

New Property Exchange Traded Fund – Proptrax Ten ETF – to be listed in May 2011

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Background

Following on the success of the Proptrax ETF, which was listed back in 2007, Property Index Tracker Managers, a registered Collective Investment Scheme Management Company, will be listing another property based ETF on 30th May 2011.

The new **Proptrax Ten ETF** differs from the earlier Proptrax ETF in that it tracks an equally weighted index of the largest (by market capitalisation) listed property companies on the JSE, but with the funds equally distributed between all ten property companies in the portfolio. By contrast, the popular and well established Proptrax ETF, tracks the FTSE/JSE SAPY index, which consists of 16 property companies, weighted according only to their market capitalisation.

The essential differences between the new Proptrax Ten and the Proptrax ETF are:

- **Less concentration** – the Proptrax ETF has 54% of its portfolio invested in 3 property companies, which makes it highly reliant on these companies for much of the index performance.

The Proptrax Ten ETF, not only reduces this concentration risk but also allocates more of the funds invested into the medium sized property companies, which offers benefits in growth.

Portfolio Constituents		
	Proptrax ETF % of Total Portfolio*	Proptrax Ten % of Total Portfolio**
Growthpoint	24,29	10,28
Redefine	18,04	10,01
Capital Property	11,80	10,11
Resilient	6,86	9,68
Fountainhead	6,42	9,93
SA Corp	6,01	10,46
Hyprop	5,94	9,43
Emira	4,40	9,71
Acucap	3,96	10,19
Sycom	2,94	10,20
Vukile	2,23	
Fortress Income A	2,16	
Premium	1,78	
Octodec	1,11	
Hospitality A	0,81	
Hospitality B	0,67	
Redefine International	0,58	
	100,0	100,0
* As at 31 March 2011		
** As at 30 April 2011.		

- **Liquidity** – The Proptrax ETF is invested in a number of smaller property companies, which can be difficult to trade, should it be necessary to create or redeem new ETF securities. This is less of an issue for the Proptrax Ten ETF, where all ten counters are relatively well traded and have significant free floats.
- **Performance**

Performance Comparison			
Total Return for Period ended 30 April 2011			
	1 Year	2 Year (per annum)	3 Year (per annum)
Proptrax Ten ETF*	16,67%	22,02%	20,67%
Proptrax ETF**	14,06%	19,92%	17,66%
* Proptrax Ten figures, by Fortress Asset Managers, are backdated on historic index and yield figures, with no TERs.			
** Proptrax ETF numbers, from etfSA Monthly Performance Survey, include annual TERs of around 0,8%.			

It would appear that the equally weighted methodology of the Proptrax Ten ETF might offer some performance advantages over the market cap. weighted Proptrax ETF

The historic distribution yield over the past 12 months for Proptrax Ten ETF would have been 7,61% compared with 7,82% for the Proptrax ETF.

Property is often termed the fourth asset class, along with equities, bonds and cash, as it provides a diversified exposure to a high yielding area of investment. The SA Property Index on the JSE has provided an average annual distribution yield of some 9% per annum over the past decade or more, and the SA Property index has comfortably outperformed the JSE All Share index over this period.

The Proptrax Ten ETF, like the Proptrax ETF, will be available to individual clients and financial advisors through the etfSA Investor Scheme™. For more information on Proptrax Ten ETF and other ETFs, visit the website, www.etfsa.co.za

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