



How can I trade offshore via the JSE?

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November 2020



Quick Recap

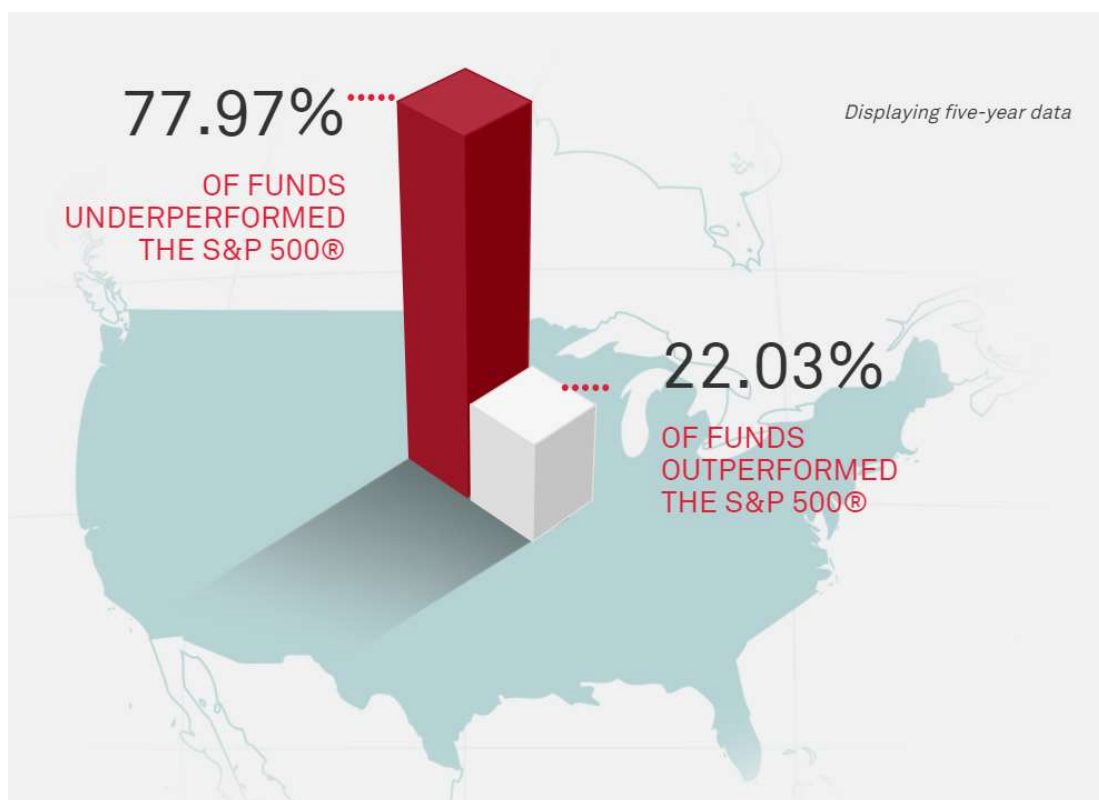


Passive Investing Benefits





Why Passive? SPIVA: S&P Index versus Active

