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 **CORESHARES™**  
LIBERATE  
THE FUTURE

Introducing the CoreShares Total World ETF (Share Code: GLOBAL)

# THE UNITED NATIONS OF INVESTMENTS

Benefit from exposure to 25 developed markets  
& 24 emerging markets.







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## NOW YOU CAN BUY THE WORLD.

When looking for a truly global investment opportunity, it's hard (or even, impossible) for the average investor to achieve. Quite simply, this is because there are too many shares and too many markets for South African investors, large and small, to access. Until now.

The new CoreShares Total Stock Market Feeder ETF (share code: GLOBAL) will give investors the broadest investable opportunity set available on the JSE yet (as measured by number of shares and number of markets).

Access to all markets, growing (**Emerging**) and established (**Developed**).





The CoreShares Total Stock Market Feeder ETF gives investors exposure to 49 global equity markets, including both developed (89%) and emerging markets (11%) ensuring maximum global investment reach and maximum diversification. Note: *If one uses the same classification of markets as MSCI, the emerging markets component increases to 13%.*

Global markets can change dramatically, and it is important to ensure that you have the greatest possible reach, as it is impossible to predict the next decade's

winner. For example, 30 years ago the two dominant markets were the USA (37% of global markets) and Japan (35% of global markets). Fast forward to today and these dominant markets have had extremely divergent outcomes: the USA now at 60% of global markets; and Japan at just 6%. The question remains which market will be the next USA: China, India, or Emerging Europe? It's hard to predict! To avoid missing out, investors are best served by owning as many markets as possible.

Looking beyond the individual markets, the inclusion of the emerging markets component is important for the following reasons:

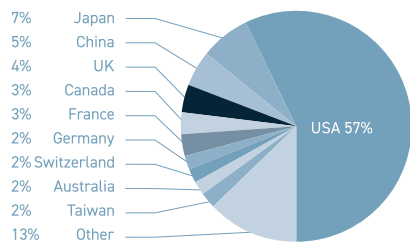
**Increased diversification:** Adding emerging markets introduces more shares as well as an improved geographic diversification for South African investors.

**Increased representation:** According to the World Bank's statistics, if one weighted emerging market within a portfolio by GDP, it would represent over 35%. This

emerging market representation of the "real economy" has zero representation in the majority of World ETFs listed on the JSE. This means that the CoreShares Total World ETF has more exposure to the "real economy" globally than any other locally-listed ETF.

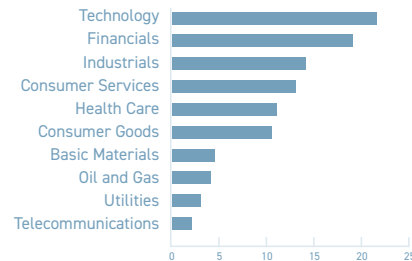
**Improved risk-return characteristics:** Over extended periods of time, investors tend to be rewarded when making emerging market allocations as the risk premium typically leads to an outperformance over developed markets.

### Country weight <sup>1</sup>



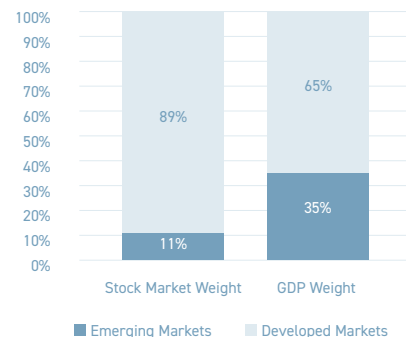
<sup>1</sup> Source: FTSE Russell as at 28 February 2021

### Sector breakdown <sup>2</sup>



<sup>2</sup> Source: FTSE Russell as at 28 February 2021

### Stock market and "real" economy disconnect <sup>3</sup>



<sup>3</sup> Source: Stock Market Weight, FTSE Russell as at 28 February 2021. GDP Weight, World Bank based on 2019 GDP figures (most recent GDP available).

DEVELOPED MARKETS  
**89%**

EMERGING MARKETS  
**11%**



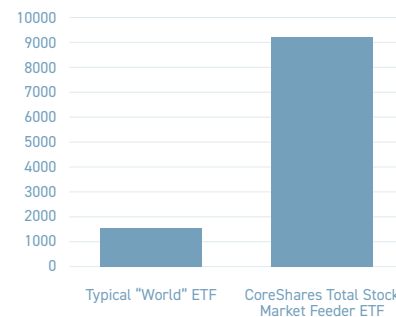
## FULL OPPORTUNITY SET: LARGE, MID AND SMALL CAP

For the first time, South African investors can access global large, mid and small cap shares in one convenient locally-listed ETF. Including small cap shares means that investors own more shares (in the case of this ETF, there are >9000 companies in the basket!), which provides a more diversified exposure. In addition to this diversification benefit, smaller companies tend to provide enhanced long-term returns through the “size premium”. The size premium refers to an empirically verified occurrence that mid and small-cap shares generally outperform large-cap stocks over time.

The very large basket of shares means:

- **Broad coverage:** 98% coverage of the total stock market (only leaving out frontier markets and micro-cap shares). By comparison, sticking to large and mid-cap companies gives investors around 88% coverage, and sticking to only developed market large and mid-cap companies, just 75%.
- **Lower concentration:** The top 10 shares make up 12% of the total portfolio, as opposed to approximately 18% of large and mid-cap only strategies.
- **The small caps are not so small:** Counterintuitively, the small cap exposure in the fund makes up approximately 10% of the total portfolio.

