

STANLIB PROPERTY ETF NOW AVAILABLE THROUGH THE etfSA INVESTOR SCHEME®

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Another Property ETF option is now available to etfSA investors. The STANLIB Property ETF, issued by the STANLIB ETF Collective Investment Scheme, is the third ETF brought to the market by STANLIB. The others are the STANLIB Top 40 ETF and the STANLIB SWIX 40 ETF.

The STANLIB Property ETF tracks the same FTSE/JSE Listed Property Index (SAPY) as the Proptrax SAPY ETF. This constitutes 21 of the largest listed property shares on the JSE weighted by market capitalisation. The other alternative in this property investment space is the Proptrax Ten ETF, which invests only in the top ten JSE listed Property shares, with funds equally weighted amongst these counters.

The portfolio constituents of these Property ETFs are shown below.

Portfolio Constituents and Weightings			
Proptrax SAPY & STANPROP		Proptrax Ten	
Growthpoint	23,48%	Vukile	10,30%
Redefine	14,10%	Hyprop	10,20%
Capital	9,32%	Fountainhead	10,12%
Resilient	8,02%	Acucap	10,08%
Hyprop	7,22%	Capital	10,04%
Fountainhead	5,31%	SA Corp	10,03%
Acucap	4,48%	Emira	9,99%
SA Corp	4,06%	Resilient	9,92%
Emira	3,96%	Redefine	9,70%
Vukile	3,84%	Growthpoint	9,62%
New Europe Prop	3,19%		
Sycom	2,79%		
Fortress Income A	2,33%		
Rebosis	1,57%		
Investec Prop	1,24%		
Premium	1,13%		
Hospitality A	1,02%		
Octodec	0,86%		
Redefine Prop International	0,86%		
Arrowhead A	0,61%		
Arrowhead B	0,60%		
Source: Issuer Fact Sheets (31 December 2012).			

The salient details of the three property ETFs now available on the JSE are shown below.

	STANLIB Property ETF	Proptrax SAPY ETF	Proptrax Ten ETF
Issuer	STANLIB ETF Collective Investment Scheme	Property Index Tracker Management (Pty) Ltd	Property Index Tracker Management (Pty) Ltd
Share Name	STANPROP	Proptrax SAPY	Proptrax Ten
JSE Code	STPROP	PTXSPY	PTXTEN
Benchmark	FTSE/JSE SA Listed Property Index	FTSE/JSE SA Listed Property Index	Proptrax Ten Top Ten Index
Total Expense Ratio	0,15%*	0,86%	0,51%
Current Price			
* Annual management fee to be charged. The total TER will only be known after 12 months.			
Source: Issuer Fact Sheets – STANLIB (31 January 2013); Proptrax (31 December 2012).			

The STANLIB Property ETF has two interesting features, relative to the established Proptrax ETFs. STANLIB intends charging only 0,15% per annum management fee. Other expenses will only be known once the product is listed, but STANLIB have indicated that they hope to keep the total TER to below 0,50% per year, which would make STANPROP very cost competitive with Proptrax. Also, where Proptrax can charge a redemption fee of up to 7% when in specie (physical) redemptions are required (this does not affect etfSA.co.za clients who purely deal on the secondary market), STANLIB have indicated that they would not charge any physical redemption fee for delisting baskets of STANLIB Property ETFs.

A good case can be made for investing in property shares as part of an investment portfolio.

- Listed property is often regarded as the **fourth asset class**, as property shares typically follow a different cycle to other investment classes and can be regarded as a good diversification strategy.

Total Return (with dividends reinvested)					
	3 Years (% p.a.)	5 Years (% p.a.)	7 Years (% p.a.)	10 Years (% p.a.)	20 Years (% p.a.)
FTSE/JSE All Share Index	15,63%	9,41%	14,83%	18,93%	17,02%
FTSE/JSE SA Listed Property Index	24,26%	13,89%	19,08%	21,18%	19,80%

Source: Quarterly Unit Trust Survey (Dec 2012) JSE

As the table above shows, the **total return of the listed property index** on the JSE has comfortably outperformed the All Share Index over the past 3 to 20 years.

- With over 60 property and real estate shares now listed on the JSE, it makes sense to purchase **a single ETF that gives exposure, cheaply and transparently to a balanced allocation in the top property companies.**
- REITS (Real Estate Interest Trusts)** legislation has been implemented in South African and most local major listed property companies will likely convert to REIT status. With global investors used to the REIT structure for listed property shares, this could attract future international investment interest to South African listed property companies.

For more information or detail, please contact Mike Brown, contact details below.

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