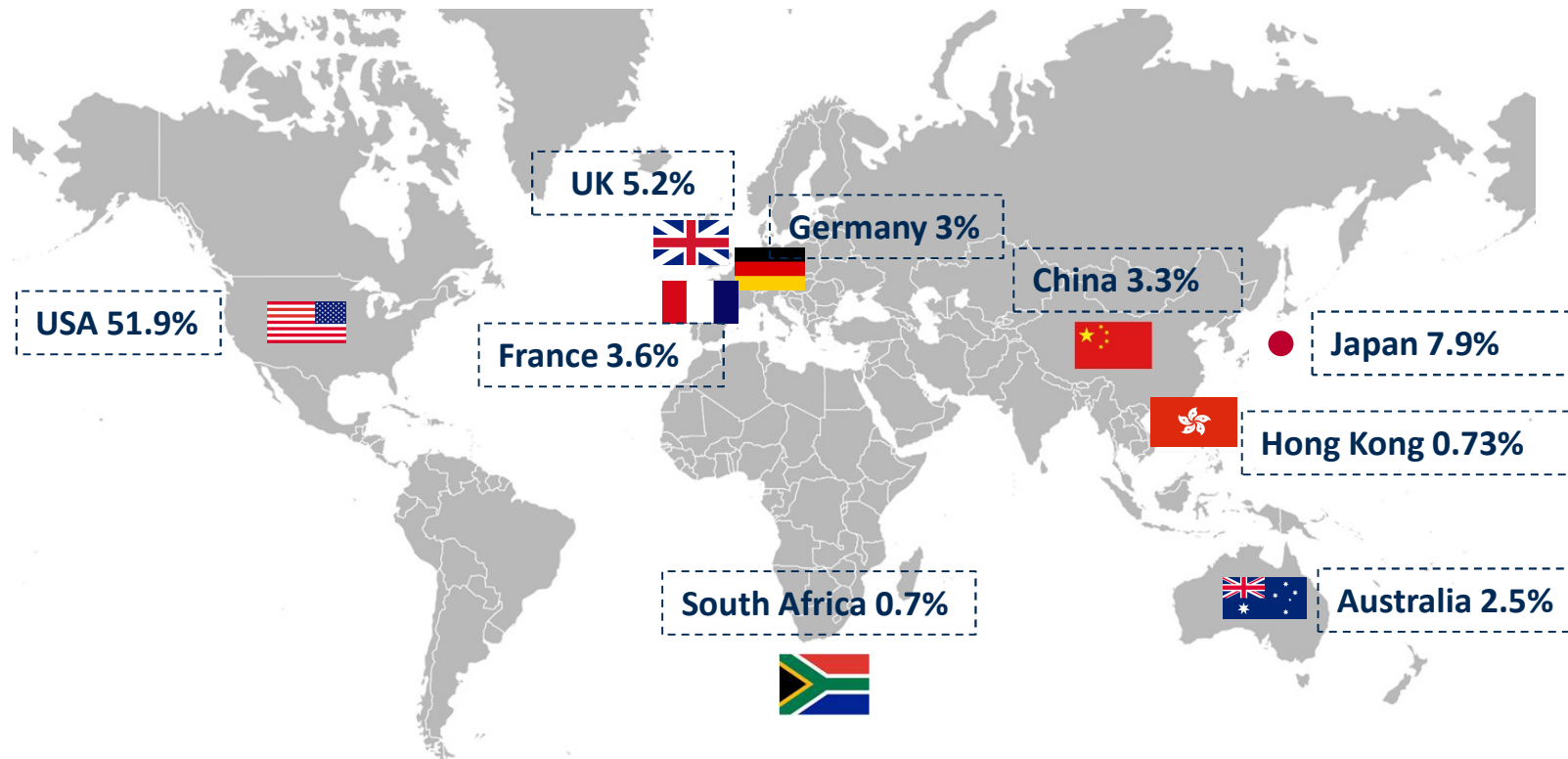


1. Source: SPIVA US Scorecard 30 June 2020. Based on percentage of large cap active managers who outperform the S&P500 Index over 5 years ended 30 June 2020.



