



IN PARTNERSHIP WITH



RETIREMENT FUND TRUSTEE  
EDUCATION

EXCHANGE TRADED FUNDS  
WORKSHOP BROCHURE

## 1. OUR WORKSHOPS ARE FREE FOR SA TRUSTEES AND PRINCIPAL OFFICERS

The ASISA Academy, in partnership with the ASISA Foundation, is able to offer the Trustee Education workshop at no cost to South African retirement funds and their trustees. Detailed learning outcomes are contained in section 4 of this brochure. Our workshops are aimed primarily at Trustees and Principal Officers of retirement funds and are ideally run with individual funds but can also be delivered as multi-fund courses.

The Academy is the preferred service provider for the ASISA Foundation which receives grant funding from sponsors for trustee education, thus allowing the workshops to be made available at no cost to South African retirement funds and their trustees (subject to certain terms and conditions). This pooled initiative arrangement ensures the independence of the education programme from the individual sponsors of the ASISA Foundation.

To the extent that clients require tailor-made workshop programmes or are not South African retirement funds, we will quote a fee for the particular circumstances relating to such programmes once the scope of the workshop content has been agreed.

## 2. A TEAM OF INDEPENDENT AND HIGHLY EXPERIENCED PRESENTERS

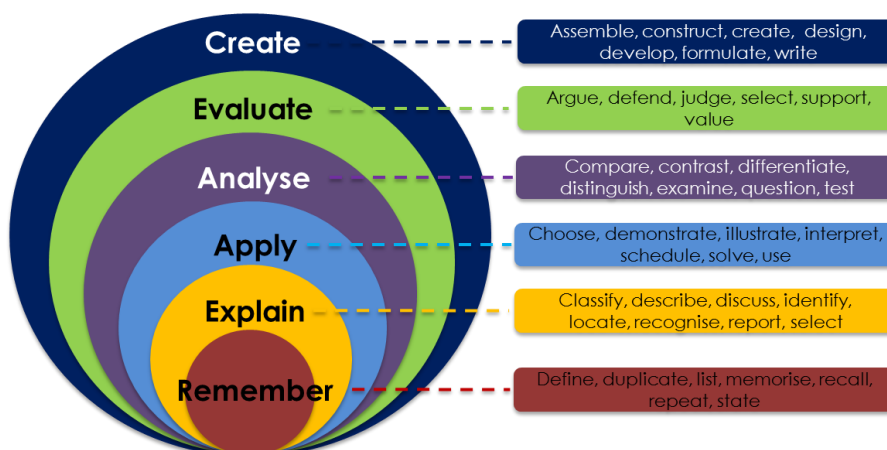
The Academy team delivering the workshops comprises a group of seasoned financial professionals, all of whom also have past experience of working in the financial services industry. Section 5 of this brochure lists the team members and a brief profile of each of them. To further ensure the independence of the content of the workshops, one of our key requirements of these presenters is that they are currently not permanent staff members of any financial services providers. This team is available to present the workshops anywhere in Africa.

## 3. ACADEMY VISION

The ASISA Academy creates and delivers high quality solutions to meet the skills development needs of South African Savings, Life Assurance and Investment Management organisations. Our learning solutions are informed by and responsive to, industry realities and delivered in an academically sound and practitioner-led manner. More than 11,500 people in the Southern African financial services sector have learned with the ASISA Academy since 2008 with over 800 industry presenters keeping the learning rooted in reality.

The Academy has a Level 1 B-BBEE rating and has been recognised by the retirement fund industry's Imbasa Yegolide Awards as the Training Provider of the Year.

We work hard at the ASISA Academy to ensure every learning experience is as interactive as possible. To achieve this, we draw on the expertise of some of the most experienced and specialised professionals in the industry and we limit the size of our groups. The following diagram captures the Academy approach to learning. We aim to achieve the bulk of learning in the bigger circles.



## 4. WORKSHOP LEARNING OUTCOMES

The following tables summarise for each workshop the Learning Areas and Learning Outcomes covered:

### EXCHANGE TRADED FUNDS (ETFs) (½ DAY)

Learning Area	Learning Outcomes By the end of the course successful participants will be able to...
<b>EXCHANGE TRADED PRODUCTS OVERVIEW</b>	<ul style="list-style-type: none"> <li>• Define Exchange Traded Products by contrasting Exchange Traded Funds (ETFs) and Exchange Traded Notes (ETNs)</li> <li>• Explain the difference between an ETF and a Unit Trust/Collective Investment Schemes (CIS).</li> <li>• Explain the underlying exposure of ETFs with reference to:               <ul style="list-style-type: none"> <li>○ The underlying securities or markets</li> <li>○ Foreign exposure</li> <li>○ The range of asset classes in terms of Pension Funds Act (PFA) Regulation 28</li> </ul> </li> <li>• Describe the liquidity advantages of ETFs.</li> <li>• Contrast the market capitalisation of ETFs in South Africa vs the International ETF market.</li> <li>• Interpret the content of the Nedgroup Investments core chart book.</li> </ul>
<b>ROLEPLAYERS IN THE ETF INDUSTRY</b>	<ul style="list-style-type: none"> <li>• Describe the role of each of the following entities and how they interact with each other:               <ul style="list-style-type: none"> <li>○ ETF issuers</li> <li>○ Index providers</li> <li>○ Market makers</li> <li>○ Asset administrators</li> <li>○ ETF Management Company ("Manco") trustees</li> <li>○ Financial Services Conduct Authority (FSCA)</li> <li>○ Stockbrokers and other ETFs distributors</li> <li>○ Financial advisors and asset consultants</li> </ul> </li> </ul>
<b>REGULATORY FRAMEWORK</b>	<ul style="list-style-type: none"> <li>• Summarise the listing requirements for South African ETFs.</li> <li>• Show how ETFs can be included within all the Regulation 28 allowable asset categories.</li> <li>• Define "foreign" ETFs.</li> <li>• Explain the compliance requirements of Cisca for a registered CIS.</li> <li>• Contrast the role of the FSCA and JSE in regulating ETFs.</li> </ul>
<b>WHY INVEST IN ETFs?</b>	<ul style="list-style-type: none"> <li>• Demonstrate the role of ETFs in social development.</li> <li>• Show through a number of case studies how ETFs can be successfully used by retirement funds in achieving their social and investment returns.</li> <li>• Explain the opportunity cost of not investing in ETFs.</li> <li>• Describe the role of the ETF asset owner and how ETFs can enhance shareholder activism.</li> </ul>



