

# ETFs –The rising stars

Master Investor Show 2017



# Who is Selftrade ?

An award winning investment platform that delivers guidance, information and education

- Trade shares, mutual funds, ETFs all in one place
  - Access to live market data and news
    - Alerts and watchlists
      - ISAs and SIPPS
- Investment, growth and retirement calculators
  - Monthly newsletters and weekly bulletins
  - Selftrade is part of the Equiniti Group plc.

**Today investors face many challenges...**

**#1 Costs & charges**

**#2 Navigating complexity**



## ETFs

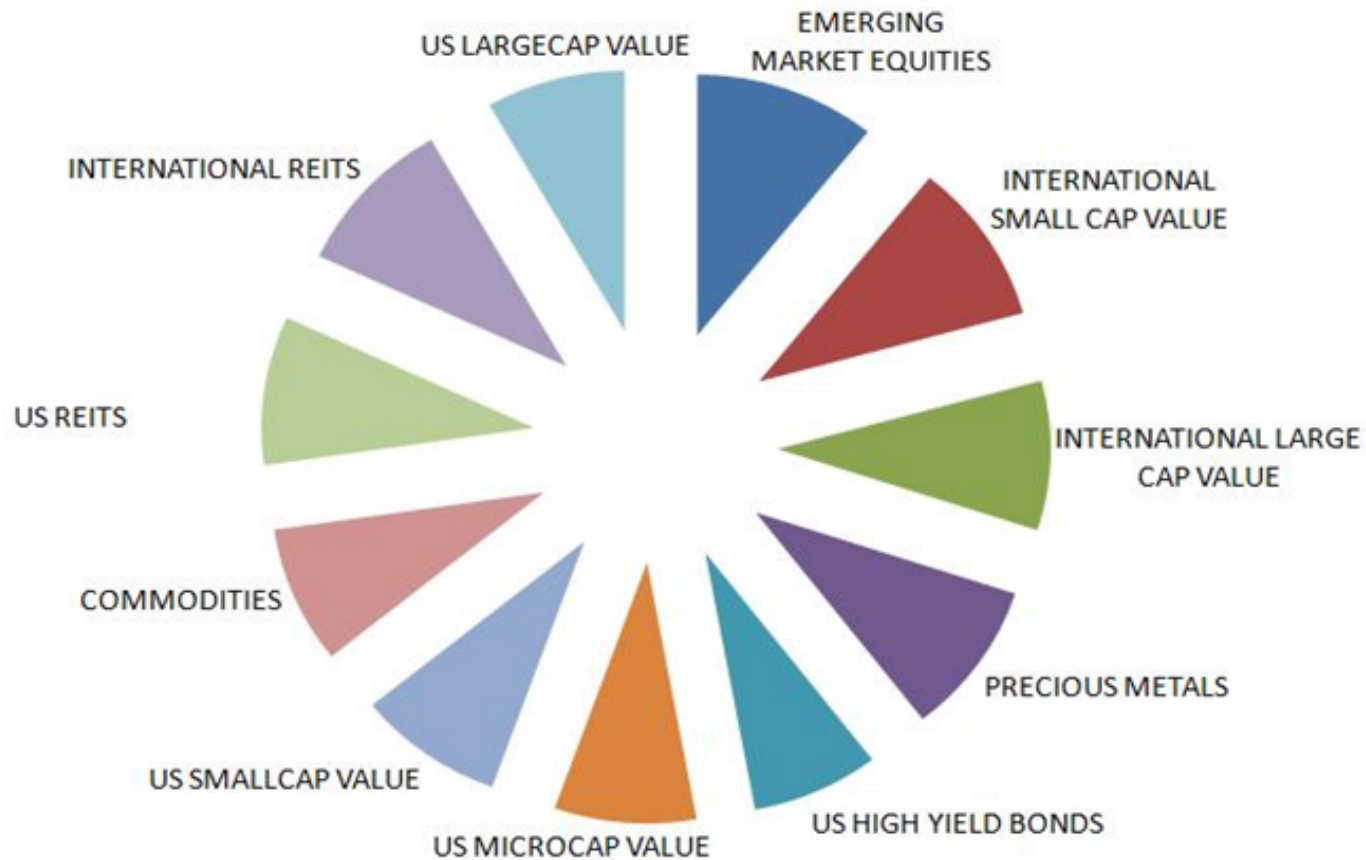
Exchange Traded Funds (ETFs) are big collections of shares which are pooled together into one easy to manage basket.

