

Market Capitalisation of South African Exchange Traded Products (ETPs) Grew by 19% in 2012

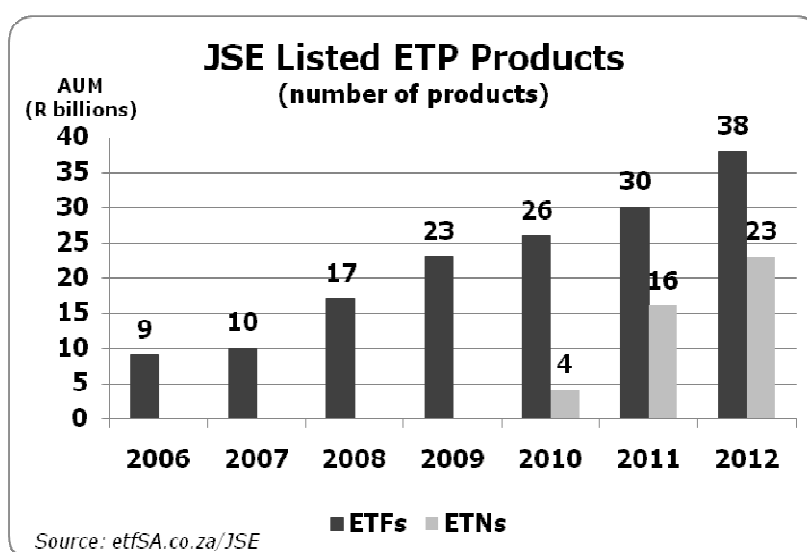
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The market capitalisation of JSE listed ETPs grew from R40,1 billion at the end of 2011 to R47,8 billion at the end of December 2012, an increase of 19%. This mirrored the 20% growth in the market capitalisation of all JSE listed ETPs in 2011, indicating that the Exchange Traded Product industry is on a steady expansion path.

The attached Schedule I shows the market capitalisation of each individual ETP product, since 2008, and the growth of market capitalisation in 2012.

During the course of 2012, a further 15 ETPs were listed on the JSE (8 ETFs and 7 ETNs), bringing the total number of JSE listed ETPs to 61. At the end of 2007, only 10 ETFs were listed, so there has been rapid progress in the number of Exchange Traded Products listed on the JSE over the past 5 years.



During the course of 2012, R2,69 billion capital was raised for new issues of ETP securities on the JSE. Exchange Traded Notes (ETNs) accounted for R1,78 billion and ETFs for R0,9 billion of such new issues of securities.

The attached Schedule II shows the Shares in Issue by each ETP fund and New Capital Raised or Redeemed by ETP issuers in 2012.

The South African investor now has a wide choice of Exchange Traded Products that cover most asset sectors and classes. The total ETP product range in South Africa covers:

| | |
|--|-----------------------------------|
| • Domestic Equity Markets | • Commodities |
| • Domestic Bond Markets | • Investment Styles and Themes |
| • Domestic Money Market & Preference Shares | • Domestic Listed Property Shares |
| • Foreign Equity Markets – Developing and Emerging Countries | • Balanced Portfolios |
| • Foreign Currencies | • Fundamental Indexation |

The underlying Table summarises the South African ETP industry by product issuers (suppliers) as at 31st December 2012.

| Product Suppliers of ETFs/ETNs in South Africa (as at 31 December 2012)* | | | | | |
|---|--------------------------------------|------------|---|---------------------------------------|---------------------|
| | Issuer (Brands) | No of ETPs | Total Market Capitalisation (R million) | Market Cap Growth in 2012 (R million) | % Market Cap Growth |
| 1. | Absa Capital (NewFunds, NewWave) | 20 | 21 310,2 | 2 581,7 | 13,8 |
| 2. | Satrix Managers (Satrix) | 7 | 12 780,5 | 1 404,6 | 12,4 |
| 3. | Deutsche Bank (DBX Trackers) | 8 | 5 355,3 | 1 441,1 | 36,3 |
| 4. | Standard Liberty (Stanlib) | 2 | 2 690,3 | (349,4) | (11,5) |
| 5. | Rand Merchant Bank (RMB) | 5 | 1 974,2 | 817,4 | 70,7 |
| 6. | Investec Capital (Investec) | 4 | 1 823,8 | 1 591,1 | 683,8 |
| 7. | Standard Bank (Standard Bank) | 10 | 1 253,0 | 127,3 | 11,3 |
| 8. | Grindrod Bank (PrefEx) | 1 | 209,6 | 209,6 | 100,0 |
| 9. | Fortress Asset Management (Proptrax) | 2 | 189,4 | (156,3) | (45,2) |
| 10. | Nedbank Capital (BettaBeta) | 2 | 183,4 | 43,6 | 31,2 |
| Totals | | 61 | 47 769,7 | 7 710,7 | - |
| <i>Source: etfSA.co.za / JSE.</i> | | | | | |