Global Opportunity: All Country World Index

South Africa < 1% of the Global Markets



Source: MSCI and iShares



The Mechanics



Locally listed funds investing offshore

amazon

facebook

Coca-Cola

Apple

Microsoft

McDonald's

CORESHARES S&P500® ETF PROVIDES INVESTORS WITH EXPOSURE TO THE

500
LARGEST
U.S. COMPANIES

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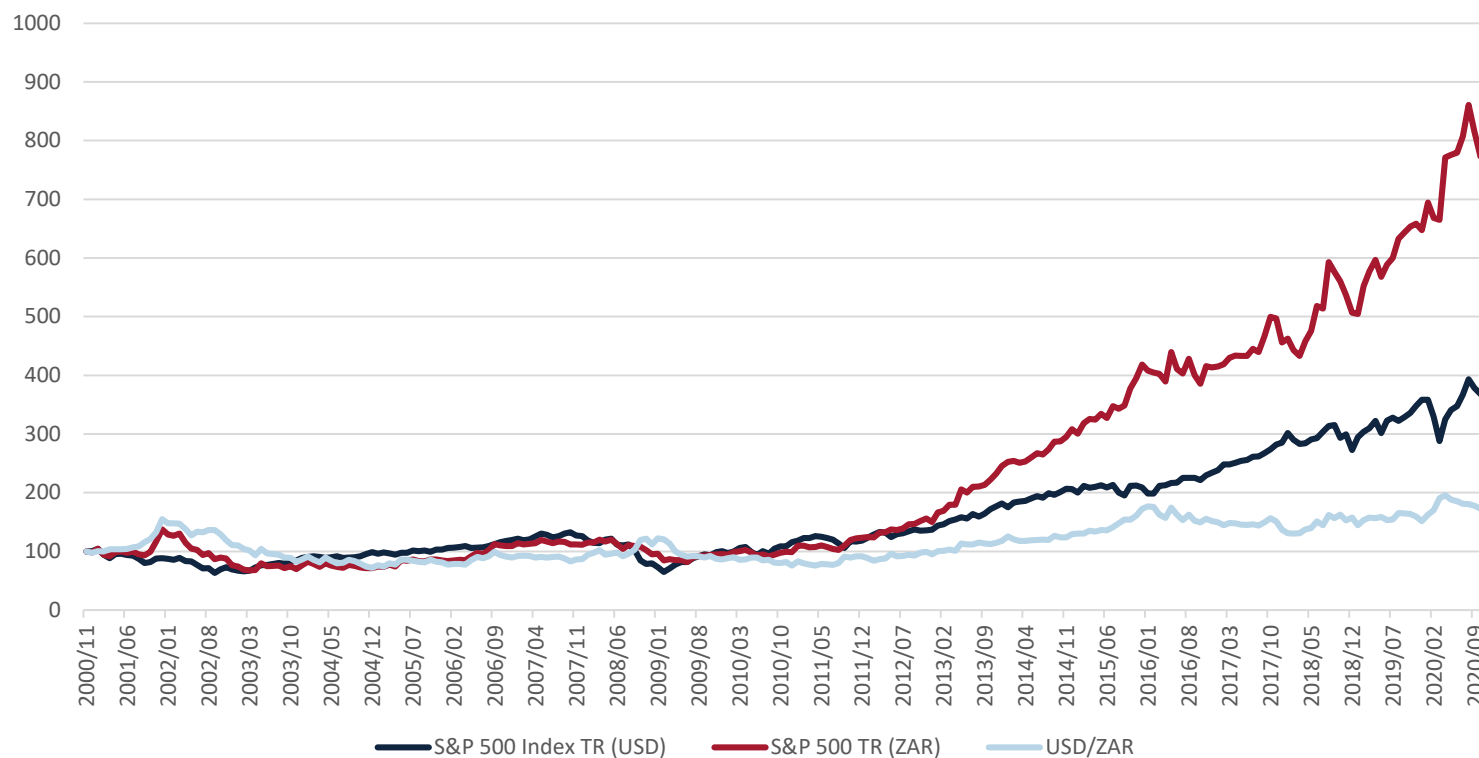
JS

CoreShares Index Tracker Managers (RF) (Pty) Ltd is an approved manco in terms of CISC



The Currency Effect: S&P500 example

Your performance locally = Offshore investment performance + USDZAR change



Source: CoreShares and Morningstar data to end Oct 2020



The Currency Effect: Volatility

Time Horizon is important!



Source: <https://tradingeconomics.com/south-africa/currency>

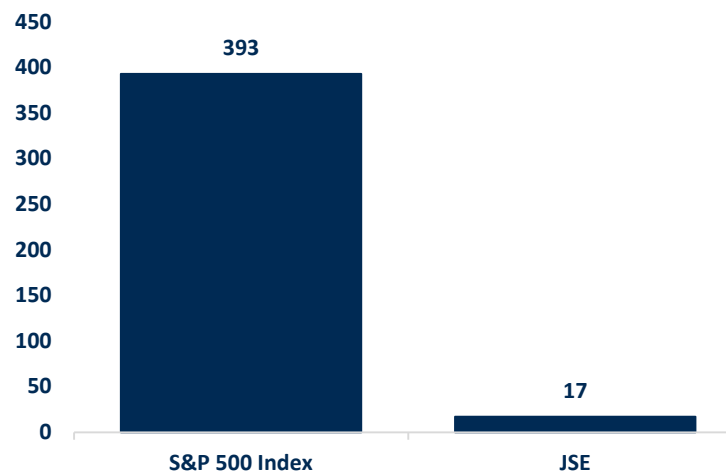
JSE-Listed Offshore ETFs: Examples

○ ● ● CoreShares S&P500 ETF
(CSP500)