They can track a stock market index, such as the FTSE 100 or even a sector

- ☐ Investment vehicle of choice in the USA
- ☐ Assets over \$3 trn in the USA
- ☐ Investors can buy or sell at any time of the trading day at a known price
- ☐ Typically much cheaper to own than a mutual fund



## ETFs can help diversify risk



## Asset class performance over 16 years

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Global Investment Grade Bonds 9%	Commodities 26%	Emerging Market Equity 46%	Property 38%	Emerging Market Equity 35%	Property 42%	Emerging Market Equity 33%	Global Sovereign Bonds 9%	Emerging Market Equity 62%	Property 20%	Global Sovereign Bonds 5%	Property 29%	US Equity 32%	Property 16%	Global Equity 2%	Global High Yield Bonds 16%
Emerging Market Equity 8%	Global Sovereign Bonds 10%	Property 41%	Emerging Market Equity 16%	Commodities 21%	Emerging Market Equity 28%	Commodities 16%	Cash 3%	Global High Yield Bonds 58%	Commodities 17%	Global Investment Grade Bonds 5%	Global High Yield Bonds 19%	Global Equity 29%	US Equity 14%	US Equity 1%	US Equity 12%
Global Sovereign Bonds 7%	Global Investment Grade Bonds 8%	Global High Yield Bonds 29%	Global High Yield Bonds 12%	Global Equity 16%	US Equity 16%	Hedge Funds 13%	Global Investment Grade Bonds -5%	Property 38%	Global High Yield Bonds 15%	Global High Yield Bonds 4%	Emerging Market Equity 17%	Hedge Funds 10%	Global Equity 10%	Global Sovereign Bonds 1%	Commodities 12%
Cash 5%	Hedge Funds 3%	US Equity 29%	Global Equity 11%	Property 15%	Global Equity 16%	Cash 6%	Hedge Funds -19%	US Equity 26%	US Equity 15%	US Equity 2%	US Equity 16%	Global High Yield Bonds 6%	Global Sovereign Bonds 8%	Cash 0%	Emerging Market Equity 10%
Hedge Funds 4%	Property 3%	Global Equity 25%	US Equity 11%	Hedge Funds 8%	Hedge Funds 14%	US Equity 5%	Global High Yield Bonds -25%	Global Equity 26%	Emerging Market Equity 14%	Cash 0%	Global Equity 16%	Property 4%	Global Investment Grade Bonds 8%	Property 0%	Global Equity 9%
Global High Yield Bonds 2%	Global High Yield Bonds 2%	Commodities 24%	Hedge Funds 10%	Global High Yield Bonds 6%	Global High Yield Bonds 12%	Global Sovereign Bonds 5%	Commodities -36%	Commodities 19%	Hedge Funds 11%	Hedge Funds -3%	Global Investment Grade Bonds 11%	Emerging Market Equity 3%	Emerging Market Equity 5%	Global Investment Grade Bonds 0%	Global Investment Grade Bonds 6%
Property -4%	Cash 2%	Hedge Funds 15%	Commodities 9%	US Equity 5%	Cash 5%	Global Equity 5%	US Equity -37%	Hedge Funds 19%	Global Equity 10%	Global Equity -5%	Hedge Funds 8%	Cash 0%	Hedge Funds 4%	Global High Yield Bonds -1%	Property 5%
US Equity -12%	Emerging Market Equity -7%	Global Investment Grade Bonds 6%	Global Investment Grade Bonds 5%	Global Sovereign Bonds 4%	Global Investment Grade Bonds 4%	Global Investment Grade Bonds 3%	Global Equity -39%	Global Investment Grade Bonds 17%	Global Investment Grade Bonds 7%	Property -6%	Global Sovereign Bonds 7%	Global Investment Grade Bonds 0%	Global High Yield Bonds 3%	Hedge Funds -1%	Global Sovereign Bonds 3%
Global Equity -14%	US Equity -22%	Global Sovereign Bonds 2%	Global Sovereign Bonds 4%	Global Investment Grade Bonds 4%	Global Sovereign Bonds 2%	Global High Yield Bonds 2%	Emerging Market Equity -46%	Global Sovereign Bonds 3%	Global Sovereign Bonds 5%	Emerging Market Equity -13%	Cash 0%	Global Sovereign Bonds -1%	Cash 0%	Emerging Market Equity -6%	Hedge Funds 1%
Commodities -20%	Global Equity -24%	Cash 1%	Cash 1%	Cash 3%	Commodities 2%	Property -7%	Property -48%	Cash 1%	Cash 0%	Commodities -13%	Commodities -1%	Commodities -10%	Commodities -17%	Commodities -25%	Cash 1%

## So how can Selftrade help...?

- ❑ The Selftrade best 100 ETFs or ... rising stars
- ❑ Analysis conducted by ITI Group using factors such as liquidity, volume, costs, spreads
- ❑ Concise understandable names and categories making it easier to find
- ❑ Alerts for ETFs not doing what they should!!
- ❑ Matching service to compare a mutual fund to a lower cost alternative ETF
- ❑ Suite of risk adjusted ETF portfolios



## In conclusion...

- ❑ More people are investing than ever before and taking control of their financial lives
- ❑ The growth of ETFs in the USA is a strong indication of the future here in the UK – ETFs will expose the closet tracking mutual funds
- ❑ At Selftrade – we are launching the tools that investors need to build their own low cost ETF portfolios





# Thanks for your time and enjoy the show

## Meet the Selftrade team at stand 64-65

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