<p><b>WHAT TO CONSIDER WHEN INVESTING IN ETFs?</b></p>	<ul style="list-style-type: none"> <li>• Contrast strategies that can be used to invest in ETFs including: <ul style="list-style-type: none"> <li>◦ Reactive vs Proactive</li> <li>◦ Listed vs Unlisted</li> <li>◦ Actively managed/Index rules-based vs Physically backed / Balance Sheet</li> </ul> </li> <li>• In the context of these strategies, explain credit exposure in addition to asset class exposure, particularly in the context of PFA Regulation 28.</li> <li>• Explain the importance of indices and other benchmarks in ETF investments and the significance of having independent index providers.</li> <li>• List the risks involved with index tracking investments.</li> <li>• Explain the concept of “tracking error”</li> <li>• Consider how to assess the appropriate indices / benchmarks for a retirement fund's returns and risks.</li> <li>• Show how retirement funds can develop their own unique benchmarks and what would be the advantages and disadvantages of this “self-indexation”</li> <li>• Demonstrate how ETFs can be incorporated in a retirement fund's Investment Policy Statement (IPS)</li> <li>• Describe how dividend and interest distributions are treated in ETFs.</li> <li>• Show the impact of either paying out or reinvesting distributions.</li> <li>• Explain the tax treatment of ETF income.</li> </ul>
<p><b>HOW TO INVEST IN ETFs?</b></p>	<ul style="list-style-type: none"> <li>• Explain how one can purchase ETFs using either: <ul style="list-style-type: none"> <li>◦ A secondary market / exchange; or</li> <li>◦ A primary issuer</li> </ul> </li> <li>• List potential ETF selection criteria for a South African retirement fund.</li> <li>• Explain the process of assessing a potential ETF provider.</li> <li>• List and quantify the costs and fees involved in investing in ETFs.</li> </ul>
<p><b>WHAT IS THE FUTURE OF ETFs?</b></p>	<ul style="list-style-type: none"> <li>• Describe trends overseas in ETFs and their relevance to South Africa.</li> <li>• Consider which asset classes are not yet available in ETF form and what the impact will be when they are.</li> </ul>

## 5. OUR PRESENTERS



### **Nerina Visser - BSc – University of Stellenbosch; MBA – Stellenbosch Graduate School of Business; CFA Charterholder**

ETF Strategist and Advisor, offering consulting and advisory services to the investment industry, financial advisors and private individuals with a specialist focus on Exchange Traded Products, benchmark indices and rules-based investment solutions. Former President of the CFA Society South Africa; Chair of ASISA ETF Standing Committee; Member of the JSE Issuer Regulation Advisory Committee and Index Advisory Committee; One of the founders of the Women in ETFs in South Africa.

Nerina Visser is a guest presenter, presenting pro bono under the banner of Women in ETFs.



### **Malizole Mdlekeza – FIA, CAIA, CERA**

Malizole is a qualified actuary and chairman of the Actuarial Society of South Africa Alternative Investments committee which focuses on the suitability of infrastructure, private equity and hedge funds for institutions such as pension funds. His areas of specialization and focus within the actuarial profession are pensions and investments. In 2017, he was voted by the Mail & Guardian newspaper as one of South Africa's Top 200 South Africans.

## 6. FEEDBACK FROM PAST DELEGATES



"Today's session meant that I could consolidate everything that I had learnt over the days of the course. It has been very valuable. I am very excited about the knowledge I have gained. Great course!"

"Overall, it was definitely encouraging, and I learnt new things once again. The course would be a great tool for all our staff members."

"What an excellent day! Learnt a tremendous amount from the brilliant speakers today."

"Great lecturers from the industry that has a wealth of knowledge to share. Thoroughly enjoyed it!"

"The program has broadened my perspective in terms of the actual industry - I am learning so much. It has been a great experience so far."

"Programme is fantastic, makes you apply your mind especially to the things you know but are ignorant of."



## 7. CONTACT INFORMATION

For course dates, venues and other information please contact the ASISA Academy on:

- Email: [LEARN@ASISAAcademy.org.za](mailto:LEARN@ASISAAcademy.org.za)
- Website: [www.asisaacademy.org.za](http://www.asisaacademy.org.za)