Go Global with S&P 500

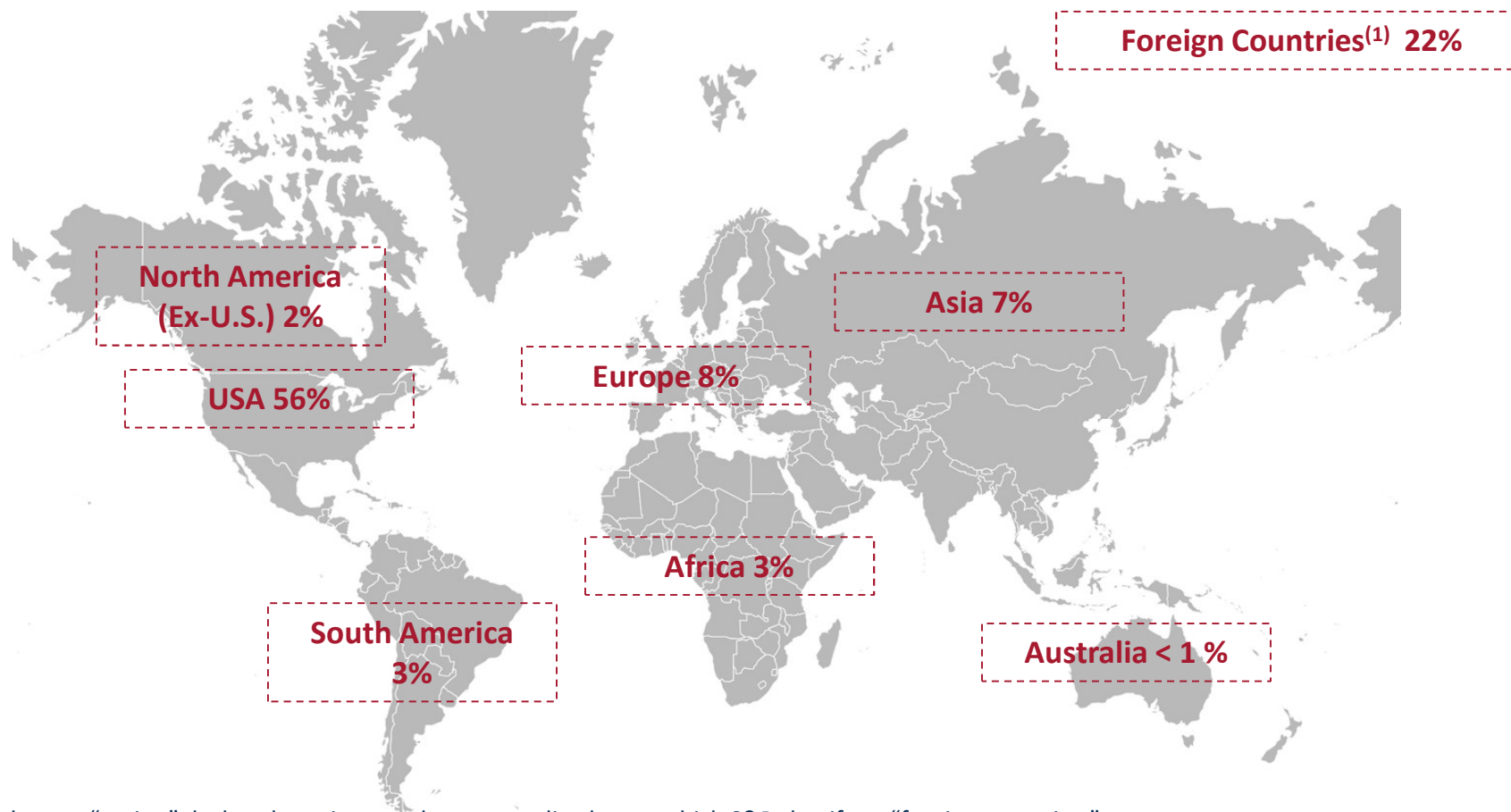
- Created in 1957, the S&P 500 was the first US market-cap weighted equity market index
- Includes the 500 leading companies of the US economy
- Over \$9.9trn benchmarked to the index with around \$3.4trn assets tracking it
- Captures c.80% of available market cap
- The market cap of the S&P 500 eclipses that of the entire JSE (ZAR'trn)