Absa Capital remains the largest issuer of ETPs in the South Africa market. It increased the number of products listed on the JSE from 10 in 2011 to 20 in 2012. Absa launched a series of low cost (TERs are expected to average around 20bps (0,2%) per year), total return funds tracking local equity and bond indices under its NewFunds brand last year. In addition, 5 new ETNs (NewWave) were issued, which cover the spot price of silver and platinum as well as offering investors exposure to currencies (Euro, US Dollar and UK Pound) through JSE listed securities.

Absa Capital ETP products, with a total market capitalisation of R21,3 billion, accounted for 44,6% of the total assets under management by the ETP industry in South Africa as at 31 December 2012.

Satrix Managers, now fully owned by Sanlam Investment Management, is the second largest issuer of Exchange Traded Products in South Africa, with R12,8 billion under management. Although Satrix has not issued any new products since 2008, its existing range of products, which cover the main indices on the local equity market, remain extremely popular, particularly with retail investors.

Deutsche Bank now has five ETFs listed on the JSE covering developed country equity markets (USA, UK, Europe, Japan and World indices), plus three increasingly popular emerging market ETNs, which cover China, Africa and All Emerging markets.

These products trade in rands on the JSE, but give direct exposure to international market indices, at very competitive costs and with low tracking error. For most investors, foreign exchange allowances are not impacted when investing in these Deutsche Bank products as they are registered as "inward investments" on the JSE.

Rand Merchant Bank rebranded its products under the RMB label (dropping the BIPS brand) and experienced steady inflows of new money into its inflation linked bond product (RMB Inflation-X) and into a new product launched in 2012 (RMB Mid Cap), which tracks the FTSE/JSE index of 60 mid-cap stocks listed on the JSE.

Investec Capital launched 3 new ETNs in late 2012, the innovative Gold ETN, which tracks the US dollar gold price and two total return products, tracking the FTSE/JSE Top 40 and SWIX Top 40 indices. These products charge no management fees and indicate that Investec is looking to establish itself as a passive asset manager in the local market.

Grindrod Bank was the only new company to issue ETPs in 2012. In March 2012, it launched the PrefEx ETF, which tracks the FTSE/JSE Preference Share index. This product offers a significant interest rate yield premium to typical money market products and should come into its own when interest rates start rising in South Africa. The PrefEx ETF attracted steady support and has grown from R10 million on issue to over R200 million by the end of 2012.

For more information or detail, please contact the undersigned.

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Attachments

- Schedule I : Market Capitalisation – ETFs (2008 – 2012) & ETNs (2010 – 2012)
- Schedule II : ETFs & ETNs – Securities in Issue and New Capital Raised/Redeemed in 2012

