity profile tailored portfolios
 - CPI +3% - balanced mandate
 - CPI +5% - balanced mandate
 - CPI +7% - balanced mandate
 - CPI +10% - equity only portfolio
- Can pick mix of above portfolios.



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etfSA Living Annuity Funds

- Can choose withdrawal level (2,5% to 17,5% per annum).
- Switch between portfolios at no cost.
- Cost structure

	Investments <R10m	Investments R10m-R20m	Investments >R20m
Administration fee	0,6% +VAT	0,35% +VAT	0,25% +VAT
Investment management fee	0,6%	0,55%	0,5%
Total fee (incl. VAT)	1,28%	0,95%	0,78%

- Can invest lump sum amounts.
- Can transfer from:
 - Other LAs
 - Pension Funds, Preservation Funds, RAs, Provident Funds.



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“Bespoke” Individual ETP Portfolios

For:

- **Individuals**
- **Trusts**
- **Corporations**
- **Institutions**

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Portfolio Management Service

- Personal ETP portfolios designed for your particular financial requirements, risk profile and income needs.
- Portfolio designs taken into account
 - Volatility
 - Concentration risk
 - Correlation coefficients
 - Tracking errors
 - Diversification
 - Performance targets.
- 1% per annum fee covers all brokerage, administration, custodianship, asset management and financial advice.
- Investment of R1 million or more to qualify.

Portfolio Management Service

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