Source: S&P Dow Jones Indices, JSE as at 31 December 2019



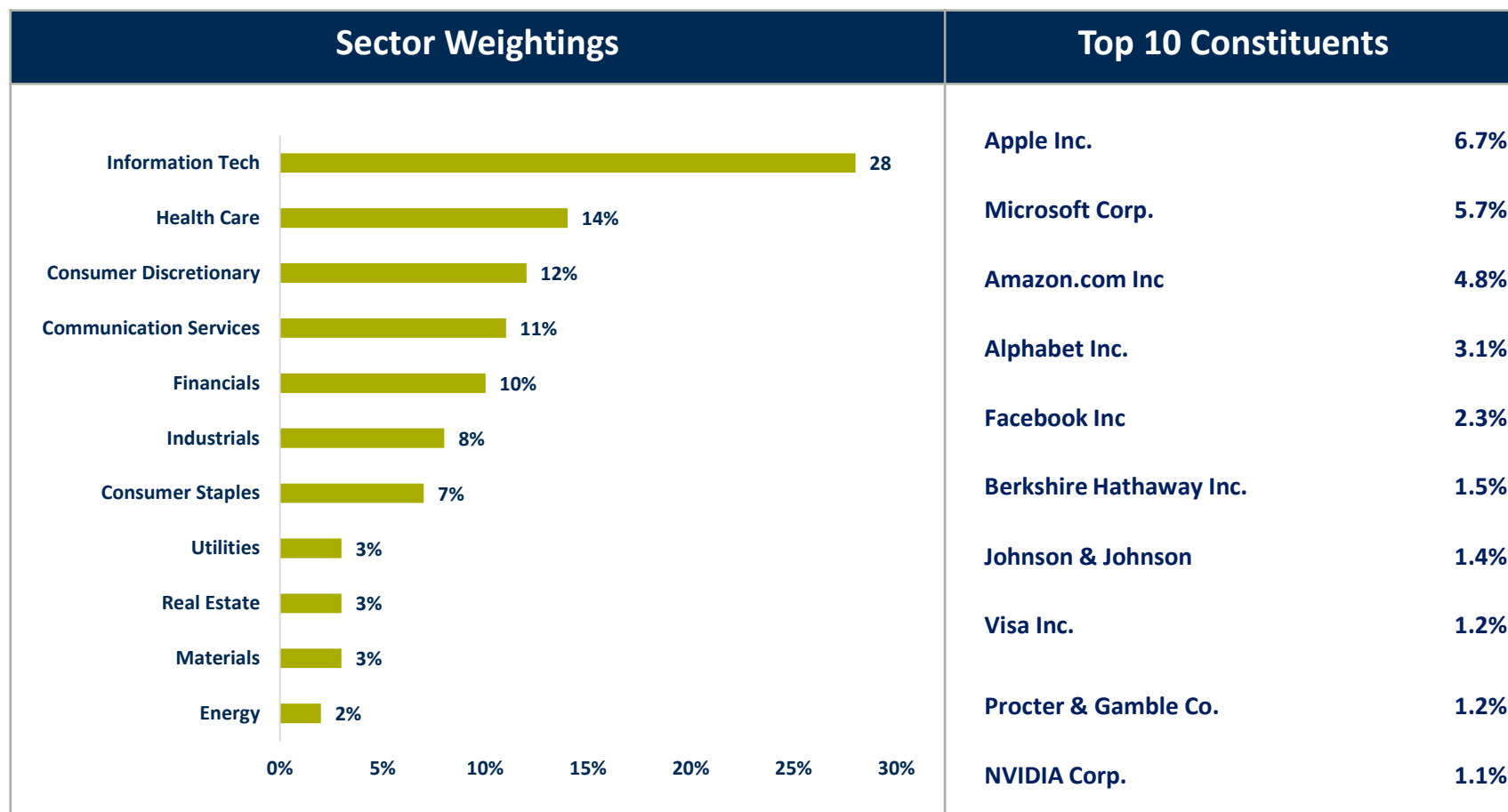
S&P 500 Global Sales



(1) The largest “region” declared continues to be a generalized area, which S&P classify as “foreign countries,” meaning that no further country or regional breakdown was given



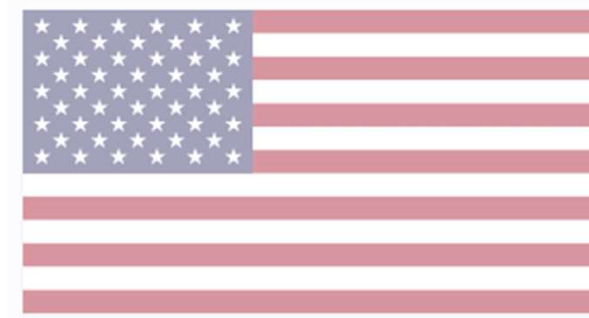
S&P500: Sectors and Constituents





CoreShares S&P500 ETF Quick Facts

- **Share code: CSP500**
- TER: 0.33%
- Largest 500 US companies
- Dividends paid semi-annually
- 1 Year Historic Net Yield: 1.3% (31 October 2020)





CoreShares S&P Global Dividend
Aristocrats ETF (GLODIV)



Why investors use Dividend Aristocrats

Focus on Quality Income

- Focus on dividend growth
- More sustainable and predictable income

Growth assets with defensive quality

- Equity returns with lower standard deviation
- Captures more upside than downside
- Draw down protection