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| MARKET CAPITALISATION – ETFs & ETNs | | | | | |
|-------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | End 2008 (R million) | End 2009 (R million) | End 2010 (R million) | End 2011 (R million) | End 2012 (R million) |
| Absa Capital ETFs | | | | | |
| NewGold | 7 078,1 | 13 966,4 | 15 459,3 | 17 562,9 | 20 622,5 |
| NewRand | 510,6 | 726,5 | 632,0 | 768,0 | 87,4 |
| NewSA | 46,2 | 86,9 | 98,3 | 69,2 | 48,8 |
| Shari'ah Top 40 | - | 34,1 | 38,9 | 37,2 | 20,4 |
| eRAFI™ Overall | 397,4 | 131,6 | 156,6 | 161,3 | 115,6 |
| eRAFI™ INDI 25 | - | 27,6 | 35,6 | 33,5 | 8,3 |
| eRAFI™ FINI 15 | - | 22,7 | 24,9 | 25,6 | 5,7 |
| eRAFI™ RESI 20 | - | 31,6 | 35,2 | 30,5 | 8,4 |
| NewFunds MAPPS Growth | | | | 16,0 | 19,7 |
| NewFunds MAPPS Protect | | | | 24,3 | 29,2 |
| NewFunds Equity Momentum | - | - | - | - | 19,7 |
| NewFunds GOVI | - | - | - | - | 43,3 |
| NewFunds ILBI | - | - | - | - | 53,6 |
| NewFunds SWIX Top 40 | - | - | - | - | 10,4 |
| NewFunds TRACI | - | - | - | - | 21,6 |
| Absa Capital ETNs | | | | | |
| NewWave EURO | - | - | - | - | 2,9 |
| NewWave Pound | - | - | - | - | 3,6 |
| NewWave US Dollar | - | - | - | - | 11,3 |
| NewWave Platinum | - | - | - | - | 169,1 |
| NewWave Silver | - | - | - | - | 8,7 |
| Sub-Total | 8 032,3 | 15 027,4 | 16 480,8 | 18 728,5 | 21 310,2 |
| Deutsche Bank ETFs | | | | | |
| DBX Euro | 460,0 | 390,2 | 303,3 | 332,5 | 651,6 |
| DBX UK | 336,6 | 331,2 | 311,8 | 348,9 | 411,3 |
| DBX US | 119,9 | 141,0 | 169,5 | 262,7 | 306,4 |
| DBX Japan | 96,7 | 122,3 | 152,1 | 217,8 | 234,9 |
| DBX World | 133,5 | 183,8 | 333,4 | 597,9 | 865,5 |
| Deutsche Bank ETNs | | | | | |
| DB Africa ETN | | | | 1 079,8* | 1 539,2* |
| DB China ETN | | | | 497,6* | 636,8* |
| DB Emerging Market ETN | | | | 577,0* | 709,6* |
| Sub-Total | 1 146,7 | 1 168,5 | 1 270,1 | 3 914,2 | 5 355,3 |
| Grindrod Bank | | | | | |
| PrefEx | - | - | - | - | 209,6 |
| Sub-Total | - | - | - | - | 209,6 |
| Investec Capital | | | | | |
| zGOVI | 125,6 | 205,4 | 428,3 | 232,7 | 245,7 |
| Investec Capital ETNs | | | | | |
| Investec Gold ETN | - | - | - | - | 500,0* |
| Investec Top 40 ETN | - | - | - | - | 545,4* |
| Investec SWIX 40 ETN | - | - | - | - | 532,7* |
| Sub-Total | 125,6 | 205,4 | 428,3 | 232,7 | 1 823,8 |

* Share capital issued.

| | End 2008 (R million) | End 2009 (R million) | End 2010 (R million) | End 2011 (R million) | End 2012 (R million) |
|--------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Nedbank Capital | | | | | |
| BettaBeta EWT 40 | | | 36,5 | 37,4 | 59,9 |
| BGreen ETF | - | - | - | 102,4 | 123,5 |
| Sub-Total | | | 36,5 | 139,8 | 183,4 |
| Proptrax | | | | | |
| Property Tracker SAPY | 243,4 | 260,9 | 317,1 | 322,9 | 95,6 |
| Proptrax TEN | | | | 22,8 | 93,8 |
| Sub-Total | 243,4 | 260,9 | 317,1 | 345,7 | 189,4 |
| Rand Merchant Bank | | | | | |
| RMB Top 40 | 201,7 | 407,9 | 496,1 | 522,0 | 638,4 |
| RMB Inflation-X | - | 497,4 | 624,0 | 518,3 | 1 040,8 |
| RMB MidCap | | | | | 100,2 |
| Rand Merchant Bank ETNs | | | | | |
| RMB Oil ETN | | | | 36,6* | 130,5* |
| RMB Coal ETN | | | | 79,9* | 64,3* |
| Sub-Total | 201,7 | 905,3 | 1 120,1 | 1 156,8 | 1 974,2 |
| Satrix | | | | | |
| Satrix 40 | 4 405,3 | 6 344,9 | 6 637,6 | 7 312,6 | 8 037,3 |
| Satrix INDI | 469,95 | 598,3 | 635,2 | 801,7 | 719,2 |
| Satrix FINI | 812,5 | 1 063,7 | 827,1 | 1 200,2 | 706,2 |
| Satrix RESI | 405,0 | 535,7 | 422,9 | 539,0 | 487,5 |
| Satrix SWIX Top 40 | 107,2 | 268,9 | 721,9 | 114,0 | 195,4 |
| Satrix DIVI | 370,0 | 693,5 | 927,9 | 869,3 | 1 854,1 |
| Satrix RAFI | 123,1 | 461,7 | 561,6 | 539,1 | 780,8 |
| Sub-Total | 6 693,0 | 9 966,7 | 10 734,2 | 11 375,9 | 12 780,5 |
| Standard Bank ETNs | | | | | |
| Gold-Linker | - | - | 107,3* | 144,0* | 159,1* |
| Silver-Linker | - | - | 76,6* | 83,7* | 94,3* |
| Platinum-Linker | - | - | 205,4* | 197,2* | 224,5* |
| Palladium-Linker | - | - | 75,4* | 73,1* | 83,1* |
| Africa Equity ETN | - | - | - | 151,0* | 193,8* |
| Copper ETN | - | - | - | 110,1* | 121,0* |
| Corn ETN | - | - | - | 50,1* | 60,1* |
| Oil ETN | - | - | - | 159,5* | 146,7* |
| Wheat ETN | - | - | - | 48,8* | 54,8* |
| Commodity Basket | - | - | - | 108,2* | 115,6* |
| Sub-Total | - | - | 464,9* | 1 125,7* | 1 253,0* |
| Standard Liberty | | | | | |
| Stanlib 40 | - | - | 270,3 | 639,3 | 429,4 |
| Stanlib SWIX 40 | - | - | 2 211,3 | 2 400,4 | 2 260,9 |
| Sub-Total | - | - | 2 481,6 | 3 039,7 | 2 690,3 |
| Grand Total | 16 442,7 | 27 534,2 | 33 333,6 | 40 059,0 | 47 769,7 |

