



Quick Facts on ETPs

10 things to bear in mind with starting to invest in ETPs

- You can invest from R300 per month for debit orders and from R1000 for each lump sum investment through etfSA.co.za Investor Scheme®, making ETFs accessible to all investors - large or small.
- ETFs are listed and trade on the JSE like any other shares, but give access to an entire portfolio of listed securities, tracking an index.
- Buying a portfolio of shares through an ETF provides diversification (which reduces risk); partial ownership of the best shares on the JSE (which enhances investment performance); and brings affordable exposure to the best companies on the JSE.
- ETFs are passive investments; they merely replicate the indices of shares chosen by the stock market. They therefore are considerably less risky than actively managed investment funds and suit the first time and conservative investor.
- ETFs and ETNs now cover all the major sectors of the JSE equity market; give access to Government bond portfolios; money market funds; foreign investments; currencies and commodities. With ETFs/ETNs now covering all asset classes, it is possible to build multi-manager and asset allocation portfolios simply and cheaply.
- ETFs have Total Expense Ratios (TERs) typically one-quarter to one-third of those of actively managed unit trusts. Low costs work in favour of the investor as they do not eat into investment returns.
- There are now 62 ETFs/ETNs listed on the JSE, making this investment product by far the most successful area of expansion for the JSE. They now provide a wide choice for the investor.
- ETFs are Collective Investment Schemes registered with the FSB as well as being public companies listed on the JSE, so are amongst the best regulated and compliant products available to investors.
- ETFs can be transacted through any JSE member stockbroker, or more conveniently through specific "ETF platforms" such as etfSA Investor Scheme®.
- ETFs are the fastest growing investment products around the world, making them the "preferred investment product for the 21st century".

What Retail Investors Need to Know About ETPs

- ETFs are completely transparent; they publish their holdings every day on websites, unlike most investment products which do not disclose their component holdings.
- ETFs are negotiable securities. They can be bought and sold at any time - you are not locked into your investment and can sell without penalty at any time.
- Investors can invest from R300 per month or from R1000 for lump sums, which are very low hurdle rates to become investors in the stock market.
- ETFs/ETNs now cover all asset classes and investment sub-sectors, making them ideal as the building blocks in long-term investment portfolios.
- You can invest in ETFs yourself without requiring expensive financial advice or the use of financial intermediaries.



Advice to First Time Investors

- Start to invest as early as you can, even if only for small amounts in ETFs and keep investing for as long as you can.
- Debit order investments, which can be easily done through ETF Platforms, such as etfSA Investor Scheme®, are an ideal way to build up investment capital.
- Try to invest in more than one ETF/ETN in order to spread investments over different market sectors and asset classes.
- ETFs are the ideal products to learn about investing in the JSE. Attend the Seminars and workshops arranged by the JSE and etfSA.co.za to learn more about investing in ETFs.

Benefits of being an affiliate member club or individual

- It means being part of a family of people who want to succeed and expand their investment knowledge in a friendly conducive environment.
- It means an opportunity to learn from others and networking opportunities for other opportunities that might not be ETP related.
- If the member club is not yet setup we will give guidance and help in starting up the club
- The member club application with etfSA will be processed on the club/stokvel behalf.
- The member club will receive regular feedback and update on ETP performances and products.
- The member club queries or questions with etfSA will be followed up directly with etfSA.
- The member club will be invited to regular session on ETPs and other investment products developments
- The member club investment execution instructions will be done with etfSA on behalf of the client.
- The member club will be invited to all affiliate member club/stokvels quarterly feedback functions.
- The affiliation costs are very low from as little as R50 per club/member annually.