Quality Companies

- Robust Earnings and cash generative
- Financial strength and low debt levels
- Disciplined management, selective on growth projects

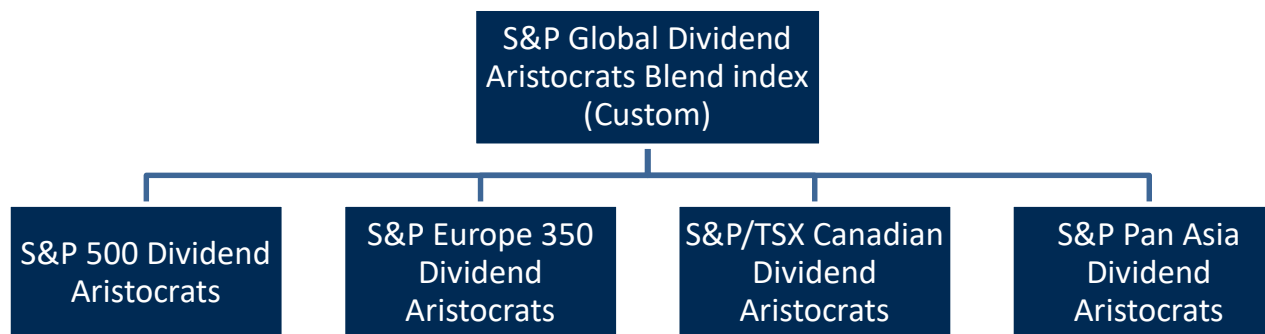
Share Diversification

- 346 shares across 27 countries



GLODIV Methodology

A globally diversified index of indices



Region	USA (58%)	Europe (18%)	Canada (3%)	Pan Asia (21%)
Number of countries	1	12	1	13
Number of constituents	64	56	96	130
Qualification years	25	10	5	7
Weighting methodology	Equal	Equal	Yield	Yield



Some GLODIV Constituents

Fund Constituents				
       	    	3M Co	Domino's Pizza Enterprises Ltd	Novartis AG Reg
		AT&T Inc	Exxon Mobil Corp	Procter & Gamble
		Abbott Laboratories	Fortis Inc	PepsiCo Inc
		BAE Systems Plc	Hermes Intl	Prudential Plc
		Bridgestone Corp	Infosys Ltd	Royal Bank Of Canada
		British American Tobacco Plc	Johnson & Johnson	Sage Group
		Burberry Group	Kimberly-Clark	Samsung Electronics Co
		Caterpillar Inc	Lindt & Spruengli AG	Sanofi-Aventis
		Chubb Limited	L'Oreal	S&P Global Inc
		Cincinnati Financial Corp	Lowe's Cos Inc	Swiss Re
Coca-Cola Co	McDonald's Corp	Target Corp		
Colgate-Palmolive Co	Metro Inc	Thomson Reuters Corp		
Compass Group	Nestle SA Reg	Unilever NV		
Diageo Plc	Nissan Motor Co	Walmart Inc.		

Source: S&P Dow Jones Indices March 2020



CoreShares S&P Global Dividend Aristocrats ETF

- **Share code: GLODIV**
- TER: 0.60%
- 346 companies across 27 countries
- Dividends paid semi-annually
- 1 Year Historic Net Yield: 1.5% (31 October 2020)