Source: Profile Media / etfSA.co.za

* Share capital issued.

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| Summary Market Capitalisation ETFs/ETNs (R million) | | | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| A) Market Cap (R millions) | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
| Exchange Traded Funds (ETFs) | 11 966 | 12 561 | 16 444 | 27 503 | 32 832 | 36 662 | 41 663 |
| Exchange Traded Notes (ETNs) | - | - | - | - | 465 | 3 397 | 6 107 |
| Total | 11 966 | 12 561 | 16 444 | 27 503 | 33 297 | 40 059 | 47 770 |
| | | | | | | | |
| B) Number of Products | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
| Exchange Traded Funds (ETFs) | 9 | 10 | 17 | 23 | 26 | 30 | 38 |
| Exchange Traded Notes (ETNs) | - | - | - | - | 4 | 16 | 23 |
| Total | 9 | 10 | 17 | 23 | 30 | 46 | 61 |
| Notes <i>End of period</i> <i>Source: JSE/etfSA.co.za</i> | | | | | | | |



| ETFs & ETNs – SECURITIES IN ISSUE AND CAPITAL RAISED / REDEEMED | | | |
|---|-----------------|---------------|--|
| | Shares in Issue | | New Capital Raised/ (Redeemed) (approx Rm) |
| Product | December 2011 | December 2012 | |
| 1. Exchange Traded Funds | | | |
| Absa Capital | | | |
| NewGold | 141 636 300 | 150 036 300 | 2 306,0 |
| NewRand | 33 019 966 | 3 019 966 | (720,0) |
| NewSA | 2 262 724 | 1 262 724 | (35,0) |
| Shari’ah Top 40 | 11 920 446 | 5 920 446 | (18,0) |
| eRAFI™ Overall | 5 068 424 | 2 957 255 | (65,0) |
| eRAFI™ INDI 25 | 1 100 814 | 200 814 | (32,4) |
| eRAFI™ FINI 15 | 1 072 216 | 172 216 | (24,3) |
| eRAFI™ RESI 20 | 1 065 955 | 265 944 | (30,0) |
| NewFunds MAPPS Growth | 1 406 698 | 1 406 698 | - |
| NewFunds MAPPS Protect | 1 108 764 | 1 108 764 | - |
| NewFunds Equity Momentum | - | 1 000 000 | 15,5 |
| NewFunds GOVI | - | 1 000 000 | 37,2 |
| NewFunds ILBI | - | 1 000 000 | 45,5 |
| NewFunds Swix Top 40 | - | 1 000 000 | 8,6 |
| NewFunds TRACI | - | 1 275 000 | 20,8 |
| Sub-Total | | | 1 509,0 |
| | | | |
| Deutsche Bank | | | |
| DBX Euro | 14 000 000 | 22 000 000 | 206,0 |
| DBX UK | 5 100 000 | 5 100 000 | - |
| DBX US | 27 000 000 | 27 000 000 | - |
| DBX Japan | 45 000 000 | 45 000 000 | - |
| DBX World | 63 000 000 | 75 000 000 | 120,0 |
| Sub-Total | | | 326,0 |
| | | | |
| Grindrod Bank | | | |
| PrefEx | - | 19 300 000 | 209,0 |
| Investec | | | |
| zGOVI | 21 229 485 | 20 822 116 | (10,0) |
| | | | |
| Nedbank Capital | | | |
| BettaBeta EWT 40 | 1 085 509 | 1 385 509 | 11,0 |
| BGreen ETF | 7 433 011 | 7 433 011 | - |
| Sub-Total | | | 11,0 |

continued/...