Number of shares <sup>4</sup>



<sup>4</sup> Approximate number of shares, based on ETF MDDs as at 31 Dec 2020 and FTSE Russell.

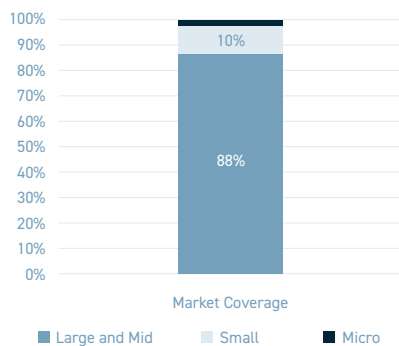


## WHY GO GLOBAL?

For most investors, the decision to invest in a global fund such as the CoreShares Total World ETF can be premised on a well-documented investor bias known as the Home Bias. The Home Bias, not specific to South African Investors, is one wherein investors are disproportionately invested in their own market. This is due to a number of behavioral traits, however in the main is due to structural impositions such as pension fund regulation and local business and property ownership. We would encourage investors to appraise their portfolios holistically, considering all assets (pension funds, business ownership, property ownership etc.). Once such an analysis has been made, consider that South Africa only makes up around 0.5% of the global stock market. Any weight higher than this is a shift away from the optimally diverse global portfolio and should be addressed through a global allocation.

CoreShares is excited to bring a first of its kind, total market coverage, global ETF incorporating both emerging and developed markets and all stocks, large, mid and small. This highly efficient ETF is brought to South African investors at an extremely competitive targeted TER of 0.29%.

### Total stock market<sup>5</sup>



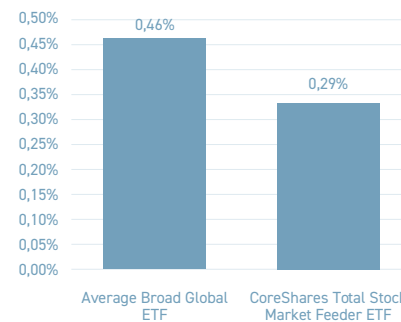
<sup>5</sup> Source: FTSE Russell as at 28 February 2021

This highly efficient ETF is brought to market at an extremely competitive targeted **TER of 0.29%**.

## COST

The CoreShares Total World ETF is targeting a **TER of 0.29%**, making it not only the broadest and most diverse global allocation, but also the most cost effective.

### TER<sup>6</sup>



<sup>6</sup> Average TER based on all vanilla broad-based Global ETFs listed on the JSE, using company MDDs as at 31 Dec 2020. The CoreShares Total Stock Market Feeder ETF is a targeted TER, the actual TER will be published 1 year post inception.







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CoreShares Index Tracker Managers (RF) (Pty) Ltd ("the Manager"), Registration number 2006/006498/07, is a company incorporated in South Africa acting as a manager of collective investments schemes in securities in terms of Section 42 of the Collective Investments Schemes Control Act and is supervised by the Financial Sector Conduct Authority. The Manager therefore may be used as the primary contact point for the ETFs. The registered address of the Manager 4th Floor Grindrod Tower, 8A Protea Place, Sandton, 2196. The Client Administration (Unit Trust only) and the Asset Administration (ETFs and Unit Trusts) is outsourced to Prescient Fund Services (Pty) Limited. Tel: +27 21 700 3600, Address: Prescient House Westlake Business Park Otto Close, Westlake, Cape Town 7945. The Trustee and Custodian is ABSA Bank Limited Telephone 011 501 5292 Address: 2nd Floor, 160 Jan Smuts, Rosebank, 2196. This document and any other information supplied in connection with CoreShares is not "advice" as defined and/or contemplated in terms of the Financial Advisory and Intermediary Services Act and, therefore, investors are encouraged to obtain their own independent advice prior to buying participatory interests in CIS portfolios issued by the Manager. Collective Investment Schemes in Securities (CIS) are generally medium to long term investments. The value of participatory interests may go down as well as up and past performance is not necessarily a guide to the future. CIS are traded at ruling prices and can engage in borrowing and scrip lending. A schedule of fees and charges is available on request from the company. Commission and incentives may be paid and if so, would be included in the overall costs. The portfolios track the

performance of a particular index and so outperformance of the index is not the objective and, therefore, there are no performance fees at all. The Manager does not provide any guarantee either with respect to the capital or the return of a portfolio. Unlike traditional unit trusts, Exchange Traded Funds (ETFs) are Collective Investment Schemes in Securities (CIS) that trade on stock exchanges. Trading in ETFs will incur the normal costs associated with listed securities, including brokerage, settlement costs, Uncertified Securities Tax (UST), other statutory costs and administrative costs. The price at which ETFs trade on an Exchange may differ from the Net Asset Value price published at the close of the trading day, because of intra-day price movements in the value of the constituent basket of securities. The portfolio is valued on every business day at 17h00. The current price means the net asset value, which is the total market value of all assets in the portfolio including any income accruals and less any quantifiable and non-quantifiable deductions from the portfolio divided by the number of participatory interests in issue. The Manager shall, wherever possible, avoid situations causing a conflict of interest. Where it is not possible to avoid such conflict, The Manager shall advise you of such conflict in writing at the earliest reasonable opportunity and shall mitigate the conflict of interest in accordance with its conflict of interest Management Policy. You may send a blank email with a subject "conflict of interest" to the compliance officer, should you need a copy of this policy. Complaints should be directed to the Compliance Officer. The Complaints Resolution Policy is available on request. The Compliance Officer's email address is [compliance@coreshares.co.za](mailto:compliance@coreshares.co.za).