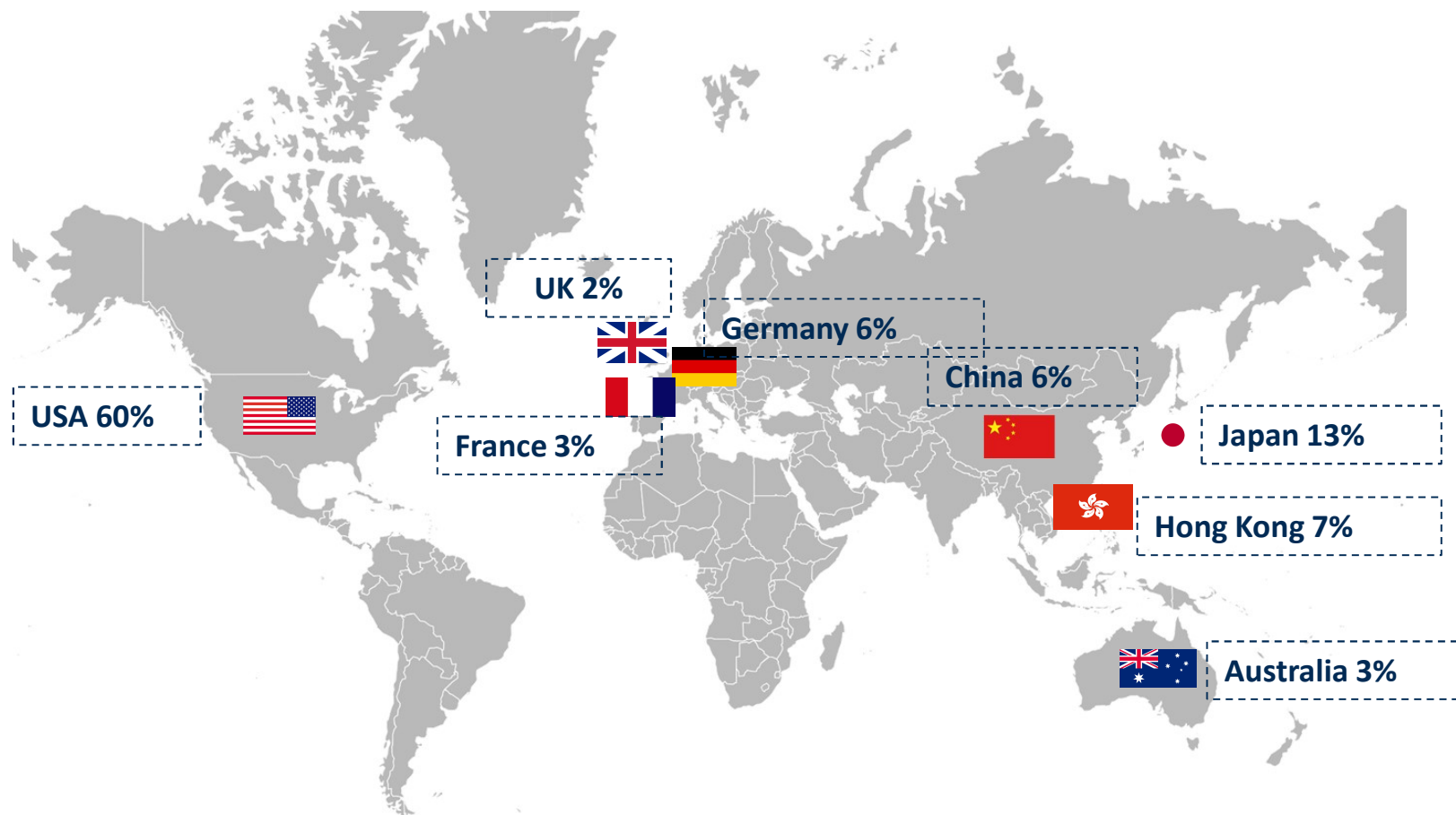




CoreShares S&P Global Property ETF
(GLPROP)