| ETFS (continued) | Shares in Issue | | New Capital Raised/(Redeemed) (approx Rm) |
|---------------------------|-----------------|---------------|---|
| Product | December 2011 | December 2012 | |
| Proptrax | | | |
| Property Tracker SAPY | 8 252 020 | 1 952 020 | (270,2) |
| Proptrax TEN | 1 963 307 | 6 463 307 | 55,0 |
| Sub-Total | | | (220,0) |
| Rand Merchant Bank | | | |
| RMB Top 40 | 18 334 067 | 18 334 067 | - |
| RMB Inflation-X | 31 800 000 | 55 271 970 | 375,0 |
| RMB MidCap | - | 1 800 000 | 90,0 |
| Sub-Total | | | 465,0 |
| Satrix | | | |
| Satrix 40 | 256 491 991 | 230 491 991 | (272,0) |
| Satrix INDI | 27 788 457 | 17 788 457 | (140,0) |
| Satrix FINI | 143 736 990 | 63 736 990 | (740,0) |
| Satrix RESI | 10 487 975 | 9 487 975 | (46,0) |
| Satrix SWIX Top 40 | 18 718 130 | 25 718 130 | 49,0 |
| Satrix DIVI | 488 389 818 | 862 389 818 | 555,0 |
| Satrix RAFI | 71 877 270 | 84 877 270 | 103,0 |
| Sub-Total | | | (491,0) |
| Standard Liberty | | | |
| Stanlib 40 | 22 392 383 | 12 372 208 | (290,0) |
| Stanlib SWIX 40 | 390 944 520 | 297 875 790 | (605,0) |
| Sub-Total | | | (895,0) |
| TOTAL ETFs | | | 904,0 |

ETNs on following page.

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| | Shares in Issue | | New Capital Raised/ (Redeemed) (approx Rm) |
|--------------------------|-----------------|---------------|---|
| Product | December 2011 | December 2012 | |
| 2. Exchange Traded Notes | | | |
| Absa Capital | | | |
| NewWave EURO | - | 256 648 | 2,5 |
| NewWave Pound Sterling | - | 256 030 | 3,0 |
| NewWave US Dollar | - | 1 335 177 | 9,5 |
| NewWave Platinum | - | 1 308 305 | 155,0 |
| NewWave Silver | - | 3 354 452 | 8,0 |
| Sub-Total | | | 178,0 |
| Deutsche Bank ETNs | | | |
| DBX Africa ETN | 20 000 000* | 20 000 000* | - |
| DBX China ETN | 20 000 000* | 20 000 000* | - |
| DBX Emerging Market ETN | 20 000 000* | 20 000 000* | - |
| Sub-Total | | | - |
| Investec Capital ETNs | | | |
| Investec Gold | - | 2 777 777 | 477,0 |
| Investec Top 40 | - | 12 750 000 | 513,0 |
| Investec SWIX 40 | - | 5 000 000 | 509,0 |
| Sub-Total | | | 1 499,0 |
| Rand Merchant Bank ETNs | | | |
| RMB Oil ETN | 50 000* | 200 000* | 106,0 |
| RMB Coal ETN | 100 000* | 100 000* | - |
| Sub-Total | | | 106,0 |
| Standard Bank ETNs | | | |
| SB Africa Equity | 20 000 000* | 20 000 000* | - |
| SB Gold-Linker | 1 000 000* | 1 000 000* | - |
| SB Silver-Linker | 500 000* | 500 000* | - |
| SB Platinum-Linker | 2 000 000* | 2 000 000* | - |
| SB Palladium-Linker | 500 000* | 500 000* | - |
| SB Copper ETN | 10 000 000* | 10 000 000* | - |
| SB Corn ETN | 5 000 000* | 5 000 000* | - |
| SB Oil ETN | 10 000 000* | 10 000 000* | - |
| SB Wheat ETN | 5 000 000* | 5 000 000* | - |
| Commodity Basket | 10 000 000* | 10 000 000* | - |
| Sub-Total | | | - |
| TOTAL ETNs | | | 1 783,0 |

* Tranches in issue.

| Summary – New Capital Raised (Rm) | | | |
|-------------------------------------|--|--|----------------|
| Exchange Traded Funds (ETFs) | | | 904,0 |
| Exchange Traded Notes (ETNs) | | | 1 783,0 |
| TOTAL | | | 2 687,0 |
| Source: Profile Media / etfSA.co.za | | | |

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