



ETFs – a piece of cake

Recipe for the perfect cake

- 2 cups of flour
- 1 tsp baking powder
- 125 ml butter
- 1 cup sugar
- 2 eggs
- 1 tsp vanilla essence

Cream the butter and sugar, add the eggs, vanilla essence then the dry ingredients.

Bake at 180°C for 30 minutes. Turn out, let cool and then add frosting.

Cut into slices and enjoy!

Investing in Exchange Traded Funds (ETFs) is as easy as baking a cake!



JSE JOHANNESBURG STOCK EXCHANGE
Equity Market

The ingredients and mixture: In the same way that different ingredients are thrown together to make the best cake mixture, different securities are expertly combined in an ETF 'mixing bowl'.

The baking: Once the cake has baked and cooled off it is cut into slices and served. In the same way an ETF 'cake' is cut into 'slices' and sold to the investor, 'piece' by 'piece'.

The slice: Buying one slice of cake is a lot more affordable than buying all the ingredients for the cake. In the same way, investing in an ETF allows you to benefit from the performance of all the securities, without having to buy each individual security.

The performance: If good quality ingredients are used, then each slice of cake should taste as good as the next. In the same way, if your mixture of company securities performs well, so will your ETF.

You only need one recipe to bake a cake. In the same way, you don't need to do a lot of research about 'choosing' the 'right' security. The ETF gives you exposure to a range of securities in one 'slice', exposing you to significantly less risk than if you had only invested in one security.

For more information on ETFs, visit www.jse.co.za or contact 011 520 7000.