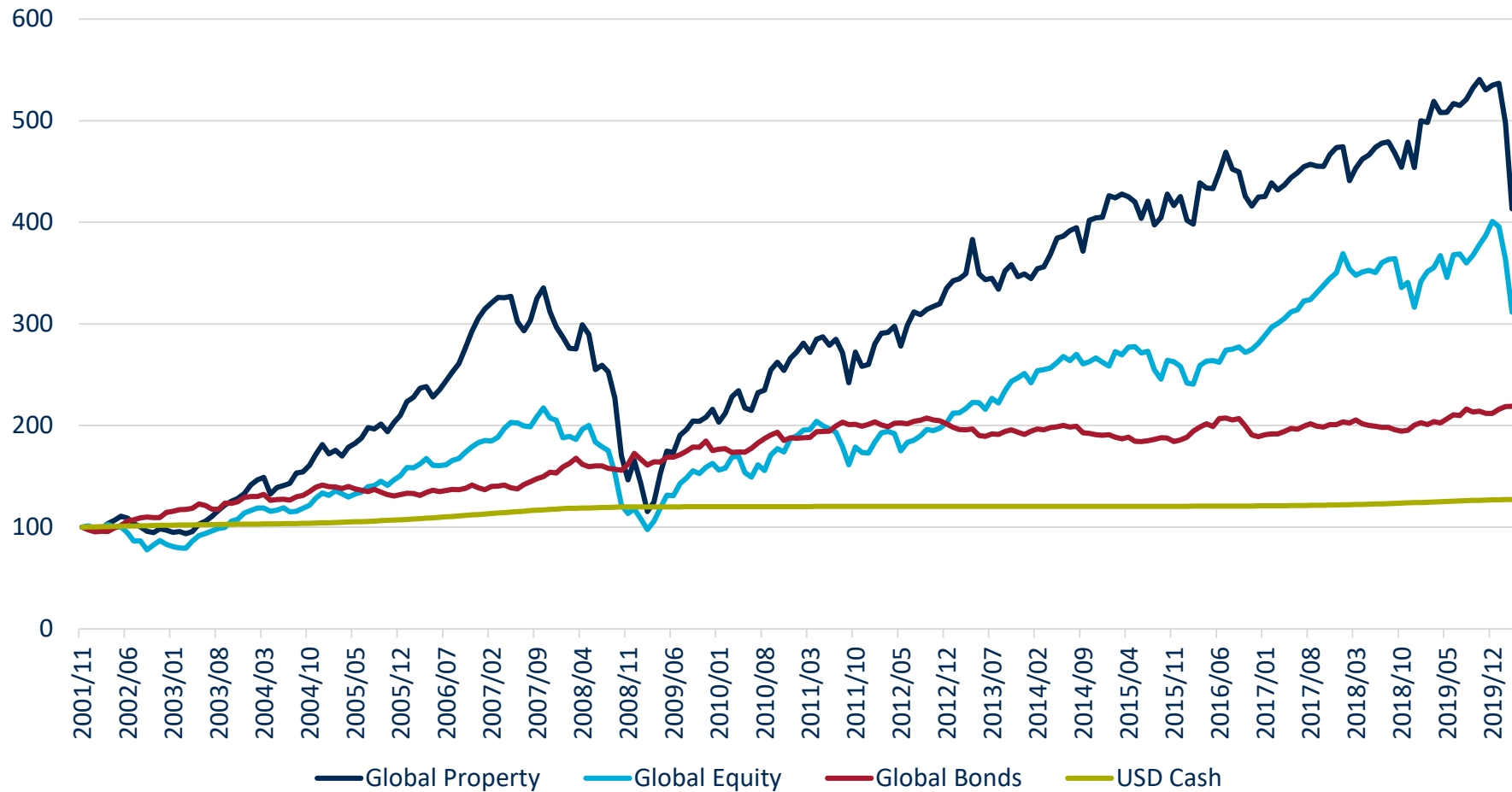


S&P Global Property 40 Index Country Composition





Why invest in Global Listed Property?



1. Source: Morningstar. From inception 2001/11 (Common inception of S&P Global Property 40 TR, S&P Global BMI Index TR, FTSE G7 Index TR, S&P Cash Composite Index TR) to 31 March 2020. Past performance is not indicative of future performance.



CoreShares S&P Global Property ETF

- **Share code: GLPROP**
- TER: 0.63%
- 40 companies across 8 countries
- Dividends paid semi-annually
- 1 Year Historic Net Yield: 2.3% (31 October 2020)





CoreShares JSE-Listed ETF Range

Fund Name	Share Code	Management Fee	ETF TER	Unit Trust TER	Distributions	Category	Benchmark
Equity – South Africa							
CoreShares Top 50	CTOP50	0.20%	0.25%	0.29%	Quarterly	Core, 10% Capped	S&P South Africa 50 Index
CoreShares S&P SA Dividend Aristocrats	DIVTRX	0.40%	0.54%		Quarterly	Income	S&P South Africa Dividend Aristocrats
CoreShares Scientific Beta Multi-Factor Index Fund	SMART	0.40%	0.60%	0.52%	Quarterly	Smart Beta	Scientific Beta CS South Africa 6FEW
Equity – Global							
CoreShares S&P500	CSP500	0.25%	0.33%		Semi-annually	Core	S&P 500 Index
CoreShares S&P Global Dividend Aristocrats	GLODIV	0.35%	0.60%		Semi-annually	Income	S&P Global Dividend Aristocrats Blend
Listed Property – South Africa							
CoreShares SA Property Income ETF	CSPROP	0.35%	0.51%		Quarterly	Income	SA Property Income
Listed Property – Global							
CoreShares S&P Global Property	GLPROP	0.40%	0.63%		Semi-annually	Core	S&P Global Property 40 Index
Fixed Income							
CoreShares Preftrax	PREFTX	0.45%	0.58%		Quarterly	Income	FTSE/JSE Preference Share Index (J251)



Next up

What does portfolio construction mean?

Tuesday, 1st December at 11.00am

For more information on our funds, to sign up to our newsletter and to access more learning materials, visit
www.coreshares.co.za

General Enquires - info@coreshares.co.za



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